

John R. Ulrich, Jr., and family, Mrs. H. R. Crlakshank, Mrs. John R. Ulrich, Sr., Elva Ruiz, Ken Rogers, Louis W. Libscomb, Robert Stem, W. A. Weillbacher, Col. Robert C. DuBose, Dr. Russell T. Snip, Mrs. Roy Chambers, Miss Byrne Jones, Net Goodyear, Midshipman 3/c James N. Higdon, Robert Garcia, Carlos F. Brunet, Arthur A. Seeligson, Martin Goland, Mr. and Mrs. A. Belous and Alice, Joel and David Berry, Freddy, Miss Gloria Ortiz, Mr. and Mrs. George Ortiz, Mrs. C. H. Grasso and Randy, LeRoy K. Heildbreder, Mrs. H. F. Adler and Max, Mrs. Leona Pappas, H. T. Kramer, Charles J. Thiess, Jr., Judy Marcus, Raymond B. Ochoa, Rev. Arnold Anders, Mrs. Sam K. Reed and family, Mrs. Annie M. Sanchez and son, Mr. and Mrs. Tom Gish and Marijane, Dr. and Mrs. Charles Hodges, Lucille Benton, Miss Jerry Benton, David Jockrusch, Frank B. Lammons, Mr. and Mrs. Cecil M. Dawson, Alice Cerda, Mr. and Mrs. Bill Sinkin, Mr. and Mrs. D. H. Mebane, G. Torres, Robert E. Pugwand family, San Sinkin and family, Tammy Tiner, Mr. and Mrs. M. C. Maese and family, Louis Engelke, Tom Taylor, Mrs. J. Loustaunau, and Mrs. Lorraine Morton.

A DOUBLE WIN

May 22 was National Maritime Day and it was particularly significant to our area

this year because San Antonio had two winners in the National Maritime Poster Contest.

Above, I am pictured with the two posters (not printed in the Record) submitted by Richard C. Heldt, Jr., who graduated last month from Luther Burbank High School, Jesse Trevino, who will be a senior at Fox Tech High School this fall. Mr. Heldt's poster placed third. His instructor was Jim Dulin. Mr. Trevino was a fourth place winner and his instructor was K. Alsup. This is the third consecutive year for one of Mr. Alsup's students to place among the top 53 winners in the Nation (there was a total of 8,500 entries this year). Benjamin Juarez, former Tech student, received honorable mention in 1962 and placed fourth in 1963.

ARMY-AIR FORCE WAGE SURVEY

The Army-Air Force Wage Board told me June 18 that they have started a survey of wages paid in the San Antonio area.

The results of the survey will be used as a basis for setting pay of hourly workers at San Antonio military installations (about 25,000 workers).

For some time now I have attacked the wage rates paid San Antonio workers as often San Antonians are paid 20- to 30-percent less than their counterparts in the Corpus

Christi area. I hope that this survey will result in erasing some of the inequities of the differentials now paid.

TWO AT CORPS JOBS

The latest two Peace Corps volunteers from San Antonio to depart for their assignments this month are Miss Marguerite M. Kivlin, 56, for India, and Roy K. Cox, 25, for Ecuador.

Miss Kivlin, who will work as a secretary in agricultural extension program with which the volunteers will assist in the state of Maharashtra in west central India, has previously made her home with her sister, Mrs. John Dunsmore, 115 West Rosewood Avenue.

Mr. Cox is the son of R. K. Cox, Sr., 8515 Sagebrush Lane, and will teach biology in a small secondary school in Ecuador in order to help improve classroom instruction.

The Peace Corps reports that nearly 6,500 volunteers are now at work in 45 countries of Africa, Asia, and Latin America, and that requests for additional volunteers are received daily. Plans are being made to train up to 5,000 more volunteers this summer and 1,200 this fall. Applicants interested in the fall or subsequent training programs are urged to submit their questionnaires now and take the next nationwide placement test on August 8.

SENATE

TUESDAY, JUNE 30, 1964

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

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

Eternal Spirit, high over all, blessed forever, whose dwelling is the light of setting suns, the round ocean, the living air, the blue sky, and in the minds of man: We lift our hearts to Thee who makest Thyself known to us in the stillness. Even as we come to the altar of prayer, our minds are plagued with questions we cannot answer as to how humanity, with the dread secrets of nature in its fumbling hands, can learn to live on this planet in peace and security.

O God, the answers for which we gropingly seek in the darkness of our devices are hidden in Thy heart. Nourish within us, we pray, a divine discontent that we may be restless and unsatisfied among the things that spoil the music of our common humanity. Amid all the distractions of this complicated, modern life of ours, keep our hearts childlike and trustful, that the gates of the kingdom of meekness, closed to the merely clever and conceited, may be opened unto us as we come in the simplicity as it is in Christ Jesus, our Lord. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 29, 1964, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were communicated

to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 29, 1964, the President had approved and signed the act (S. 1828) to amend the joint resolution establishing the Battle of Lake Erie Sesquicentennial Celebration Commission so as to authorize an appropriation to carry out the provisions thereof.

REPORT OF OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT

THE ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on the Judiciary:

To the Congress of the United States:

I am sending for the information of the Congress, the Annual Report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1963.

LYNDON B. JOHNSON.

THE WHITE HOUSE, June 30, 1964.

EXCHANGE OF INFORMATION CONCERNING ATOMIC ENERGY WITH NATO—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States with a secret document, which was referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

On May 16, 1964, the Secretary of Defense and the Chairman of the Atomic Energy Commission, jointly recommended to me, with the concurrence of the Secretary of State, a proposed new agreement to provide for cooperation in the exchange of atomic information with

the North Atlantic Treaty Organization and its member nations.

The new agreement will supersede an existing agreement executed in 1955, and will do two things:

(a) It will extend the types of information which we can exchange with NATO. This expanded area of information is needed to enable our Allies to make effective use of nuclear delivery system being provided them by the United States under bilateral procedures and agreements following creation of NATO atomic stockpiles in 1957.

(b) It will permit NATO member countries to share in information which the United States has hitherto been exchanging only with the NATO organization itself under the 1955 agreement. This will make these countries' role in alliance planning in the nuclear field more effective.

This new agreement thus represents a logical and useful step in our continuing and varied efforts to insure wider Allied participation in NATO nuclear defense. Such wider participation is necessary on both military and political grounds. It is needed to enhance the effectiveness of NATO defense. On political grounds, it is needed to reinforce NATO cohesion by meeting our Allies' legitimate desire to make a constructive contribution to nuclear defense.

Therefore, I have authorized the Secretary of State to execute this new agreement between the Government of the United States and the North Atlantic Treaty Organization and its member nations to provide for the cooperation relevant to the exchange of atomic information for NATO planning purposes.

In accordance with the Atomic Energy Act of 1954, as amended, I am submitting to each House of the Congress an authoritative copy of the signed agreement, together with a letter from the Secretary of State, a copy of the joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of the agree-

ment, and a copy of my approval memorandum.

LYNDON B. JOHNSON.
THE WHITE HOUSE, June 30, 1964.

EXECUTIVE MESSAGES REFERRED

As in executive session,
The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

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. 98. An act to amend the Internal Revenue Code of 1954 with respect to exportation of imported distilled spirits, wines, and beer;

H.R. 2509. An act to authorize Reserve officers to combine service in more than one reserve component in computing the 4 years of satisfactory Federal service necessary to qualify for the uniform maintenance allowance;

H.R. 4649. An act to amend the Internal Revenue Code of 1954 to authorize the use of certain volatile fruit-flavor concentrates in the cellar treatment of wine;

H.R. 4844. An act relating to the release of liability under bonds filed under section 44(d) of the Internal Revenue Code of 1939 with respect to certain installment obligations transmitted at death;

H.R. 5739. An act to amend the Internal Revenue Code of 1954 to correct certain inequities with respect to the taxation of life insurance companies;

H.R. 6299. An act to authorize the Secretary of the Navy, to produce and sell crude oil from the Umiat field, Naval Petroleum Reserve No. 4, for the purpose of making local fuel available for use in connection with the drilling, mechanical, and heating operations of those involved in oil and gas exploration and development work in the nearby areas outside Naval Petroleum Reserve No. 4, and for other purposes;

H.R. 7267. An act to amend the Internal Revenue Code of 1954 to authorize refunds of gasoline taxes directly to aerial applicators with respect to gasoline used by them in providing services to farmers in farming operations;

H.R. 7301. An act to amend section 341 of the Internal Revenue Code of 1954;

H.R. 7307. An act to amend the Internal Revenue Code of 1954 with respect to the apportionment of the depletion allowance between parties to certain contracts for the extraction of minerals (other than oil or gas);

H.R. 8676. An act to amend section 2634 of title 10, United States Code, so as to authorize the military departments, in certain cases, to ship automobiles to and from the State of Alaska by commercial motor carrier via highways and the Alaska ferry system;

H.R. 9634. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1965 Girl Scouts senior roundup encampment, and for other purposes; and

H.R. 19467. An act to continue for a temporary period certain existing rules relating to the deductibility of accrued vacation pay.

HOUSE BILLS REFERRED

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

H.R. 98. An act to amend the Internal Revenue Code of 1954 with respect to exportation of imported distilled spirits, wines, and beer;

H.R. 4649. An act to amend the Internal Revenue Code of 1954 to authorize the use of certain volatile fruit-flavor concentrates in the cellar treatment of wine;

H.R. 4844. An act relating to the release of liability under bonds filed under section 44(d) of the Internal Revenue Code of 1939 with respect to certain installment obligations transmitted at death;

H.R. 5739. An act to amend the Internal Revenue Code of 1954 to correct certain inequities with respect to the taxation of life insurance companies;

H.R. 7267. An act to amend the Internal Revenue Code of 1954 to authorize refunds of gasoline taxes directly to aerial applicators with respect to gasoline used by them in providing services to farmers in farming operations;

H.R. 7301. An act to amend section 341 of the Internal Revenue Code of 1954;

H.R. 7307. An act to amend the Internal Revenue Code of 1954 with respect to the apportionment of the depletion allowance between parties to certain contracts for the extraction of minerals (other than oil or gas); and

H.R. 10467. An act to continue for a temporary period certain existing rules relating to the deductibility of accrued vacation pay; to the Committee on Finance.

H.R. 2509. An act to authorize Reserve officers to combine service in more than one Reserve component in computing the 4 years of satisfactory Federal service necessary to qualify for the uniform maintenance allowance;

H.R. 6299. An act to authorize the Secretary of the Navy, to produce and sell crude oil from the Umiat field, Naval Petroleum Reserve No. 4, for the purpose of making local fuel available for use in connection with the drilling, mechanical, and heating operations of those involved in oil and gas exploration and development work in the nearby areas outside Naval Petroleum Reserve No. 4, and for other purposes;

H.R. 8676. An act to amend section 2634 of title 10, United States Code, so as to authorize the military departments, in certain cases, to ship automobiles to and from the State of Alaska by commercial motor carrier via highways and the Alaska ferry systems; and

H.R. 9634. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1965 Girl Scouts senior roundup encampment, and for other purposes; to the Committee on Armed Services.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements during the morning hour be limited to 3 minutes.

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

AUTHORIZATION TO RECEIVE MESSAGES AND SIGN BILLS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, notwithstanding the adjournment or recess of the Senate today, the Secretary may receive

messages from the House and that the President pro tempore or the Acting President pro tempore be authorized to sign bills and joint resolutions duly passed by the two Houses and found truly enrolled.

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

AUTHORIZATION TO RECEIVE REPORTS FROM COMMITTEES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that reports from committees may be received until midnight tonight.

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

COMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration may be permitted to meet during the sessions of the Senate today and tomorrow.

Mr. KUCHEL. Mr. President, reserving the right to object, it is my understanding that the minority has cleared a meeting with the Rules Committee of the House today.

Will the able Senator from Montana restrict his request to today's meeting?

Mr. MANSFIELD. I shall be glad to do so. Mr. President, I modify my request accordingly, and ask unanimous consent that the Committee on Rules and Administration may be permitted to meet during the session of the Senate today.

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

EXTENSION OF TIME FOR FILING OF REPORT BY GOVERNMENT OPERATIONS COMMITTEE

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the time for the Government Operations Committee to file a report by the Senate Permanent Subcommittee on Investigations be extended until September 30, 1964.

This subcommittee completed its hearings concerning the Department of Agriculture and its relationships with Billie Sol Estes last fall. A draft of the report has been in the hands of committee members for a substantial length of time. However, some of the committee members have not yet been able to complete their deliberations.

For this reason I ask unanimous consent that the time for filing this report be extended to September 30, 1964.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON APPROVAL OF LOAN TO COLORADO-UTE ELECTRIC ASSOCIATION, INC., MONTROSE, COLO.

A letter from the Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law,

on the approval of a loan to the Colorado-Ute Electric Association, Inc., of Montrose, Colo., in the amount of \$5,352,000, to finance certain transmission and minor generation facilities (with accompanying papers); to the Committee on Appropriations.

REPORT ON APPROVAL OF LOAN TO GOLDEN VALLEY ELECTRIC ASSOCIATION, INC., FAIRBANKS, ALASKA

A letter from the Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, on the approval of a loan to the Golden Valley Electric Association, Inc., of Fairbanks, Alaska, in the amount of \$18,930,000, for the financing of certain generation and transmission facilities (with accompanying papers); to the Committee on Appropriations.

ENCOURAGEMENT AND FACILITATION OF DETAILS AND TRANSFERS OF CERTAIN FEDERAL EMPLOYEES

A letter from the Secretary of State, transmitting a draft of proposed legislation to encourage and facilitate details and transfers of Federal employees for service with international organizations (with accompanying papers); to the Committee on Foreign Relations.

SUPPLEMENTARY REPORT ON DEFICIENCIES IN ADMINISTRATION OF EARTHQUAKE RECONSTRUCTION AND REHABILITATION PROGRAM FOR CHILE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a confidential supplementary report on deficiencies in administration of the earthquake reconstruction and rehabilitation program for Chile, Agency for International Development, Department of State (with an accompanying report); to the Committee on Government Operations.

REPORT ON DEFICIENCIES IN ADMINISTRATION OF THE EARTHQUAKE RECONSTRUCTION AND REHABILITATION PROGRAM FOR CHILE, AGENCY FOR INTERNATIONAL DEVELOPMENT

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on deficiencies in administration of the earthquake reconstruction and rehabilitation program for Chile, Agency for International Development, Department of State, dated June 1964 (with an accompanying report); to the Committee on Government Operations.

REPORT ON UNNECESSARY COSTS INCURRED IN PROCUREMENT OF CERTAIN AIRCRAFT ENGINE RING AND VANE ASSEMBLIES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on unnecessary costs incurred in the procurement of aircraft engine ring and vane assemblies from the Allison Division of General Motors Corp., Department of the Navy, dated June 1964 (with an accompanying report); to the Committee on Government Operations.

REPORT ON UNNECESSARY COSTS TO THE GOVERNMENT IN LEASING OF CERTAIN ELECTRONIC DATA PROCESSING SYSTEMS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on unnecessary costs to the Government in leasing of electronic data processing systems by the Goodyear Aerospace Corp., Akron, Ohio, Department of Defense, dated June 1964 (with an accompanying report); to the Committee on Government Operations.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

A resolution of the House of Representatives of the State of Pennsylvania;

to the Committee on Interior and Insular Affairs:

"HOUSE RESOLUTION 57

"Whereas by treaty dated November 11, 1794, and ratified January 21, 1795, between the United States of America and the tribes of Indians called the Six Nations of which the Seneca Tribe was a member provided:

"Now the United States acknowledges all the land within the aforementioned boundaries to be the property of the Seneca Nation; and the United States will never claim the same, nor disturb the Seneca Nation, nor any of the Six Nations or of their Indian friends residing thereon and united with them, in the full use and enjoyment thereof; but it shall remain theirs until they choose to sell the same to the people of the United States who have the right to purchase; and

"Whereas the Kinzua Dam project on the Allegheny River will dispossess some of the Indians located within the boundaries as described in the aforesaid treaty; and

"Whereas eviction notices have been served upon the Indians residing within the high water mark of the reservoir that will be created by the Kinzua Dam; and

"Whereas bills have been introduced in Congress, principally H.R. 1794, to provide funds for damages direct and indirect, and for a rehabilitation fund for the purpose of improving the economic, social, and educational conditions of said Indians; and

"Whereas said bill has passed the House, amended in the Senate, and is now in conference committee; and

"Whereas the Seneca Indians who have received eviction notices are in dire need of help and assistance for moving and transfer to new locations: Therefore be it

Resolved, That the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania memorialize the Congress of the United States to hasten the final passage of the legislation now pending before it in Conference Committee to provide the necessary funds for the Seneca Indians; and be it further

Resolved, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, and to each Member of the Congress from this State."

A resolution of the Senate of the Legislature of the State of New Jersey; to the Committee on the Judiciary:

"SENATE RESOLUTION 4

"A senate resolution memorializing the Congress of the United States to propose an amendment to the Constitution of the United States of America to restore to the citizens of the several States their sovereign right to determine the form and the manner of their legislative representation in State government

"Whereas the Supreme Court of the United States by its recent decisions has held that 'the equal protection clause' of the 14th amendment to the Constitution of the United States requires every State to structure its legislature so that all members of each house represent substantially the same number of people; and

"Whereas the history of the adoption of the 14th amendment provides conclusive evidence that neither those who proposed nor those who ratified the amendment believed that the 'equal protection clause' limited the power of the States to apportion their legislatures as they saw fit; and

"Whereas one of the basic concepts of the bicameral legislative system is to insure territorial representation of the people in addition to their representation based solely on numbers; and

"Whereas the Supreme Court of the United States, in said recent decisions, by a divided vote, has, in fact, effected an amendment to the Constitution of the United States in der-

ogation of the accepted and legal mode of amending said Constitution; and

"Whereas said decisions destroy State constitutional provisions which have been effective as the supreme law of several of our States from the very inception of our Federal system and which were primarily and intentionally designed to afford a system of checks and balances in State legislative representation: Now, therefore, be it

Resolved by the Senate of the State of New Jersey:

"1. The Congress of the United States is memorialized to take such action as may be required to insure that the judicial power of the United States shall not extend to or be construed to extend to any suit in law or equity commenced or prosecuted to invalidate or to challenge the validity of any provision of any State constitution or State law with respect to the composition of either or both houses of any bicameral State legislature or to the manner or method of choosing or selecting the members of said houses of the State legislature in any case where representation in one of said houses is reasonably and rationally apportioned on a population basis and representation in the other is based upon regional and local values as the State deems to be appropriate.

"2. A duly attested copy of this resolution be transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, the Senators from New Jersey and to each Member of the House of Representatives of the United States elected from New Jersey."

"I hereby certify that the above is a true and correct copy of a resolution adopted by the senate.

"HENRY H. PATTERSON,
"Secretary of the Senate."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 2164. A bill for the relief of Polly Ann Mutz Kampouris (Rept. No. 1136);

S. 2452. A bill for the relief of Angelina Martino (Rept. No. 1137);

S. 2548. A bill for the relief of Nora Ching (Rept. No. 1138);

S. 2599. A bill for the relief of Denise Hojebane Barrood (Rept. No. 1139);

H.R. 2735. An act for the relief of Ligia Paulina Jimenez (Rept. No. 1140);

H.R. 2737. An act for the relief of Pedro Aguinaldo (Rept. No. 1141);

H.R. 5408. An act for the relief of Jackie Bergancia Smith (Rept. No. 1142);

H.R. 5501. An act for the relief of Wieslawa Marianna Borczon (Rept. No. 1143);

H.R. 6385. An act for the relief of Wolfgang Seidl (Rept. No. 1144);

H.R. 10407. An act for the relief of Keith Hills (Rept. No. 1145); and

H.J. Res. 950. Joint resolution granting the consent of Congress to an amendment to the compact between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake (Rept. No. 1146).

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

S. 2673. A bill for the relief of Debra Lynne Sanders (Rept. No. 1129);

S. 2698. A bill for the relief of Linus Han (Rept. No. 1130); and

S. 2730. A bill for the relief of Dr. Jorge A. Picaza (Rept. No. 1131).

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

S. 2205. A bill for the relief of Giuseppe DiCenso (Rept. No. 1132).

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

H.R. 394. An act to amend sections 1, 17a, 57j, 64a(5), 67(b), 67c, and 70c of the Bank-

ruptcy Act, and for other purposes (Rept. No. 1133); and

H.R. 3438. An act to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy (Rept. No. 1134).

By Mr. LONG of Missouri, from the Committee on the Judiciary, without amendment:

H.R. 6473. An act for the relief of Mr. and Mrs. Loward D. Sparks (Rept. No. 1135).

AMENDMENT OF ATOMIC ENERGY, ATOMIC ENERGY COMMUNITY, AND EURATOM COOPERATION ACTS—REPORT OF A COMMITTEE (REPT. NO. 1128)

Mr. PASTORE, from the Joint Committee on Atomic Energy, reported an original bill (S. 2963) to amend the Atomic Energy Act of 1954, as amended, the Atomic Energy Community Act of 1955, as amended, and the EURATOM Cooperation Act of 1958, as amended, and submitted a report thereon, which report was ordered to be printed, and the bill was read twice by its title, and placed on the calendar.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Gen. Maxwell D. Taylor, U.S. Army, retired, of Missouri, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Vietnam;

Sam P. Gilstrap, of Oklahoma, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Malawi; and

U. Alexis Johnson, of California, to be promoted from the class of career minister to the class of career ambassador.

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

Dorwin W. Suttle, of Texas, to be U.S. district judge for the western district of Texas;

Walter Ely, of California, to be U.S. circuit judge, ninth circuit.

Leonard L. Sells, of Virginia, to be a member of the Subversive Activities Control Board for the remainder of the term expiring August 9, 1964; and

Leonard L. Sells, of Virginia, to be a member of the Subversive Activities Control Board for a term of 5 years expiring August 9, 1969.

By Mr. HART, from the Committee on the Judiciary:

Spottswood W. Robinson III, of the District of Columbia, to be U.S. district judge for the District of Columbia.

By Mr. KEATING, from the Committee on the Judiciary:

Edmund Port, of New York, to be U.S. district judge for the northern district of New York.

BILLS INTRODUCED

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

By Mr. MANSFIELD (for himself and Mr. METCALF):

S. 2961. A bill to provide for the disposition of the judgment funds on deposit to the credit of the Northern Cheyenne Tribe of the Tongue River Indian Reservation, Mont.; to

the Committee on Interior and Insular Affairs.

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

By Mr. CURTIS:

S. 2962. A bill for the relief of Miss Choun Seem Kim; to the Committee on the Judiciary.

By Mr. PASTORE:

S. 2963. A bill to amend the Atomic Energy Act of 1954, as amended, the Atomic Energy Community Act of 1955, as amended, and the EURATOM Cooperation Act of 1958, as amended; placed on the calendar.

(See the reference to the above bill, which appears under the heading "Reports of Committees.")

By Mr. BURDICK:

S. 2964. A bill for the relief of the Swanton Equipment Co.; to the Committee on the Judiciary.

By Mr. PROXMIER:

S. 2965. A bill for the relief of Jonas Archiquette; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey:

S. 2966. A bill for the relief of Maria Nessim Djeddah De Ades; to the Committee on the Judiciary.

DISTRIBUTION OF FUNDS ARISING FROM JUDGMENT IN FAVOR OF NORTHERN CHEYENNE INDIAN TRIBE

Mr. MANSFIELD. Mr. President, my distinguished colleague, the junior Senator from Montana, LEE METCALF and I have sent to the desk a bill providing for the disposition of funds arising from a judgment in favor of the Northern Cheyenne Indian Tribe recently awarded by the Indian Claims Commission.

It is quite important that this legislation receive expeditious consideration so that the Northern Cheyenne Tribe can proceed to program the distribution of these funds for the benefit of the individuals and the development of the reservation.

Mr. President, I ask unanimous consent to have a statement from the Department of the Interior printed at the conclusion of these brief remarks in the CONGRESSIONAL RECORD.

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

The bill (S. 2961) to provide for the disposition of the judgment funds on deposit to the credit of the Northern Cheyenne Tribe of the Tongue River Indian Reservation, Mont., introduced by Mr. MANSFIELD (for himself and Mr. METCALF), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The statement from the Department of the Interior is as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 19, 1964.

HON. CARL HAYDEN,
President pro tempore,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT PRO TEMPORE: Enclosed is a draft of a proposed bill to provide for the disposition of funds arising from a judgment in favor of the Northern Cheyenne Indian Tribe awarded by the Indian Claims Commission in docket 329-C.

We recommended that the bill be referred to the appropriate committee for considera-

tion and we recommend that the bill be enacted.

A final judgment was entered by the Indian Claims Commission on November 27, 1963, in the amount of \$4,360,886.19 to the Northern Cheyenne Indian Tribe of the Tongue River Reservation in Montana.

This sum was determined as a result of an order of November 13, 1962, amending the amended interlocutory order of August 6, 1962. By this order of November 27, 1963, and as a result of an agreement by the petitioner tribes in docket No. 329 and docket No. 348 any recovery from the United States will be dependent upon relative populations of the beneficiary tribes as of November 14, 1958, viz: Southern Cheyenne-Arapaho at 50.61 percent, Northern Cheyenne at 25.32 percent, and Northern Arapaho at 24.07 percent. It further stated that the determination of offsets chargeable to each respectively shall be separately determined and judgments entered separately in favor of each of the said tribes. The docket number assigned to the Northern Cheyenne Tribe was docket No. 329-C.

The Northern Cheyenne Tribe of the Tongue River Reservation in Montana is a successor tribal entity in fact to the Northern Cheyenne Tribe of Indians as recognized in the Fort Laramie Treaty of September 17, 1851. The Northern Cheyenne Tribe of the Tongue River Reservation was organized with a constitution and bylaws approved on November 23, 1935, pursuant to the provisions of the fact of June 18, 1934 (48 Stat. 984). An amended constitution and bylaws was approved on July 8, 1960.

The proposed legislation permits the Northern Cheyenne, subject to the approval of the Secretary, to decide precisely how they will program their judgment funds.

Early in the fall of 1963 the Northern Cheyenne Tribal Council initiated reservation district meetings to alert the membership toward planned use of the tribe's judgment funds. From a consensus of the wishes and desires of the membership, the tribal council and the tribal planning committee, with technical assistance by the Bureau, formulated a program for the tribe. The program was presented to the Northern Cheyenne people at subsequent district meetings and received unanimous approval.

In broad outline the tribe's program favors employment of the judgment funds for the purposes of developing individual and family type plans; an education program; and an economic development program. The latter includes the development of business opportunities on the reservation, industrial development, and the development of natural resources including irrigation development, range or grazing land improvement, soil and moisture conservation development, the development of forest resources, land acquisition, and recreation and tourism. The initial planning has been designed to improve the economic and social conditions of the tribal membership.

The proposed legislation will allow program flexibility looking toward permanent economic growth and development of the reservation. We concur with the principles of the tribe's program and recommend that the judgment funds be made available to the tribe for more detailed planning as proposed in the enclosed bill.

The Bureau of the Budget has advised us that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

D. OTIS BEASLEY,
Assistant Secretary of the Interior.

AGRICULTURE DEPARTMENT APPROPRIATION BILL, 1965—AMENDMENT (AMENDMENT NO. 1082)

Mr. JOHNSTON. Mr. President, I submit an amendment, intended to be

proposed by me, to the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes, and ask that it be printed and appropriately referred. I ask unanimous consent to have printed in the RECORD a letter from R. V. Segars, addressed to me, and requesting the proposed amendment.

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

The amendment was referred to the Committee on Appropriations.

The letter and amendment presented by Mr. JOHNSTON are as follows:

WOODROW, S.C., June 24, 1964.

Senator OLIN D. JOHNSTON,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR JOHNSTON: It was good to talk to you over the telephone this week and in your absence talked to Tom Chadwick about a problem that the cotton farmers are facing. All of us in South Carolina are proud of you for the way you fought the civil rights bill and I know that you were disappointed to see it pass.

We missed you at our reception but we certainly understood your not being there and we appreciated very much your sending Tom and Bob. It was a pleasure to have them both.

I called your office earlier this week and in your absence talked to Tom Chadwick about a problem that the cotton farmers are facing.

The Department of Agriculture has added another factor called micronaire reading in addition to the classification of grade and staple for establishing the value of cotton in the loan. It is their intention to charge the farmers 6 cents per bale for this service. We feel that the Government should not place any more expense on the farmer and I am sure you agree.

Briefly this cost could be removed from the farmers by obtaining an amendment to H.R. 11202 now pending before the Senate Committee on Appropriations, to provide an increase in funds and authorize usage of them to provide micronaire readings without charge to farmers, in the section of the bill having to do with Agricultural Marketing Service. The suggested language of such an amendment is attached hereto.

Senators from other cotton States are being contacted by their constituents along these same lines.

We would certainly appreciate your help on this matter and we hope that the cotton farmers can be spared any more loss of income.

With kindest personal regards.

Yours very truly,

RAY V. SEGARS, Jr.

ENCLOSURE TO SENATOR OLIN D. JOHNSTON,
JUNE 24, 1964

"On page 14, line 12 (of H.R. 11202 as printed and before the committee) delete '\$39,389,000' and insert in lieu thereof: '\$39,989,000: Provided, That on and after July 1, 1964, appropriations available for classing or grading cotton without charge to producers thereof shall be available for providing micronaire readings on cotton without charge to producers thereof; and hereafter there may be transferred to any such appropriation such sums from non-administrative funds of the Commodity Credit Corporation as may be necessary for providing such micronaire readings in addition to other funds available for this purpose, such transfer, except for the cost of micronaire readings on cotton in which producers have

obtained Commodity Credit Corporation price support, to be reimbursed from subsequent appropriations therefor."

ADJUSTMENT OF RATES OF BASIC COMPENSATION OF CERTAIN OFFICERS AND EMPLOYEES—AMENDMENTS (AMENDMENT NO. 1081)

Mr. LAUSCHE. Mr. President, I send to the desk an amendment to the pay raise bill, H.R. 11049. This amendment deals with the pension on retirement pay that Members of Congress receive.

Under existing law, the annual payment is predicated upon the average salaries of the 5 highest years of pay.

My amendment would change that requirement that the base be the 5 highest years, and would make the base the average pay of Members of Congress through the years which they have served.

Mr. President, I send the amendment to the desk and ask that it be printed.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the table.

Mr. CLARK. On behalf of Senators HART, CASE, NEUBERGER, and myself, I send an amendment to the desk and ask that it be printed. We intend to offer this amendment to the amendment proposed by the Senator from New York [Mr. KEATING] to H.R. 11049, an act to adjust and raise the basic compensation of Federal officers and employees in the Federal Government, and for other purposes.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. CLARK. Mr. President, I ask unanimous consent that a copy of the amendment may be printed in the CONGRESSIONAL RECORD at this point in my remarks.

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

The amendment (No. 1083) is as follows:

At the end of the bill insert the following new title:

"TITLE VI—INTEGRITY IN GOVERNMENT

"SEC. 601. (a) Each Member of the Senate and the House of Representatives (including the Resident Commissioner), each civil or military officer and each employee of the executive or legislative branch of the Government of the United States or any department or agency thereof who is compensated at a rate in excess of \$15,000 per annum shall file annually, and each individual who is a candidate of a political party in a general election for the office of Senator or Representative, or Resident Commissioner in the House of Representatives but who, at the time he becomes a candidate does not occupy any such office, shall file within one month after he becomes a candidate for such office, with the Comptroller General a report containing a full and complete statement of—

"(1) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts from any relative or his spouse) received by him or by him and his spouse jointly during the preceding calendar

year which exceeds \$100 in amount or value; including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him in kind;

"(2) the value of each asset held by him, or by him and his spouse jointly, and the amount of each liability owned by him, or by him and his spouse jointly, as of the close of the preceding calendar year;

"(3) all dealings in securities or commodities by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year; and

"(4) all purchases and sales of real property or any interest therein by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year.

"(b) Except as hereinbefore provided, reports required by this section (other than reports so required by candidates of political parties) shall be filed not later than April 30 of each year. In the case of any person who ceases, prior to such date in any year, to occupy the office or position the occupancy of which imposes upon him the reporting requirements contained in subsection (a) shall file such report on the last day he occupies such office or position, or on such later date, not more than three months after such last day, as the Comptroller General may prescribe.

"(c) Reports required by this section shall be in such form and detail as the Comptroller General may prescribe. The Comptroller General may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, and purchases and sales of real property, when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities and commodities, or purchases and sales of real property of any individual.

"(d) Each report required by this section shall be made under penalty for perjury. Any person who willfully fails to file a report required by this section, or who knowingly and willfully files a false report under this section, shall be fined \$2,000 or imprisoned for not more than five years, or both.

"(e) All reports filed under this section shall be maintained by the Comptroller General as public records which, under such reasonable regulations as he shall prescribe, shall be available for inspection by members of the public.

"(f) For the purposes of any report required by this section, a individual shall be considered to have been a Member of the Senate or House of Representatives, a Resident Commissioner, or an officer or employee of the executive or legislative branch of the Government of the United States or any department or agency thereof, during any calendar year if he served in any such position for more than six months during such calendar year.

"(g) As used in this section—

"(1) The term 'income' means gross income as defined in section 61 of the Internal Revenue Code of 1954.

"(2) The term 'security' means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b).

"(3) The term 'commodity' means commodity as defined in section 2 of the Commodity Exchange Act, as amended (7 U.S.C. 2).

"(4) The term 'dealings in securities or commodities' means any acquisition, holding, withholding, use, transfer, disposition, or

other transaction involving any security or commodity.

"SEC. 602. Section 5 of the Administrative Procedure Act (5 U.S.C. 1004) is amended by inserting at the end thereof the following new subsection:

"(e) Communications to agency: All written communications and memoranda stating the circumstances, source, and substance of all oral communications made to the agency, or any officer or employee thereof, with respect to such case by any person who is not an officer or employee of the agency shall be made a part of the public record of such case. This subsection shall not apply to communications to any officer, employee, or agent of the agency engaged in the performance of investigative or prosecuting functions for the agency with respect to such case."

"SEC. 603. (a) (1) There is hereby authorized to be established a Commission to be known as the 'Commission on Legislative Standards' (hereinafter referred to as the 'Commission') which shall be composed of four members to be appointed by the President pro tempore of the Senate and four members to be appointed by the Speaker of the House of Representatives.

"(2) The members shall be citizens of the United States (A) who are interested in good government and who by reason of professional training and experience are peculiarly qualified to carry out the duties of the Commission, and (B) who hold no elective or party office or position.

"(3) The Commission shall select a Chairman and a Vice Chairman from among its members and shall establish rules for its procedure.

"(4) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"(5) The members of the Commission shall each receive \$50 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"(b) Five members of the Commission shall constitute a quorum.

"(c) (1) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

"(2) The Commission is authorized without regard to any other provision of law to reimburse employees, experts, and consultants for travel, subsistence, and other necessary expenses incurred by them in the performance of their official duties and to make reasonable advances to such persons for such purposes.

"(d) The Commission shall conduct a thorough study of problems of conflicts of interest and of relations with executive and other agencies which confront Members of Congress with a view to devising and recommending measures and procedures to deal with such problems.

"(e) (1) The Commission or any duly authorized subcommittee thereof may, for the purposes of carrying out the provisions of this section, hold such hearings and sit and act at such times and places, administer such oaths, and require by subpoena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee may deem advisable. Subpoenas may be issued under the signature of the Chairman of the Commission, or the chairman of any such subcommittee (with the approval of a majority of the members thereof), and may be served by any person designated by the Chairman of the Commission or the chairman of any such subcom-

mittee. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U.S.C., title 2, secs. 192-194), shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this subsection.

"(2) The Commission may authorize the Chairman to make the expenditures herein authorized and such other expenditures as the Commission may deem advisable. When the Commission ceases its activities it shall submit to the Appropriations Committees of the Senate and the House of Representatives a statement of its fiscal transactions properly audited by the Comptroller General of the United States.

"(3) The Commission is authorized to secure from any department, agency, independent instrumentality of the Government or congressional committee any information it deems necessary to carry out its functions under this section; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the Chairman of the Commission.

"(f) The Commission shall submit a final report of its activities and the results of its studies and investigations, together with such legislative recommendations as it may deem advisable, to the Congress not later than January 30, 1965, at which time the Commission shall cease to exist.

"(g) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section."

Mr. CLARK. This is the Case-Clark-Neuberger bill, S. 1261, rewritten as an amendment to the pay bill. It requires disclosure by Senators and all members of the executive branch, employees and officers of the Senate and of the House, and Members of the Congress, of their assets, securities, and real property transactions. It requires ex parte communications to regulatory agencies to be made a part of the public record. And it sets up a committee on legislative standards, consisting of four Members of the Senate and four Members of the House, to conduct a study of legislative conflicts of interest of employees of the legislative and executive branches.

AMENDMENT NO. 1084

Mr. PROXMIRE. Mr. President, I submit an amendment to H.R. 11049, the Federal pay bill. The amendment eliminates the proposed \$7,500 annual pay increase for Members of Congress. I ask that my amendment be printed.

The congressional pay increase is unjustified, unnecessary, and because it represents a dramatic example to the rest of the country, it could be seriously inflationary.

Members of Congress at their present \$22,500 pay level already receive more than three times the income of the average American family.

According to the U.S. Department of Commerce, the average income of the American family is \$7,200. Only about 2 percent of American families receive this.

When people are paid this handsomely in any line of work, the only convincing argument that even more should be paid is clear proof that without additional pay candidates simply cannot be recruited to do the job.

But in the case of Congress, seats are now more hotly contested than ever. It has become commonplace for candidates

for the House of Representatives and their supporters to spend \$30,000 or more in a single race.

Senate campaigns in the past few years typically cost \$250,000 and up to more than a million dollars for a lone candidate.

When candidates and their supporters are willing to spend this kind of money, how in the world can we say a lush 33½-percent increase in salary is needed to secure people willing to serve as Congressmen?

No one has seriously argued that increased pay for Members of Congress will increase the competence or integrity of those who serve in the Congress.

Can this huge increase be justified on moral grounds? Are the trials and tribulations of congressional office so cruel that Members deserve this pay increase as solace? The answer is a loud "No."

A seat in the House or Senate is the best job in the world. If we could afford it, most of us would pay to hold this job. It is challenging, exciting, and gives a marvelous opportunity open to a very tiny minority of Americans for serving country and conscience.

Very few Members are in the Congress for the money. And no one should be. We can get along on the \$22,500.

Congress has given itself as well as the rest of the country a tax cut this year. If the Member of Congress has other income, the tax saving will be even more. For the typical Member of Congress this will mean an \$800 increase in take-home pay, even if he has no other income. That should be enough.

Implied in the tax cut at the time of its passage was that Congress would keep Federal spending down. How in the world can Congress even pretend to do this, unless it starts with itself.

Can anyone seriously believe in economy if he votes himself a huge one-third increase in salary on top of a salary already three times the size of the income enjoyed by the average American family and higher than the family income enjoyed by all but 2 percent of American families?

On the other hand, the President has made a persuasive case for increasing the pay of executive and judicial Government employees.

Cabinet officers, the judiciary, the entire Federal establishment must receive pay reasonably competitive with private enterprise or the Government simply cannot hire the competence it must have to do an efficient job.

This part of the pay bill is needed and justified. I warmly favor the pay increase for Federal employees, other than Members of the Congress. I stress and repeat I do favor the pay increase for the executive branch and the judiciary.

I will do my best to get a roll call for this amendment to cut out the congressional pay increase.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

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

Mr. PROXMIRE. I yield.

Mr. LAUSCHE. Is it not a fact that in 1955 Congress increased the salaries

of Members of Congress from \$12,500 to \$22,500, an increase of 80 percent?

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. LAUSCHE. In 1955 the salaries were \$12,500. If the increase is granted, in 1965 they will be lifted to \$30,000. That means that in 9 years we will have increased our salaries by 140 percent. Is that correct?

Mr. PROXMIRE. The Senator is correct. I believe his figures are accurate. It is true, of course, that there was an expense allowance of \$2,500, which some people felt was the equivalent of salary. But the increase was astronomical, and at least 100 percent under any kind of computation.

Mr. LAUSCHE. Is it not also true that if we increase our salaries to \$30,000, we will also be making ourselves a rich grant by way of increased retirement pay for each succeeding year that we serve in the capacity of Members of Congress?

Mr. PROXMIRE. The Senator is correct. It is certainly an additional advantage, because the increased contribution that we make will be matched by the Government.

Mr. LAUSCHE. I submitted an amendment this morning which will modify the present retirement law so as to make the retirement pay dependent upon the average pay of all the years which a Member of Congress serves in Congress, instead of the five highest years. Under the proposal in the pay increase bill, at the end of 5 years I would be entitled to a pension based on a salary of \$30,000, instead of on a salary of \$22,500. In my opinion that is a very lucrative emolument, to which I am not entitled.

Mr. PROXMIRE. The Senator makes a good point.

AMENDMENT NO. 1087

Mr. MORSE. Mr. President, I send an amendment to the desk to H.R. 11049. I ask that it may be received and printed and lie on the table, and also that it may be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The amendment will be received and printed and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment, submitted by Mr. MORSE, is as follows:

On page 167, at the end of line 2, insert a new title, as follows:

"TITLE VI

"That each Member of the Senate and House of Representatives (including each Delegate and Resident Commissioner); each officer and employee of the United States who (1) receives a salary at a rate of \$10,000 or more per annum or (2) holds a position of grade GS-15 or above, and each officer in the Armed Forces of the rank of colonel, or its equivalent, and above; and each member, chairman, or other officer of the national committee of a political party shall file annually with the Comptroller General a report containing a full and complete statement of—

"(1) the amount and resources of all income and gifts (of \$100 or more in money or value, or in the case of multiple gifts from one person, aggregating \$100 or more in money or value) received by him or any

person on his behalf during the preceding calendar year;

"(2) the value of each asset held by or entrusted to him or by or to him and any other person and the amount of each liability owed by him, or by him together with any other person as to the close of the preceding year; and

"(3) the amount and source of all contributions during the preceding calendar year to any person who received anything of value on his behalf or subject to his direction or control or who, with his acquiescence, makes payments for any liability or expense incurred by him.

"Sec. 2. Each person required by the first section to file reports shall, in addition, file semiannually with the Comptroller General a report containing a full and complete statement of all dealings in securities or commodities by him, or by any person acting on his behalf or pursuant to his direction, during the preceding six-month period.

"Sec. 3. (a) Except as provided in subsection (b), the reports required by the first section of this Act shall be filed not later than March 31 of each year; and the reports required by section 2 shall be filed not later than July 31 of each year for the six-month period ending June 30 of such year, and not later than January 31 of each year for the six-month period ending December 31 of the preceding year.

"(b) In the case of any person required to file reports under this Act whose service terminates prior to the date prescribed by subsection (a) as the date for filing any report, such report shall be filed on the last day of such person's service, or on such later date, not more than three months after the termination of such service, as the Comptroller General may prescribe.

"Sec. 4. The reports required by this Act shall be in such form and detail as the Comptroller General may prescribe. The Comptroller General may provide for the grouping of items of income, sources of income, assets, liabilities, and dealings in securities or commodities, when separate itemization is not feasible or not necessary for an accurate disclosure of a person's income, net worth, or dealings in securities, and commodities.

"Sec. 5. Any person who willfully fails to file a report required by this Act or who willfully and knowingly files a false report shall be fined \$2,000 or imprisoned for not more than five years, or both.

"Sec. 6. (a) As used in this Act—

"(1) The term 'income' means gross income as defined in section 22(a) of the Internal Revenue Code.

"(2) The term 'security' means security as defined in section 2 of the Securities Act of 1933, as amended (U.S.C., title 15, sec. 77b).

"(3) The term 'commodity' means commodity as defined in section 2 of the Commodity Exchange Act, as amended (U.S.C., title 7, sec. 2).

"(4) The term 'dealings in securities or commodities' means any acquisition, holding, withholding, use, transfer, disposition, or other transaction involving any security or commodity.

"(5) The term 'person' includes an individual, partnership, trust, estate, association, corporation, or society.

"(b) For the purposes of any report required by this Act, a person shall be considered to be a Member of the Senate or House of Representatives, an officer or employee of the United States and of the armed services as described in the first section of this Act, or a member, chairman, or other officer of the national committee of a political party, if he served (with or without compensation) in any such position during the period to be covered by such report, notwithstanding that his service may have terminated prior to December 31 of such calendar year.

"Sec. 7. The Comptroller General shall have authority to issue, reissue, and amend rules and regulations governing the publication of reports, or any part of them. He shall prescribe fees to cover the cost of reproduction. In formulating such rules and regulations, he shall seek to maximize the availability of reports for purposes of informing the public and agencies and officials of the Federal and local governments, and to minimize use of such records for private purposes."

AMENDMENT NO. 1088

Mr. KEATING (for himself and Mr. JAVITS) submitted an amendment, intended to be proposed by them, jointly, to House bill 11049, the Federal employees pay bill, which was ordered to lie on the table and to be printed.

FREE IMPORTATION OF WILD ANIMALS AND WILD BIRDS—AMENDMENT (AMENDMENT NO. 1085)

Mr. CURTIS submitted an amendment, intended to be proposed by him, to the amendment (No. 465) intended to be proposed by Mr. MANSFIELD (for himself and other Senators) to the bill (H.R. 1839) to amend the Tariff Act of 1930 to provide for the free importation of wild animals and wild birds which are intended for exhibition in the United States, which was referred to the Committee on Finance and ordered to be printed.

AVAILABILITY OF CERTAIN CRITICAL MATERIALS DURING A WAR OR NATIONAL EMERGENCY—AMENDMENT (AMENDMENT NO. 1086)

Mr. METCALF submitted an amendment, intended to be proposed by him, to the bill (S. 2272) to insure the availability of certain critical materials during a war or national emergency by providing for a reserve of such materials, and for other purposes, which was referred to the Committee on Armed Services and ordered to be printed.

ADJUSTMENT OF RATES OF BASIC COMPENSATION OF CERTAIN OFFICERS AND EMPLOYEES—ADDITIONAL COSPONSOR OF AMENDMENTS

Mr. WILLIAMS of Delaware. Yesterday I submitted two amendments to the bill H.R. 11049, the Federal pay bill. I ask unanimous consent that the name of the Senator from Ohio [Mr. LAUSCHE] appear as a cosponsor of the amendments.

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

ASSISTANCE TO ELDERLY PERSONS—ADDITIONAL COSPONSOR OF BILL

Mr. McNAMARA. Mr. President, at its next printing, I ask unanimous consent that the name of the Senator from Utah [Mr. Moss] be added as cosponsor of S. 2000, the bill to provide assistance in the development of new or improved pro-

grams to help older persons through grants to the States for community planning and services for training, through research, development, or training project grants, and to establish within the Department of Health, Education, and Welfare an operating agency to be designated as the "Administration of Aging."

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 2664) to amend section 6(o) of the Universal Military Training and Service Act to provide an exemption from induction for the sole surviving son of a family whose father died as a result of military service.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 10053) to amend section 502 of the Merchant Marine Act, 1936, relating to construction differential subsidies.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11376) to provide a 1-year extension of certain excise tax rates.

ENROLLED BILLS SIGNED

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

H.R. 9876. An act to amend the Juvenile Delinquency and Youth Offenses Control Act of 1961 by extending its provisions for 2 additional years and providing for a special project and study;

H.R. 10053. An act to amend section 502 of the Merchant Marine Act, 1936, relating to construction differential subsidies; and

H.R. 10314. An act to further amend the Federal Civil Defense Act of 1950, as amended, to extend the expiration date of certain authorities, thereunder, and for other purposes.

GOVERNMENT PRINTING OFFICE CONTINUES RECORD OF EFFECTIVE SERVICE—PUBLIC PRINTER HARRISON PROPOSES RELOCATION AND CONSOLIDATION

Mr. RANDOLPH. Mr. President, 104 years ago last Tuesday, President Buchanan signed an act establishing a Government Printing Office. Almost obscured by the momentous events taking place in early March of 1861 as prolog to the Civil War, the U.S. Government Printing Office opened its doors for business. It has served the legislative, executive, and judicial branches of the Government continuously since that time. History and circumstances have demonstrated what a remarkably sound piece of business this was for our Republic.

In the first 6 months of its operation, the Government Printing Office recovered its entire purchase cost of \$135,000. Prior to 1873, the proceedings and de-

bates of the Congress were reported in abbreviated form in newspapers, printed by private firms, or contracted for from printers elected by the House and Senate who were, more often than not, different printers for each body. At the conclusion of each session, the Congress was regularly petitioned for redress of losses incurred in reproducing these proceedings. Finally, due to irregularities, delays, and excessive costs, this highly important segment of public printing was placed under the Congressional Printer, and the first CONGRESSIONAL RECORD appeared on March 5, 1873. Since that date, the Congress of the United States has been served effectively and economically by this agency.

In 1861, our Government ministered to the political, economic, and social needs of 32 million Americans. Today, we respond to the vastly expanded requirements of a population approaching 200 million. The Government Printing Office has met the challenge of a nation's government on the move. This agency now employs more than 7,000 persons and occupies a four-building complex a few short blocks from this Chamber. It leases paper-storage facilities in Franconia, Va., as well as document-storage warehouses in both Washington, D.C., and Maryland. In the past fiscal year, the Government Printing Office produced over a billion copies of publications of all classes. This total includes over 8 million copies of the CONGRESSIONAL RECORD and 3.8 million copies of the Federal Register. In addition, nearly 2½ billion postal cards were printed in fiscal 1963.

Its Division of Public Documents mailed out 181 million publications, and returned nearly \$6 million to the U.S. Treasury from the sale of these publications. The Government Printing Office's dollar volume now exceeds \$127 million annually. It includes central-office printing, field-service printing, blank paper supply to Government departments, as well as purchases of printing from commercial contractors. Purchases of printing from commercial contractors accounted for 47 percent of the printing and binding volume for 1963.

This agency is rather unique, since it operates similarly to conventional commercial enterprises: With a working capital used as a revolving fund. For example, when an agency orders printing from the Government Printing Office, the job is done and the publication delivered, together with a bill for the work. During the interval between production and collection, the Printing Office pays its help and purchases paper and supplies, using its revolving fund. When the agency pays its bill, the Government Printing Office reconstitutes its working capital on deposit with the U.S. Treasury. Capital purchases and replacement of obsolete equipment must be made from a small percentage of retained earnings to keep pace with rapidly changing technology which is so characteristic of the printing industry.

Realistic and competitive price structures are testimony as to how well the Government Printing establishment is doing its task. In recent months, Public

Printer James L. Harrison, the most capable administrator of this important office, has submitted a proposal to the Congress for vacating the present four-building complex and distant warehousing facilities. Mr. Harrison envisions the relocating and consolidating of Government Printing Office operations at a building especially designed to meet its production and storage needs. Substantially lower operating costs are forecast if the Public Printer's plan is approved, with savings conservatively estimated at nearly \$3 million annually. Moreover, such a move would permit conveying the highly desirable, but industrially incompatible, North Capitol Street space to the General Services Administration to help alleviate the serious space shortage which this agency has indicated exists in the close-in metropolitan area. As an example, the Post Office Department has an urgent requirement for Government Printing Office's warehouse with its railroad siding, and which is adjacent to the main Post Office Department building. Space thus returned to General Services Administration has an annual rental value in excess of \$1.5 million. These multistory buildings are ideally suited for office use, but not for handling the paper tonnages processed daily by a large printing plant such as the Government Printing Office. A preliminary engineering survey, conducted by a highly reputable industrial engineering firm, confirmed Printing Office staff findings that printing operations in a two-story structure would be significantly more efficient and economical. I am told that the Comptroller General of the United States has examined these figures and is satisfied as to their authenticity. It is hoped that the Congress will consider this plan favorably.

Relocating the Government Printing Office out of the highly congested area it now occupies to a building constructed especially to accommodate the warehousing and manufacturing operations associated with public printing seems a wise and businesslike decision, especially when it has been shown that the cost of this relocation can be capitalized from savings in less than 11 years. After this building has been amortized, the American taxpayer will continue to benefit substantially from reduced operating costs and other economies brought about by this projected move. Relocation of the Government Printing Office is a comprehensive, practical, and well thought out solution to the pressing problems with which this agency is faced.

The Government Printing Office personnel have served this body with dedication and distinction for more than a century. The workers and machines, I am sure, will continue to do the necessary and the workmanlike job for the Congress and other departments. The Office is conscious of functional responsibilities to the Federal Establishment and is mindful of its fiscal responsibilities to the taxpayers of our country.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. LAUSCHE. Mr. President—

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

Mr. LAUSCHE. Has the business of the day been laid down yet?

Mr. MANSFIELD. It has not.

Mr. LAUSCHE. I should like to inquire of the majority leader what is intended to be called for?

Mr. MANSFIELD. The Alaska omnibus bill. The conference report on excise taxes. The Aiken food stamp bill. The mass transit bill, perhaps. The Foreign Agents Registration Act. Social security legislation as it applies to the State of Nevada, provided there is sufficient time.

CIVILIAN NUCLEAR POWER INDUSTRY

Mr. LAUSCHE. Mr. President, I read with considerable interest a series of articles which was published in the business section of the New York Times of Sunday, June 14 in regard to the civilian nuclear power industry. The purport of these articles was that civilian nuclear power has now passed out of the experimental stage and has become a healthy, viable part of the Nation's industrial system.

During hearings conducted last week by the Joint Committee on Atomic Energy, the same point was made by witnesses representing Government and private industry; namely, that nuclear power is now close to being competitive in the electric power industry, and that a booming future is in store for it.

I do not believe that anyone will quarrel with the thought that nuclear power has achieved a state of maturity far beyond that anticipated a few years ago.

It is my belief, Mr. President, that what has happened in this industry in recent months proves conclusively that the Government should get out of the nuclear power industry completely and should allow the industry to stand on its own feet.

No one will deny that massive Government expenditures are responsible for the tremendous advances of nuclear power since the adoption of the amendment to the Atomic Energy Act of 1954 which emphasized the civilian aspects of nuclear power. The Government has spent, to date, more than \$1½ billion on programs directly connected with civilian nuclear power and other billions of taxpayer dollars to bring the technology of this new industry to a state of usefulness. The technology has either been developed in Government-owned installations or by private industries, with the Government subsidizing a major part of the costs. Mr. President, Government participation in the civilian nuclear power program has now exceeded the limits which are compatible with our private enterprise system.

Testimony of officials of the Atomic Energy Commission and of private utilities and other privately owned companies engaged actively in this field stress that civilian nuclear power has now taken its place in the Nation's industrial system. Therefore, all Government assistance and subsidies should end, and the Gov-

ernment should get out of the civilian nuclear power business. Officials of General Electric and Westinghouse assured the Joint Committee on Atomic Energy that they are willing and able to supply efficient nuclear reactors to any privately owned utility which desires to build a nuclear plant as a part of its system. The New Jersey Power & Light Co. decided, on the basis of cold economic facts, to build a 500,000-kilowatt nuclear plant in place of a coal-fired generating plant. Some utility companies are predicting that, by 1980, 40 percent of their total capacity will be nuclear. Other utilities are considering building nuclear plants without Government subsidy of any kind. Apparently, they think it is smart business for them to do so.

But, Mr. President, the AEC seems to approach this matter of civilian nuclear power today with the same degree of urgency that it expressed 10 years ago. The AEC seems to wish to keep the Government involved in further developments of nuclear power at a cost estimated to be around \$200 million a year. Even with the job done, these men in the AEC are reluctant to free this new industry from their authority and power.

It also must be borne in mind that if the Government persists in its present policy of using public funds to advance this new nuclear power industry, it will be unfairly creating competition to privately owned, taxpaying industries now producing fuels for the generation of electric power. This is not a wise or sound policy.

One of the industries which will suffer from a subsidized nuclear power industry is coal. This fuel has suffered grievous market losses during the past two decades, but is slowly fighting its way back to economic health through commendable efforts to reduce the delivered costs of coal. Its primary success has been in the electric utility market, and nuclear power, of course, is a direct threat to this large and growing market.

I believe that the coal industry has the right to compete for this and other markets, free of Government intervention. Coal is still an important industry, and in the seven major coal-producing States it means more than \$2 billion a year to the economy in wages to miners and transportation workers, expenditures for purchases within coal States, and in State and local taxes. In Ohio, for example, coal contributes more than \$200 million annually to the economy and provides employment for 17,000 persons. It is simply not right for the Federal Government, through the unwise use of taxpayers' funds, to subsidize a competing fuel, to jeopardize these jobs and the future growth and expansion of the coal industry.

As I said, Mr. President, the time has now arrived, based upon statements by the Atomic Energy Commission, the nuclear power industry, and the utility companies, themselves, to remove the Government completely from the picture.

There is no doubt that the so-called light water reactors, which were developed as a direct result of Government activity and expenditure, are capable of producing commercial electric power.

Further, there is no doubt that a great deal of pressure is being exerted to keep the Government involved in the further development and refinement of the so-called thermal reactors. The AEC wants to build four large plants in the 500,000-kilowatt range to demonstrate the practicality of the so-called advanced converters.

What business has the Federal Government in spending taxpayers' money to refine and improve these thermal reactors? Why cannot the manufacturers of nuclear reactors, who stand to profit from the sale of these reactors, bear the costs? Why should not the private utilities, who will use these reactors to produce commercial power to increase the profits of their operation, assume the financial risk? Why should it be the taxpayers who carry this load for GE and Westinghouse and the large private utility companies? All evidence indicates that these companies so vitally interested would welcome the withdrawal of the Government from the industry. This is welcome news, and I commend these industries for such an enlightened attitude.

Civilian nuclear power has been nurtured by funds from the Treasury. The Government has had to offer subsidies to induce private industry to build the plants. A sufficient number of plants have now been built to demonstrate the feasibility and practicality of nuclear power. I am sure that the private utility companies are not planning to build nuclear plants because they present an interesting exercise in physics. They are making their decision on a dollars-and-cents basis.

The time has come, Mr. President, for Congress to take the lead in requiring the withdrawal by the Government from the civilian nuclear power program. It can do this by passing the following legislation:

First. Require the immediate ownership of nuclear fuel by private utilities and others who would use it as a part of their normal commercial operations. The Joint Committee on Atomic Energy held hearings on this legislation last week. Personally, I believe that the transition period from Government to private ownership should be held to the shortest possible time. The Government should get out of the business of providing nuclear fuel for private utilities.

As it is now, the Government acquires the fuel, processes it in its multibillion-dollar plant, lets the utilities use the fuel free for a 5-year period or either leases the fuel to the utilities at 4.75 percent annually, as opposed to the cost of 10 to 14 percent annually under private financing. The Government should not be permitted to assure utilities that it will take plutonium created in nuclear power operation off of their hands at a guaranteed price. There is no market for plutonium at this time; but why should the Government purchase this nonweapons material and finance and store it for years?

Second. The Government should stop subsidizing indemnity insurance for privately owned nuclear powerplants. Manufacturers of nuclear reactors, the

AEC, and the operating utilities all assure the public and the users that nuclear plants are perfectly safe. If this is true, Mr. President, the Government should not supply \$500 million of \$560 million in indemnity insurance required on each plant, and at only a fraction of what such indemnity insurance would cost through private channels. This is nothing less than a direct subsidy to a privately owned and operated enterprise.

Third. To insure that future refinement of thermal reactors will be financed and conducted by private enterprise, legislation should be passed restricting Government-financed research and development work to the fast breeder reactor. The fast breeder reactor is a legitimate concern of the Government. It is still in the experimental stage and its development is of such potential value to the Nation's long-term energy requirements that continued Government work in this field is warranted. But further spending of taxpayers' money to improve and refine thermal reactors is completely unjustified. The Government should get out of this phase of civilian nuclear power entirely and leave it to free enterprise.

Recently, the Joint Committee on Atomic Energy held hearings on legislation providing for private ownership of nuclear fuel. The utility industry, reactor manufacturers and others testified in behalf of the legislation. Although there was some disagreement as to details, everyone was united in a belief that Government domination and participation in this field is not desirable.

This is, as I stated earlier, a healthy attitude. I urge the Congress to take action not only to pass the private ownership bill, but also to take other action necessary to get the Government out of the nuclear power business.

The President's eloquent statement at Holy Cross College as to the advanced state of the nuclear power industry is further and compelling evidence that the time has arrived to take the step.

I am hopeful, Mr. President, that the Nation's investor-owned utility companies, the manufacturers of reactors and other private industries engaged in this new field, will join in the fight to bring this about.

We are assured by the Atomic Energy Commission that there are no technical difficulties in the path of private ownership and operation of the civilian nuclear power industry. It seems to me, Mr. President, that the protection of our free enterprise system demands that the Government turn over this new industry to private enterprise without further delay.

I ask unanimous consent to have the articles to which I have referred printed in the RECORD.

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

[From the New York Times, June 13, 1964]
CHANGES ENHANCE PROMISE OF ATOM—EXTENDED PERIOD OF USE IS AIDING ENERGY PROJECTS

(By John W. Finney)

WASHINGTON, June 13.—If nuclear power is at last fulfilling its economic promise, it

is partly because its developers underestimated the lifetime of atomic fuels.

Atomic fuels are living longer than expected in the radiation-filled inferno of an atomic furnace. This longer lifetime, in turn, explains in large measure why costs of nuclear power are being brought down to economically competitive levels.

Atomic fuels are extremely expensive, not only in their fissionable uranium material, but also in the cost of fabricating the fuel rods that go into the core of a reactor. Any reduction in fuel costs, therefore, has a direct and substantial effect in reducing the cost of the kilowatts that finally appear on the bus bar of an atomic powerplant.

One way to reduce the fuel costs is to keep the fuel rods in the reactor longer, thus reducing the expense of reprocessing the spent rods and replacing them with new fuel elements. This is precisely what has been happening in recent years as the nuclear engineers extended what they call the "burnup" time of atomic fuels.

TOO CONSERVATIVE

The longer lifetimes have come about not because of any technical ingenuity by the nuclear engineers but largely because of their misjudgments about the durability of atomic fuels.

As Dr. Frank Pittman, Director of Reactor Development in the Atomic Energy Commission observed, "We were just too conservative in our estimates."

The misjudgment was corrected as experience was gained with the first generation of water-cooled reactors and it became evident that their uranium oxide fuels would last considerably longer than had been predicted.

Only a few years ago, for example, nuclear engineers were talking in terms of getting 10,000 megawatt-days of power for each ton of uranium fuel. A megawatt-day is a unit the engineers use for measuring the amount of energy in a fuel. It is equal to 1 million watts of energy produced in 1 day.

On the basis of operating experience with such reactors as the Yankee atomic powerplant in Rome, Mass., and the Commonwealth Edison plant in Dresden, Ill., the estimated lifetimes have now been raised to the range of 18,000 to 20,000 megawatt-days, and Dr. Pittman predicts that in the relatively near future the figure will rise to 25,000.

For the reactor manufacturers and the utility operators, this extended lifetime has become a significant factor in reducing the cost of nuclear power. The manufacturers, for example, are now willing to give guarantees on the energy lifetime of the fuels, and the utilities do not have to look forward to repeated and expensive changes in the reactor fuel loadings.

The cost of nuclear fuel accounts for about a third of the cost of atomic electricity. Part of the cost comes in the expense of fabricating the fuel rods to the fine tolerances and high standards required for a reactor, part in the enriched uranium fuel that is burned and part in the reprocessing to remove the unburned uranium and newly created plutonium from the spent fuel.

OYSTER CREEK COSTS

In the pace-setting Jersey Central plant at Oyster Creek, N.J., for example, the cost of the first fuel loading is estimated at \$24 million. The fabricating costs come to \$10.3 million, the enriched uranium that is burned to \$12 million and reprocessing costs to \$3.7 million.

Another factor in lowering the fuel costs, although not as significant as the extended lifetimes, has been a reduction in fabricating costs as companies gained experience in the difficult technology.

Five years ago, the fabricating costs ran between \$125 and \$150 a kilogram of fuel. Now the cost is below \$100 and Dr. Pittman says it should go still lower as production

increases and unit costs consequently come down.

Much of the basic technology that has led to the reduced fuel costs has come from the pioneering work of Vice Adm. Hyman G. Rickover in his development of atomic powerplants.

It was Admiral Rickover who decided over a decade ago to develop the uranium oxide fuels that have proved to have unexpectedly long lifetimes. The fuels were incorporated in the reactor built by Admiral Rickover at Shippingport, Pa., the Nation's first large-scale atomic powerplant. Their value was proved in the Yankee and Dresden plants, which were based largely on the fuel technology developed at Shippingport.

A new and somewhat political uncertainty about future fuel costs has been introduced recently by the Atomic Energy Commission's revival of its proposal to end the Government monopoly over fissionable materials and permit private ownership of nuclear fuels.

The proposal has been endorsed as a matter of principle by the utility industry, despite a realization that the practical effect of the move could be to increase fuel costs.

Under the past Government ownership, the utilities have been able to "lease" the atomic fuels from the Commission at an annual rate of 4.75 percent of the value of the uranium. With private ownership the utilities would have to finance the purchase of the uranium, which costs \$20 million and more for a large reactor, at probably a much higher rate. Generally, for example, utilities charge 14 percent as a carrying charge for their fuel inventories.

Private ownership, therefore, is expected to increase fuel costs slightly, adding probably a fraction of a mill to the cost of nuclear power.

For the immediate future, the increased cost may be offset by the fact that utilities would be able to buy cheap uranium at around \$4 to \$6 a pound, rather than the \$8 a pound minimum that the Commission has been paying as an incentive and subsidy to the uranium-mining industry.

Eventually, however, this high-grade, low-cost uranium will be mined out and the expectation is that there will be a gradual rise in uranium fuel costs. By that time, it is hoped, the increase in fuel costs will be offset by technological improvements in the reactors.

[From the New York Times, June 11, 1964]
JOHNSON REPORTS A BREAKTHROUGH IN ATOMIC POWER—SAYS TECHNOLOGY LEADING TO ECONOMIC USE WILL BE AVAILABLE TO THE WORLD

(By Tom Wicker)

WORCESTER, MASS., June 10.—President Johnson said today that a recently achieved economic breakthrough meant the long promised day of economical nuclear power is close at hand.

The resulting new technology, "now being applied in the United States, will be available to the world," he said.

The President, who spoke at commencement exercises at Holy Cross College here, gave no details of the breakthrough. However, it was apparent that he was referring to the \$68 million nuclear powerplant being built for the Jersey Central Power & Light Co., at Oyster Creek, N.J.

Mr. Johnson said that by September 1 he would report to the Third International Conference on the Peaceful Uses of Atomic Energy "on our new capability to use the power of the atom to meet human needs."

PLANT DESIGN IMPROVED

The breakthrough to which he referred has come in the last 6 to 8 months. More efficient plant design and longer life of nuclear fuels are expected to make nuclear power ultimately competitive with other

forms of power in areas with large powerplants.

The Oyster Creek plant thus symbolically opened the door for greater interest in nuclear power here and abroad. Subsequently, the Mohawk Power Co. decided to have a similar plant built at Oswego, N.Y.

Mr. Johnson's remarks were part of an address to about 20,000 persons in the Fitton Field Stadium at Holy Cross. In the speech, he warned that "many of our most urgent problems" would exist even if the cold war were ended today.

A WARNING ON ISOLATION

"Even if peace were to come to the nations," Mr. Johnson said, "ominous obstacles to man's efforts to build a great world society" would remain.

"Those who live in the emerging community of nations will ignore the problems of their neighbors at the risk of their own prosperity," he said. They would become, he warned "an increasingly isolated island of wealth in the midst of mounting misery."

Mr. Johnson proposed that 1965, which has been designated International Cooperation Year, should also become "the Year of Science."

"I propose to dedicate this year to finding new techniques for making man's knowledge serve man's welfare," he said. "Let it be a turning point in the struggle—not of man against man, but of man against nature. In the midst of tension, let us begin to chart a course toward the possibilities of conquest which bypass the politics of the cold war."

Mr. Johnson said that he intended "to call upon all the resources of this Nation, public and private, to work with other nations to find new methods of improving the life of man."

This was the President's sixth commencement address this year, probably giving him the world's record for a single year. He received the honorary degree of doctor of civil law, his 5th honorary degree since becoming President and the 24th he holds.

Despite the occasion, Mr. Johnson's appearance here had a certain political tone. A crowd of about 150,000 persons lined the 6-mile route through this heavily Democratic city from the municipal airport to Fitton Field.

Mr. Johnson was cheered heartily in crowded downtown areas and spent about 10 minutes shaking hands with another crowd of about 3,000 persons that welcomed him at the airport.

The motorcade was routed through downtown Worcester. The city's schools had been closed for the day and the route was lined with school bands and drum and bugle corps.

Gov. Endicott Peabody of Massachusetts, a Democrat, who is seeking reelection, rode in the motorcade in another car. At Fitton Field, he told the applauding crowd that Mr. Johnson had been considered by President Kennedy "the best fitted of all living Americans to be President of the United States."

This was apparently a reference to Mr. Kennedy's choice of Mr. Johnson to run for Vice President on the Democratic ticket in 1960.

Mr. Johnson interrupted his prepared address to announce to the crowd that cloture had been voted in the Senate to halt the filibuster against his civil rights bill.

He had just said, "We are going ahead, in our country, to bring an end to poverty and racial injustice."

That brought heavy applause. After it died, the President said:

"In the last 10 minutes, we have made considerable progress when we voted cloture in the Senate today by a vote of 71 to 29."

This brought even heavier applause.

Mr. Johnson, speaking in a city largely populated by Roman Catholics and at a Catholic college, opened by saying he was so surrounded by Irish aids inherited from President Kennedy that he sometimes felt like "a one-man ecumenical conference."

Then he paid high tribute to the late Pope John XXIII and to President Kennedy "two of the great men of this century."

Both, he said, "left a world transformed by their triumphs and lessened by their leaving."

"They both handed on a heritage of hope, a vision of the future which will occupy the thoughts and labors of men for generations to come," he said.

The large-scale nuclear reactor, he said, "offers a dramatic prospect of transforming sea water into water suitable for human consumption and industrial use."

"Large-scale nuclear reactors and desalting plants offer in combination economic electric power and usable water in areas of need," he said.

The Jersey Central nuclear powerplant being built by the General Electric Co., will have a capacity of 515,000 kilowatts when it is put into operation. Later, at maximum capacity, its output is expected to be 620,000 kilowatts.

At that maximum, the estimated cost of the power would be about 4.5 mills per kilowatt-hour. This rate would be competitive with power produced by other methods in about half of the United States. But this capacity would not be reached until the latter part of the decade.

Mr. Johnson said the technology of the plant would be shared with the world.

One difficulty in doing so, however, will be that the 4.5-mill rate can be reached only in plants at least as large as Oyster Creek will be. Such an output could be absorbed only in industrially advanced countries with large existing power grids—Japan, for example, or Britain.

HOPES BOLSTERED FOR ATOM POWER—PRESIDENT JOHNSON'S REPORT OF NEW STRIDES STUDIED BY UTILITY EXECUTIVES—PROGRESS IS OUTLINED—BUT SOME INDUSTRY LEADERS DOUBT "A BREAKTHROUGH" DESCRIBES ADVANCES

(By Gene Smith)

President Johnson sought last week to remove any doubts over progress in the development of cheap electric power from the atom.

Speaking before graduation exercises last Tuesday at Holy Cross College in Worcester, Mass., the President said that a recently achieved "economic breakthrough" meant that the "long promised day of economical nuclear power is close at hand."

He did not elaborate, but those in the industry felt certain that the President was referring to the \$68 million Oyster Creek, N.J., nuclear powerplant for which the Jersey Central Power & Light Co. is seeking a construction permit. This is slated to have an initial capacity of 515,000 kilowatts of electricity, but is expected to reach thereafter a capacity in excess of 600,000 kilowatts.

ECONOMIC ANALYSIS

The utility's economic analysis of the plant showed that at full capacity power would be delivered at a 620,000-kilowatt level at a cost ranging from 3.79 mills per kilowatt-hour during the first 5 years to 3.97 mills in the final 21 to 30 years.

A comparable fossil-fueled (coal, oil, or gas) plant at Oyster Creek could be expected to come in at 4.34 mills per kilowatt-hour in the initial 5 years and drop to 4.33 mills in the final 10 years. Or, as Jersey Central explained in its own analysis: "After a reasonable break-in period, the station is expected to produce electric power at a total cost of less than 4 mills per kilowatt-hour—which is appreciably below the expected total cost of

power from any other type of station that Jersey Central could build at this location."

But there are still many in the electric power industry who doubt that "breakthrough" is the proper word to describe the Oyster Creek development.

Donald R. McClang, president and chief executive officer of Pacific Power & Light Co., of Portland, Oreg., told a meeting of security analysts last Thursday that "from our viewpoint, it (Oyster Creek) is not a breakthrough but merely a matter of the progress that is being made every year."

On the other hand, a top executive of another leading west coast utility has gone on record as predicting that by 1980 his company will have 40 percent of its generation coming from atomic-fueled power.

MANY FACTORS

Whether atomic power is really "economical" or "competitive" depends on a variety of measures. There can be little doubt that Oyster Creek offers the electric utilities the lowest-cost power to date from any nuclear source. Nor can there be any doubt that the less-than-4-mill level was reached in far faster time than most industry experts had predicted.

But there are still areas where conventional fuels are cheaper and there is no question but that hydroelectric power will remain lower-priced for years to come. It is also true that the threat of nuclear power has produced radical cuts in the costs of delivered coal. No matter how anyone looks at it, the evolution of nuclear-fueled power has been a great boon to consumers.

In its analysis, Jersey Central noted that its present cost for fossil fuel was about 29.5 cents per million British thermal units. A British thermal unit, or B.t.u., is the amount of heat energy needed to raise the temperature of 1 pound of water 1° F. A subsequent proposal by coal and railroad interests reduced this to 26 cents per million B.t.u.s., which formed the basis for the economic analysis.

"In order to offset the economic advantage of the nuclear station at the 620,000-kilowatt expected capability, the delivered cost of fossil fuel at the Oyster Creek site would have to be less than 20 cents per million B.t.u.s." the company reported.

There are areas where such fuel is available. For example, mine-mouth power stations in the Appalachian area use fuel costing about 16 to 17 cents per million B.t.u.s for generating the power on site. This does not include costs for transmission and distribution. Plants near gas and oil fields can also produce power at lower costs.

For the Nation as a whole, however, nuclear-fueled plants that may deliver power at the below-4-mill rate should prove competitive in many areas. They would certainly be lower than rates in New England, California, and Florida.

James F. Young, general manager of GE's atomic products division at Palo Alto, Calif., credited development of the Oyster Creek type plant on technical improvements, chief of which were development of a single-cycle system that is far less complicated than previous reactor systems and the availability of increased-size pressure vessels pioneered by Combustion Engineering, Inc., with the prospect of similar units from the Babcock & Wilcox Co.

Mr. Young said that GE has already told the power industry that it stands ready to "take orders for a half dozen or more of these units at this price level."

He said he was very pleased to hear the President promise to make available such plants and information to the free world.

As for critics and "doubting Thomases," Mr. Young said that there was some truth that the new plant is "a result of further process," but he also emphasized that the key factor was the jump to high-capacity

plants. He also sought to assure the coal industry that GE's own "fastest estimates" on the growth of nuclear power indicated that coal consumption by utilities would still double by 1975 and that "nuclear power will share in the industry's growth but will be far from taking over the entire growth of the power industry."

J. E. Rengel, general manager of the atomic power division of the Westinghouse Electric Corp. GE's major competitor in the field, agreed that "nuclear power plants for generating electricity in large blocks of power are today competitive with fossil fuels in a number of areas where the cost of fuel delivered is above the national average."

As recently as last December 3, Sir William Cook, member of the United Kingdom Atomic Energy Commission, and Sherman R. Knapp, then president of the Connecticut Light & Power Co., predicted that atomic power would be on a competitive commercial basis with other forms of fuel "within about 4 years."

Whether Oyster Creek is, as the President has indicated, an "economic breakthrough" remains to be seen, but certainly no one can dispute the fact the nuclear power industry has come an unbelievably long way since the pioneering Shippingport, Pa., plant "went critical," or reached the condition where the chain reaction was capable of being sustained, on December 7, 1957.

Contrast that plant's energy cost—delivered at an estimated 60.15 mills per kilowatt-hour back in 1957—with the expected less-than-4 mills for Oyster Creek somewhere in late 1967 or early 1968, and it's obvious that the nuclear power industry has far outstripped the predictions of its strongest backers.

ANNUAL MEETING OF AMERICAN ASSOCIATION OF INSTRUCTORS OF THE BLIND

Mr. SALTONSTALL. Mr. President, the American Association of Instructors of the Blind is presently holding its annual meeting at the Perkins School for the Blind, in Watertown, Mass. My grandfather, my father, and I have served as trustees of the Perkins School, and my brother presently is a trustee of that fine institution. It is the oldest institution of its kind in the country, and is doing an outstanding job of working with blind people. I consider it a great honor to have served as a trustee.

The American Association of Instructors of the Blind, to which the Perkins School is playing host this week, is celebrating its 93d anniversary; and it, too, has made many important contributions to the welfare of our sightless citizens. Not only has it done much to broaden the horizons of the visually handicapped and to extend their opportunities, but it has also helped to increase public awareness of the useful role the blind can play in our society. It has sought to dispel many misconceptions with respect to the handicapped.

The number of visually handicapped children in the Nation's schools has increased sharply in recent years, as have special residential school enrollments. Between 1949 and 1958, for example, the number of public school systems reporting enrollments of blind children increased tenfold. In the same period, public school facilities for children classified as partially seeing nearly doubled. The increased number of visually handicapped people attending institutions of higher learning is a tribute to the suc-

cess of their instructors at grade school level in stimulating and training them. Many are now being educated for careers which demand great technical and professional knowledge.

Not only have the programs been expanded, but a new philosophy and different types of programs have also evolved. This is due in part to the caliber, imagination, and dedication of instructors of the blind, and it makes it more important than ever that they be chosen carefully. The results they have achieved have been remarkable, and must serve as a tremendous satisfaction to them. Theirs is the challenging and rewarding task of enriching the lives of people who are visually handicapped and of introducing them to new experiences which will help them become independent, well-adjusted adults, prepared to take their places in society.

On the occasion of this annual meeting of the American Association of Instructors of the Blind, I commend them for their dedication and for their accomplishments. I take this occasion also to point to the accomplishments of the Perkins School for the Blind, of which all residents of Massachusetts are proud.

WINNING ESSAYS IN 1964 MCGEE SENATE INTERNSHIP CONTEST

Mr. MCGEE. Mr. President, in order that the Members of this body may share with me the excellence of thought and the depth of understanding shown by the Wyoming young people who were honorable mention winners in the 1964 McGee Senate Internship Contest, I ask unanimous consent that two of these essays—by Martha Joan Edwards, of Lander; and Guy G. Ray, of Rawlins—be printed in the RECORD.

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

MAKING DEMOCRACY WORK BETTER (By Martha Joan Edwards)

Education of every citizen and active participation by every citizen are the keys to a working democracy. The word "democracy" comes from two Greek words—*demos*, meaning people; and *kratia*, meaning rule. Because our government means rule "by the people, of the people, and for the people," these two things—education and participation—are essential.

Far too many citizens of the United States are either totally, or at least partially, ignorant of the workings of our Government. This fact is due to no fault of the Government or to lack of available information on the subject. It is due simply to the fact that the people aren't interested, that they don't care what happens or what is going on.

As high school students we are exposed to the workings of our Government through a course in American government. But unfortunately, this is often as far as it goes. Most students are far too busy to bother about current national and international affairs. Social life seems to be more important. Perhaps this can be expected because, as students and minors, there is little we can do to affect these events. We are not allowed to vote and our political attitudes are primarily accepted from our parents. But this apathetic attitude and complete lack of concern are difficult to change when students become adults.

There are two ways in which we can combat this threat to our Nation. Parents must

accept the responsibility of establishing respect and love for our country and its way of life in their homes and families. Today status symbols tend to crowd out family and homelife. This is the main reason for our declining patriotism. Another way in which we can combat this is to create a lively interest in national affairs in the elementary schools. The word interest implies more than just factual knowledge.

If teachers could show the students what is happening and how it relates to each of us personally, this interest would become more than schoolwork. It would become a vital part of our way of living.

Participation in government comes as a natural result of an active interest in it. There are many ways in which citizens of all ages can participate. Participation means more than voting in every election. It is more than running for an office and more than holding an elected office. It means keeping well informed on current and vital issues. It means developing a sound, logical, and unbiased attitude toward these issues and toward elected officials and their duties.

Support of a political party, regardless of which party you choose, is important in our biparty system. It is through the people of the party that political platforms and philosophies are developed and put into effect in Congress. This support begins at the local level where volunteers are always needed and welcomed.

High school students usually have youth groups connected with the two major parties. Through these a person can learn more about the candidates seeking offices and more about the party philosophies. On election days these groups can provide babysitting and transportation services. They can also help with door-to-door campaigning in support of their chosen candidates.

Many people say, "What does it matter whether or not I vote? One vote can't make much difference." But suppose as many as 50 or 100 people felt this way. Those votes could make quite a difference in a local election. If this many people in every community in the country held this attitude, what a difference it could make in the course of history.

When so many people feel this way and don't bother to vote, it means that each individual vote that is cast has more significance. Voting is the method through which the citizen's voice is heard, and it must be heard to preserve our freedom.

Through education and participation we can maintain our freedom and achieve tolerance for ideas, cultures, and peoples different from our own. The need for tolerance is being dramatically shown in our country today. Protests are being made every day, peacefully and violently, for civil rights for our Negro citizens. Tradition and inbred prejudices are the cause for these protests. Through education of these people with backward ideas and through support of civil rights for our equally human Negro citizens, perhaps we will someday achieve our goal of freedom for every individual.

Our country is the leading nation of the world, in spite of the fact that it is comparatively young. This fact is due to our Constitution and type of government and to our capitalistic system of free enterprise. We can, and should, be proud of our country and our Constitution and what they stand for.

Before us there have been those who have laid down their lives for this country because they believed in it and in its Government. Among the greatest of these were Nathan Hale, Abraham Lincoln, and, most recently, John F. Kennedy. These sacrifices were surely not made for anything trivial. They are dramatic evidence that our country is great and it is worth dying for.

We can see that our Constitution and our system of government with its checks and balances are based on one fundamental doctrine—that of the sacred worth of the human being. All our rights and privileges are the inalienable rights of every human being. Our Government was formed to protect these rights. Through knowledge about our Government and active participation in it, our rights will be protected and our Government will be indestructible.

MAKING DEMOCRACY WORK BETTER

(By Guy G. Ray)

There is no simple plan or solution which we may carry out in order to make democracy work better. However, if we the citizens of this great Nation unite and work together to improve our democracy, we are sure to attain this goal gradually. The areas in which we should begin to work for the improvement of our democracy are effective thinking, sharing political power, assuring the rights of individuals, meeting social needs, using the Nation's resources wisely, providing prosperity, attaining national status, and maintaining peace.

In essence, effective thinking could also be called critical thinking or even clear thinking. By using this type of thinking we must first recognize that a problem exists; then the problem must be defined, plans for action must be considered, information concerning the problem must be gathered, and finally action which we must be responsible must be taken. This mode of thinking would not only be working for the improvement of our democracy but at the same time it would benefit the individual who practices it. The results obtained from practicing critical thinking would be freedom of mind, freedom to face problems and attempt to solve them effectively while being prepared to accept all resulting consequences. Thus, we may conclude that effective thinking is the very root of successful solution to any problem. Our problem is to improve the operation of our democracy so we should begin to formulate our solution through effective thinking.

One of the goals of our Government is the intelligent and responsible sharing of power in order to attain justice for all. If we want our democracy to operate better, we must realize there is a proper balance to be maintained between the Government and the rights of the individual. How should the power to govern be divided among the various levels and branches of Government, and what specific functions can best be carried out by the Government? The proper balance between the Government and the rights of the individual are dependent upon the differing values which people place upon liberty and security. Today the proper balance of power among various levels and branches of our Government, along with specific duties of each, seems well defined and operative in most instances.

Our Nation has earned the reputation as a world leader in promoting human freedom and welfare. Through our Constitution, the Bill of Rights, countless court decisions, and tradition we have upheld dignity and worth of the individual. However, today it is evident that certain people throughout the country or groups of people are being denied the proper respect for the dignity and value to which they are entitled. These minority groups are denied the respect in all civic, economic, political, and social endeavors. If we wish to improve the operation of our democracy, we must recognize our responsibility in assuring others the rights to which they as citizens of the United States are entitled.

The social organization of any area is dependent upon the physical conditions thereof, the type of family a person is from, the community in which he is from, the

education he has received, the additional opportunities for knowledge available, and the values set up by his community. Although our physical characteristics play an important role in what we hope to achieve in the social world, at the same time our social environment affects us by influencing the goals which we hope to attain. While we may satisfy many of our basic needs by means of our own judgments or actions, we must also depend upon social organization to satisfy those needs created by judgments or actions of others. By recognizing these social problems throughout our Nation and by attempting to solve them, we again will be taking another step toward making our democracy work better.

Mankind's relationship to nature is worthy of our active interest, for man has always had to depend upon nature to satisfy his needs and desires. The problem in this area of the Nation's resources perhaps touches us more deeply than any other, for the quality and quantity of our Nation's resources will determine our standard of living during our lifetime. A deficiency in this area would not only deprive us in a physical sense but also in a spiritual and cultural sense. The problem we must face in this area in order to bring about a more effective democracy is the one concerning how to conduct ourselves in relation to our Nation's resources so that we may achieve the greatest possible benefit for mankind.

By providing prosperity we mean that the standard of living is to be raised while inflation and depression are avoided in our economy. The economy of our Nation is similar to a machine that is asked to provide countless services for us. However, oftentimes there is conflicting or perhaps too large of a service asked of this machine which causes certain areas to be deprived of its service. Our whole population is seeking from this economy numerous goals such as security, stability, growth, freedom, and justice. Here again the improving and importance attached to these goals varies with each and every economic endeavor. In attempting to make our democracy work better by providing prosperity, we find that the problems involved in this area are numerous with no one of them having any simple one-step solution.

Throughout the world today, people are constantly making judgments of other nations. We judge not only our country but all other countries in the world in all fields in which the government and its citizens participate. In order for our country to achieve its national stature, we must first make our democracy work better to insure the attainment of this lofty goal.

Finally, if we work together to maintain worldwide peace, we will be helping our democracy to function better. The price that nations would have to pay if they were unable to resolve their differences peacefully is greater than it has ever been before. With such great differences existing between governments of the world today, these nations find it increasingly difficult to join together for the purpose of solving their differences. To prevent total destruction of the world and to allow for future generations to enter a world of pleasant environment, we must make our democracy work better and by doing so we will have benefited not only ourselves but also future generations.

In conclusion I can only propose that by uniting all people of this great country and working together for advancement in all of the eight mentioned fields, we may be justified in expecting our democracy to work better, not only for our own good but the good of the entire world. It is up to us, the people, to make democracy work better. We must all contribute to the cause, for it can be done by no one person alone or even numerous groups of people, but it requires the help of all. Whenever we feel that con-

ditions of our country need to be improved, the best method of having them improved is by making democracy work better.

THE SHAMEFUL PLIGHT OF OVER-SEA SCHOOLS FOR MILITARY DEPENDENTS

Mr. HARTKE. Mr. President, last February 17, I spoke in the Senate concerning the low salaries of teachers in our Defense Department schools, a festering sore of discriminatory treatment under which their pay has lagged increasingly behind that of teachers in U.S. schools at home. Under the Overseas Teachers Pay Act of 1959, comparability with similarly sized urban school systems was supposed to be maintained. But while average salaries in those areas range from \$4,941 to \$8,840 today, oversea teachers under the Department of Defense are paid from \$4,435 to \$6,215. According to the National Education Association, teacher salaries in the United States have risen an average of 15.3 percent, while oversea teachers have been granted only two little increases of \$2 per week in 1960 and in 1963-64. Indeed, the situation has deteriorated so badly that the National Education Association and its affiliate which speaks for this group have found it necessary, after long and fruitless negotiating efforts, to file suit against the Department of Defense to secure the equity they have been promised.

I recount this now, Mr. President, as commentary which confirms the findings of an article printed in the Washington Post of last Sunday, in the "Parade" magazine section. Entitled "How Service Families Are Being Cheated," and written from Paris by the well-known Jack Anderson, who has personally toured some of these schools abroad which are entrusted with the education of some 160,000 children of American service personnel, the revelations made there confirm dramatically the deterioration of the quality of education as well as of the pay for teachers which has been taking place under the Defense Department.

The \$68 million a year which the Department spends on these schools is a pittance in the military budget. It is for the future of our children, which should be fully as important as military hardware; but it seems to take second place, in the name of economy. The author charges that while in some places the facilities are excellent, in others they are "educational pigpens."

I shall not go into the details of the charges made in this public way. I do not know from personal experience whether they are the whole truth; undoubtedly they highlight the worst, without giving a counterbalance to the best. But in view of the situation concerning the treatment of teachers by the Department of Defense, who have come to the point where they find it necessary to bring suit for the pay scale to which they believe the law entitles them, there can be no question that this description has a good deal of validity.

I offer no solution, Mr. President; but I certainly do urge upon the Department

of Defense the kind of close scrutiny and the promotion of the kind of reforms within this educational system that will make it a feature of pride and excellence, rather than the often shameful stepchild of the military. We owe it to the children of our service personnel, and also to ourselves, as a nation whom these families serve, to remedy this situation.

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

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

HOW SERVICE FAMILIES ARE BEING CHEATED

PARIS.—From Paris to Peshawar, 291 forgotten American schools in 28 foreign countries are now closing for the summer. These schools for the children of American servicemen abroad should be showplaces, displaying to the world the high quality of American education. Instead, all too many are slum schools, substandard and unsanitary, whose underpaid teachers are so harassed by redtape that one out of three quits in disgust every year.

Though the oversea school system ranks with the Nation's top 10 in size, it rates near the bottom in excellence. It was the only school system marked unsatisfactory last year by the National Education Association. In February and again in November, the NEA sent an urgent advisory to all U.S. teachers, warning of "unsatisfactory educational conditions" in oversea schools.

The 160,000 American children who attend these schools deserve better. They are servicemen's children, a junior Peace Corps, who are winning friends for America abroad. They symbolize our confidence in the security of our foreign bases (if the children are here, the Americans must mean to stay). Not a few, like those now in Saigon and other danger spots, are sharing the same risks as their parents. They go to school behind barbed wire. At any hour, they may become the target for some fanatic's bomb or an anti-American mob. Yet they are treated with indifference by the Armed Forces, which expect their fathers to fight for the freedom and future of all our children.

Oversea teachers, most of them idealistic young men and women, have been cheated both by Congress and the Pentagon. They get an average of \$1,000 a year less than the law says they should be paid. In another year, they will be owed something like \$10 million—ironically, the same amount that Congress, to please Representative MIKE KIRWAN, Democrat, of Ohio, has agreed to spend on an aquarium in Washington, D.C. It seems easier to get money for tadpoles than for teachers.

Each school is at the mercy of the local base commander, who dictates which quarters will be allotted, what equipment will be provided, how much cash will be spent. Not unnaturally, many commanders put military ahead of school needs. "If the base commander has no interest in education—and most of them don't—you can expect a bad time and bad schools," says one principal.

Even the supply sergeant is more important than the principal. Laments one teacher: "You have to be a regular Sergeant Bilko, conniving, bartering, even spending your own meager pay to get what you need to do a job of teaching. Once you've been forced to fill out a sheaf of forms to get a bottle of ink, you go out and buy one yourself."

The Defense Department spends around \$68 million a year on schools for service children—less than the Air Force alone has been accused of wasting so that average pilots, whose flying skills are no longer needed, can qualify for flight pay. The average cost per pupil in stateside schools is \$320; only \$285

per pupil is spent in the oversea schools, though they are farflung, serve smaller student bodies and are therefore more expensive to operate. Indeed, they can hardly be maintained at all, except by cheese paring.

Parade has completed a survey of schools in Europe, where there is little excuse for hardship either for pupils or teachers. True, a few U.S. schools were like palaces, but more were educational pigpens. Some could never pass fire inspection in the United States. Classrooms were dank and dingy and teachers lacked up-to-date books and the simplest equipment. Here is a country-by-country report:

Britain: At Lakenheath, the principal of an elementary school claims her office used to be a Royal Air Force jail. The classrooms are squeezed into quonset huts. Cold in winter, they depend upon acrid-smelling potbellied stoves to supplement the heat panels.

The high school had an oversupply of baseball bats but no balls, track suits but no track shoes. The football coach scraped together exactly 11 football suits, 12 helmets, and 12 pairs of shoes. Unfortunately the shoes had no cleats, just holding screws protruding from the soles. Some scrimmage was attempted, but the players suffered so many gashes from the bare screws that practice had to be called off until the coach could scrounge some cleats.

France: The high school at Chateauroux uses an old hangar for a gym. Shell holes from World War II let in the cold and rain.

The military built an attractive high school in a quiet Paris suburb, on the same street as the Pasteur Institute and the Lafayette Escadrille Memorial Park. But being security conscious, they erected a high barbed-wire fence with locked gates. What should be a showplace looks like a concentration camp.

The school's band instructor had 80 students but absolutely no sheet music. He was obliged to organize a cake sale to raise a music fund. On the other hand, the biology teacher put through a requisition for a small microscope and had an elaborate \$500 instrument thrust upon them.

Germany: In Hanau, the school is located between a firehouse and truck lot. At Bad Nauheim, the school auditorium's floor sagged so badly it had to be shored up with timbers to keep it from crashing down on two classrooms. Finally, the base commander condemned the classrooms, but the auditorium is still used.

CIGARETTES FOR CHEMICALS

In Munich the schools are filthy, and only half the fire doors work. Two teachers offered to paint the bleachers, but it took them 3 weeks to get the paint from the Army. A science instructor couldn't get the chemicals he needed for basic experiments for his classes. He finally bribed a German hospital orderly with cartons of cigarettes for the chemicals.

Everywhere, teachers complained that they couldn't get enough ditto fluid to mimeograph test papers. Only at Dachau, a quarter-mile from Hitler's infamous crematorium, was Parade able to find a school with sufficient fluid. Enterprising teachers had obtained it outside Army channels.

Spain: In Madrid, children have been going to school in four floors of an old apartment house. A new school is now going up, designed by the Air Force and built by the Navy. Construction was far along before any educators were allowed to see it. They tried to have the boxlike classrooms changed to allow for flexibility and team teaching. It was too late; all the walls were load bearing.

The base commander ordered football uniforms for the high school team, but they failed to show up on the eve of the first game. The supply sergeant was persuaded to make a check, discovered they had been stashed away by a Spanish civilian employee.

He had thought they were astronauts' gear and had locked them in the security vault.

REDTAPE

But the bane of the oversea teachers is the frustrating task of getting day-to-day supplies. "The galling thing," says one, "is that you can't get the small items." Most teachers blame military redtape, rigidity, rules.

In Frankfurt, a science teacher tried to discard 1956 textbooks, which lacked up-to-date information on space. The supply sergeant wouldn't replace them because their covers were still "serviceable." In vain, the teacher tried to explain it was what was inside the covers that mattered. Then the teacher tried a new tack. He crated the books and signed a form declaring them "unserviceable." The sergeant agreed and gave him a new supply of books—3 years out of date.

Another order went out that all old primers had to be burned. A teacher asked to keep a few, so her children could cut out the pictures. The books were burned.

Many oversea teachers not only work in squalor but live in squalor. They live where the military tell them to live—often in what they call American ghettos. In one, inspected by Parade, women teachers were quartered in cell-like rooms 10 by 10 feet. In one corner was a daybed, in another a wash-bowl. The furniture was drab Army issue. A single bathroom served two rooms. Down the hall was a laundry room with automatic washer and dryer. Neither worked. There was also a kitchen with a four-burner electric stove and a single refrigerator. All teachers on the floor (about 20) shared these facilities.

But these are adventurous young people who sought jobs overseas to see the world. They don't mind the hardships so much as being shortchanged in pay. Congress passed a law in 1959 directing that oversea teachers should be paid the same basic salaries as those in U.S. cities. The Pentagon drew up an order to this effect, then ignored it.

The average base pay for oversea teachers (\$4,535) has now fallen more than \$1,000 below that of stateside teachers (\$5,963). A Pentagon spokesman blamed Congress for not providing the money; Congressmen claim the Defense Department never asked for it. Congress finally got around to giving the oversea teachers an extra \$100 beginning this year. Many were so outraged they started sending the money back in checks made out to the President, Defense Secretary, Treasury Secretary, and Members of Congress.

KIDS LOSE OUT

These teachers also hate to see the children, for whose basic education they are responsible, being cheated, too. They argue that displaying a high standard of American schooling overseas is as good a way of showing the flag as any. They contend, too, that the children of servicemen guarding their country shouldn't be deprived of their birthright.

Before the schools reopen in September, you can do a favor for the servicemen on duty around the world by calling upon your Congressman to give both the oversea children—and their teachers—a break.

THE POZNAN UPRISING OF 1956

Mr. KEATING. Mr. President, 8 years ago today the Polish citizens of Poznan demonstrated that love of freedom which is so much a part of the heritage of Poland. The factory workers of this city of 430,000 were suffering economically. Wage increases had not kept pace with inflationary price rises so that the workers' real income had declined; overpaid taxes due the workers had not

been returned and the local administrators had forbidden any overtime work. The result was severe economic hardships for many in this community.

On June 28, 1956, these workers, denied any satisfaction from the Communist authorities in Warsaw, took to the streets in an orderly demonstration against specific grievances. Other citizens began to join the demonstration as the pent-up frustration of 10 years of Communist economic oppression found expression. Rumor that the original factory delegation had been jailed caused the marching throng to attack the jail and free its inmates. Signs that originally said "We want bread" became "Down with Soviet occupation" and "We want freedom" as the Poznan citizens used this occasion to demonstrate their hatred of Soviet oppression.

Unity of the Polish people was demonstrated when the Polish Army cooperated with the people to attack the secret police. By the afternoon of June 29 the Army was reinforced and students and merchants used their fists and rocks to fight the tanks and machineguns dispatched by the central Government. This greatly increased opposition did not prevent some men from displaying a flag dipped in blood or crowds from lifting a picture of Our Lady of Czestochowa to the top of a captured building. By the end of the day 250 people were dead and many hundreds of others injured.

This great demonstration was not entirely in vain. It made a deep impression on the Soviet Government which was later that year forced to grant Poland increased autonomy. The Poznan uprising emphasized the fundamental contradiction between the Soviet principle of centralized control over the bloc and the national yearning for independent government which would possess a degree of local control.

Recent history has demonstrated that the local autonomy granted to Poland has not resulted in much political liberalization. But the lack of freedom has not destroyed the desire for it. The Poznan uprising had no leadership except the encouraging power of community feeling. The spontaneity of the demonstration revealed to the world in vivid terms the courage and fortitude of the Polish people.

This same courage and fortitude is much alive today. I have visited Poland and have felt the Polish desire for freedom. I have sensed the frustration of these devout people who reject communism in their hearts, and minds, and souls. The rebuilt cities and patched bullet holes in the renovated apartments attest to the hardships of the past. The hardships of the present are still distressing to all lovers of liberty.

The Poznan uprising demonstrates that the love of freedom will never die in Poland. I have seen and felt this love for myself; I have personally witnessed the political and religious persecution which is a part of the Polish daily life today. The endurance and high principles of the Polish people are an example to all of us who cherish freedom in our own land.

I returned from Poland convinced that the desire for liberty fills the hearts of the Polish people today as it did in 1956 and as it has for centuries. It is this unending desire for freedom which the Polish people have exhibited throughout their history which we honor today as we mark the eighth anniversary of the courageous Poznan revolt of June 28 and 29.

DR. WILLARD W. COCHRANE

Mr. McCARTHY. Mr. President, Secretary Freeman has announced the resignation of Dr. Willard W. Cochrane as Director of Agricultural Economics, of the Department of Agriculture.

I have known Dr. Cochrane for many years. He is a distinguished economist, forthright in expressing his ideas. Beyond this, he is one with a deep concern for the welfare of American farmers. He was professor of agricultural economics at the University of Minnesota from 1951 to 1961, when he took a leave of absence, to join the Department; and he is returning to the University of Minnesota, to resume his position on the faculty.

I express my appreciation to Dr. Cochrane for his conscientious efforts and hard work during the past 3½ years. The Director of Agricultural Economics holds an important and challenging position. He is responsible for the economic research and statistical analysis programs of the Department of Agriculture, and he is also the key adviser to the Secretary on economic policies.

The responsibility for farm legislation and the decision as to the type of program rests with the Congress; but in order to make these decisions, we need an objective analysis of the estimated program results of alternative proposals. This is the area in which competence and frankness are needed. Dr. Cochrane has proved the quality of economic analysis in the Department.

One of the most serious problems facing Congress in 1961 was the situation in feed grains and in several other commodities. Surpluses had been increasing steadily, and so had Government costs, while farm commodity prices were declining. None of us is satisfied with the level of farm income today; but the economic drift has been stopped, and the feed grain and wheat situations have greatly improved. Dr. Cochrane has had a major role in clarifying the issues and in working out constructive alternatives in the broad effort to meet these farm problems. I know that many others join me in commending him for his services, and in expressing to him best wishes for the future.

PROPOSED ELECTRICAL INTERTIE BETWEEN THE PACIFIC NORTHWEST AND SOUTHWEST

Mr. JACKSON. Mr. President, the advantages of electrically tying together the great hydrosystem of the Pacific Northwest with the big steam and hydro-systems of the Pacific Southwest have long been known. These advantages have been spelled out in report after

report. Proposals to actually build the intertie go back at least 16 years. That is when the distinguished junior Senator from California [Mr. ENGLE], then a Member of the other body, introduced the first bill for Federal construction of an intertie; his bill also gave assurance to the Pacific Northwest that only power surplus to its needs would be exported from the region.

Despite this long history of efforts to bring about construction of intertie lines, two things have prevented it so far. The first was the need for legislation to define the primary marketing area of the Bonneville Power Administration, which markets power from the Federal dams in the Columbia River Basin. The second was serious differences of opinion as to what lines were needed and who should build them.

Three years ago, Secretary of the Interior Stewart L. Udall, with the assistance of Bonneville Power Administrator Charles F. Luce and others, undertook to tackle seriously both these problems in a manner that would not only settle these problems, but also would protect the various interests. For 3 years, they have been working hard—with success at last in sight. It now appears that Mr. Udall and Mr. Luce have succeeded in bringing together nearly all the diverse interests in the West in support of a plan for construction of four big transmission lines by a combination of public and private utilities and the Federal Government.

It is a plan regarded by the Interior Department—and by many others, as I shall show later—as superior to the all-Federal "yardstick" plan, against which proposals by non-Federal parties to build parts of the lines were measured. It provides more capacity, and at less cost, than the all-Federal alternative.

It is a plan that takes into account the big investment of the Federal Government in the Columbia River Basin and the Colorado River Basin and the Central Valley of California. It is a plan that recognizes the tremendous investment of private utilities in the West in both generation and transmission, and the great benefits that can result to all from having these private systems interconnected with the Federal systems. It is a plan that recognizes and meets the needs of preference customers—some 251 cooperatives and other public agencies—in 11 Western States.

Of the total investment of some \$700 million in the four long lines and three shorter connecting lines that comprise the plan, the Federal Government would invest about \$280 million, or 40 percent. The city of Los Angeles would invest another 10 percent, and six private utilities would invest the remaining 50 percent. Yet, public agencies will have control over some 60 percent of the line capacity, and will receive about 66 percent of the benefits.

The plan is the result of good-faith negotiations, as directed by Congress. Last year, we appropriated \$5 million to the Bonneville Power Administration and \$2 million to the Bureau of Reclamation, to start construction of two all-Federal lines between the Pacific North-

west and Pacific Southwest. But we attached two conditions before any of the funds could be spent:

First, we said, S. 1007 or similar legislation must be enacted, to provide proper safeguards for the Northwest's power supply. I remain hopeful that the differences between the House and Senate on this legislation can be resolved soon, so this condition will be met.

Second, we said the Secretary was to conduct good-faith negotiations with non-Federal parties, to determine whether equivalent benefits to the national interest could be obtained through non-Federal construction, and to report to the Appropriations Committees. After months of negotiation and analysis, the Department of the Interior found that certain non-Federal proposals would result in greater benefits than all-Federal construction, and greater benefits than those possible from other non-Federal proposals. In good faith, then, a combination of the best proposals is what the Secretary recommended to Congress in his report to the Appropriations Committees.

Furthermore, at every stage of negotiation the Secretary and his able Bonneville Power Administrator have kept the concerned committees of Congress fully informed as to progress in the negotiations. Frequently over the past 6 or 7 weeks, when the Secretary's report was being drafted, the Secretary and the Administrator consulted with many Members of Congress and with committee staff members and with other interested parties.

I ask that there be printed in the RECORD, following these remarks, a sampling of editorials and letters and telegrams supporting the intertie plan.

I am pleased that public hearings have been scheduled by the Senate Appropriations Committee for July 1 and 2, in order to give both the opponents and the proponents a chance to state their views. I am confident that the hearing record will show overwhelming support for the recommended plan, and will provide the basis for quick and favorable approval by Congress of the plan, and funds to implement it.

There being no objection, the editorials, letters, and telegrams were ordered to be printed in the Record, as follows:

[From the Seattle Post-Intelligencer, June 29, 1964]

INTERTIE PROPOSAL

We expressed some doubts about an electrical intertie between the Pacific Northwest and the Southwest as originally proposed. When first outlined, the idea seemed to have for its basic goals the bailing out of the Bonneville Power Administration and the possible erection of a federally controlled power grid throughout the Western States.

The plan now before Congress from the Department of the Interior dispels this picture and embraces the partnership policy of public and private power endorsed by the Eisenhower administration and steadily supported by this newspaper.

The idea is challenging and exciting, and entirely within the role of the Pacific Northwest as leader in the development of hydroelectric power. It would be the biggest step yet taken by this Nation in the international field of electrical energy.

The opposition of California Democrats appears based upon political-ideological theories of monopolistic public power which found popularity in the thirties. It overlooks vast changes during three decades in the practical relationships between public and private utilities.

On the regional economic side there is no question about the impact of such a program. Senators MAGNUSON and JACKSON of Washington State estimate this to be \$1 billion.

Clearly the proposal is in for a tough battle in Congress. It is to be hoped that the controversy will not be as political as the California Democrats would like to make it. It is a plan which deserves close examination, to be sure, but in a spirit of progress we hope that it is found to be as practicable as the supporters claim.

[From the Seattle Times, June 29, 1964]

NORTHWEST PREFERENCE PERILED

What is behind the opposition of Representative John E. Moss and 20 other California Democratic Congressmen to the Johnson administration's plan for joint Government-industry development of an electric power intertie between the Pacific Northwest and Southwest?

The plan offers such obvious benefits to both regions that it is difficult to understand the delaying tactics of Moss and his colleagues.

For one thing, the joint Government and private industry development of the intertie will result in lower transmission charges than would a purely Federal development.

California is hungry for power. One would expect California's Representatives in Congress to expedite legislation providing for an early start on the intertie.

Instead, the California Democrats are making every effort to delay the measure, which is scheduled to go before the Senate Appropriations Committee tomorrow and Wednesday.

Why?

We suspect that the real target of the California obstructionists is a companion measure to the intertie legislation—the Northwest preference bill.

This measure, which would give Northwest consumers first call on energy generated by Federal dams in the Northwest, has passed both Houses of Congress, but has been stalled for many months in a House-Senate conference committee that has been unable to resolve differences between the House and Senate versions of the bill.

Construction of a Northwest-Southwest intertie without the safeguards contained in the regional preference bill would result in California raids on the low-cost, federally produced firm power that is a mainstay of the Northwest economy.

In the opinion of Interior Department officials, the new intertie plan provides the basis for resolving the differences between the House and Senate versions of the preference bill.

If those differences are not resolved, the outlook for safeguarding Northwest firm power is bleak. It would be extremely difficult, probably impossible to steer new protective legislation through both Houses of this or any succeeding Congress in view of opposition from California and the Eastern Coal Belt, and disinterest in much of the rest of the country.

Therefore, if California Congressmen can block passage of the intertie plan for the rest of the present congressional session, they may be able to kill the Northwest protection legislation which we suspect is their real target.

It is our hope that the Moss "block" has overreached itself, and that the West as a whole will rebel at this latest example of California's insatiable appetite for the resources of other Western States.

The Johnson administration has set before Congress a wise compromise plan for sharing Northwest power with the Southwest in a manner that would greatly benefit the economies of both regions. In proposing that the intertie be built as a Government and private industry partnership package, the administration recognizes the diverse ownership of power production in the West.

The plan merits prompt and favorable congressional attention.

DAVENPORT, WASH.,

June 25, 1964.

Senator HENRY M. JACKSON,
U.S. Senate Building,
Washington, D.C.:

Urge immediate favorable action by Congress on the Udall plan for Pacific Northwest-Pacific Southwest EHV regional tie lines. Any delay may result in increased power rates to BPA customers.

GEORGE E. JANETT,
President, Lincoln Electric Corp., Davenport, Wash.

PORT ANGELES, WASH.,

June 29, 1964.

Senator HENRY M. JACKSON,
Senate Office Building,
Washington, D.C.:

As an industrial customer of BPA in Port Angeles, Wash., we urgently request approval of the recent proposal of the Department of Interior in regard to the California interties. We believe, in view of the years of study that have been devoted to alternatives available, further studies are not warranted and that the recent Department proposal will best serve the Northwest and the Nation.

CROWN ZELLERBACH CORP.,
F. W. FLYNN.

EPHRATA, WASH.,

June 29, 1964.

Senator HENRY M. JACKSON,
Senate Office Building,
Washington, D.C.:

We urge your support of the proposed four-line package of transmission interties between the Pacific Northwest-Southwest. We also urge you to support enactment of S. 1007 as passed by the Senate.

WM. SCHEMPF,
President Public Utility District No. 2 of Grant County.

SPOKANE, WASH.,

June 26, 1964.

Senator HENRY JACKSON,
Washington, D.C.:

The board of trustees of Nespelem Valley Electric Cooperative, Inc., strongly urge your support of the four west coast electric transmission lines. We also urge specifically that an appropriation be made for Federal construction of the line to Hoover Dam and we also strongly urge enactment of S. 1007 as passed by the Senate.

JOHN P. RASMUSSEN,
Manager.

ABERDEEN, WASH.,

June 29, 1964.

Senator HENRY M. JACKSON,
Senate Office Building,
Washington, D.C.:

The economic stability and growth of the Grays Harbor area of Washington State is dependent upon the continued availability of low-cost electric power. The Grays Harbor public utility district has agreed to purchase treaty power to support the Canadian agreement which will provide flood control and a substantial quantity of electric power. The financing of the U.S. obligation to Canada of \$254 million by October 4, 1964, is dependent upon marketing this large block of power.

It is the obligation of the U.S. Congress to

recognize the national interest and immediately enact legislation for the Northwest-Southwest tie lines as recommended by Secretary Udall. The Canadian Treaty power together with the U.S. Bonneville Power Administration's surplus power can then be sold in California which will conserve the fossil fuel supply and make maximum use of the Northwest's hydroelectric potential.

H. S. SWENSON,
President, Board of Commissioners PUD
No. 1 of Grays Harbor County.

VANCOUVER, WASH.,
June 23, 1964.

Senator HENRY M. JACKSON,
Senate Office Building,
Washington, D.C.:

Urgent that appropriation be approved this session for Northwest interior to implement Canadian treaty and minimize Bonneville's rate increase next year.

BOARD OF COMMISSIONERS, CLARK
COUNTY PUBLIC UTILITY DISTRICT.

NEWPORT, WASH.,
June 27, 1964.

Senator JACKSON,
Washington, D.C.:

Strongly urge most emphatic effort to obtain approval construction of powerline industries from Pacific Northwest to California and southern points before the Senate Appropriations Committee July 1 and 2.

PUBLIC UTILITY DISTRICT NO. 1, PEND
OREILLE COUNTY, OREG.
W. P. CAMPBELL, Manager.

RITZVILLE, WASH.,
June 24, 1964.

Senator HENRY M. JACKSON,
Senate Office Building,
Washington, D.C.:

We urge consideration and adoption of Northwest-Southwest intertie plans which would be acceptable to the BPA.

WASHINGTON RURAL ELECTRIC CO-
OPERATIVE ASSOCIATION,
FRED J. HARTT.

VANCOUVER, WASH.,
June 27, 1964.

Senator HENRY M. JACKSON,
Senate Office Building,
Washington, D.C.:

Following wire sent President Johnson: "Urge your support of the four west coast electric transmission lines. We also urge specifically that an appropriation be made for Federal construction of the line to Hoover Dam."

ALAN JONES,
President, Northwest Public
Power Association.

SPOKANE, WASH.,
June 23, 1964.

Senator HENRY M. JACKSON,
Senate Office Building,
Washington, D.C.:

Please do all within your power to obtain a satisfactory regional preference bill and follow with a plan satisfactory to Bonneville for the construction of the Pacific Northwest-Pacific Southwest interties.

VINCENT P. SLATT,
Manager, Inland Power Light Co.

PASCO, WASH.,
June 23, 1964.

Senator HENRY M. JACKSON,
Senate Office Building,
Washington, D.C.:

Extra high voltage lines to California is a vital economic concern to the Benton County Public Utility District, Kennewick, Wash. Independent studies indicate the lines are required to prevent the wasting of the valuable hydroresources of the Northwest and to conserve the fossil fuels in the Southwest.

Lowest possible electric rates to our customers can only be achieved by the extra-high voltage lines.

Sincerely yours,
BENTON COUNTY PUBLIC UTILITY
DISTRICT,
THOMAS E. BLACK.

SEATTLE, WASH.,
June 23, 1964.

Hon. Senator HENRY M. JACKSON,
Senate Office Building,
Washington, D.C.:

Seattle City Light endorses the recommendations for the Northwest-Southwest intertie made by Secretary of the Interior Udall and his special committee. This is an excellent opportunity for Federal, non-Federal, public, and private power to work together on this tremendous project of transmitting power the entire length of the western coast of our Nation. We would appreciate your support of the recommendations and necessary appropriations to implement this desirable project keeping in mind always our desire to retain appropriate preference provisions. This message also sent to the Representatives of our State.

JOHN M. NELSON,
Superintendent of Lighting.

DAYTON, WASH.,
June 25, 1964.

Senator HENRY M. JACKSON,
Senate Office Building,
Washington, D.C.:

The board of directors of this cooperative urge that you take whatever action necessary to support the Northwest intertie system as proposed by the Department of the Interior. Any delay will seriously affect the economy of the entire Northwest.

ELMER F. THOMPSON,
Manager, Columbia Rural Electric Asso-
ciation, Inc.

CITY OF PORT ANGELES,
Port Angeles, Wash., June 26, 1964.

Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MAGNUSON: It would be appreciated if at the Senate Appropriations Committee hearing to be held July 1 and 2, you would convey to the committee that Mayor Charles Willson, the city council, the city manager, and the electrical superintendent of the city of Port Angeles support the plan for the four west coast electric transmission lines; the appropriation for Federal construction of the lines to Hoover Dam; and enactment of S. 1007 as passed by the Senate.

We feel that it behooves all Government people to look into the future and decide what is good in the long run for our citizens. When we do this, we feel that the intertie system is for the best of all concerned. Although the intertie will be of benefit to the northwest, we feel that it will be of more immediate benefit to California, Arizona, and Nevada.

Certainly in such an expensive and long-range program as this, we should not let petty squabbles hold up or defeat the plan. Private and public power must work together for the common good. In every decision that is made, there are some people who are against the decision. This must not keep us from making decisions. This is an age of change, and change we must if tomorrow we are to retain our leadership in the world.

We hope and feel that the above measures will be promptly approved by the Senate Appropriations Committee.

Sincerely,

DONALD D. HERRMAN,
City Manager.

WENATCHEE, WASH.,
June 24, 1964.

Hon. HENRY JACKSON,
U.S. Senate, Washington, D.C.:

Speaking for an electrometallurgical company that is buying its power from the Bonneville Power Administration and whose existence in the West depends upon the lowest possible power rate, we strongly urge that the Pacific Northwest-Southwest intertie as proposed by Secretary Udall be passed with all possible haste.

The benefits to both areas of Western States should be sufficient to overcome any political objections that have or may arise.

Sincerely,
WM. THOROUGHMAN,
Plant Manager, Keokuk Electro Metals
Co., Division of Vanadium Corp. of
America.

JUNE 24, 1964.

President LYNDON JOHNSON,
White House,
Washington, D.C.

Senator HAYDEN,
Chairman, Appropriations Committee:

We urge your full support of the Department of Interior proposal for Federal-non-Federal construction of PNW-PSW tie line and passage of S. 1007. The proposed Hoover line should be authorized for Federal construction. Prompt action is essential to end present inexcusable waste of hydroenergy and thermal power facilities and provide an essential economic element for marketing Canadian treaty power.

WASHINGTON PUBLIC POWER SUPPLY
SYSTEM,
OWEN W. HURD, Managing Director.

LONGVIEW, WASH., June 22, 1964.

Senator HENRY M. JACKSON:

We endorse legislation creating a Pacific Northwest-Pacific Southwest power intertie and urgently request your committee's approval of funds for its construction. Construction of this intertie needed to maintain present low rates and to avoid waste of surplus northwest energy further compounded by recent adoption of Canadian treaty. Intertie vital to economy of entire Pacific coast region. Original, Senator CARL HAYDEN; copies, Senators JACKSON, MAGNUSON;

O. G. HITTLE,
Manager, Public Utility District No. 1
of Cowlitz County, Wash.

PUBLIC UTILITY DISTRICT NO. 1,
COWLITZ COUNTY, WASH.,
Longview, Wash., June 26, 1964.

Hon. HENRY JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: On June 22, we wired you urging your favorable influence and support of legislation which would create a Pacific Northwest-Southwest power intertie. We take this opportunity to amplify our remarks by saying, we strongly support the package plan of (1) the four west coast electric transmission lines as proposed by the Department of the Interior, city of Los Angeles and other interests, (2) an appropriation for Federal construction of the line to Hoover Dam, and (3) enactment of S. 1007 as passed by the Senate.

Volumes of testimony favorable to this plan have been presented for your consideration. At the risk of being repetitive we submit our arguments as follows:

One of the Pacific coast's most valuable resources, low-cost hydroelectric power, is in jeopardy if Congress fails to enact legislation authorizing Federal construction of its part of the high-voltage power intertie between the Pacific Northwest power load centers and the Pacific Southwest which has a drought of low-cost hydroelectric energy.

Millions of kilowatts of wasted hydroelectric energy are presently flowing over the dams in the Northwest for lack of a market, while the Southwest can absorb this energy by slacking off steam production.

The immediate benefits of the recent successfully negotiated power pact with the Canadian Government cannot be immediately realized unless the intertie makes it possible to absorb the surplus power generated in the Pacific Northwest, including Canadian entitlement, particularly in the early years of the pact. Failure to salvage this waste and temporary surplus firm power for sale to the Southwest would cost the Federal Treasury billions of dollars over the next half-century.

The diversity in power requirements between the Pacific Northwest-Southwest regions makes an intertie a natural since power may flow to and from these areas as diversity demands.

We feel that Federal construction and control of these transmission facilities is a must for the optimum benefit to the public in low rates and maximum utilization, including conservation.

Very truly yours,

O. G. HITTLE,
Manager.

PUBLIC UTILITY DISTRICT No. 1
OF OKANOGAN COUNTY, WASH.,
Okanogan, Wash., June 26, 1964.

Senator HENRY M. JACKSON,
Washington, D.C.

DEAR SENATOR JACKSON: We respectfully request that you support passage of S. 1007 and urge that you push for the adoption of the four-line intertie proposal. We also urge you to support the construction of a Federal line to Hoover Dam. Without this program, the Canadian upstream storage program will have much less meaning.

Very truly yours,

ELMER B. TITUS,
Manager.

OKANOGAN COUNTY ELECTRIC
COOPERATIVE, INC.,
Winthrop, Wash., June 26, 1964.

Hon. HENRY JACKSON,
Washington, D.C.

DEAR SIR: We urge your support of the plan for four west coast electric transmission lines. We also urge your support of an appropriation for Federal construction of the line to Hoover Dam and the enactment of S. 1007 as passed by the Senate.

Sincerely yours,

HENRY MITCHELL,
Manager.

WEYERHAEUSER Co.,
Tacoma, Wash., June 26, 1964.

Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MAGNUSON: As you know, our company, and particularly those operations under my supervision, consume substantial quantities of power purchased indirectly from the Bonneville Power Administration through various PUD's. Upon the completion of construction projects now underway, our bill will be well over \$2 million per year. Consequently, we are vitally interested in the California intertie plans proposed by the Department of the Interior.

Bernie Orell and Dan Smith tell me that you played a key role in the recent developments relating to BPA rates and the formulation of the intertie proposal. As a consumer of power, I am basically interested in the economics of the situation rather than in the ideological conflict between public and private power groups. At first blush I had thought the proposals recommended by the Secretary of the Interior would be acceptable to everybody in view of the fact that they give a primary role to

public power and at the same time leave something for private power.

I understand that you and some of your colleagues in both Houses, as well as the top people in BPA, have repeatedly emphasized the importance of an immediate solution of the intertie problem if we are to avoid a rate increase and rate structure changes that will be tremendously costly to the entire Northwest. Any postponement in the availability of cheap power will certainly also penalize consumers in California and other areas of the Southwest.

In view of these compelling economic considerations, I am sure most consumers of power are terribly disturbed by the threat to the entire intertie as posed by the recent action of the California House delegation. After the years of study that have been given to this problem by all interested people, it is difficult to see what purpose would be served by further studies. One begins to suspect that some people are more interested in seeing a 100 percent public power intertie dead than a public-private combine alive. We consumers hope we will not become the victims of any such doctrinaire battle.

We appreciate the efforts that you have expended in this cause in the past and we know that your continuing interest will prevent a frustration of these proposals, which admittedly represent some compromise of the real desires of the various parties to the dispute. We hope that soon after the hearings next week we will see the light turn green.

Sincerely yours,

Vice President,
Manager, Pulp and Paperboard Division.

JUNE 24, 1964.

Hon. CARL HAYDEN,
Chairman, Appropriations Committee,
Senate Office Building,
Washington, D.C.:

The Chelan County Public Utility District supports the plan for four Northwest-Southwest power intertie transmission lines as outlined in the article in the Wall Street Journal of Monday, June 22, 1964, with the understanding that the regional preference legislation will be enacted to provide proper safeguards for the firm power supply of the Pacific Northwest. The plan as presented is a good plan and goes far toward meeting the needs of both sections of the west coast.

IVAN J. COMPTON,
L. J. RICHARDSON,
ROBERT O. KEISER,
Commissioners.

KIRBY BILLINGSLEY,
Manager.

TANNER ELECTRIC,

North Bend, Wash., June 26, 1964.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SIR: We wish to support the partnership plan for the Northwest-Southwest intertie as proposed by Secretary of the Interior Udall.

We believe that the early adoption of the plan plus the appropriation of funds to construct the direct current line to Hoover Dam and the final enactment of S. 1007 as passed by the Senate are important to us as a Bonneville customer.

The intertie program with its promise of continued low Bonneville Power rates to its customers is of great importance to the small power distributor such as ourselves. The present Bonneville rates make possible the continued operation of our cooperative. Any increase in rates would threaten our entire operation, as we are a marginal operation under our present rate schedules.

In the entire history of our operation we have not had sufficient revenue for our needs.

We are just arriving at that point where we can adequately cover all costs from current revenue. Should the intertie not be built and the Bonneville Administration be forced to raise rates, the additional cost to Tanner Electric would again place our operation in jeopardy.

We are certain that the early construction of the intertie lines will greatly benefit the entire west coast.

Sincerely yours,

E. LOUIS TOWNE,
Manager.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ALASKA EARTHQUAKE RECONSTRUCTION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid down and made the pending business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will state the title for the information of the Senate.

The LEGISLATIVE CLERK. S. 2881, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964, and for other purposes.

The Senate resumed the consideration of the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964, and subsequent seismic waves, and for other purposes.

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

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

Mr. JACKSON obtained the floor.

PRESENTATION OF THE THIRD ANNUAL HERMAN LOWE MEMORIAL SCHOLARSHIP

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

Mr. JACKSON. I yield briefly to the Senator from Vermont.

Mr. AIKEN. Mr. President, several weeks ago the third annual Herman Lowe Memorial Scholarship was presented at the dinner of the Washington professional chapter of Sigma Delta Chi, the national honorary journalistic society.

This scholarship was created by Florence Lowe, widow of the late Herman Lowe, whom many of us knew and respected, and by Mrs. Lowe's brother, Bernard Segal, a nationally known lawyer. Its purpose was to perpetuate the high professional standards and personal integrity of Herman Lowe by helping needy journalism students from colleges in the Washington area pursue their studies.

Lesley Lowe Israel, daughter of Herman and Florence, presented this scholarship. Lesley gave evidence of her father's influence on her life in her presentation of the Herman Lowe Memorial Scholarship to Donald Holmes, Jr., a journalism student at the University of Maryland.

I ask unanimous consent to have Lesley Israel's presentation statement printed at this point in the RECORD.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Without objection, it is so ordered.

The statement is as follows:

Mother, gentlemen, Mrs. Graham, Donald, it is with great pride that I present the Herman Lowe Memorial Scholarship to another fine young man.

I can think of no memorial which would have pleased my father more. When I was in college, and anxious to enter the wonderful world of journalism, he often reminded me, "No writer, no matter how flowing his style or how glib his words, can be a good reporter without a solid grounding in the facts which underlie his story. College is where you learn the most fundamental of these facts, and where you are trained to seek out those which you do not know."

I find it most gratifying to present this scholarship, in my father's memory, to a would-be member of his profession. It will enable you to finish the education he found so crucial—and doubly so in your chosen field of technical and scientific journalism.

Perhaps it will also inspire you to reach for his high standards of professionalism and to be the credit to your field which he always was.

So to you, Donald Holmes, Jr., I present this certificate with congratulations from myself, my mother, and my brother.

COMMITTEE MEETING DURING SENATE SESSION

At the request of Mr. MANSFIELD, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

CHANGE IN AUTHORIZATION FOR COMMITTEE MEETINGS

Mr. MANSFIELD. Madam President, I ask unanimous consent that the permission given to the Committee on Labor and Public Welfare to meet during the week of June 29 be rescinded as to the remainder of the week after today; so the authorization will permit the committee to meet only during the session of the Senate today.

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

TWENTY-FIFTH ANNIVERSARY OF PAN AMERICAN WORLD AIRWAYS CLIPPER FLIGHT ACROSS THE ATLANTIC

Mr. MAGNUSON. Madam President, will the Senator yield?

Mr. JACKSON. I yield to my senior colleague.

Mr. MAGNUSON. Madam President, an event of tremendous importance and significance occurred 25 years ago this past Sunday, on June 28, 1939. On that date Pan American World Airways, a fledgling corporation, dispatched a clipper across the Atlantic with revenue

passengers for the first time in the history of the air transport industry.

This Nation has good reason to be proud of its international air carriers. Not only have they pioneered in routes but they have pioneered in equipment, they have pioneered in ideas, and they have pioneered in courage and ingenuity. Historically they have advocated lower fares for the traveling public in some cases in the face of relentless opposition from their foreign government-owned competitors.

Madam President, this has been a true symbol of American private enterprise. Our leadership in the area throughout the world is unsurpassed, particularly in commercial aviation. I congratulate Pan American Airways, its organization, and its fine people on this memorable occasion. Today people can travel all over the world largely because of the ingenuity and the work of American air transport operators; and in the leadership of transatlantic and transpacific air transportation is Pan American Airways.

It is, of course, very important to all of us, to the airline industry, to this country, to this body, that Pan American flew the Atlantic for the first time commercially 25 years ago. But of more importance, in my mind, and apparently in the mind of most of the members of the Commerce Committee, is the fact that Pan American has achieved success the hard way. Instead of keeping transatlantic or transoceanic air transportation reserved for the wealthy, Pan American has constantly fought to keep fares within reason and to open up the medium of air transportation to the many millions of Americans who are now traveling abroad each year and who 25 years ago would have found it impossible to go beyond the continental United States on their vacation holidays.

Twenty-one years ago, Juan T. Trippe, president of Pan American Airways, announced goals which seemed unattainable and a business philosophy considered revolutionary in the air transport industry.

Today, the goals are being reached, and the philosophy he stated has been followed by all international airlines.

Mr. Trippe, in May 1943, said he foresaw the day when a passenger could board a plane carrying 150 persons and fly from New York to London in 10 hours at a one-way fare of \$100.

At that time, an average transatlantic flight carried 30 passengers; a crossing required 23 hours, and the one-way fare was \$600. Transatlantic air service, inaugurated on June 28, 1938, by Pan Am, was only 4 years old, and flights were being made in 150-mile-per-hour flying boats.

Mr. Trippe's predictions on speed and passenger capacity have been exceeded by Pan Am's jet clippers, which can carry as many as 161 passengers across the Atlantic in 6 hours at nearly 600 miles per hour.

The one-way basic economy fare between New York and London is \$210 on Pan Am's jet clippers—only \$120 in terms of 1943 purchasing power. Fares have been lowered repeatedly at Pan Am's urging in accordance with the phi-

losophy expressed by Mr. Trippe in 1943 when he said:

Air transport has the choice—the very clear choice—of becoming a luxury service to carry the well-to-do at high prices or to carry the average man at what he can afford to pay. Pan American has chosen the latter course.

To carry out that policy, Pan Am successively introduced new transports capable of carrying larger passenger loads while simultaneously seeking lower fares, applying to air transport the traditional American business principle of increasing volume and reducing the unit cost.

Pan Am's efforts to lower fares began at the close of World War II, and are continuing despite a history of frequent opposition.

In 1945, when some airlines suggested a one-way transatlantic fare to London of \$375, Pan Am proposed \$275. Pan Am put the \$275 fare into effect for a brief period but suspended it when foreign governments threatened to limit the company's transatlantic frequencies.

On September 24, 1948, Pan Am increased the number of seats on its Clippers flying between New York and Puerto Rico, simplified its meal services, and reduced fares 20 to 25 percent below the first-class rate—thereby inaugurating the first overseas air tourist service. The experiment proved an immediate success, and within 5 months the number of passengers carried on the route more than trebled.

Next, Pan Am inaugurated tourist services around South America and to Bermuda, using this same high-density seating formula.

The effort for lower transatlantic fares continued and, in 1951, Pan Am announced it would open a transoceanic tourist service the following year. Other airlines decided to adopt the transatlantic tourist plan, too, and transatlantic tourist fares went into effect on May 1, 1952.

On April 1, 1958, economy-class fares—20 percent lower than tourist-class fares—were introduced. The economy-class fares have been so successful that they have supplanted tourist-class service on transatlantic flights.

The most recent fare reduction occurred on April 1, 1964. Then the New York-London economy fare, applicable all year except during a peak period in the summer, was cut to \$210 one way and \$399 round trip. First-class fares also were reduced, to \$375 one way and \$712.50 round trip.

In addition to the worldwide economic benefit resulting from the mass movement of passengers, Mr. Trippe has said that foreign air travel also can make a major contribution to international understanding:

Mass travel by air may prove to be more significant to world destiny than the atom bomb. For there can be no atom bomb potentially more powerful than the air tourist, charged with curiosity, enthusiasm, and good will, who can roam the four corners of the world, meeting in friendship and understanding the people of other nations and races.

The tourist plane and the bomber for years have been racing each other toward a photo finish. In my opinion, however, the tourist

plane, if allowed to move forward unshackled by political boundaries and economic restrictions, will win this "race between education and catastrophe."

Possibly on the example set by Pan American, but more probably on their own initiative, other U.S.-flag carriers have carried on the excellent tradition established by this pioneer so many years ago. We all have reason to be proud of the accomplishments not only of Pan American but of our other U.S.-flag carriers who have distinguished themselves so nobly around the world.

Mr. JACKSON. I yield briefly to the distinguished Senator from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Madam President, I join the distinguished Senator from the State of Washington, the chairman of the Senate Commerce Committee, in congratulating Pan American World Airways on the 25th anniversary of its inaugural flight across the Atlantic.

Pan American World Airways has set and maintained standards of safety and reliability that have done much to bring the entire air transportation industry to its present position of strength and dynamic growth. Pan Am has carried the flag of the United States into many foreign countries, enabling hundreds of thousands of people the world over to make the personal contacts so important to better understanding between nations. Commercial as well as cultural relationships between all nations now depend heavily upon air transport.

Pan American has played a major role in the development of new planes throughout its entire history. Many of the planes which have been used were developed as the result of the pioneering, engineering, and specifications that Pan American has insisted upon for its worldwide service equipment.

This airline, and the many other American-flag airlines that compete so appropriately with it, has enabled hundreds of thousands of ordinary people to realize the thrills and rewards of travel abroad.

While I have often found myself in disagreement with some of the policies pursued by the management of Pan Am, and may again in the future, I deeply respect Pan American's tremendous accomplishments in pioneering across the skies to once-remote areas of the earth. I deeply respect, too, the Pan Am employees who have steadfastly made these achievements possible.

I think it is well to remember on this anniversary of the first regularly scheduled transatlantic service that the future growth of our aviation industry requires unremitting surveillance and study on the part of Congress for safe and sound expansion of small as well as large airlines. Sound Government policy has fostered and protected opportunities that have produced prosperity for the major trunkline carriers. Other segments of our air transport industry have not fared so well.

An alert and dynamic policymaking apparatus, both in industry and in Government, is absolutely essential to the continued growth of our U.S. aviation industry. Though its growth has been fantastic in the past quarter century,

aviation's contribution to our society—if it is to become the great society—must be multiplied many times.

Pan American is one company that has always had an alert and dynamic policymaking team of its own. This 25th anniversary of Pan Am's pioneer Atlantic crossing finds this company's team, and this company's potential, stronger than ever. I congratulate each and every Pan Am employee who has participated in the achievements of this fine airline.

Mr. JACKSON. Madam President, I yield to the Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Madam President, I wish to associate myself with the distinguished senior Senator from Washington in warmly congratulating Pan American. While discussing the 25th anniversary of Pan American's first transatlantic flight, we are actually discussing events of comparatively recent vintage. Pan American was pioneering out of Florida 12 years before that first transatlantic crossing. As a matter of record, Madam President, in October of 1927 Pan American flew a small plane load of passengers and mail on a 90-mile run from Key West to Havana, then completing the first international flight carrying passengers and mail.

An epoch in transportation and a milestone in aviation became history Tuesday, October 28, 1947, when two nations, Cuba and the United States, led hemisphere-wide observance of Pan American's 20th anniversary of that first international flight.

Special ceremonies in Key West, Havana, and Miami were sponsored by the State of Florida and the Cuban Government in honor of Pan American's first flight from Key West to the Cuban capital, October 28, 1927.

President Harry S. Truman officially recognized the occasion by signing a special scroll presented to Pan American by the Chairman of the Civil Aeronautics Board.

The White House scroll pointed out that Key West was the cradle of U.S. international aviation. The service born here later spread throughout the Caribbean, encircled South America, pioneered transpacific air routes, conquered the Atlantic, and today encircles the globe.

I had the honor of presiding at the banquet climaxing the observance, and joined with official host Gov. Millard F. Caldwell, of Florida, and dignitaries from both Cuba and the United States in the celebration. The triple ceremony began at Key West where the site of the take-off of the first pioneering clipper, at Meacham Field, was marked with a monument unveiled by Jose Diaz Garrido, president of the Municipal Council of Havana.

Later, two four-engine clippers took off for the 90-mile flight to Havana, where a monument was unveiled at Rancho Boyeros Airport, and a scroll was presented to Pan American Vice President Wilbur L. Morrison by Alberto Cruz, Cuban Minister of Communications. The group of dignitaries and press were guests of the Cuban Government for luncheon.

Two birthday clippers left Havana in midafternoon for Miami where a ban-

quet climaxing the occasion was held that night. Speakers were Governor Caldwell, Vice President Morrison, and Jose R. Gutierrez, Cuban Under Secretary of Communications.

Distinguished guests were introduced, including Col. John Alison, Assistant Secretary of Commerce for Air, Enrique Aguero, Postmaster General of Cuba, and Dr. Herminio Rodriguez of the Cuban Ministry of State.

Others introduced included Brig. Gen. Homer L. Sanders, of the 14th Air Force, then Congressman and now Senator GEORGE SMATHERS, and then Congressman Emory H. Price, members of the Governor's cabinet, State supreme court, heads of the State's leading educational institutions, legislators, and city and county officials.

Of all of Pan American's important installations—at Kennedy International Airport, in San Francisco, in Los Angeles—none is more historic nor vital to the success of Pan American's system-wide operations than its extraordinary and brand new facility at Miami International Airport. More than 7,000 residents of Florida are employed by Pan American in Miami, many of whom have given a great part of their lives to the service of this most unusual and interesting organization.

Madam President, the crew that departed on that first Pan American flight across the Atlantic 25 years ago received all of its early training in Florida. I am sure it will be of interest to this body to know who those people were and where they are now.

Twelve men made up the crew of Pan American's Dixie clipper, June 28, 1939, when the airline inaugurated commercial passenger service across the Atlantic. Of the dozen, five are still active with the company. A sixth recently retired.

Robert D. Fordyce was a junior flight officer on the 42-ton Boeing flying boat that made aviation history. Today he is a captain flying transatlantic and round-the-world routes for the airline.

Benjamin S. Harrell, pilot-navigator on the first flight, is also a captain, currently flying Pan Am's routes across the Pacific. He was one of the first captains to take the controls of the first jet clippers in 1958. With the company since 1936, he has flown in all sectors of operation, and for a time was an assistant chief pilot in the overseas division.

Melvin C. Anderson, now of Los Altos, Calif., was an assistant engineering officer on the Dixie clipper. He is presently a Pan Am flight engineer operating out of San Francisco on Pacific routes.

Another engineer on the famous flight was Stephen H. Kitchell, who is now chief flight engineer for Pan Am's Latin American division, based in Miami.

What of the other members of the crew on that history making flight of June 1939? Capt. Gilbert B. Blackmore, of Colusa, Calif., the first officer, was based in San Francisco from 1940 until his retirement in December 1963, after a 30-year career with the airline.

The engineering officer was John A. Flsk. He is presently a pilot-flight engineer for Eastern Airlines, based in Miami.

Radio Officer Harry L. Drake left the company in 1950 to join Aeronautical Radio, Inc., of Miami, Fla. He is the company's stations operations chief. The firm provides air and ground communications for several airlines.

The stewards were John Salmini and Bruno Candotti. Salmini today is field service supervisor for Pan Am in Rome. Candotti operates a catering service at Maiquetia Airport, Caracas, Venezuela.

Skipper of the Dixie Clipper was veteran flyer R. O. D. Sullivan. Captain Sullivan passed away in 1955.

A third flight officer, J. Norman Gentry, and Radio Officer Harold G. Lambert are also deceased.

All of these men, Madam President, rendered good service in the advancement of Pan American particularly and of commercial international aviation generally. Their successors are carrying on for them all over the world. I am happy to join with the distinguished chairman of the Commerce Committee in congratulating Juan T. Trippe and his many thousands of devoted employees for the accomplishments of Pan American and for the additional pioneering achievements which I feel certain they will attain.

Mr. BARTLETT. Madam President, as one of the representatives of the great State of Alaska, I take great pride in congratulating Pan American World Airways on the occasion of its 25th anniversary of the inauguration of flights across the Atlantic.

The State of Alaska was deriving benefits from its association with Pan American for a full decade before the carrier commenced transatlantic service.

Measures of the continuing interest of the carrier in serving the people of Alaska are evidenced by its proposals whereby the carrier would provide a daily service to Fairbanks throughout the year, plus extra flights during peak months; daily service to Ketchikan and Juneau throughout the year, plus an increase to 11 flights weekly for Ketchikan in the summer; and a daily service to Anchorage throughout the year, plus an increase to 11 flights a week during the summer. These flights would be conducted with Boeing type 707-321 aircraft, with seats arranged to accommodate 135 passengers on the winter schedules, and 145 during the summer, thereby making available to Alaskans the latest in jet equipment.

Further evidence of Pan American's continued interest in serving Alaska was its decision to transfer voluntarily its Juneau-Fairbanks local service rights to Wien Alaska Airlines, Inc. This transfer reflected a realization by Pan American of the fact that the long-haul aircraft types which must now be utilized in the mainland-Alaska service are not also the ones most efficiently geared to the local service requirements. This transfer reflects a willingness on the part of Pan American to accept revisions—in fact, to propose them, so as to conform its certificate authorization to the most practical manner of providing the air transportation required.

Madam President, the foregoing is another example of Pan Am's continuing endeavor to provide up-to-date and ade-

quate air transportation for the traveling public.

I congratulate Pan Am, on behalf of my fellow Alaskans and myself, not only on the occasion of its 25th year of passenger service across the Atlantic, but also on its 35th year of service to the State of Alaska.

Mr. COTTON. Madam President, as the ranking minority member of the Commerce Committee and the Aviation Subcommittee I should like to add my remarks to the observations made today by the distinguished chairman of the committee about the pioneering efforts of Pan American Airways in establishing transatlantic commercial service just 25 years ago.

The history of commercial flying across the Atlantic dates almost as far back as Col. Charles A. Lindbergh's epochmaking solo flight in 1927, the year Pan American Airways was founded.

Within 2 years after Colonel Lindbergh's New York-Paris flight Pan Am was actively planning a broad skyway to Europe. But flying the Atlantic "on a wing and a prayer," as the early civilian and military pilots did, was one thing. Establishing dependable, regularly scheduled air transportation for passengers across the "world's most dangerous ocean" was quite another.

Larger, safer, longer ranging planes had to be designed, constructed and tested; bases and maintenance facilities had to be established, not only in the United States and Europe, but at way stations in between; communications had to be vastly improved, and meteorology—until then largely a hit-or-miss proposition—had to be painstakingly developed into a science.

Colonel Lindbergh, as Pan Am's technical adviser, made survey flights to the Far East and Scandinavia. His Scandinavian route was not too far from the one taken by the Pan Am and TWA west coast-Europe flights today.

The experience and data gained from these and many other survey flights was added to the operational know-how Pan Am was acquiring at the same time on its rapidly expanding Caribbean and Latin American routes.

In 1935, Pan Am was ready to carry passengers across the oceans. On November 22 of that year, a Martin M-130 flying boat took off from San Francisco for Honolulu, then flew on to bases constructed by Pan Am on Midway, Wake, Guam, and at Manila. It was the first flying boat to cross an ocean on a regular schedule.

As this work progressed and more experience was gained, the German dirigibles Graf Zeppelin and Hindenburg began flying lighter-than-air routes across the Atlantic. But this form of travel was abandoned in 1937.

On June 18, 1937, Pan Am inaugurated passenger service to Bermuda. Less than a month later, on July 3, captain, now executive vice president, overseas division, Harold E. Gray was at the controls of a Sikorsky S-42B flying boat which took off from Port Washington, N.Y., for Southampton, England, arriving there in 22 hours and 39 minutes to complete Pan Am's first transatlantic commercial survey flight.

During the summer of 1937, additional survey flights were operated by Pan Am and, on a reciprocal basis, by Imperial Airways, a predecessor of British Overseas Airways Corp.

By early 1939, special planes—Boeing 314 flying boats—had been constructed to Pan Am's specifications and tested for transatlantic service.

On May 20, 1939, Pan American inaugurated transatlantic airmail service along the southern route from Port Washington to the Azores, Portugal and France. This flight carried nearly a ton of airmail. On June 17, 16 newspaper and radio reporters were guests of the airline on a flight from Port Washington to Marseille.

On June 24, Pan Am operated the first commercial air flight across the Atlantic via the northern route to Southampton via Shediac, New Brunswick; Botwood, Newfoundland; and Foynes, Eire. Capt. Harold E. Gray was in command of this flight which carried 20 special guests.

On June 28, the first passengers to purchase tickets to fly the Atlantic were on-board the *Dixie Clipper*, a Boeing B-314 flying boat, when it took off from Port Washington for Marseille, via the Azores and Lisbon. Twice-a-week schedules were established. Shortly thereafter, Pan Am inaugurated scheduled passenger flights over the North Atlantic to Southampton.

With the outbreak of war a few months later, service to Marseille and Southampton was discontinued, but Pan Am helped maintain a vital lifeline to Europe with its flights to Lisbon as Allied passenger ships were driven into port or converted to military use.

On December 7, 1941, just 30 minutes after Pearl Harbor was attacked, Pan American's worldwide facilities—the only ones of their type then in existence—were placed at the disposal of the U.S. Government. The line's planes were flown by civilian crews in every theatre of operations throughout World War II.

Of necessity, these men and machines were tested far beyond the limits to which they had been subjected in peacetime. And out of this grim, hard-won experience there emerged a vastly superior and greatly expanded transatlantic service at the end of the war.

A Pan Am DC-4 became the first commercial landplane in overocean service in October 1945. Later, the company's engineers helped develop the Boeing Stratocruiser, the famed doubledecker that was the last word in luxurious air travel in the late 1940's.

Then, in fast sequence, came the big speedy DC-6B's and DC-7C's—with their far larger passenger, mail and cargo capacities. On October 26, 1958, Pan Am inaugurated American Flag jet passenger service across the Atlantic with giant, 600-mile-per-hour 707 jet clippers.

Today, just 25 years after the first commercial passenger-carrying flight across the Atlantic, Pan Am helps make it the world's most air-traveled ocean by operating 222 transatlantic passenger flights on clockwork schedules every week.

Mr. KEATING. Madam President, 25 years ago this past Sunday, on June 28,

1939, a Pan American World Airways flying boat, the *Dixie Clipper*, made the first transatlantic passenger flight in history. This epoch-making flight, I am proud to say, originated in Port Washington, N.Y. It is, of course, but one episode in a long history of association between Pan Am and the Empire State, and today Pan Am's presence in New York is epitomized by its titanic home office building in midtown Manhattan and by its striking circular terminal at the John F. Kennedy International Airport.

All the good things that have come to pass in the exciting history of Pan Am are due in large measure to the organizing genius of Mr. Juan T. Trippe and long-standing associates of his at the helm of this transportation enterprise. Equally, Madam President, this company would not be what it is today without the dedicated efforts of its thousands of employees. The remarkable thing about Pan Am employees is their longevity of service with the company. Once on the job with Pan Am, they seldom leave. They become part of the community, part of the political, social, and civic life of the communities in which they live and work.

The five boroughs of New York City and the suburban counties are the residences of hundreds of these Pan Am people who today carry on the tradition exemplified by the flight commemorated this week. To them, I say, "Well done."

ALASKA EARTHQUAKE RECONSTRUCTION

The Senate resumed the consideration of the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964, and subsequent seismic waves, and for other purposes.

PRIVILEGE OF THE FLOOR

Mr. ANDERSON. Madam President, I ask unanimous consent that David Finnegan, of the Department of the Interior who is acting as counsel for the Federal Reconstruction and Development Planning Commission for Alaska, may be permitted on the floor of the Senate during the afternoon discussions.

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

Mr. JACKSON. Madam President, I rise to urge the passage of S. 2881, amending the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

Committee action was unanimous in ordering S. 2881 reported favorably to the Senate. Subsequently, Senator GRUENING requested and was granted permission to file individual views.

The purpose of S. 2881 is to provide additional authority for executive agencies of the Federal Government to assist the State of Alaska and its citizens in recovering from the earthquake and seismic wave disasters of March 27. The bill would accomplish its purpose by amending the Alaska Omnibus Act—73

Stat. 141—to provide special aid for highways, urban renewal, harbors, housing, and State finances.

Thus, the private sector of the Alaska economy as well as the public would benefit under S. 2881.

The committee broadened the scope of the administration's proposal by the adoption of three amendments. The first gave discretionary authority to the Administrator of the Housing and Home Finance Agency to increase the Federal contribution to urban renewal project costs to a maximum of 90 percent in certain of the communities in the disaster area. The second permits certain areas on the coast of California and Washington, devastated by the seismic waves, to share in the benefits of the extension of the Small Business Administration home disaster loan program provided in the bill. The third authorized the Administrator of the Housing and Home Finance Agency to purchase about \$7.2 million of State of Alaska general obligation bonds of a total of \$11,624,000 which were authorized, prior to the earthquake, but were not issued, or to make loans in that amount.

The maximum amount of additional obligational authority involved in the

bill would come to not more than \$50,150,000.

I believe that the Congress and the executive agencies have acted promptly and generously to aid the people of Alaska in their hour of trial. As Senator ANDERSON, chairman of the Federal Reconstruction Commission, stated in a press release made May 28, 1964:

Federal assistance to Alaska homeowners, businessmen, and local and State governments for earthquake recovery is estimated to range between \$236 and \$337 million. Part of these funds are contingent on congressional approval.

In addition, the Federal Government will spend about \$76 million on reconstruction of damaged Federal facilities and on the cost of operating Federal disaster-related programs. These funds will have an impact on the private economy of Alaska.

All of these funds are in addition to Federal expenditures which would have gone to the State and for normal Federal programs in Alaska had there been no disaster.

I ask unanimous consent that this chart detailing the assistance activities of the Federal Government in the Alaska disaster, be printed in the body of today's RECORD.

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

Federal costs related to Alaska earthquake¹

[In thousands of dollars]

	Total Federal assistance	Grants and other direct expenditures ²			Loans			Net Federal cost (2)+(7)
		Total	Ordinary disaster and other programs	Extraordinary assistance for Alaska	Total	Value of repayments ³	Subsidy	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(2)+(7)
Aid to private sector:								
Small Business Administration.....	50,000				50,000	42,803	7,197	7,197
Internal Revenue.....	25,000	25,000	25,000					25,000
Bureau of Commercial Fisheries.....	700				700	657	43	43
REA (loan forgiveness).....	5,000	5,000		5,000				5,000
VA, FNMA, HHFA (loan forgiveness).....	?	?	?	?				?
Total.....	80,700	30,000	25,000	5,000	50,700	43,460	7,240	37,240
Aid to State and local governments:								
Office of Emergency Planning.....	80,122	80,122	80,122					80,122
Bureau of Public Roads.....	63,200	63,200	48,200	15,000				63,200
Transitional grants.....	23,500	23,500		23,500				23,500
Urban Renewal Administration.....	44,263	44,263	44,263					44,263
Community Facilities Administration.....	25,215	215	215		25,000	22,768	2,232	2,447
Total.....	236,300	211,300	172,800	38,500	25,000	22,768	2,232	213,532
Total.....	317,000	241,300	197,800	43,500	75,700	66,228	9,472	250,772
Alaska Railroad.....	27,000	27,000	27,000					27,000
Total.....	344,000	268,300	224,800	43,500	75,700	66,228	9,472	277,772
Other Federal facilities.....	49,246	49,246	49,246					49,246
Grand total.....	393,246	317,546	274,046	43,500	75,700	66,228	9,472	327,018

¹ Based on Budget Bureau's May 22, 1964, compilation of "Data Relating to Alaska Earthquake and Federal Aid to Alaska."

² Includes tax offsets and loan forgiveness.

³ Present value of expected repayments at 4½ percent, which is the current average market yield on Treasury obligations with 20 years remaining to maturity.

Source: Office of the Secretary of the Treasury, Office of Debt Analysis.

Mr. JACKSON. Madam President, I cannot more persuasively tell the Senate of the need for swift approval of this measure than by citing President Johnson's recommendation:

Concern for our fellow citizen alone compels prompt action on this proposal. But practical considerations are also most important. The construction season in Alaska is about to begin and is of short dura-

tion. The sooner Alaska can complete its reconstruction efforts, the sooner it can begin again to devote its efforts toward the further development of the State's resources.

Madam President, I wish to pay special tribute to the distinguished senior Senator from New Mexico [Mr. ANDERSON] for the enormous effort he expended in connection with the pending proposed legislation, and in connection with other

ills that have been before the Senate, in an effort to aid the people of Alaska. He served as Chairman of the President's Federal Reconstruction Commission, and at my request undertook to handle the pending legislation in the Senate. He has been most thoughtful in his efforts to try to find solutions under existing criteria—and we have had to broaden some of the criteria—in order that Alaska might be given appropriate aid.

Madam President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing, en bloc, to the committee amendments.

The committee amendments were agreed to en bloc.

Mr. KUCHEL. Madam President, permit me to observe that the committee, in its wisdom, saw fit to approve an amendment which I had offered to extend the terms of the home disaster loan benefits available from the Federal Government for damage resulting from the earthquake wherever it took place.

The sad fact is that, while the fury of the act of nature did bypass the State represented by the Senator from Oregon, who is now the Presiding Officer [Mrs. NEUBERGER], it did wreak some damage in a portion of the State represented by the distinguished chairman of the Committee on Commerce, and coming southward, in the northern part of California.

I express my gratitude to the committee for the beneficent action which it took in adopting my amendment.

Beyond that, all I wish to say is that we listened in the Chamber to the two distinguished Senators from Alaska at the time the shock and fury took place.

This represents an indication by the Members of the Senate that they wish to lend the helping hand of the people of the United States to the people of the State of Alaska.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. MANSFIELD. Madam President, the past year has been marked by several natural disasters of unusual proportions. First the earthquake created havoc in Alaska and portions of California and Washington. In early June of this year, my State of Montana was hit with the most disastrous flood in our history. Eight western Montana counties have already been designated disaster counties eligible for assistance under Public Law 81-875. I am informed that additional designations are being considered for five or six more counties. The most recent estimates indicate that property damage in the public area exceeds \$21 million and private losses are more than \$41 million.

These figures are very conservative, because I am informed that in one county alone, Flathead County, the damage is in excess of \$50 million. The needs in the public sector have been taken care of very rapidly under existing programs administered through the Office of Emergency Planning and various other departmental programs. The response has been most gratifying.

I take this occasion to express my deep and grateful appreciation to Mr. Edward A. McDermott, Director of the Office of Emergency Planning, who has done a tremendous job, as have those under his direction, in Montana, as they had already done in the States of Washington, Oregon, and Alaska.

The question which creates the greatest concern is how we can assist the individuals who have suffered great losses. According to information received from Montana, some individuals have suffered as much as \$12,000 loss to their own homes. As I am sure Senators realize, these unusual disasters are ruinous to many families, and that there is no really adequate program for assistance to these individuals.

It is with this thought in mind that I have had prepared an amendment which would permit the inclusion of Montana disaster counties under section 54 of S. 2881, the pending bill. This would permit Montana residents to become eligible for aid under the Small Business Act in extending the maturity of loans up to 30 years. I realize that this legislation is designed to meet the problems of our sister State, which recently suffered such great devastation.

I would hope that the distinguished members of the Senate Interior and Insular Affairs Committee, especially the chairman, the Senator from Washington [Mr. JACKSON] and the senior Senator from New Mexico [Mr. ANDERSON], who has made a special study of this kind of situation, might agree to the inclusion of these Montana counties in the section dealing primarily with relief for the private individual.

At this time, I would also like to suggest that Congress should give very serious consideration to the problem of relief for the individual in natural disasters. According to information made available to me, at the present time, there is no comprehensive program, and what relief is available is rather inadequate.

Madam President, I send to the desk an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be read.

The legislative clerk read the amendment as follows:

On page 5, line 17, after "seismic waves," insert "or for the purpose of replacing, reconstructing, or repairing dwellings in counties in Montana designated in the calendar year 1964 as disaster areas pursuant to the act of September 30, 1950 (64 Stat. 1109)."

Mr. ANDERSON. Madam President, I would not want to be regarded as unfavorable to anyone who is trying to help the people of Montana, but I would hope that the distinguished majority leader would try to leave the amendment out of this bill.

As I understand, the Small Business Administration is able to do a great many of the things the Senator from Montana desires to have done. The other agencies of Government are also authorized, under the Disaster Insurance Act, to do many of these things.

Many of the counties in Montana have been declared disaster areas. I would hope that the senior Senator from Montana and his colleague would go to the

appropriate agencies, along with their constituents, and ask for help.

If that help is not forthcoming, I promise that I shall do what I can to make certain that assistance will be given to those who have suffered from the disaster. The Senator from Montana may recall that the State of Ohio had a devastating flood not too long ago. It was not so disastrous that relief was required to the extent provided in the proposal for Alaska. We have provided other relief assistance for Alaska.

In the future when States suffer from floods, the people may think it desirable to have applied to them the same provisions as are applied to Alaska, but their conditions may not be the same. While the disaster in Montana was major, it did not have the same relative importance to the State as the disaster in Alaska had to that State.

I therefore hope, since the bill is directed primarily to the Alaska earthquake and to the seismic wave that followed, touching California and other States, that it will not be encumbered by a provision which has not been considered by the committee and would be out of place in the bill.

I say that with all kindness to the majority leader. I think he ought to try, through the agencies concerned, to have done for Montana the work that Mr. McDermott has done for Alaska. Mr. McDermott has done outstanding work in Alaska. Publicly and privately, I have praised the work he has done in that State. He will do the same for Montana. The people of Montana will find that his agency is as ready to work there as it was for the people of Alaska.

I would hope the Senator from Montana would withdraw his amendment and try to have the individuals in the agencies concerned do similar work for Montana. If such relief is not obtainable, he should try to obtain legislative relief for that State alone.

Mr. MANSFIELD. Madam President, I deeply appreciate the open mind displayed by the distinguished senior Senator from New Mexico and the encouragement he has given.

My colleague from Montana [Mr. METCALF] and I have made contacts with all the Government agencies interested in disaster problems. We have been in touch with the Small Business Administration. So far as the public sector is concerned, adequate relief is being provided by the Office of Emergency Planning and other agencies of the Government.

But the factor which concerns us the most at the present time happens to be the individual homeowners, 5,000 of whom, in the southwest part of the city of Great Falls, have been flooded out in whole or in part. They have mortgages to pay. Some of them have made little more than downpayments on their houses. They have very little in the way of insurance to fall back on. This is an area of Great Falls that is, by and large, not peopled by the wealthy. These are people who need help the most.

I had hoped it would be possible, on the basis of this bill, or at the very least on the basis of the statement made by

the distinguished senior Senator from New Mexico, who has had so much to do with this bill, that the people of Montana might be given the same kind of consideration with respect to loans which would be amortized on a 30-year basis, and other considerations, because of the difficulties which confront the people in those counties at the present time.

I hope that Mr. Foley, Administrator of the Small Business Administration, who has been most cooperative, will take note of this situation and will derive encouragement from what the distinguished senior Senator from New Mexico might still have to say on this particular subject as it affects the private sector.

Mr. ANDERSON. Madam President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. ANDERSON. I would be glad to accompany the Senator from Montana on a visit to Mr. Foley and to talk with him. I have found Mr. Foley to be a very reasonable person. He tries to be helpful in situations like this. So far as I am concerned, I believe he would be helpful.

One of the things that has been of great benefit to the people has been to permit them to have the benefit of low interest rates over a long period of years. In many instances, a person has had to pay an interest rate as high as 7, 8, or 10 percent, with repayment of the loan due in 15 or 20 years. But if that can be changed into a 3-percent loan for a period of 30 years, the burden will be completely changed.

I express to the Senator from Montana my assurance that I shall be glad to join him in making every effort possible to obtain assistance from the Small Business Administration. I express the hope that Mr. Foley will be receptive to whatever request the Senator from Montana may make.

Mr. JACKSON. Madam President, I wish to associate myself with the remarks of the senior Senator from New Mexico. A special problem exists in Montana which deserves the fullest support. It is only because our committee was, jurisdictionally speaking, responsible under the Alaska Omnibus Act that we were involved in this proposal in the first instance. I am completely sympathetic to the remarks of the Senator from Montana and will, as chairman of the Committee on Interior and Insular Affairs, do whatever I can to assist the people of Montana and the distinguished Senators from that State.

Mr. MANSFIELD. I express my deep appreciation to Senators who are in charge of the bill and assure them that their words are most encouraging. In view of the fact that the Senate seems to be unanimously in accord with the views expressed by the Senator from New Mexico [Mr. ANDERSON] and the Senator from Washington [Mr. JACKSON] I withdraw my amendment at this time.

Mr. BARTLETT. Madam President, I express the hope that the people of Montana, who were the victims of a disastrous flood, will obtain quick and effective relief. I have the feeling that the law is now so arranged that when the problem is presented to Mr. Foley, who

is one of the best administrators in the Federal Government, in my opinion, it will be found possible to extend the benefits of the 30-year loan period on the basis of existing provisions in the law.

Mr. MORSE. Mr. President, I heartily support obtaining for the people of Alaska the maximum assistance that can be obtained for them under any bill that can be passed in the Senate. I have read the House bill. I think I prefer the House bill to the Senate bill, because it is more generous to the people of Alaska. We cannot be too generous to our own people.

I have spent hours in recent days trying to prevent the giving away of the largess of the United States to areas of the world where our handouts will not be appreciated anyway, and will very likely, as the reports of the Comptroller General of the United States point out, be the cause of corruption as well as great waste and inefficiency in the use of the foreign aid money of the American taxpayers.

I have listened once again to our AID and State Department officials try to justify loans running into the millions of dollars—what are called loans, at least—at the rate of three-quarters of 1 percent interest, with 10-year grace periods, and 50 years in which to pay. A large percentage of such loans is to be paid back if paid back at all in soft money, not even in hard, cold American dollars. Yet we find ourselves rather reserved about coming to the assistance of our own people by making the most generous possible arrangements that we can grant for loans in Alaska.

I quite agree with the Senator from Montana [Mr. MANSFIELD] that the Federal Government should assist the people of Montana by the most generous program that can be provided for that State due to the flood suffering of its people. The Senator has decided to withdraw his amendment. I would have voted for it if he had pressed for its inclusion in the bill. We have reached the point where we shall have to do a large amount of legislating if we expect to do justice to our people in the light of a Senate and a House which have already demonstrated, in my judgment, an uncalled for reserve in regard to doing justice to our people. I am ready to start voting for riders, if riders are necessary to do justice to our people, whether on this bill or any other bill. But the Senator from Montana has decided not to press his amendment.

I appreciate the assurance given by the Senator from New Mexico to the Senator from Montana that he will assist him in every way he can in consultation with Mr. Foley, the Director of the Small Business Administration.

I hope that it will bear fruit. The best way to deliver the fruit to the depressed areas of the country is to enact the necessary legislation. I look forward with hope—and I never give up hope—that the Committee on Interior and Insular Affairs will eventually get around to doing justice to the people of my State in respect to the deepest pocket of poverty that exists in the country today. The Committee on Interior and Insular Af-

fairs did not do justice to Oregon the other day, nor did the Appropriations Committee, in regard to the attitude that the Interior and Insular Affairs Committee and the Appropriations Committee have taken toward the Tongue Point facility. They trimmed down not only my recommendation and the recommendation of the Secretary of the Interior, but also the recommendations of our beloved President Kennedy.

Mr. President (Mr. Young of Ohio in the chair), I am sorry to be placed in a position where some Senators may feel that I am a little unpleasant. I am unpleasant about this unfair treatment of Oregon and I intend to continue to be unpleasant until I obtain justice for my State. I do not believe that the treatment my State has received in connection with Tongue Point can be justified by the Committee on Interior and Insular Affairs, or by the Appropriations Committee of the Senate.

I have been pleading for \$5 million for Tongue Point and I have received no answers to the merits of the issues I have raised. I have received no answers to the evidence which I placed in the RECORD justifying the special school for a special group of Indians at Tongue Point as recommended by President Kennedy, by Secretary of the Interior Udall, by the Bureau of Indian Affairs and by the recognized leaders of Indian groups in the United States.

Oh, I am well aware of the fact of what went on in the cloakrooms and behind the scenes, but that does not make it right. I intend to continue, so long as this session of the Senate continues, to try to save the people of my country the great waste of millions of taxpayers' dollars in a foreign policy which at the present time cannot be justified. This statement may not be felt to be germane, but it is germane, and I take this time to speak about it so that no more time will pass in the day before at least the record is made on my position with regard to what I consider to be the shocking position taken by our former Ambassador to South Vietnam, Mr. Lodge, before the Committee on Foreign Relations this morning.

He gave to us the same old McNamara-Rusk line, calling for the expenditure and waste of millions and millions more of taxpayers' dollars in South Vietnam when we should be spending more of that money in Alaska, Montana, Oregon, West Virginia, the Appalachian area, and the other depressed areas of this country.

This morning, when I asked Mr. Lodge to tell us why our Government is opposed to going to a 14-nation conference on the Asian crisis, why we oppose taking the crisis in southeast Asia to the Security Council of the United Nations and then to the General Assembly, why we are not bringing SEATO in under the SEATO Treaty to assume its treaty obligations in regard to South Vietnam, his testimony added up to meaning that the time is not propitious. That is no justification—as I told the Ambassador this morning—for the United States staying outside the framework of international law.

Ambassador Lodge tried to get us to swallow again the old bromide in the

form of that old saw that we cannot hold at the conference table what we cannot hold in the military field.

Analyze that statement. Analyze it for what it means. It means that we first impose our military might on southeast Asia and then we say in effect to the world now we are willing to negotiate. Now we are willing to go to the conference table. This amounts to telling the world that it can either agree with us and do our bidding or challenge our military might.

We cannot square that with the professed ideals of the United States. I said to Ambassador Lodge that I rejected the position he is taking in South Vietnam, which is also the position taken by the Secretary of Defense, the Secretary of State, and now, at long last, the position which the President of the United States has taken.

There are a great many values involved. The value of the loss of American blood. The value of the loss of American ideals. For no longer are we a country that can boast about the fact that we believe in substituting the rule of law for the jungle law of American military might.

There is a loss of something else as well, if we do not stop it, which is why my remarks are germane. I conclude with this observation, that there is a loss of strength of the greatest security weapon we have; namely, the economic power of the United States.

Unless we take care of our economy, and unless we take care of the needs of our people at home, we shall perform a vast disservice to future generations of American boys, because we shall not be leaving them a strong America. We are following a course of international outlawry in Asia and all rationalizing by Lodge, McNamara, Rusk, Taylor, and the President will not remove the blood from our hands. We can cleanse our sorry record only by reversing our course and calling upon the United Nations to carry out the clear provisions of the United Nations Charter designed to preserve peace wherever war is threatened.

Later, unrelated to the subject matter before us now, I intend to say a few words in rebuttal to some of the other things said by the Ambassador this morning. However, I wished the record to be made early in the day that, after listening to Ambassador Lodge this morning, I am more convinced than ever that our country is following a policy of outlawry in Asia, that we are outside the framework of international law, that we cannot justify use of the jungle law of American unilateral action by way of force and American military might.

We are, in my judgment, headed for a major war in Asia unless the policy outlined by Ambassador Lodge this morning is reversed and reversed quickly.

To the American people I say: "Only you can reverse it. Only you, the people, can reverse it. I recognize that the press has done a job on you by not printing the facts for you about South Vietnam. I recognize that those of us who are criticizing and documenting our charges regarding the facts concerning our country acting outside the framework of in-

ternational law, are not going to have our story told to the American people by a 'kept' press. I am satisfied also, as my mail shows, that it is getting through to many Americans."

We owe our thanks to the radio and television for that—not to the press.

I am satisfied that once the American people understand what is going on, they will agree with me that they must make clear to the administration they want none of the war policy of the administration in Asia. Many leaders of both the Democratic and Republican parties are advocating a warmaking policy in Asia. The American people must reverse them or thousands of American soldiers and thousands of American citizens will die without justification because such a war will be entirely uncalled for.

Mr. GRUENING. Mr. President, a parliamentary inquiry.

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

Mr. GRUENING. Is the bill open to further amendment?

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. THURMOND. Mr. President, all citizens, and I am sure, all Senators, feel the deepest sympathy for citizens of the earthquake devastated areas in Alaska. All of us desire to extend a helping hand to those dealt with so tragically by the forces of nature.

There is, however, a limit beyond which it is neither constitutional nor practical for the National Government to transgress. The bill proposed by the Committee on Interior and Insular Affairs, in some instances, exceeds this limit.

The bill provides for the forgiveness of private loans by the Farmers Home Administration. Approximately 200 such loans, totaling about \$4 million are outstanding in the disaster area. In relation to the total annual expenditures of the National Government, this amount is not large; yet the precedent which this authorization for forgiveness of private loans would establish is extremely far reaching. There is no prior precedent for such action.

It is obvious that in many cases the pledged security for these loans has been totally destroyed and it would probably be impossible to collect the loans. I would remind the Senate, however, that bankruptcy proceedings can accomplish essentially the same ultimate result, and the individuals concerned could be relieved thereby from any potential burden of a deficiency judgment which the Government might obtain. This is the remedy which must be followed where liens are held on the destroyed property of individuals by private rather than governmental lenders. This has been the course which was available to disaster victims in years past, and it is available to all regardless of whether their indebtedness is owed to a private creditor or to the National Government.

The bill might well provide that the bankruptcy of an individual as a result of the disaster would not be considered as a disqualifying factor for new and additional loans from Government agencies to the individuals involved. Thus,

the fact that the disaster victims were declared bankrupt would not prevent them from obtaining such Government assistance in the form of loans as are contemplated for new construction or reconstruction. This approach would, however, avoid the dangerous precedent of authorizing the cancellation or forgiveness of private loans. It would also avoid the inequities inherent in allowing forgiveness to those who had the good fortune to owe their indebtedness to the National Government rather than a private lender.

The bill, in its present form, should not pass. I would like the RECORD to show that I oppose that portion of the bill which provides for cancellation of loans by the Government to individuals.

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

Mr. THURMOND. I yield.

Mr. ANDERSON. There are 200 loans in the amount of \$4 million. But only 82 of those loans are on property which suffered damage. It is a very small percentage. The total amount of forgiveness is probably in the amount of \$100,000.

Mr. LAUSCHE. How much?

Mr. ANDERSON. Approximately \$100,000. It so happened that God took good care of the farm people in Alaska. Their damage is not as large as we might have expected. When compared with the amount of money involved, it is a very small sum.

Mr. THURMOND. I am not opposed to the entire bill as proposed, but only to this portion of the bill that cancels individual loans. I think it is setting a dangerous precedent for the Government to cancel a debt owed to it by an individual.

We might be treading on dangerous ground. If an individual has been damaged—as I am sure a great many of these people have been, and I feel very sorry for them—they have a recourse. They can be relieved of their debt without the necessity of having it canceled by the Government.

They can do as other individuals do when hardship hits them. They can go into bankruptcy. That would accomplish the same result without having the Government establish a precedent of canceling a loan due it by an individual.

My objection is to the continued interjection of the Federal Government into fields of activity already adequately regulated and supervised under the application of currently existing Federal or State authority.

The PRESIDING OFFICER (Mr. INOUYE in the chair). The bill is open to amendment.

Mr. GRUENING. Mr. President, I regret the necessity of calling up my amendment, No. 1080, which seeks only to conform the Senate bill, S. 2881, as reported, with the House bill, H.R. 11438, as reported.

My only regret in offering this amendment stems from the fact that it seemingly places me in opposition to the able and distinguished senior Senator from New Mexico [Mr. ANDERSON].

I have known and admired the Senator from New Mexico for many years.

He is a very capable, earnest, and sincere Senator, working assiduously and effectively for objectives in which he believes.

He was of immeasurable assistance in helping Alaska to obtain statehood. He conducted the first Senate hearing on Alaska statehood in 1950, as a result of which the Interior Committee voted to report an Alaska statehood bill for the first time. This was the first time any Alaska statehood bill had been reported by a Senate committee.

Later he was floor manager in the Senate of another statehood bill, and secured favorable action upon it. The history of the fight for Alaskan and Hawaiian statehood will inevitably record Senator ANDERSON's important participation and leadership in this epic legislative battle which extended the frontiers of democracy to America's farthest west, north, and south, and demonstrated to the world that our United States was still young, progressive, on the march, and validating that most basic of American principles, that of government by consent of the governed.

I might add that I have, further, a sense of personal obligation and gratitude for the participation of Senator ANDERSON at a certain confirmation hearing before the Senate Interior and Insular Affairs Committee in April of 1949, when the then Governor of Alaska, whose name modesty forbids me to mention, had been nominated for a third 4-year term. I might say that certainly, in consequence, in part, of Senator ANDERSON's penetrating interrogation of hostile witnesses, the nomination was unanimously confirmed by the committee and later by the Senate.

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

Mr. GRUENING. I yield.

Mr. ANDERSON. I am extremely happy that that was the result. I have no apologies to make for what I did. I thought I was doing a public service to support a Government official who was doing a good job.

Mr. GRUENING. I have never ceased to be grateful for that.

In accepting the chairmanship of the Federal Reconstruction and Development Planning Commission for Alaska, Senator ANDERSON did so at great sacrifice in time and effort. He threw himself into the effort of rebuilding Alaska with zeal and determination despite the many other calls upon his time.

I know he has Alaska's best interests at heart as he always had during the fight for Alaska statehood, and subsequently.

Our differences, therefore, are differences in how far the Federal Government should go in its efforts and how much the State and local governments of Alaska are financially able to assist themselves.

These amendments would not have been offered unless I considered them absolutely essential to the economic recovery of Alaska.

I had hoped that these amendments would have been adopted by the committee thus obviating the necessity for calling them up on the floor.

But in order to do full equity to the people of Alaska and to enable them to make as full a recovery as possible from the disaster of last Good Friday, these amendments are essential.

From a disaster of this magnitude a full recovery is not possible. Many citizens of Alaska have suffered the loss of personal possessions which can never be replaced and for which no compensation can be devised.

Even if S. 2881 were passed with both the committee amendments and my amendments there will be many residents who will have suffered losses for which no recompense is provided in this or any other bill.

However, where aid can be given I strongly urge that such aid be given.

As I have already indicated, my amendments are designed only to conform the Senate bill, S. 2881, with the House reported bill, H.R. 11438.

Two of these amendments, inserted by the Interior Committee in the other body, are limiting in nature.

The first amendment—paragraph 4—added by the House committee, puts an overall ceiling on the amounts authorized to be appropriated to carry out this bill. The ceiling stated is \$50,150,000.

The second amendment—paragraph 5—calls upon the President to report semiannually, beginning not later than February 1, 1965, to the President of the Senate and the Speaker of the House. The periodic report is to set forth the actions taken by the various Federal agencies under the act.

The third amendment—paragraph 1—relates to the State and local matching requirements for urban renewal projects for the city of Anchorage—by far our largest city.

The history of this amendment is as follows:

The original recommendation by the Housing and Home Finance Agency to the Federal Reconstruction and Development Planning Commission for Alaska was that, because so much of Alaska's tax base had been destroyed, those areas in which urban renewal projects had to be undertaken because of the Good Friday disaster should receive special consideration in the amount of State and local matching funds required. HHFA therefore proposed that the matching formula for those areas be changed from 75-25, as already provided by law for "normal" disaster areas, to 90-10.

In a "normal" disaster area, the remainder of the State's tax base is not cut by 50 percent as it was in Alaska. In the "normal" disaster area the matching ratio for urban renewal projects is 75-25. In such areas the State is usually in a better position to assist the locality than is the State of Alaska.

While the original recommended matching ratio was 90-10, when the recommendations were made to the President by Chairman ANDERSON of the Commission, the recommendation with respect to special consideration on urban renewal projects for Alaska cities in economic difficulties because of the disaster was not included.

When Mr. George Hayes, the attorney general of the State of Alaska appeared

before the Committee on Interior and Insular Affairs on behalf of the State, he made a special plea that the matching formula for urban renewal projects in Alaska in disaster areas be reduced from 75-25 to 90-10. His testimony is before Senators in the printed hearings. His arguments were clear, cogent, and compelling.

The gist of his argument was not special privilege for the State of Alaska. It is merely a matter of "we would if we could but we cannot." It is a question of not having sufficient money. It is as basic as that.

Two weeks ago the Mayor of Anchorage, Mr. George Sharrock, wrote the Senator from New Mexico [Mr. ANDERSON] in his capacity as chairman of the Federal Reconstruction and Development Planning Commission for Alaska as follows:

Anchorage simply has no spare capital funds. We seek the 90-10 formula, coupled with the State assisting on the local share, simply because without such complete State and Federal aid we would have to leave our slide areas in private ownership for owners to dispose of as they might be able to; furthermore, we could not restore facilities or roads beyond the minimum being done under Public Law 875 for many years to come.

I ask unanimous consent that the entire letter from Mr. Sharrock be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. GRUENING. Since writing that letter, one of the contingencies dreaded by the city of Anchorage has come true. A committee of expert geologists has reported that a considerable portion of downtown Anchorage in the main business district will have to be shored up if it is to be made safe for construction. This will cost an additional \$4 to \$8 million. I ask unanimous consent that the article from the Anchorage Times recording this new and unforeseen development be printed at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. GRUENING. The difference between an urban renewal matching ratio of 90 to 10 and 75 to 25 for the urban renewal projects in Anchorage before the Commission's report was approximately \$4 million.

I have said before, and I will repeat: the exact amount of the damage caused to the State of Alaska by the Good Friday disaster is not precisely known. As time goes on, the ascertained damage will increase. The seismological report is but one example of such hidden damages to be discovered at some future date.

In the markup in the Senate Interior Committee on S. 2881, I offered an amendment to reduce the matching ratio for all urban renewal projects necessitated by the disaster from 75 to 25 to 90 to 10.

The committee accepted this amendment for all cities other than Anchorage.

It is my opinion that Anchorage needs the reduced ratio as much as do the other cities in Alaska.

The difference between my position and that of the able and distinguished senior Senator from New Mexico is one of fact: can the city of Anchorage afford an additional \$4 million for urban renewal?

The State of Alaska with its intimate knowledge of its financial position and that of its cities says it cannot afford this extra sum.

The city of Anchorage says it cannot afford this extra sum.

Opposed to these opinions is the opinion of the able and distinguished senior Senator from New Mexico who says that, despite the statements by the city and State, the city of Anchorage can afford this extra sum.

The point, however, is that the amendment I propose—and which the committee in the other body has adopted—is permissive only. It does not require a 90-10 matching ratio. The 90 percent is a maximum and the Administrator of the Housing and Home Finance Agency can, when the time comes, exercise his discretion in authorizing a Federal matching ratio anywhere from 75 to 90 percent.

It is my hope that this amendment will be accepted either here on the floor or in conference, and that the exact amount of Federal matching up to a maximum of 90 percent will be left in the capable hands of the able Administrator of HHFA.

The next amendment—paragraph 3—relates to the purchase of FHA-insured mortgages on Alaska homes destroyed or severely damaged.

This amendment would permit the Federal National Mortgage Association—Fannie Mae—to buy at no more than par mortgages on FHA-insured homes in Alaska which were destroyed or severely damaged where the mortgages are now held by Fannie Mae.

Under existing HHFA policies, FHA mortgages on homes severely damaged or destroyed in Alaska can be forgiven upon the payment of \$1,000 provided the mortgages are held by Fannie Mae. Some of these mortgages were purchased by Fannie Mae out of its special assistance fund. Some FHA mortgages on such houses are still held by banks, never having been purchased by Fannie Mae. Some were purchased by Fannie Mae and resold.

This amendment would have done equity among FHA-insured homeowners in Alaska whose homes were destroyed or severely damaged. The homeowner could not control the sale to or the purchase by Fannie Mae of his mortgage. Nor could the homeowner control the resale of his mortgage by Fannie Mae. That was purely a matter of chance.

Without this amendment, Alaska homeowners in the same circumstances will be dealt with unfairly.

This is not a question of rescuing the banks holding the mortgages, but rather rescuing the homeowners who gave the mortgages. Banks cannot forgive a legal indebtedness without making every

effort to collect. Forgiveness would not be permitted by the State banking commissioner. Forgiveness would not be permitted by the Internal Revenue Service as a writeoff as for a bad debt. Collection of any disaster insurance carried by any of the banks is also dependent on diligent efforts to collect the indebtedness.

The result will therefore be that many homeowners in Alaska having FHA-insured mortgages may have to go through bankruptcy in order for the banks to prove that they took diligent steps to collect the indebtedness. Others may be saddled with double indebtednesses.

This could be happening while a next-door neighbor, whose FHA-insured house was also destroyed, could obtain forgiveness solely because of the chance that the FHA-insured mortgage had been purchased by Fannie Mae and not resold.

This amendment is supported by the National Association of Mutual Savings Banks.

I ask unanimous consent that the letter dated June 10, 1964, from the National Association of Mutual Savings Banks be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 3.)

Mr. GRUENING. By its terms, the total cost of this amendment is limited to \$10 million. This amendment was also accepted by the House Committee and is in the House bill as reported.

By its terms, the funds to carry out this amendment would come from Fannie Mae's special assistance funds. Far from creating a precedent for extraneous uses of Fannie Mae's special assistance funds, this proposal would follow a precedent. Up until a few years ago, Fannie Mae's special assistance funds were allocated to purchase FHA-insured mortgages on Alaska homes and these mortgages were held in Fannie Mae's portfolios. The reason for this procedure was because there just was no private market—at least so it was alleged—for the purchase of FHA-insured mortgages on Alaska homes. The area was considered too remote and the risks too great. Shortly after statehood, Fannie Mae determined to make a real effort to sell to private banking interests FHA-insured mortgages on Alaska homes. It was quite successful in its efforts. Many of the mortgages involved in this amendment were originally purchased with special assistance funds and sold to private lenders. What this amendment does, therefore, in great part, is to reverse the process and use the very same funds to repurchase these mortgages so they can be forgiven under present policies on the payment of \$1,000.

Through June 11, 1964, there had been authorized under the Fannie Mae special assistance funds over \$2 billion, of which \$181,756,000 had not yet been allocated. The amount involved in this amendment is therefore less than 6 percent of the total Fannie Mae special assistance fund available for allocation and would in no way disturb allotments already made for other special assistance functions.

The adoption of this amendment could do much to relieve the approximately 120 Alaskan homeowners thus discriminated against from heavy debt burdens and possible bankruptcy. As one homeowner wrote me:

A great many of us are still expecting the Federal Government through FNMA to purchase the FHA guaranteed loans that are in the slide area in Turnagain. FNMA did offer to buy the loans that they have in their portfolio, but these number but a few. This seems to be a lopsided situation with a few people getting the benefit of having their loans with FNMA where some others have their loans in private portfolios.

I hope that this amendment will be accepted either on the floor or in conference. It is a good amendment. It is a just amendment. It should be adopted.

Another amendment—paragraph 2—also adopted by the House committee and contained in the House bill as reported, would reduce the interest rate on State of Alaska bonds purchased or loans made to the State of Alaska by HHFA.

The maximum amount of bonds or loans authorized is \$25 million.

As introduced, the bill provides for a rate of interest of 3½ percent—¾ percent after today—with a repayment schedule of 40 years and no moratorium on repayment.

The amendment I offered in committee would have reduced the interest rate on bonds issued by the State of Alaska for reconstruction of disaster damage, and purchased by the Housing and Home Finance Agency, to three-quarters of 1 percent, repayable in 50 years with a moratorium on repayment of principal for the first 10 years.

Immediately after the Good Friday disaster, the Legislature of the State of Alaska—as an indication of its willingness to do all within its means to undertake the recovery of the stricken economy of Alaska—authorized the issuance of \$50 million worth of general revenue bonds. However, 50 percent of Alaska's economic base was destroyed by the earthquake and bond experts state that State bonds can only be marketed now at an interest rate of considerably more than 3½ percent, interest on \$25 million of State bonds over the course of 40 years would cost the State of Alaska more than \$18 million. If the interest rate could be reduced to three-quarters of 1 percent, with a moratorium on repayment of principal for the first 10 years, and repayment spread over 50 years, the saving to the State of Alaska would be almost \$13 million and the repayment terms would be more within the means of the State.

What I suggested to the committee was that the Federal Government loan Federal funds to the State of Alaska at the same terms on which it makes loans to foreign countries under the foreign assistance program.

There are several reasons in support of this suggestion.

In the first place, the foreign loans are made at three-fourths of 1 percent interest whether or not there had been a disaster in the foreign country. Alaska has suffered a major disaster and

should be entitled to at least equal treatment.

In the second place, there is no doubt that the loan to the State of Alaska will be repaid to the Federal Government. On the basis of past experience, there is considerable doubt that the foreign loans will ever be repaid to the United States.

In the third place the loan to the State of Alaska generates tax revenues. Our loans to foreign countries produce revenues for those foreign countries, not for the United States.

In the calendar year 1963 alone, AID made loans in the amount of over \$1 billion to 35 foreign countries at terms of three-fourths of 1 percent interest, moratorium of 10 years on the repayment of principal, and repayment of principal in 40 years.

A list of three-fourths of 1 percent loans made to foreign countries under the foreign assistance program appears on pages 15362 to 15364 of yesterday's RECORD.

As I have stated, the House committee lowered the interest rate to 3 percent. I am offering the House amendment at this point.

The amendment I offer will permit a moratorium for the first 10 years on the repayment of principal, thus easing the burden on the State for repayment during the course of a difficult time anticipated ahead. As stated, it permits the Administrator of HHFA to negotiate a lower rate of interest than 3 percent, if he deems it necessary because of the State's financial condition.

What lies ahead for the State of Alaska none of us can foretell. But in this matter of loans to the State, we should arm the Administrator of the HHFA with sufficient authority to act to meet any emergency needed to aid the State.

I hope that this amendment also will be adopted either here on the floor or in conference.

As I stated yesterday, the people of the State of Alaska are grateful to the people of the remainder of the United States for the compassion shown and the aid given. My seeking these amendments should not be interpreted as any lack of appreciation on my part for the dedicated efforts made on behalf of the State of Alaska and its people since March 27, 1964, by the able and distinguished senior Senator from New Mexico, or the hundreds of dedicated people in the executive branch of the Government.

But I would be doing less than my duty to the people of the State of Alaska if I did not at this time point out that the Federal Government, with the expenditure of but a little more funds, would be able to obviate many inequities.

I think they should be obviated and hope that my amendments will be adopted.

EXHIBIT 1

JUNE 15, 1964.

Senator CLINTON P. ANDERSON,
Chairman, Federal Reconstruction and Development Planning Commission for Alaska, Washington, D.C.

DEAR SENATOR ANDERSON: This is in reply to your letter of June 1 questioning the amount of money proposed to be spent for urban renewal in Anchorage following the March 27

earthquake. I should like to offer observations on a number of points you raised.

(1) The very high figures you cited prove to be the very early estimates, made hastily, immediately after the earthquake. I am advised by the Alaska State Housing Authority that more complete figures are substantially reduced. For instance, the proposed Federal capital grant for the Anchorage downtown project has been reduced to \$17,672,160 and the Turnagain grant to \$689,238 (from \$28 million total) on the 75 percent basis.

(2) True, if Anchorage had to put up the sums involved, it would not embark on such programs. But this is the whole purpose of urban renewal, whether in normal times or in disaster: to help communities do what they could not do themselves.

(3) Anchorage simply has no spare capital funds. We seek the 90-10 formula, coupled with the State assisting on the local share, simply because without such complete State and Federal aid we would have to leave our slide areas in private ownership for owners to dispose of as they might be able to; furthermore, we could not restore facilities or roads beyond the minimum being done under Public Law 875 for many years to come.

(4) The Anchorage downtown project includes considerably more area than simply the portion devastated by slide activity. We had advised Mr. Dwight Ink that we needed the larger project so the increased tax revenues from the renewed downtown could help pay Anchorage's share of the cost of renewal under the 75-25 formula. If renewal is confined to the slide areas of Turnagain and the downtown area, where no private reuse will be possible because of unstable soils, there will be a net tax loss and thus no revenues to help the city pay its share of renewal; hence, we called for 90-10 assistance for these areas.

I hope this sufficiently clarifies Anchorage's position on this matter. Be assured we have no wish to spend any more public money than is absolutely necessary. I am confident that costs will continue to be reduced as more definite information becomes available and we will do all in our power to see that this is done. In the meantime, I hope it is understood that extensive aid continues to be needed and urban renewal is just one of the tools being used to provide it.

Sincerely yours,

GEORGE SHARROCK,

Mayor.

EXHIBIT 2

[From the Anchorage (Alaska) Daily Times,
June 26, 1964]

STUDY SHOWS DOWNTOWN NEEDS DRAINS, BUTTRESSES FOR SAFETY—\$4 TO \$8 MILLION ESTIMATED FOR COST OF SOIL STABILIZATION WORK

A program of ground stabilization for the downtown business district—expected to cost between \$4 and \$8 million—was called for in a report given the city today by a team of Federal scientists and engineers.

The long-awaited report was the first of three to be issued on a month-long Anchorage area soils study started here after the March 27 earthquake. The study has been conducted by a team of consultants working for the U.S. Army Engineer District, Alaska, and the Federal Task Force 9.

Today's report continued the high risk designation for the downtown business district between E Street and Barrow and from the Alaska Railroad depot to the alley between Fifth and Sixth Avenues.

The remainder of the downtown area from E Street to the Inlet and south along L Street, will be included in the second report scheduled to be released July 6. A third report, covering the Turnagain residential district, is to be made on July 11.

City officials were briefed on today's report at a meeting held with Corps of Engi-

neers and Task Force 9 personnel at the office of Col. Kenneth Sawyer, Alaska district engineer.

Mayor George Sharrock and Lyman Woodman, acting city manager, led the delegation of councilmen and city department heads attending the briefing.

While the report continued the high risk designation for the Fourth Avenue slide area it said the classification could be reduced to a nominal risk category through a program of soil stabilization.

The program would include removal of unstable soil and replacement with more stable material, regarding installation of drainage, and buttressing of the northern end of the slope area.

While the report did not include cost figures for such a program, preliminary unofficial estimates indicated it would run between \$4 and \$8 million.

The report is expected to be presented to Senator CLINTON ANDERSON, chairman of the Alaska Reconstruction Commission on his return to Washington Monday. The next step apparently will be an economic study of the feasibility of the proposed stabilization program and possible methods of financing.

Continuation of the "high risk" designation for the Fourth Avenue area apparently continues for the present the Federal Small Business Administration's freeze order on loans for new construction in the area. The freeze was announced earlier when a preliminary report first labeled the downtown area as a so-called high risk zone.

The slide areas were originally designated high risk in the preliminary report issued on May 19. That report was based on pre-earthquake reports and later surface studies. Since it was issued, an intensive program of core drilling has been underway to provide more complete data. Results of the drilling were incorporated in today's report.

The area covered in today's report includes the five-block section on the north side of Fourth Avenue between E and A Streets where business establishments were destroyed by the quake and slide. Also included is the Fifth Avenue location of the five-story J. C. Penney Co. building heavily damaged in the quake.

The Seattle engineering firm of Shannon & Wilson conducted the soils study which were the basis for today's report. Consultants for the study included Dr. L. Bjerrum, of Norway, an expert on unstable clay; Dr. Ralph Peck, soils foundation scientist; Dr. Harry Seed, University of California scientist; Dr. A. Spence, of Vancouver, British Columbia, soil consultant; and Dr. Nell Twelker, Seattle soil consultant. Engineers on the staff of the Army Corps of Engineers and geologists with the U.S. Geological Survey also participated in the study.

EXHIBIT 3

NATIONAL ASSOCIATION OF
MUTUAL SAVINGS BANKS,
New York, N.Y., June 10, 1964.

HON. HENRY M. JACKSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: This is in response to your letter of June 4 and telegram of June 9 with respect to the problems and proposed legislation (S. 2881) concerning Alaskan properties damaged by the recent earthquake. I am pleased to have the opportunity to comment on these matters and to offer you precise information on the volume and status of Alaskan mortgage loans held by mutual savings banks.

You will note from the attached exhibits based on a direct survey made by our national association as of April 30, 1964, that 14 mutual savings banks in 7 States held 2,778 mortgage loans in Alaska, amounting to \$61,550,000. The bulk of these loans are insured by the Federal Housing Administration and are on one- to four-family properties. Only 32 loans totaling \$884,000 were

secured by properties destroyed or beyond repair. As you can see, such loans account for only a little over 1 percent of the total—both number and amount.

Our information is that 4 of the 14 savings banks, having loans in Alaska, are covered by all-risk insurance. The coverage and terms of this insurance are not precisely known to us, but in at least one case, we know that the savings bank must take every legal action to recover whatever it can directly from the borrower before insurance proceeds are disbursed.

With respect to S. 2881, we urge the adoption of the amendment offered by Senator GRUENING, proposing a new section 57 authorizing the Federal National Mortgage Association to purchase FHA-insured loans, in an amount not to exceed \$10 million, on Alaskan properties destroyed or irreparably damaged as a result of the earthquake. This proposal is in line with the suggestion made in our letter of May 14, 1964, to Dr. Robert Weaver, Administrator of the Housing and Home Finance Agency, a copy of which was sent to you. As noted in that letter, current Federal actions provide relief only for those home mortgagors whose mortgage contracts happen to be held by FNMA or VA. Other home mortgagors, whose homes have been destroyed or irreparably damaged, but whose mortgage obligations are held by private lenders are being ignored. The Gruening amendment would go a long way toward correcting this inequity.

While we are aware that it is impossible to resolve all inequities arising out of tragic disasters, I hope you will agree that the Government should not knowingly discriminate among its citizens when it can readily avoid doing so. And the Gruening amendment offers an opportunity to deal more equitably with the plight of Alaskan homeowners than the proposals made and actions taken to date.

We urge the incorporation of section 57 in S. 2881, not only because of equity considerations to mortgage borrowers, but equally important because of the great needs Alaska has for expanded flows of private capital. Such capital will not be forthcoming unless private investors have confidence in the willingness and ability of the Federal Government to proceed equitably and imaginatively in dealing with emergency situations. The citizens of Alaska are able and willing to rebuild their State stronger than ever before and this can be done most effectively only through an accelerated flow of private capital.

In sum, the Gruening amendment appears eminently fair and feasible. We urge that you support it, not out of selfish concern for our industry—which you can see from the enclosed statistics stands to suffer only inconsequential losses—but out of broader considerations for the longer run welfare of Alaska and its citizens.

Thank you for your consideration of this letter.

Sincerely yours,

GROVER E. ENSLEY,
Executive Vice President.

Mr. GRUENING. Mr. President, I call up my amendments No. 1080, and ask that they be stated.

The PRESIDING OFFICER. The amendments offered by the Senator from Alaska will be stated.

The legislative clerk proceeded to read the amendments.

Mr. GRUENING. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with and that they be printed in the RECORD at this point.

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

The amendments offered by Mr. GRUENING (No. 1080) are as follows:

(1) On page 4 delete lines 22 through 24.

On page 5, line 1, delete through the comma following the word "Seldovia".

(2) On page 6, lines 15 and 16, delete the figure "\$25,000,000" and the quotation mark at the end thereof and insert in lieu thereof the following: "\$25,000,000: *Provided further*, That the terms of repayment of such securities and obligations or loans shall be as follows: Repayment of the principal sum in fifty years from the date of the borrowing payable in equal annual payments beginning ten years after the money is lent at an annual interest rate not to exceed 3 per centum on the unpaid balance."

(3) On page 6, between lines 16 and 17, insert the following new section:

"Purchase of home mortgages

"Sec. 57. The Federal National Mortgage Association is authorized to repurchase at a cost not to exceed par any home mortgage insured by the Federal Housing Administration which is secured by property in Alaska which was lost, destroyed, or severely damaged as a result of the 1964 earthquake or subsequent seismic waves. Any such purchase shall be made from funds available to the Association for carrying out its special assistance functions pursuant to section 305 of the National Housing Act; except that the aggregate amount of such purchases shall not exceed \$10,000,000."

(4) On page 6, line 25, insert the following: "The total amount authorized to be appropriated pursuant to this section shall not exceed \$50,150,000."

(5) On page 7, after line 5, insert the following new section:

"Reporting

"Sec. 7. The President shall report semi-annually during the term of this Act to the President of the Senate and the Speaker of the House on the actions taken under this Act by the various Federal agencies. The first such report shall be submitted not later than February 1, 1965, and shall cover the period ending December 31, 1964."

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

Mr. GRUENING. I yield.

Mr. LAUSCHE. What expenditure on the part of the Federal Government would this amendment entail?

Mr. GRUENING. It would not exceed \$10 million.

Mr. LAUSCHE. What would be the aggregate expenditure entailed in the several amendments that have been offered?

Mr. GRUENING. I think the aggregate expenditure entailed in the several amendments would be \$10 million. There would be \$4 million additional for urban renewal and \$1 million if the interest were reduced from 3½ to 3 percent. I should say the total would not exceed \$15 million.

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

Mr. GRUENING. I yield.

Mr. BARTLETT. The Senator quoted a figure of \$4 million to be added to the cost of urban renewal. Other authorities—and I do not know that they are correct—suggest that a more nearly correct figure would be \$3,330,000.

Mr. GRUENING. I think it is well, in replying to a question, to state a somewhat larger amount, so as to avoid a misstatement on the wrong side. I should say it would not exceed \$4 million, and probably would be less.

Mr. LAUSCHE. For the purposes of information, may I ask if any Senator can answer what is the total expenditure or aid provided in the bill as it now stands, without any amendment?

Mr. ANDERSON. One would have to add the whole program together, and the whole program together runs to \$327 million. Out of a total of Federal assistance of \$393 million, there is a value of repayments of about \$66 million.

Mr. BARTLETT. Will the Senator yield for a question? Does that or does that not include small business loans?

Mr. ANDERSON. I would just as soon put into the RECORD figures from the whole table:

Small Business Administration, \$50 million of loan assistance, less the value of repayments of \$42,803,000. The subsidy, through the Small Business Administration, would amount to \$7,197,000.

For Internal Revenue tax forgiveness the amount is \$25 million.

For the Bureau of Commercial Fisheries the amount is \$700,000 of loans, the repayment value being \$657,000.

REA—loan forgiveness—amounts to \$5 million.

For VA, FNMA, HHFA—loan forgiveness—the figure is still uncertain.

Aid to State and local governments is as follows:

Office of Emergency Planning, \$80,122,000, without anything in the way of repayment.

Bureau of Public Roads, \$63,200,000.

There were heavy floods in the State represented by the Senator from Ohio. In his State the roads were put back into shape at a cost of one-half to the State of Ohio and one-half to the Bureau of Public Roads. In Alaska provision was made that the roads would be put back in shape at a cost of 94.9 percent to the Federal Government and only 5.1 percent to Alaska. Thereafter the State desired to have the roads built not for the same capacity they previously carried, but to meet certain higher standards, and that raised the cost several million dollars. So out of the total sum, some \$63 million of the cost for that purpose will be on the shoulders of the Federal Government.

Transitional grants amount to \$23,500,000.

Alaska Railroad, \$27 million. That, however, is Government property. It operates generally at a loss. It is for the convenience of the people of Alaska, but it is federally owned property.

So the total runs to \$344 million for the Federal Government.

The figure for other Federal facilities amounts to \$49 million.

So the total Federal assistance amounts to \$393,246,000, of which Alaskans will repay \$66,228,000.

Mr. BARTLETT. Mr. President, will the Senator from Alaska enlighten me a bit? I know he has inquired very closely into the housing situation. I have made rather strenuous efforts to obtain information, and those efforts have not always been successful.

As I understand the amendment which he has now presented regarding action which he proposes be taken by the Federal National Mortgage Association, it

differs from the amendment which he had presented to the Interior and Insular Affairs Committee. I should like to ask my colleague if he would be so good as to tell us those differences?

Mr. GRUENING. I do not know that there is any essential difference. This amendment provides that the FNMA organization will take out of its \$180 million funds \$10 million to purchase mortgages of homeowners which are now in the hands of banks.

Mr. BARTLETT. How much did the Senator say FNMA has?

Mr. GRUENING. It has available \$181 million out of the original \$200 million authorization. Consequently, the \$10 million which this amendment provides for is less than 6 percent of the available funds.

It is my understanding that the number of homes which would benefit under the amendment is approximately 120.

Mr. BARTLETT. One hundred and twenty would benefit by what amount?

Mr. GRUENING. It would vary, because the amount of the loans would be different, but I feel confident that the total amount would not exceed \$10 million, and might be less.

Mr. BARTLETT. Is my memory correct in recalling that the Senator's original amendment provided for purchase of these mortgages at par on the part of FNMA, but the amendment now before the Senate provides that the purchases shall be made, at the discretion of the administrator, up to par?

Mr. GRUENING. That is correct. I understand that that is a change that has been made in the House amendment.

Mr. BARTLETT. That is a rather essential change; is it not?

Mr. GRUENING. I think it is a very useful change.

Mr. BARTLETT. Some of the mortgages—perhaps all of them, for all I know—were sold at a discount. Is that correct?

Mr. GRUENING. That is correct.

Mr. BARTLETT. As I understand, also—and I would like to have the Senator comment on this—the original action which was promptly and helpfully taken was that FNMA agreed, with respect to the mortgages it held in its own portfolio, that settlement would be made with those occupying the property, so that property owners could discharge their mortgage obligations, by means of SBA loans which would also be used for rebuilding. These loans would extend for a period of 30 years, at 3 percent interest, so that the monthly payments would be approximately the same as a homeowner was paying on his mortgage before the earthquake?

Mr. GRUENING. That is correct. I think that was a generous and wise proposal.

Mr. BARTLETT. And now the Senator proposes that it be enlarged by enabling FNMA to repurchase mortgages which it once held in its portfolio but which it subsequently sold to private financial institutions?

Mr. GRUENING. That is correct.

Mr. BARTLETT. At the same time, is it not true that there will be a large number of mortgagees who cannot be assisted

even by these liberalizing amendments, because their mortgages, which may be conventional in nature, or which may be FHA insured, are held by, perhaps, a bank in Alaska, an insurance company in New York, or in Timbuktu, but which have not been purchased by the Federal National Mortgage Association? Is that correct?

Mr. GRUENING. Unfortunately, that is correct.

Mr. BARTLETT. Does the Senator have any information—and I have been unable to secure this information—as to how many homeowners whose properties were badly damaged, or perhaps even destroyed, might be included in the particular category which we are discussing?

Mr. GRUENING. No. It has been difficult to get that information. I sought to get it. This additional legislation would take care of a fairly substantial number of those whose homes have been totally or almost totally destroyed. To that extent it would furnish welcome relief to people who sorely need it.

Mr. BARTLETT. Mr. President, I have just been handed a statement, prepared, I infer, by the FHA, which treats the situation which my colleague and I have been discussing. I should like to read from it briefly.

It reads as follows:

Based on incomplete data obtained from a property damage survey made by the Alaska State Housing Authority, as well as from other sources, the following rough estimates have been made of magnitudes of outstanding mortgage debt on severely damaged or destroyed one- to four-family homes. Homes suffering value losses of 60 percent or more were classified as severely damaged or destroyed.

SUMMARY

(1) All severely damaged or destroyed properties—about \$11 million.

(2) All FHA-insured properties—about \$7 million.

(3) Mortgages sold by FNMA and held by mutual savings banks—less than \$1 million, based on estimates by National Association of Mutual Savings Banks. (Mutual savings banks hold more than 80 percent of the mortgages sold by FNMA.)

Mr. President, I wish to join my colleague in expressing thanks and gratitude and appreciation to all those who have come to the assistance of the State of Alaska since that terrible day of March 27 when the earthquake and seismic wave did such tremendous damage to the new State.

As the Senator from New Mexico [Mr. ANDERSON] has informed us already, early and constructive measures were taken by the Federal Government with almost unparalleled speed. Fifty million dollars was appropriated to the President for use by the Office of Emergency Planning. Not only will all of that go to Alaska, but, as the Senator from New Mexico stated a while ago, the total bill for the Office of Emergency Planning in Alaska will be on the order of \$80 million.

We know that from an early hour after the disaster struck, President Johnson interested himself in the welfare of the people of our State, and dedicated himself to the task of rebuilding. He has led ever since in that endeavor.

In this connection I wish to say, as I have said so many times in the past, that the services and dedication of the President's representative, Mr. Edward A. McDermott, Director of the Office of Emergency Planning, have been highly helpful to Alaska and to the Nation, and have revealed him, in my estimation, to be a very, very superior public servant.

With my colleague I likewise pay tribute to the many administrative agencies and to the many Members of Congress—including, certainly, my friends on the House Interior and Insular Affairs Committee and on the Appropriations Committee—who moved so quickly and so effectively. On this side of the Capitol, I believe that deserving of special mention in this connection is the senior Senator from New Mexico [Mr. ANDERSON]. He not only shouldered the burdens that were imposed upon him by reason of his having been designated by the Senator from Washington [Mr. JACKSON], to head the legislative effort, but he was also named by President Johnson as chairman of the Federal Reconstruction Commission, made up of all the Federal agencies which have a part to play in this rebuilding program.

It is a big one.

The job has been started.

It will be years in its completion. Never has so much of a State's productive area been absolutely wrecked by nature in a natural disaster in the space of a single day or within any time span.

The bill before the Senate, which I sincerely hope will be passed today, will be extraordinarily helpful in the reconstruction program.

I shall not detain the Senate with an analysis of every section of the bill, but I point out that one section would confer legislative authority upon the Chief of Army Engineers to approve certain projects on his own motion, to see that harbors in Alaskan ports are rebuilt. The small harbors, which are so meaningful and even essential in the economic life of the Alaskan community will be rebuilt. We all recall that the small boat harbor at Seward was wiped out, that the harbor at Valdez was destroyed, that the harbor at Homer was seriously damaged, and that great damage was done to the one at Kodiak and Cordova; great damage was inflicted upon our harbors.

Because of this useful section in the omnibus bill, it will not be necessary to take every one of these projects before separate legislative committees. This provision does the job in a single package. I am particularly grateful that this is the case.

Speaking for myself, no matter how much the Federal Government assists reconstruction—and I wish to add that it is not only the instrumentality of government which has been so concerned, but all of the American people—it will be a long time before Alaska is made whole. It will be made whole again because of this help and because of the determination of the people of Alaska to make it so.

They turned to with a will within hours after the earthquake. When I and others arrived in Alaska, approximately

25 hours after the shock, men were already at work cleaning up in Anchorage and elsewhere. Machines and men were on the job. The people were not giving up.

I favor every liberalizing amendment that might be added to this bill.

I realize, also, that the Committee on Interior and Insular Affairs has given close, careful scrutiny to the proposal submitted by the Federal Reconstruction Commission and that, in its judgment, the bill now before the Senate is the one which ought to be passed and sent to the House for conference, if a conference is necessary.

Only an hour or two before the Senate began its discussion of S. 2881, I received a telephone call from Gov. William A. Egan of Alaska, who expressed, above all things, concern lest there be undue delay in the consideration and passage of the bill by Congress and its approval by the President. He said it is imperative that the bill be translated as soon as possible into effective action. I join the Governor of Alaska in that sentiment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement in connection with the disaster itself.

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

STATEMENT BY SENATOR BARTLETT

For years, Alaska citizens have worked to build a productive self-sufficient economy to create an independent, prosperous, and growing community and State. Alaska had come a long way in this endeavor when, last Good Friday, it was struck by a frightening and devastating combination of natural disasters—earthquakes, fires, floods, and tidal waves. At one blow the work of years was destroyed.

The private economy of the State of Alaska was left in a shambles.

Alaska will be rebuilt; there is no doubt of that. The people of Alaska are determined to recover what they have lost and to begin anew to develop America's last frontier.

The work of recovery is, of course, being done by Alaskans themselves; they are not, however, working alone. The American people and their Government have provided—as this bill before us so clearly illustrates will continue to provide—truly substantial assistance and support. Alaska reconstruction is a partnership and shows what this Federal Union is about.

From the very first shock of disaster the Federal Government and its officials up to the President himself were at work on an emergency basis to provide help and relief as it was needed.

The President designated the Director of Emergency Planning, Edward A. McDermott, as his personal representative for relief activities. Mr. McDermott, the junior Senator from Alaska [Mr. GRUENING], and I flew to Alaska hours after receiving the news of the disaster. Mr. McDermott and OEP officials worked literally around the clock for many days.

They have earned the respect and the gratitude of all Alaskans.

The full resources of the military in Alaska under the command of Lt. Gen. Raymond J. Reeves were made available for Alaska relief activities. Troops were used to assist local police. Military planes and trucks were used to provide emergency food and health supplies. Without the work of the Army, the Navy, and the Air Force the disaster hardships would have been a good deal worse.

The Small Business Administration, under the direction of Gene Foley, was quick to respond to Alaska's needs and quick to cut redtape and unnecessary administrative detail to see that disaster loans were processed and approved as quickly as possible.

It is suitable and true to say that each and every Government agency with an interest in Alaska responded to my State's need in a generous and efficient manner. Alaskans will never forget.

The bill before the Senate today is the fourth piece of legislation dealing with Alaska reconstruction to come before the Senate this session. Three of these measures are now law and it is my hope that the present bill will soon become so. This is a remarkable record and it is due in large part to the hard work and skillful leadership of the senior Senator from New Mexico (Mr. ANDERSON), who was appointed by the President as Chairman of the Federal Reconstruction and Development Planning Commission for Alaska. The Senator and the truly able staff of the Commission have provided the coordination and direction for the Federal reconstruction effort. It is their legislative proposals which we have acted upon and which we now consider.

Alaskans are also grateful to the Interior and the Appropriations Committees which have given Alaskan recovery their very highest priority. In fact, Alaska is deeply in debt to the full Senate which allowed these recovery measures to come to the floor as they were reported without delay. These bills were called up, debated, and passed even in the midst of the civil rights debate. Surely this is an indication of the interest and sympathy of the Senate for the hardship which Alaska is undergoing. This interest and sympathy is deeply appreciated by Alaskans.

The first measure of assistance to be approved by the Congress was House Joint Resolution 976. This was a supplemental appropriation of \$50 million for the President's disaster relief fund. This \$50 million and more besides has already been committed for expenditure in Alaska. The President requested the money on April 6. The House approved the request within minutes of receiving the Presidential message. The Senate followed suit shortly thereafter and the bill was signed into law the day after the request was received. I can think of no occasion in the 20 years in which I have been in Congress in which action came more quickly.

The last measure to receive approval was S. 2772 introduced by the chairman of the Interior Committee [Mr. JACKSON]. This bill provided the necessary legislative authority for an additional \$23½ million for transitional grants to the State of Alaska to assure the continuance of essential governmental functions at the State and local levels in spite of the expected drop in tax revenues. This bill was introduced on May 4. Hearings were held, the bill was reported, and it received the final approval of the Senate on May 13. It was passed by the House on the 18th and the President signed the measure on the 27th.

The next relief measure to receive the approval of the Congress was contained in the deficiency appropriation bill, H.R. 11201. This measure passed the House May 11 but without Alaskan items. These were added May 28 by the Senate. The House on June 4 accepted the Alaskan appropriations items which had been added by the Senate and the bill was approved by the President on June 9. As approved, the measure contained \$41,970,000 for Alaskan relief including \$20 million to rebuild the Port of Seward and the Alaska Railroad and \$17 million for transitional grants to the State.

These measures which have become law have been helpful. They have been impor-

tant, but they are not more important than the bill before us today. I am confident that it, too, will receive as prompt and as sympathetic a hearing from the Senate as have the previous measures which I have discussed.

Any lingering doubts which may have remained in Alaska as to the merits of statehood were resolved on March 27, the date of the disaster. From that day to this Alaska has received from her sister States and from her Federal Government fair and equal treatment.

The measure as reported to the Senate contains several amendments which were not included in the bill as introduced.

One of these relates to the matching formula for urban renewal projects. Under existing law the upper limit of 75 percent Federal participation-25 percent local has been applied to Alaska projects. The Senate Committee on Interior and Insular Affairs has recommended that the Housing and Home Finance Administrator be permitted to increase the Federal capital grant to 90 percent for all disaster communities of 6,000 population or less. This would cover all the earthquake-stricken areas but Anchorage. The House Interior and Insular Affairs Committee in reporting the companion measure, H.R. 11438, has applied the 90-10 formula to all disaster communities including Anchorage. I am hopeful the Senate might act to apply the 90-10 formula also to Anchorage. The stricken communities of Alaska simply cannot afford the extra burden of urban renewal matching funds. They are struggling just to keep up with the necessary operation, maintenance and capital improvements of day-to-day living. The urban renewal projects necessary to restore Alaska would not have been necessary without the disaster.

Don Berry, executive director of Alaska Municipal League, has pointed out that the city of Seward will be operating at a deficit for the 1964 fiscal year and that the deficit will total about \$250,000 for the 1965 fiscal year. Prior to the earthquake, Anchorage expected an income of \$15 million in 1965. Its estimated net loss of income for the same period totals about \$2 million. Anchorage's present general obligation bonded indebtedness is an annual \$3 million, or 25 percent of the total revenue. Kodiak, Mr. Berry states, which lost nearly all its commercial and tax base, still is faced with some \$60,000 in bonded indebtedness to pay annually. Since the Senate committee saw fit to lower the matching to 10 percent State or local participation for all but Anchorage, I would hope that a second look at the situation would show the necessity for including Anchorage.

The Senate committee approved an amendment to permit the Housing and Home Finance Agency to purchase State bonds authorized before the disaster at the prevailing interest rate, now 3½ percent, which would cover \$7.2 million in bonds which the State proposes to sell in early 1965. It has been estimated that the State would pay probably as high as 4½ or 4¼ percent on such bonds at this time.

I was glad that the committee adopted the amendment proposed in recognition of the difficult position the State now faces on the sale of such bonds.

The bill before us contains many liberalizing provisions of existing law which will give Alaska ammunition to assist in fighting for the recovery effort. The Housing and Home Finance Administrator would be permitted to purchase up to \$25 million of State of Alaska bonds issued to finance the State's share of earthquake reconstruction projects, or, alternatively, to make a loan to the State for this purpose at the prevailing interest rate, which is currently 3½ percent.

Indebtedness of the earthquake-affected borrowers of Farmers Home Administration

and the Rural Electrification Administration would be adjusted.

One of the major provisions would allow the State of Alaska to match on a 94.9 Federal-51.1 State basis highway funds made available under the Federal aid highway program for reconstruction rather than the 50-50 formula now required in the emergency program for roads. It is believed that to replace all highways damaged will cost about \$65 million of which about half would go for Federal aid highways, and the remainder for forest highways. The provision in S. 2881 would permit the State of Alaska to match on the reconstruction of primary, secondary and urban roads on the same formula which prevails under the regular Federal aid highway program.

The earthquake and particularly the subsequent waves smashed and twisted and destroyed a number of small boat harbors in Alaska so vital to Alaska's economy which is in a very major way dependent on our fishery resources. S. 2881 would be of immeasurable assistance in its provision to authorize the Corps of Engineers to modify existing harbor authorizations up to a total of \$10 million. One of the main reasons for the urgency to pass the measure is to authorize this work. The administration has already submitted an appropriation request in the hope that before the short Alaska construction season ends work on the harbors can at least be initiated.

The PRESIDING OFFICER. Is there objection to the consideration en bloc of the five amendments as set forth in amendment No. 1080? The Chair hears none, and it is so ordered.

Mr. ANDERSON. Mr. President, notwithstanding all the generous things said by the distinguished Senators from Alaska about my efforts in connection with the Alaska disaster, my only desire is to get on with the work in Alaska. I hope the amendments will be rejected.

The geological work is now in process of being finished. I have been in communication with people in Alaska who are hopeful that it will be possible to get to work at once. The bill before the Senate, as reported by the Committee on Interior and Insular Affairs, is a good bill, and will aid in that process.

Because of the cooperative attitude taken by the two Senators from Alaska, I shall not detain the Senate; I merely say: Let us vote.

The PRESIDING OFFICER. The question is on agreeing to the amendments (No. 1080) en bloc.

The amendments were rejected.

Mr. MAGNUSON. Mr. President, S. 2881 represents probably the final legislative measure to be considered by the Senate aimed to help Alaska recover from the severe economic blow caused by the March 27 earthquake and subsequent waves. We have acted speedily on all proposals sought by the administration, including increased funds for the President's disaster program to assist the Office of Emergency Planning in constructive works in the public sector. We have authorized a transitional grant for the State to help it and the stricken communities replace some of the lost tax revenue; we have appropriated funds—again for the public sector—to rebuild the Alaska Railroad, to make available the transitional grant money, to rebuild housing for the native people of Alaska, and to replace property damaged and

destroyed which belongs to the Federal Government.

Now we are considering a bill to liberalize existing laws so that Alaska can go ahead with the job which needs doing. S. 2881 deals with important areas of the economic well-being of the State. It provides authorization to allow the Corps of Engineers to rebuild destroyed small boat harbors so important to the State's economy. It would allow the existing formula for State matching on Federal aid highways to be applied to emergency funds made available by the Bureau of Public Roads to reconstruct and rebuild vital transportation links. Instead of requiring the State of Alaska to match 50-50 with the Federal Government, Alaska would be required to match on the order of 95 percent Federal-5 percent State. Other provisions are vital.

Mr. President, on June 3 of this year I submitted a statement to the Senate Interior and Insular Affairs Committee on S. 2881, and I ask unanimous consent that my remarks be printed at this point in the RECORD.

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

STATEMENT BY HON. WARREN G. MAGNUSON, A U.S. SENATOR FROM THE STATE OF WASHINGTON

Mr. MAGNUSON. Mr. Chairman, the administration and the Congress have acted speedily in enacting legislation and appropriation measures to assist the people of Alaska to recover from the disastrous March 27 earthquake and subsequent seismic waves. These measures will help. However, without passage of the bill before you now, S. 2881, of which I am a cosponsor, that recovery will be jeopardized.

S. 2881 deals with vital areas more than merely touching the economic well-being of the State of Alaska. The provisions of the bill go to the very heart of the problem as we seek to find ways and means to restore functions of the communities crippled on Good Friday. Those provisions deal with small-boat harbor and other navigation problems, with roads, with marketing of the State's bonds or loans to the State, with urban renewal and with several Federal programs which we seek to liberalize to meet the needs.

There is an imperative requirement that we approve these provisions without delay because the construction season—all too short in Alaska—is at hand. Every day which passes without the authority contained in this bill carries with it a threat to the reconstruction effort.

Mr. Chairman, 6 years ago, lacking but a few days, the Senate was debating the merits of the Alaska statehood bill and on the final day of June in that year 1958 passed the measure and sent it to the White House. The advocates of the statehood movement—and certainly this committee which had jurisdiction over that measure—had a devotion to the cause for many reasons, principal among them being the desire to promote the economic growth of this great area of ours. Such growth did result. But that growth was dealt a devastating blow 68 days ago when the very economic heart of Alaska was bruised and damaged by a catastrophe of a kind greater than experienced anywhere in our country by forces outside our control.

I contend that what has already been done for Alaska and what we are seeking here with S. 2881 is the very least, not the maximum of what should be done. Expansion of the provisions of this bill may be desir-

able, and in one area particularly is imperative. I speak now to the matching provisions for urban renewal projects. Such projects will permit a relocation of homes and businesses and comprise a program which offers major assistance. Under existing law, the maximum matching is on a 75 Federal-25 local basis. Perhaps in some of the communities in the disaster areas the local share can be met but certainly this is not true in all of them. These communities have lost considerable sums in tax revenues and even if reimbursed through transitional grants voted by the Congress, the costs of local shares in urban renewal are far above revenues necessary for normal operations. I urge, therefore, that consideration be given by this committee to permit when necessary a 90-10 matching formula in connection with urban renewal projects. This is an area where a liberal approach is logical and should be taken.

Other liberalizing proposals may be advanced, and I know the committee will consider them in the light of the great need outstanding.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2881) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. JACKSON. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. ANDERSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOOD STAMP ACT OF 1964

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1066, H.R. 10222, the so-called Aiken food-stamp plan bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry with amendments on page 2, line 5, after the word "among", to strike out "economically needy" and insert "low-income"; in line 13, after the word "households", to strike out "in economic need" and insert "with low incomes"; in line 20, after "(b)", to strike out "The term 'food' means any food or food product for human consumption except alcoholic beverages, tobacco, soft drinks, luxury foods, and luxury frozen foods as determined by the Secretary, and those foods which are identified on the package as being imported from foreign sources when

they arrive at the retail store." and insert "The term 'food' means any food or food product for human consumption except alcoholic beverages, tobacco, those foods which are identified on the package as being imported, and meat and meat products which are identified as being from foreign sources when they arrive at the retail food store."; on page 5, after line 2, to insert:

(b) In areas where a food stamp program is in effect, there shall be no distribution of federally owned foods to households under the authority of any other law except during emergency situations caused by a national or other disaster as determined by the Secretary.

At the beginning of line 8, to strike out "(b)" and insert "(c)"; after line 12, to strike out:

Sec. 5. (a) Households eligible to participate in the food stamp program shall be those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

(b) Each State shall establish standards to determine the eligibility of applicant households which standards, among other things, shall take into account such of the factors used by each State in granting assistance under the federally aided public assistance programs as the Secretary determines will tend to effectuate the purposes of the food stamp program. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

And, in lieu thereof, to insert:

Sec. 5 (a) Participation in the food stamp program shall be limited to those households whose income is determined to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

(b) In complying with the limitation on participation set forth in subsection (a) above, each State agency shall establish standards to determine the eligibility of applicant households. Such standards shall include maximum income limitations consistent with the income standards used by the State agency in administration of its federally aided public assistance programs. Such standards also shall place a limitation on the resources to be allowed eligible households. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

On page 7, line 16, after the word "a", to insert "low-cost"; on page 12, line 9, after the word "required.", to insert "In approving the participation of the subdivisions requested by each State in its plan of operation, the Secretary shall provide for an equitable and orderly expansion among the several States in accordance with their relative need and readiness to meet their requested effective dates of participation."; at the top of page 13, to insert:

(g) If the Secretary determines that there has been gross negligence or fraud on the part of the State agency in the certification of applicant households, the State shall upon request of the Secretary deposit into the separate account authorized by section 7 of this Act, a sum equal to the amount by which the value of any coupons issued as a result of such negligence or fraud exceeds the amount that was charged for such coupons under section 7(b) of this Act.

On page 19, line 3, after the word "appropriated", to strike out "not in excess of \$25,000,000 for the fiscal year ending

June 30, 1964."; in line 8, after "1967", to insert a semicolon and "and not in excess of such sum as may hereafter be authorized by Congress for any subsequent fiscal year"; and at the beginning of line 22, to insert "If in any fiscal year the Secretary finds that the requirements of participating States will exceed the limitation set forth herein, the Secretary shall direct State agencies to reduce the amount of such coupons to be issued to participating households to the extent necessary to comply with the provisions of this subsection."

Mr. MANSFIELD. 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 may be rescinded.

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

Mr. ELLENDER. Mr. President, the main purpose of this bill is to bring under congressional control the rules, regulations, and appropriation authorizations under which food stamp programs are to be operated in local areas throughout the country.

First, let me point out that food stamp programs are not new. A similar program called the food stamp plan was operated by the Department of Agriculture during the period 1939-43. That plan proved to be an effective method for increasing food consumption among participating households. It was discontinued in 1943 when wartime conditions had greatly reduced unemployment and substantially increased demands upon U.S. food supplies. At the height of participation in 1942, there were 1,741 counties and 88 cities included in the program. Average monthly participation totalled 3.4 million persons in 1942 and Federal costs totaled \$112 million. In 1961, the first pilot food stamp project under the present program was inaugurated in McDowell County, W. Va. Pilot projects were gradually expanded. In March of this year they were in effect in 43 rural and urban areas in 22 States, with some 392,000 participants.

These pilot projects are operated under the basic authority of section 32 of the act of August 24, 1935, as amended, which authorizes expenditures to encourage the domestic consumption of agricultural commodities through "benefits, indemnities, donation, or by other means among persons in low-income groups as determined by the Secretary of Agriculture." This same authority was also used previously by the Department to operate the food stamp plan between 1939 and 1943, and it would be legally possible to continue food stamp programs under this general authority under the complete discretion of the Secretary of Agriculture. Section 32 provides no guidelines or congressional controls over the operating details or size of the program, and the pending bill would supply this need.

The pilot food stamp program has now been in effect for 3 years. During this

period, the Department of Agriculture has gained experience which will minimize administrative problems in the conduct of the program as it is gradually expanded.

Of course, it is the intention of the Department to phase out the presently operating free food distribution programs as the food stamp program expands. Further, as I will point out later, the committee prohibits the operation of both programs in the same area, except in temporary emergency situations resulting from natural or other disasters.

In brief, this is how the program works: A State requests that a program be established in a certain area within its boundaries. That State develops a plan of operation and submits it to the Department of Agriculture. Upon approval by the Department, the State certifies low-income households as eligible under the program. These needy families then exchange the amount of money they would normally spend for food for coupons of a higher monetary value. The difference between the amounts the households pay and the value of the coupons received represents the Federal contribution.

During the 3 years the pilot program has been in effect, approximately \$56 million in the form of Federal food coupons was added to the \$91 million of their own cash that the participating families paid in order to obtain the additional food purchasing power.

The participating families use these coupons to purchase food out of regular commercial supplies at approved retail stores. Retailers redeem the coupons through the facilities of the commercial banking system. These procedures, tested by experience, are used under the discretionary authority of the Secretary of Agriculture.

Generally speaking, the bill includes the desirable administrative features which were developed and tested by experience. In addition, the bill provides more detailed guidelines, and tightens the procedures where appropriate.

Under the bill the initiative for the establishment of a food stamp program in any area must originate with the State in which the area is located. The program is made available in any area only if the State requests it, submits a plan setting out eligibility standards consistent with other State programs, and actively participates in it, accepting the responsibility for local administration.

Two committee amendments apply in this area. First, the committee amended the bill to prohibit the distribution of federally owned foods to households under the authority of any other law in any area in which a food stamp program was effective, except during emergency situations. The effect of this would be to prevent both a food stamp program and a food distribution program from being conducted simultaneously in the same area. And second, the committee included language which would provide for an equitable and orderly expansion of the food stamp program among the several States in accordance with their need and readiness to meet their requested effective dates of participation.

To initiate the program in any State, the State agency responsible for the administration of federally aided public assistance programs would submit to the Secretary for approval a plan of operation for the food stamp program in its State, specifying the various political subdivisions in which the program would be effective, the standards to be used in determining the eligibility of applicant households, and other details.

In this connection the committee amended the bill to restrict participation to those households whose income is a limiting factor in the attainment of a nutritionally adequate diet, and to provide for use of income standards essentially the same as those used by the State in the administration of its federally aided public assistance programs. These same standards would apply to non-welfare assistance participants as well as welfare assistance participants.

In order to assure that the program would not be used to attempt to revolutionize well-established food habits and that the value of free coupons would not be such as to encourage uneconomical food expenditures, the committee added the words "low-cost" to the type of diet recommended by the Department as being the objective of the food stamp program.

The State welfare agency would be responsible for the certification of all applicant households and would be required to use the same care and diligence that it uses in other programs administered by it. An amendment was considered by the committee that would have provided for State participation in the cost of the bonus coupons for persons not on other relief programs administered by the State. The idea was that such State financial participation would assure due diligence on the part of the State in certifying such persons. The committee felt that this would impose the most cost on those States which have the greatest need and are least able to pay. The committee recommended amendment which would require the State to pay all of the cost of the bonus coupons provided for persons improperly certified as a result of gross negligence or fraud. This would impose all of the cost of careless certification on the State not using proper diligence.

Mr. President, the committee felt that the adoption of this amendment would deter States from going all out to provide coupons for people who were not entitled to them.

Coupons would be redeemable at approved retail stores for any food or food products for human consumption, except alcoholic beverages, tobacco, those foods which are identified on the package as being imported, and meat and meat products which are identified as being from foreign sources when they arrive at the retail food store. This last exception is a committee amendment designed to prevent Federal funds being used to subsidize meat imports.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. This is one amendment that I am concerned

about. Without this amendment, we could be embarking for the first time upon a program of subsidizing the use of foreign meat imports in this country. What would be the penalty for violation?

Mr. ELLENDER. The penalties are stated in the bill. It would provide for 1 year in jail and up to \$5,000 fine, if the value of the coupons used for the imported meats was less than \$100. If a greater value of coupons were involved the penalties could be up to 5 years in jail and up to a \$10,000 fine.

Mr. YOUNG of North Dakota. The same penalty as would be provided for the violation of any other misuse of coupons?

Mr. ELLENDER. Yes.

Mr. YOUNG of North Dakota. Is it the understanding of the Senator that this amendment would prohibit a retailer, for example, from importing a whole carcass of beef, and grinding it up in his store into hamburger and selling it?

Mr. ELLENDER. That is the purpose. As was stated in the executive session, a Senator had noticed that in many of the large food stores they had boneless meat which had been imported from Australia. It was mixed in with meat that had been produced in this country. It was all ground together in making hamburger.

The committee liked the language that the Senator from North Dakota submitted. It was his amendment. The committee unanimously adopted that amendment so as to make it as certain as possible that no foreign meats would be subsidized in this program.

Mr. YOUNG of North Dakota. I thank the Senator from Louisiana. I have supported a food stamp program ever since I first came to Congress. I am pleased that we are finally getting a program of this kind on the statute books. I believe it is a vastly improved bill over that which came to us from the House. I am satisfied that in this form it will be a good, workable program.

Mr. ELLENDER. I thank the Senator. I yield to the Senator from Iowa.

Mr. MILLER. How effective will this amendment really be? I understand that the Department of Commerce has interpreted the law that is now on the books with regard to imported items, as requiring the labeling of the imported items only at the wholesale level. If this is so, the provision as to meat and meat products which are identified at the retail food store would not be affected. Is this not correct?

Mr. ELLENDER. A great deal of the meat that the Senator refers to is handled by the large food stores. The large food stores mix meat that they obtain locally, or in other parts of the country, together with meats that they obtain from abroad. There is no way to identify it, at present, when it reaches the meat counter. But it was identified as imported when it was received at the store. Under the bill it would be excluded from the program. The retailers would be put on notice under this bill that they would be subject to fine and imprisonment if they used meat coming from abroad, and sold it for coupons under this program.

Mr. MILLER. If this amendment to the bill actually so provided, the Senator from Iowa would not be concerned.

All the language in the bill states is that the term "food" shall mean meat and meat products, except meat and meat products which are identified as being from foreign sources when they arrive at the retail food store.

If I happened to be a store owner, how could I possibly be subject to imprisonment if I should receive a cargo of beef from a wholesaler and mix it into a hamburger and turn it over for food stamps? How could I be subject to a charge of violating the law if the meat were not identified at the time it arrived at the retail food store?

Mr. ELLENDER. The Senator should understand that the problem is a very vexing one. We could not provide for the stamping of each piece of meat that is purchased by a retail store. However, most of the foreign meat is purchased by the large food stores, as I understand. Much of it is purchased in carcass forms, frozen, exactly in the form in which it was imported. We discussed that subject in executive session. The large food stores are the ones who cut the meat into steak or mix it with other meat for the purpose of making hamburger. Section 1304 of title 19 of the United States Code requires all imported articles to be conspicuously, indelibly, and permanently marked so as to indicate to the ultimate purchaser the name of the country of origin. Any person who, with intent to conceal such information, destroys or obscures such mark is subject to \$5,000 fine and a year in prison. The carcass would therefore clearly be identified as imported when it is received at the store. The onus would then be on the retailer. I believe we would be able to make a good case against a retailer who tried to violate this provision. Those who would sell meat in violation of the law could be punished.

Mr. President, the committee did the best it could.

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

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

Mr. AIKEN. I invite attention to the definition of "retail food store" in paragraph (f) at the bottom of page 3 of the bill:

(f) The term "retail food store" means an establishment, including a recognized department thereof, or a house-to-house trade route which sells food to households for home consumption.

That statement is interpreted to mean that a retail food store includes its packing and processing operations, where it is possible to control the situation. I agree with the Senator from Iowa that if it were a retail outlet alone, it would be very difficult, if not impossible, to enforce that provision of the law. But when we include packing and processing plants—

Mr. ELLENDER. That is why I made the statement which I did.

Mr. AIKEN. That is why that provision is in the bill.

Mr. ELLENDER. In answer to the question of the distinguished Senator

from Iowa [Mr. MILLER], that is why I stated that the meat would be handled in carcass form by the retailer, as well as the wholesaler. It is the large stores or chains that receive the carcasses and cut them up, possibly at their warehouses or other fabricating facilities.

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

Mr. ELLENDER. I yield, without losing my right to the floor.

Mr. MILLER. I should like to ask the Senator from Vermont about the provision at the bottom of page 3 to which he referred. I cannot see anything in that provision which indicates that the term includes a processing plant. It provides:

The term "retail food store" means an establishment, including a recognized department thereof, or a house-to-house trade route which sells food to households for home consumption.

To my knowledge, a processing plant generally does not sell to households; it sells to retail stores which in turn sell to households. I do not follow the Senator from Vermont in his discussion of that provision.

Mr. AIKEN. A representative of the Department of Agriculture advised us that a packing and processing plant is considered a recognized department of a retail food store. That was the statement which he made to us, and that is what I am now repeating.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield for a further question?

Mr. ELLENDER. Surely.

Mr. MILLER. If it is the intention of the committee, supported by the interpretation of the Department of Agriculture spokesman, that the definition in item (f) on the bottom of page 3 does include processing plants, I should like to ask the Senator whether he would agree to an amendment which would spell that out specifically so that the term "retail food store" would mean an establishment, including a recognized department thereof, and including a processing plant.

Mr. ELLENDER. We discussed the question considerably in executive session. A whole morning was spent on that proposal. I can well recall the suggestions made by my good friend the Senator from North Dakota that he would not vote for a bill which would subsidize foreign meats, and I do not blame him for that position. We made suggestions to the Department. During the recess it came forward with an amendment which was adopted by the full committee and reported to the Senate. If a packing or processing plant is part of a chain store or supermarket establishment, it would be covered. If the meat is identified when received at the chain store's fabricating plant as imported, it is excluded even though it is unmarked hamburger when it arrives at the chain store's local outlet.

Mr. MILLER. I appreciate the explanation of how this language came about, but I believe the important thing is that if there is any question about the validity of the committee's work, all we have to

do is merely to write into the bill what the Secretary of Agriculture testified to.

Mr. ELLENDER. The Senator may present his amendment, if he desires to do so, at the proper time. I am sure that the Senate will consider it.

Mr. MILLER. Mr. President, will the Senator yield for another question?

Mr. ELLENDER. I yield.

Mr. MILLER. At the top of page 3 of the bill appears a definition of food, which we were discussing. Would not such an amendment be a very effective way of preventing from happening what the Senator from North Dakota does not wish to have happen, and what apparently the committee does not wish to have happen; namely, to subsidize foreign imports through the food stamp plan and make it illegal for someone to receive food stamps in exchange for imported meat products? If that action were taken, the retailer would sell at his peril, and he would know that if an inspector found him accepting food stamps in exchange for such imported items, subsidizing imported items, contrary to the intention of the committee, he would be in deep trouble. I wonder if that possibility has been discussed.

Mr. ELLENDER. As I read the bill, the intention is not to use food stamps to buy imported meats. It goes without saying that if anyone tries to bypass that provision, he will violate the law and subject himself to criminal prosecution as provided in the bill.

Mr. MILLER. I appreciate the explanation. I appreciate what the committee intends to do.

Mr. ELLENDER. I believe the bill does that. If any of the coupons were used for any purpose other than the purpose described in the bill, the offender could be punished. Not only that, but, as I pointed out previously, if a State should provide for the issuance of coupons to persons who are not entitled to them, the State would be responsible to the Government. I believe we have done all that is humanly possible in order to guard the bill or to put guidelines in it so as to protect the interests of the Government and the State.

Mr. MILLER. I shall not labor the point, but I thank the Senator from Louisiana for bringing it out of the committee. The Senator from Iowa may well prepare an amendment which will be designed only to make it clear and to reinforce the committee's intention on that point.

Mr. ELLENDER. If the Senator will read the report, he will learn from that report that we inserted language in it in an effort to indicate what the committee meant by the amendment to which the Senator referred.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. As a sponsor of the amendment, I wish to say that the intention was to prohibit the use of all foreign meats in the food stamp program.

Mr. ELLENDER. Surely; and if anyone uses coupons to buy foreign meat, he will violate the law and be subject to a penalty.

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

Mr. ELLENDER. I yield.

Mr. WALTERS. The retail store owner would have the responsibility of finding out for himself whether or not he was dealing in foreign meats. His responsibility is not eliminated. It would be up to him to find out for himself if he had foreign meats.

Mr. ELLENDER. If he does it intentionally, if he knows he is selling foreign meat in violation of this law, of course, he would be responsible.

Mr. WALTERS. But it would be his responsibility to find out for himself.

Mr. ELLENDER. Yes; that is the intention of the committee. The bill excludes meat products, and I quote, "identified as being from foreign sources when they arrive at the retail food store." They might be so identified by tag, label, invoice, or other means. The retailer could not ignore any identification of the meat as from foreign sources, whatever form that identification might take.

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

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

Mr. SALTONSTALL. Do I understand correctly that, first, the States have to accept the plan; second, that it is to be State administered; and, third, that approximately 60 percent of the food is to be paid for by the people who buy it, and that 40 percent is to be contributed by the Government?

Mr. ELLENDER. That has been the case with the pilot program. The State accepts the responsibility of distributing the stamps, taking care of them, and seeing to it that they are distributed to the people entitled to them. The State also accepts responsibility for the program for a certain area, or two or three areas that may not be contiguous, in the State.

As I tried to point out and as I recall, under the pilot program in the last 3 years of the program the Government put up \$56 million as compared to \$91 million by the householders.

Mr. SALTONSTALL. The proportion was about 60 to 40.

Mr. ELLENDER. To be exact, the figure is about 38.6 percent by the Government and the rest by the recipients. However, that fact does not mean that in the future the same proportion that my good friend has mentioned will exist. The bill provides for \$75 million for the first year, \$100 million for the second year, and \$200 million for the third year.

The committee adopted an amendment which would permit the Secretary of Agriculture to cut back percentage-wise on the amount of stamps to be given to recipients.

A suggestion was made that each State be apportioned a certain amount of money, but that would not work. We preferred to provide that the amount of stamps to be given to the recipients would be reduced, rather than have the Department come back to Congress and obtain more money. In other words, we say, "We are allowing you \$75 million for the year 1965, and you make that do." The same would apply to the second year and the third year.

Mr. SALTONSTALL. Does the Senator think that it would result in some States not receiving any fund?

Mr. ELLENDER. No, because instead of giving to the State 36.6 percent, as prevailed in the pilot program, the Department would make it 25 percent, so as to enable the money that is provided go to the areas in the States that have applied to participate in the program.

Mr. SALTONSTALL. I thank the Senator.

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

Mr. ELLENDER. I yield.

Mr. JOHNSTON. I think it should be stated that no State will be forced into this plan. Any State will be able to go into it if it wishes to, and any State will be able to stay out of it if it wishes to.

Mr. ELLENDER. That is correct.

I wish to repeat for the benefit of Senators who may not have been present that this food stamp program has been in effect for quite some time without any guidelines, and without any limit as to the amount that could be spent by the Secretary of Agriculture. This bill places it in the form of a cooperative effort on the part of the Federal Government and the States to administer and manage this program. It will be up to the States to develop their respective plans in certain areas of the States. They will have to obligate themselves to select the persons entitled to aid under the terms of the bill, and they will have the responsibility of issuing the stamps to recipients entitled to them.

As I pointed out, if the States should not do a good job, if perchance fraud were exercised by some politicians in the distribution of the coupons, the Federal Government would not lose anything. The States would be responsible for it. We thought it best to put that provision in the bill so the State administrators would be more careful in seeing who shall and who shall not be entitled to receive stamps under this program.

To continue with my statement, I point out to the Senate that the term "retail food store" in the bill is defined as an establishment.

That was the point raised by my good friend from Vermont. He anticipated me when he brought it up.

In the committee report we point out that an establishment, among other things, would include a central warehouse, a distribution center, or a meat fabrication facility operated by a retail store.

The committee gave a great deal of consideration to the definition of "food," since that determines what may be obtained for coupons, and what the participant must pay for his coupons. The participant pays an amount equal to his normal expenditures for food. A definition of food with extensive exclusions would make administration of the program extremely difficult, and open the door to abuse. As passed by the House, soft drinks, luxury foods, luxury frozen foods, and foods identified on the package as imported when received at the store were excluded from the definition

of food. The exclusion of soft drinks, according to the dictionary definition, would exclude such important foods as milk and orange juice or other juices. The exclusion of luxury foods would exclude no one knows what. The Secretary would have to prepare a long, constantly changing list.

The retailer would have to be sure that participants and checkout clerks were advised of the foreign origin of all products shipped to the store in packages showing them to be imported. The committee felt that this definition would result in confusion and difficult administration. Furthermore, the participants can be relied on themselves to avoid the luxury items. They are given coupons only in an amount sufficient to provide them more nearly with an adequate low-cost diet. If they use their coupons for high priced items, they will suffer the consequences and learn by trial and error to make the best use of their coupons. They are in a much better position than the Secretary to know what is a luxury and what is a necessity for them, based on their own needs and on the prices in their areas and, in fact, in the store at which they purchase at the time they purchase.

The committee therefore struck out the exclusions for soft drinks, luxury foods, and luxury frozen foods. Except in the case of meat and meat products, the committee limited the exclusion of imported items to those shown to be imported on the package purchased by the participant. Meat and meat products, the committee felt, were in a special category, and the committee therefore excluded those items if identified as from foreign sources when they arrive at the retail food store.

The State is responsible for the costs of administering the food stamp program in all local areas created. These include costs of certifying participating households, the handling, storage and protection of coupons, the issuance of coupons to eligible households, and the control, accounting and reporting involved in the operation of the program. The Federal Government would share the cost with the State in the certification of non-welfare assistance households.

Penalties are provided for the misuse of coupons in any manner not authorized by the act. These penalties apply to eligible households, retailers, wholesalers, or any other person as well. Upon conviction for misuse, a person may be fined not more than \$5,000, or imprisoned for not more than 1 year, or both, if the value of the coupons illegally used is less than \$100; or be fined not more than \$10,000, or imprisoned for not more than 5 years, or both, if the value of the coupons misused is more than \$100.

Appropriations are authorized for 3 years in the amount of \$75 million the first year, \$100 million the second, and \$200 million the third. In order to assure—I emphasize this point—that the committee will have an opportunity to review the program at the end of the 3-year period, an amendment was adopted to require additional authorization before any further expenditures could be made.

The program must be administered only with the amount of money provided. We will try the program for 3 years under expanded conditions and then it is entirely possible that the program may be further refined and improved.

Considering the high cost and waste of the bulk food distribution program, I feel that this bill should be enacted. The committee, in adopting the limiting amendments, has in my opinion, strengthened the bill immeasurably. At the same time, however, we have not diluted the bill or thrown stumbling blocks in the way of efficient and effective administration. All of the amendments are designed to strengthen the hand of the Secretary of Agriculture in developing a sound food stamp program, and all of the amendments have the unqualified approval of the Secretary.

It is my hope that the Senate will see fit to accept the committee judgment and pass this bill expeditiously.

Mr. AIKEN. Mr. President, my interest in this program began about 1938, when certain communities in Vermont participated in the food stamp program of those days. The program appeared to work about the best of any of the new programs that were inaugurated in the 1930's.

Because of the interest which I took in the program when I came to Congress, I found it advisable to try to interest Congress in renewing the program. After 20 years, my hopes appear to be almost realized. A comparable bill was introduced by Senator La Follette and myself in 1943. In succeeding years we were joined by Senators Young of North Dakota, Humphrey, and Anderson, and, in the late fifties, by former Senator Watkins, of Utah.

It has always seemed to me that we ought not to tolerate want in the midst of plenty, and yet that appears to be a rather chronic condition with us.

I shall not undertake to go into detail on this type of legislation. The bill has been improved from time to time, and I think the one which is before us now, and which is to a considerable extent the result of the efforts of Representative LEONOR K. SULLIVAN, of Missouri, in the House, is the best bill which we have had an opportunity to even read, much less consider on the floor of the Senate.

I shall later ask to have inserted in the RECORD a part of the statement which I made before the Senate Committee on Agriculture and Forestry on June 14, 1944. I believe the part of the testimony which I shall ask to have inserted will explain better than I can my interest in this particular bit of legislation.

This program is designed, of course, primarily to improve the health of a large number of Americans who presently are unable to get enough of the right kind of food to live decently. But for the past 20 years we have been increasing our cost of farm programs. It is my hope that the enactment of this program will result in materially broadening the market for farm commodities.

I do not believe people realize that this year it is costing us about \$2½ billion to pay farmers for not growing food, and about \$1 billion more to support farm

prices of food which they do produce, or a total of \$3½ billion. That is all charged to the farm program.

The bill is not perfect, but I think if we can get away from spending several billion dollars a year in paying farmers not to produce food, and toward a program which will help consumers consume that food, we may not only be improving the health of the people of this country but also the economic health of our agriculture.

When we tell farmers not to produce, we hurt the economy of the community which used to produce agricultural commodities but no longer produces them because the people there can be paid for not producing.

No one can guarantee just what the bill would do. We cannot guarantee that it would not be improperly applied. We know that the intent of the committee is that no coupons shall be used for purchasing foreign beef. We cannot guarantee that no one, either in government or in the trade, will cheat. It is difficult to find a program of this extent in which there is no cheating whatever. But it is worth trying.

The legislation will be tried for a limited period of time, 3 years. When the 3 years are up, we can either extend the legislation, we can amend it and improve it, or, if it does not work, we can drop it completely. In the meantime, however, the appropriation of \$75 million for the first year, \$100 million the second year, and \$200 million the third year, is a very small amount compared with the \$3½ billion that it will cost us this year to pay farmers not to produce and to support farm prices.

This program is very much worth the 3-year trial. For that reason I hope it will be supported.

I ask unanimous consent to have the excerpt of my testimony in 1944 printed in the RECORD at this point.

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

TESTIMONY OF SENATOR GEORGE D. AIKEN
PRESENTED TO THE SUBCOMMITTEE OF THE
SENATE COMMITTEE ON AGRICULTURE AND
FORESTRY APPOINTED TO CONSIDER S. 1331,
FRIDAY, JANUARY 14, 1944

I am cosponsoring this bill because I believe it to be a better solution to the problem of how to maintain the health and efficiency of our low-income citizens than any other plan that has so far been suggested.

I know it is not a perfect plan. I doubt if there is any perfect plan. This bill may be rejected by this committee. If it is approved by the committee, it may be rejected by either House of Congress. But, even though it is not enacted into law, yet I believe that these hearings may do much good. If out of the testimony which may be presented here there can be developed a better plan, I will gladly support it.

In these days of high wages, high prices, and large profits, when money is spent freely and often recklessly; when there is competitive bidding in the black market for insufficient quantities of certain foods, we are likely to get the impression that everyone is well off. I wish this were so. I wish that everyone had adequate means to support themselves comfortably, but that is not the case.

Millions of our American citizens do not have an income sufficient to enable them to maintain their health—to say nothing of living in luxury or even in comfort. Among

these are 2,200,000 recipients of old-age pensions, 700,000 persons drawing old-age and survivors insurance under the social security programs, about 1 million disabled veterans drawing pensions or disability compensation, or their widows and dependent children, over 150,000 retired and disabled firemen, policemen, State and municipal employees; dependent children receiving aid through Federal and State welfare funds to the number of 739,000, blind people to the number of 53,000, and many persons living on a fixed income too low to enable them to buy the food they need.

At the time this bill was drawn, there was an indeterminate number of dependents of the 9 to 10 million men in our Armed Forces who would have been eligible under the provisions of this plan. These have since been better provided for by the increase in servicemen's allotment, but no doubt there is still a large number who would be eligible.

I would like to call the committee's attention here to the average amounts received as pensions or compensation by the veterans of our wars.

One hundred and forty thousand veterans of the Spanish-American War average \$57.80 a month.

Four hundred and twenty-six thousand veterans of World War I are drawing \$39.02 a month and we already have over 8,000 veterans of World War II drawing an average of \$40 a month.

The widows and children of deceased veterans of the Civil War average \$37.70 a month; of the Spanish-American War, \$30.56; of World War I, \$44.11; and of World War II, \$48.42.

An average of \$34.09 per month is being paid to the families of 13,449 men in the Armed Forces who died from service-connected disability in peacetime.

I would add to these numbers which I have given you several million low-income workers whose paychecks have not increased during the years of the present war. These facts and figures should certainly bring home to us the realization that justice and mercy and income are not being equitably dispensed. Rising costs of living at a rate comparable to the increased costs during other wars make the difficulties of these millions of low-income citizens more serious.

Most of the low-income people today are deserving. A few years ago chiselers and smalltime racketeers were to be found in considerable numbers among those requesting assistance from their Government or other sources. Today the chiselers have pretty much disappeared. They would not be interested in the smalltime income which this bill would provide. I think that is one reason why the group this bill is intended to help is so silent. They are not organized and they cannot demand. They are patient, law-abiding, patriotic citizens who deserve earnest consideration just as much as the groups which are organized and speak loudly through their spokesmen.

It has been said that the distribution of food allotment coupons would be humiliating to those whom necessity forces to request them.

I expect there are those of whom this is true. I am glad that we still have proud people in our country. The fact is, however, that under the old stamp plan between 60 and 80 percent of those eligible made application for stamps.

The fact is that pride has not caused some of our higher income persons to decline subsidies. Everywhere all through our land war-time bonuses are being paid and there is no record of broken pride. Even the employees of the U.S. Government have received bonuses of \$300 and up to help out on the cost of war-time living and I have heard no loud cries of resentment yet. The people whom this bill is designed to help are the ones who unfortunately cannot get cash

bonuses or increases in salaries. A large part of them are unable to work for one reason or another. Thousands are borderline cases who may have to call upon their local government for help in the near future. Which will humble them most—to accept a war-time bonus to help out on the cost of living as higher paid groups are being helped—or a listing in the books of public relief and charity, which they do not deserve? During the great depression I saw people living under wretched conditions and doing without proper food to keep from going on relief. Most of them, however, accepted the stamp plan.

It is the purpose of this bill to provide equitable distribution of food in order to maintain health and productive capacity during wartime among low income consumers. The bill has been generally referred to as the stamp plan. It should not, however, be confused with the old stamp plan which was used partly as a relief measure and partly as a means of utilizing surplus farm commodities.

This plan provided for in S. 1331 attempts to make the best possible use of the experience gained through the application of the old stamp plan and at the same time eliminate the difficulties of that plan.

I wish to make it clear that the bill does not create any new organization for administering a food allotment plan. It will be under the direct supervision of a Deputy Director of the Food Distribution Administration, but the actual application will be in the hands of existing State, local, and, in some instances, private agencies. Because of regional variations of conditions, it is advisable to have this plan administered by persons familiar with each locality. For this same reason, provision is also made for regional differences with respect to the reasonable cost of the basic food allotments.

Administrative costs are to be paid by the Federal Government and must not exceed 5 percent of the funds appropriated. The bill sets no minimum income for determining eligibility because this amount would vary according to the variation in living costs. It does, however, require a redetermination of such costs every 6 months.

The measure of eligibility is the insufficiency of normal food expenditures of households of various sizes and income classifications to meet the cost of basic food allotment.

A basic food allotment is defined as the amount of various kinds of food per person per week representing a minimum adequate diet. I must confess that the diet as defined in paragraph (c) of section 2 of the bill is a pretty good diet for a minimum. The diet prescribed in the bill has been worked out by the most efficient home economists. It undoubtedly smacks of idealism because it does prescribe what is supposed to be a perfect diet. It is probably a better diet than most people enjoy today even though they can amply afford it.

If this bill passes, it is unlikely that Congress would appropriate a sum to very closely approach this objective. It is, however, a mark to shoot at. It should be our aim to see that everyone enjoys an ample, well-balanced diet and we might as well aim for the bull's-eye in hopes that we may run up a better score than we have up to now.

The strength of a nation depends largely upon the health of its people, and health depends upon an adequate amount of the right kind of food.

Considerable apprehension has been created through the rather widespread inference that the cost would be in the neighborhood of \$3 billion. Such an estimate of cost is far, far outside the probable amount that would be required.

The War Food Administration has estimated that the current average cost of the basic food allotment as outlined in the bill

would be approximately \$646 a year for an average family of 4 persons. It appears that the average family of 4 spending \$646 a year for food should be receiving an average income of not less than \$2,350 a year.

The \$3 billion figure is the maximum amount that could be spent under this bill if every person receiving less than \$2,500 per year for a family of four received every dollar's worth of coupons to which he might conceivably be entitled.

It is rather startling to learn that there are as many as 60 million people in this country receiving an income at a rate less than \$2,500 per year for a family of four.

In some large areas of our country, over 99 percent of the people would undoubtedly be eligible for assistance if Congress should choose this criterion.

It goes without saying that Congress would not, at the present time at least, use these figures as a yardstick in applying the provisions of the act. The bill provides, however, that if funds are not appropriated sufficient to make up the full difference between normal food expenditures and the cost of the basic food allotment, the food allotment coupons may be used to supplement normal purchases in such a way as to enable participating families to buy a certain percentage of the basic amounts. A reduction in the allowance for food coupons would also mean a decrease in the number of eligible families and persons.

If we should consider that eligibility should be based on a minimum income of \$2,500 for a family of four, we would find that 60 million people would be eligible to receive food allotment coupons to some degree. If every one of these—both families and single individuals—took advantage of their eligibility and received the fullest amount of coupons that could be allotted, the total cost is estimated to be \$3 billion.

Now, assume that the Congress decides to allow only 90 percent of the full basic diet, which would probably still be as good or better than that enjoyed by the members of this committee, the number of persons eligible would drop from 60 million down to 50 million, while the cost would drop from \$3 billion down to \$2,300 million, still assuming there would be 100 percent participation by all eligibles. But, it is not likely that the Congress would even appropriate for 90 percent of a full basic diet. It is more likely that a figure of 60 percent would be chosen, in which case the number of persons eligible would drop to 22,800,000 and the total cost would be about \$600 million if everyone eligible participated fully.

However, experience has shown that when the stamp plan was in effect, only 60 to 80 percent of the low-income people took advantage of it.

Assuming that 70 percent of those eligible take advantage of this food allotment program, and receive coupons to enable them to enjoy a 60 percent diet, the total cost would amount to \$420 million. This amount would substantially raise the living standards of 16 million of our lowest income people and protect them against actual want.

These 16 million people are the ones who really need and should have their meager income supplemented in order to maintain their health and efficiency and a reasonable degree of security and happiness. These are the people who average \$1,100 a year or less for a family of four.

If we wish to go down still further and subsidize only to the amount of 50 percent of the basic diet, we would find that 19,600,000 persons eligible could be taken care of at a cost of \$389 million if all participated or \$282 million if 70 percent participated.

It is obvious that the really low income people of our country could be raised from a state of want, though not to a state of luxury, by any means, for approximately \$400 million a year.

We cannot estimate the value received from this food allotment plan in terms of dollars and cents alone. By assuring millions of our people of enough to eat, we will be insuring many of them against the ravages of disease. We will keep an indeterminate number of them from calling upon their civic governments for relief. We will maintain or improve the efficiency of those who through part-time employment or otherwise are contributing materially to the war effort.

We can't put a dollar and cents value upon the eyesight, or the health of children now growing up in these borderline families. The money spent under the provisions of this plan might be returned to our country many times over in dividends of health and efficiency.

I have given the committee a general, rather than a technical, description of the food allotment plan as I see it. I reiterate what I said in the beginning. I know it is not a perfect plan. I know that it will likely lend itself to amendment by this committee, but such need for changes will develop as we listen to the testimony of many well-informed persons who will appear before us. As I said, we have tried to profit from the experience gained in applying the old stamp plan.

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

Mr. AIKEN. I yield.

Mr. PROUTY. My distinguished senior colleague has demonstrated that dogged persistence over the years produces results. As he has said, back in 1943 he and the late Senator La Follette first introduced a bill of this nature. Throughout the years, he has worked hard and enthusiastically on this plan. I commend him most highly for bringing the dream to a reality. I am convinced in my own mind that it will be of tremendous help to low-income families and also will expand farm markets. The distinguished senior Senator from Vermont deserves great praise for this outstanding achievement.

As a matter of historic interest, I ask unanimous consent that an editorial and an article published in the Rutland, Vt., Herald in 1945 be printed at this point in the RECORD.

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

[From the Rutland (Vt.) Herald, June 29, 1945]

AIKEN FOOD ALLOTMENT BILL

WASHINGTON.—The national food allotment bill is explained by its sponsors, Senators AIKEN, of Vermont, and La Follette, of Wisconsin, as a measure to provide adequate diets for low-income families and better markets for farmers.

The two Senators, representing two of the Nation's great dairy States, say that the bill lays equal emphasis on consumers' needs for better nutrition and farmers' need for broader markets. The following analysis of the measure is taken from a news release on the subject.

The basic principles of the food allotment program are simple.

The first step is to determine scientifically the level of nutrition needed to keep an average person strong and healthy, and to translate that nutrition level into actual amounts of lower cost foods.

The second step is to determine the value of the low-cost adequate diet periodically at current retail food prices. This cost, on a yearly basis, would be known as the "food allotment."

The third step is to supplement the buying power of families that are not able to afford low-cost adequate diets.

In carrying out the third step, needless redtape that would limit the effectiveness of the program must be avoided. At the same time, Federal funds must be used in the most effective way to raise levels of nutrition and improve farm markets.

For example, suppose the food allotment per person was \$15 a month. In that case, a family of four could buy food coupons worth \$60. If the family had an income of \$100 a month, it could get the coupons by paying 40 percent of its income, or \$40. If the family income were \$125, it could buy the same number of coupons for \$50. But if its income were \$150, the family would have to pay \$60 for \$60 worth of coupons, and therefore would find no advantage in participating. A family of five with an income of \$150, however, would again benefit by buying \$75 worth of coupons for \$60.

Thus, the Government's contribution would largely represent a net increase in family food consumption. An average family of four with an income of \$100 a month now spends about \$40 a month for food. Under the allotment program the Government would sell this family \$60 worth of food coupons for \$40. The net cost to the Government—\$20 a month—would in this case just equal the increased value of food consumed. Of course, it would not work exactly this way in all instances. Sometimes the increased food consumption might be a little less than the Government contribution, but in general, the Government money would be used for food; that is, for better diets, and larger markets for farm products.

How much would the program cost? Of course, that would depend on the Nation's level of prosperity and the number of eligible families who chose to participate. However, studies of what probably would have happened in past years with such a program in effect indicate that the cost of the food allotment program might range between three fourths of a billion dollars in times of prosperity to possibly \$2½ billion in times of depression. One of the great merits of the program would be its tendency to level off the ups and downs of the business cycle. In good times, Government spending under the program would contract; in bad times it would expand and counteract the tendency toward shrinking markets.

How would the food allotment program affect the Nation's levels of diet? Again the best way to find out is to go back to what would have happened in the past. Had the program been in effect in 1942, for example, participating families probably would have bought 60 percent more tomatoes and citrus fruit, 30 percent more milk, meat, poultry, and fish, and substantially larger amounts of vegetables and other fruits, eggs, and potatoes and sweetpotatoes. Purchases of other foods, such as grains, fats and oils, and sugar, would have remained about the same.

What could farmers expect in the way of better prices and incomes? The food allotment program not only would increase consumer food expenditures by about the amount of the direct Government contribution, it also would tend in many instances to strengthen food prices throughout the market. It has been estimated that a Government contribution of \$1 billion to a food allotment program in 1942 would have increased farm income from food products by about \$1½ billion.

The food allotment program is especially important as a means of carrying out the Government's commitment to support farm prices and farm income after the war. The soundest way of doing this is by insuring a large and stable market for agricultural products. We cannot long avoid a balance between supply and demand. Shall we reach this balance by a compulsory crop reduction

program to reduce supply or by a voluntary food consumption program to raise demand? The second way—and the way provided in this bill—is certainly better both for farmers and for consumers, and it would lighten the burden of price support operations.

[From the Rutland (Vt.) Herald, Sept. 22, 1945]

SENATOR AIKEN OFFERS FOOD ALLOTMENT BILL—VERMONT SENATOR SAYS SUCH A MEASURE WOULD PROVIDE ALL-TIME MARKET—BILL COMES UP SOON—VERMONT JOINED BY SENATOR LA FOLLETTE, PROGRESSIVE, OF WISCONSIN, IN OFFERING PLAN

(By Sidney A. Govener)

WASHINGTON, Sept. 21.—Senator AIKEN, Republican, of Vermont, farmer and legislator, believes that in years ahead the greatest single problem of the Nation's farmers will be to find markets for all they can produce.

And AIKEN believes he has a solution to this major problem in his food allotment bill.

The measure, introduced jointly by AIKEN and Senator La Follette, Progressive, of Wisconsin, last June, is expected to come up for hearings before a subcommittee of the Senate Agriculture Committee soon, possibly next month.

AIKEN said, in an interview, that he is receiving many letters seeking quick action on his bill, some from New England dairy producers and fruitgrowers.

The Vermont Senator added, the purpose of his bill is twofold. First, he said, it would provide markets for farmers through normal channels, and second, it would enable lower income families to increase their food purchases, and thus improve their diets.

"Unless active measures are taken, we can expect that, even with full employment, American families will be going hungry while American farmers are looking for places to sell their products. With less than full employment, the outlook for want in the midst of plenty would be far more serious," AIKEN said.

"The national food allotment bill is designed to head off such an unfortunate situation," he continued. "It is not, in the ordinary sense, either a welfare or a farm relief measure. It is an effort to put a floor under levels of nutrition for the Nation's families and to insure a large and stable market for food."

AIKEN said that the basic principles of the food allotment program are simple, and listed them as follows:

"The first step is to determine scientifically the level of nutrition needed to keep an average person strong and healthy and to translate that nutrition level into actual amounts of lower cost foods.

"The second step is to determine the value of the low-cost adequate diet periodically at current retail food prices. This cost, on a yearly basis, would be known as the food allotment.

"The third step is to supplement the buying power of families that are not able to afford low-cost adequate diets."

It has been found, AIKEN asserted, that on the average, lower income families spend about 40 percent of their incomes on food. Under the proposed program, participating families would continue their normal spending for food. The Federal Government would contribute funds to buy additional food.

"This," AIKEN said, "would be accomplished by offering any family an opportunity to buy for about 40 percent of its income food coupons with a face value equal to the food allotments for all members of the family.

"Thus, while the value of the food coupons remained fixed, the amount that a family would pay for them would be determined by its money income. The Government would be bearing the difference between the family's

contributions and the face value of the food coupons."

AIKEN explained how the plan would work with the following examples:

If the food allotment per person was set at \$15 a month, a family of four could buy food coupons worth \$60. If the family had an income of \$100 a month, it could get the coupons by paying 40 percent of its income, or \$40.

If the family income were \$125, it could buy the same number of coupons for \$50. But if the income were \$150 a month, the family would have to pay \$60 for \$60 worth of coupons, and therefore would find no advantage in participating.

"Thus the Government's contribution, would largely represent a net increase in family food consumption," AIKEN said. "An average family of four with an income of \$100 a month now spends about \$40 a month for food. Under the allotment program the Government would sell this family \$60 worth of food coupons for \$40. The net cost to the Government—\$20 a month—would in this case just equal the increased value of food consumed.

Mr. AIKEN. I thank my colleague from Vermont. There has been a considerable change of heart about this legislation in the past 20 years, but it has been a change for the better. The bill we are now considering is much improved over the one which was originally introduced. I am sure that it gives great promise.

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

Mr. AIKEN. I yield.

Mr. ELLENDER. I wish to join the distinguished junior Senator from Vermont in the tribute he has paid to the distinguished senior Senator from Vermont. I have served on the Committee on Agriculture and Forestry for 28 years. I know of the work the Senator from Vermont has done in attempting to have food stamp plans adopted.

If the junior Senator from Vermont will read the hearings, he will notice that a quite nice tribute was paid to his colleague by Secretary of Agriculture Freeman.

Mr. AIKEN. I thank my chairman. It has been a pleasure to serve under the distinguished Senator from Louisiana, who is chairman of the Committee on Agriculture and Forestry, since the first day I arrived in the Senate, going on 24 years.

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

Mr. AIKEN. I yield.

Mr. JAVITS. I, too, wish to identify myself with the remarks of my colleague from Vermont. I believe the Senator from Vermont, who has been concerned with this legislation since his introduction of the food allotment bill in 1943, in the 78th Congress, has rendered a monumental, historic service in bringing the proposal to the point of practicality, making it extremely appealing and desirable. I believe the millions of Americans who will benefit from the act will be grateful to the senior Senator from Vermont, who so often has led many of us on this side of the aisle, as well as on the other side of the aisle, in support of legislation.

I believe that in devoting his enormous talents to this effort, the senior

Senator from Vermont has earned the respect and regard of the entire Nation.

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

Mr. JOHNSTON. Mr. President, I commend the chairman of the committee [Mr. ELLENDER] and the senior Senator from Vermont [Mr. AIKEN]. They have worked faithfully on the bill. This is not a proposal that has been before the Committee on Agriculture and Forestry for a short time; we have been considering it for many years, and have finally agreed upon this bill.

This is a proposal that we want to try out. We do not say that it is perfect, by any means, but we believe it will work. We shall leave it to each State to decide whether it wishes to join in the program.

The program will include many people who are getting relief close to the borderline, and also lower income people. It will assist in keeping them from going from lower incomes onto the relief rolls. I believe the plan will be beneficial in many ways to the people of the United States, if only they are willing to give it a trial.

Mr. YOUNG of North Dakota. Mr. President, I commend the senior Senator from Vermont for having brought the proposed legislation so close to accomplishment. The Senator from Vermont is one of the most effective Members of the Senate. Usually it does not take him 20 years to get his proposals through Congress. He made a convert of me 19 years ago.

This is a far-reaching program. It will be one of the most effective, efficient, economic ways of bringing food to the poor people of the country. It will be a great step forward. I am happy to join in congratulating him upon his real accomplishment.

Mr. AIKEN. I thank the Senator from North Dakota for his remarks and for his support of this program.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be treated as original text for the purpose of further amendment.

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

Mr. DOUGLAS. Mr. President, I first heard of the food stamp plan in the 1930's, when it was put into effect under the New Deal by order of President Franklin D. Roosevelt. That plan was the brilliant suggestion of Mr. Milo Perkins, who worked out the details and administered them in a most competent and efficient manner.

I was then an alderman from a ward in Chicago in which there was a great deal of poverty and unemployment. I saw the food stamp plan in operation. It effected a big improvement, both in the diet and in the morale of the people who were out of work. Previously, they had received surplus commodities which were restricted to cornmeal and certain vegetables. This program was not only restricted; it was humiliating, because the families and the children would have to go to relief stations, ask for the food,

bring the food back in bags, and thus be exposed to the scorn of their neighbors.

I can testify that while the food stamp plan was in operation in the ward which I represented in Chicago, there was a vast improvement in the diet of the people and a great increase in their self-respect. Being paid in coupons, they could go into grocery stores and be indistinguishable from other patrons of the stores; they were not singled out as a pariah class or a dependent class. One could almost see the improvement in their self-respect after the food stamp plan went into effect. It was almost like water being sprayed over an arid flower garden.

Incidentally, the plan helped the small grocers, because instead of the surplus commodities being distributed from a central distribution point, the grocers acted as distributing centers and received the normal markup on the commodities which they sold. The plan was good for everybody.

I regret that the opposition to the food stamp plan was so great that it was discontinued. Those opposed to Roosevelt and the New Deal had their way. It might well have been continued, although it is true that increased earnings and the decrease in unemployment during the war improved the diet of many people. From 1952 to 1960 we could make no headway because of the opposition of Secretary Ezra Taft Benson and the Eisenhower administration.

Since 1957, there has been a marked increase in unemployment. A great many people in this country are in physical distress. Mr. Michael Harrington estimates that the total number of people in poverty is about 40 million, which would be, roughly, 21 or 22 percent of the population. That is a fairly conservative estimate.

In order to help the situation, surplus commodities were distributed once again, giving only badly balanced diets and causing humiliation to the recipients.

In late 1960, following his election, the late President Kennedy appointed me as Chairman of the Task Force on Depressed Areas, which was to make a report to him on actions which he should take to relieve economic distress. We made our recommendations just as he assumed office in January 1961. The first item which the Committee recommended was a liberalization and an expansion of the commodities distributed under the surplus food programs. President Kennedy signed that Executive order while returning from the inaugural ball. It was his first official act.

Our second recommendation was that the food stamp plan should be adopted on a trial and pilot basis in a number of communities and counties throughout the country. This recommendation was put into effect. Some 40 counties have been participating. One of the earliest, Franklin County in the coal mining section of southern Illinois, has a high unemployment rate and, unfortunately, a very high relief ratio. I have been in Franklin County several times during the 3 years since the plan was put into effect.

I have watched the distribution and handling of the coupons and the food. I have taken testimony from citizens, from bank executives, from grocery store owners, and others; and I can say that the program has worked extremely well. It has broadened the diet so that families on relief are now getting more milk, more meat, and more fruit and vegetables and are not being confined, as in the past, to cornmeal, lard, dried beans, and other similar foods of limited nutritional value. The coupon, as has been stated by the Senator from Louisiana, does not cover tobacco, liquors, soft drinks, chocolate, or other items which are not nutritious.

The Senator from Louisiana informs me that soft drinks are included in the present bill. I believe that this is a mistake. I am glad that hard drinks are excluded, as well as tobacco and other commodities which are either dangerous or of dubious value to health. I hope soft drinks may be excluded.

In recent months, I have visited the coal mining villages in Franklin County and I have found the general attitude and hopefulness of the people definitely better. Earlier, I had watched with horror the distribution of surplus commodities. I shall never forget an experience in one county. A wagon drove up loaded with surplus commodities. People suddenly came out of the woods and from behind buildings and swarmed like sparrows around the wagon to get the handouts of the articles. They did this with a hand-dog expression on their faces because they were being publicly stigmatized as living on handouts.

I went into a nearby community after the food stamp plan had been in operation, and watched the womenfolk go into the grocery stores with a proud and erect bearing and with self-respect.

I took testimony from the grocery store owners, and they naturally like the program because it increased their sales.

There was one bank in the county which objected, but other banks were glad to cooperate. I believe the margin that was given to them for cashing the checks was increased slightly. I found no real objection whatsoever from any group in the community.

I am happy to see this plan now extended. I only wish that it could be extended further and with a larger authorization than is provided in the bill before us.

I congratulate all the members of the Committee on Agriculture and Forestry, from both parties, for at last putting this program through. It is one of the most constructive steps that have been taken in a long time. I predict that with prudent management—and I believe that the Secretary of Agriculture will give it efficient and prudent management—the country will wholeheartedly approve of it.

Mr. SYMINGTON. Mr. President, I send to the desk an amendment on behalf of myself and my colleague, the Senator from Missouri [Mr. Long], to H.R. 10222, and ask that it be stated.

The PRESIDING OFFICER (Mr. NELSON in the chair). The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to add the following:

AUTHORIZATION FOR STUDY AND INVESTIGATION

SEC. 17. (a) The Secretary of Agriculture is authorized and directed to make a study and investigation of the desirability and feasibility of expanding the scope of the food stamp program provided for in this Act so as to include authority for the distribution of basic clothing and other necessary household goods, made in whole or in substantial part of domestic agricultural fibers, to members of economically needy households.

(b) The Secretary shall submit the results of such study and investigation to the Congress not later than 90 days after the date of enactment of this Act together with such recommendations for legislation as he deems appropriate.

Mr. SYMINGTON. Mr. President, I desire to make a brief statement with regard to this amendment.

My amendment would direct the Secretary of Agriculture to make a study of the desirability and feasibility of expanding the scope of the food stamp program so as to include authority for the distribution of basic clothing and other necessary household goods, made in whole or in substantial part of domestic agricultural fibers, to members of economically needy households. The Secretary would submit the results of his study to the Congress not later than 90 days after the date of enactment of this legislation, together with such recommendations for legislation as he deems appropriate.

Since May 1961, the food stamp program has been in operation in selected local areas throughout the country and is now operating on an experimental basis in 22 States, covering some 372,000 persons. In that time, it has come to be recognized as an effective instrument to assure that needy Americans have an adequate diet.

In addition to providing a nutritionally adequate diet to a number of our citizens, this program offers a beneficial method of using the great agricultural abundance of this country, and thereby strengthens our agricultural economy.

With passage of the proposed legislation today, the Congress will make permanent the food stamp program. While I support this action, it is my opinion that we should not allow this opportunity to pass without authorizing a study of the possibility of expanding the program to include the distribution of basic clothing and other necessary household goods, made from domestic agricultural fibers. Certainly, a country as wealthy as ours can afford to assure its needy citizens not only an adequate diet, but also assure that they have basic clothing and other necessary household goods. Such a program, in addition to providing new relief for our underprivileged, would also absorb significant amounts of domestic agricultural fibers which are in surplus, thereby reducing the Government costs for storage, and subsidies for both domestic consumption and export purposes.

I hope that Senators will give careful consideration to this amendment which calls for a study of a possible new way to extend the food stamp program.

Mr. ELLENDER and Mr. CLARK addressed the Chair.

Mr. SYMINGTON. I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I express the hope that my good friend the Senator from Missouri will not press his amendment.

The Senator served on the Committee on Agriculture and Forestry for quite a number of years and was a very valuable member of that committee. I was sorry, of course, when he left, but realized he could probably do more good for our country and the agricultural problems of his State through working hard on the wheat, feed-grain, and cotton surpluses as a member of the Committee on Foreign Relations. Because of his background it was my belief at the time that he could perform a better service for the country by moving from the Committee on Agriculture and Forestry to the Committee on Foreign Relations.

The Senator from Missouri knows the difficulties that we encounter on a committee when amendments are offered which are not exactly pertinent.

I give my assurance to the Senator from Missouri that if he will withdraw the amendment and introduce it in the form of a bill, the Committee on Agriculture and Forestry, of which I am the chairman, will give it consideration.

It is my hope to impress the Secretary of Agriculture with the fact that if this program is to continue in the future, it may be necessary to incorporate in it the very program to which the Senator is now addressing himself.

If the Senator will do that, I will ask the Secretary to make this study, and, if it is necessary, assist in passage of a resolution directing him to do it. I assure my good friend that the matter will be submitted to the committee in the hope that if action by the committee is required, the committee will act favorably on it. Then when the bill comes back to us at the end of 3 years, we will be in a position to incorporate in it the items to which he refers.

Mr. SYMINGTON. Mr. President, I thank the able and distinguished senior Senator from Louisiana for his typically thoughtful and kind remarks. Actually, the chief reason I left the Committee on Agriculture was it became more and more clear to me that a great deal of the problems of agriculture could be combined into one problem really—the ultimate disposal of our surpluses. More and more we see agricultural problems incident to our relations with other countries.

For example, today, in my State of Missouri, probably the most acute problem in this field has to do with the importation of beef. That importation has risen 32,000 percent in the last 10 years from one country alone.

As the able and distinguished chairman knows, today in negotiations incident to the Trade Expansion Act in turn incident to the GATT negotiations in Geneva, as being conducted by our former Secretary of State, the Honorable Christian Herter, we are negotiating to maintain what is by far the largest agricultural market the United States has today; and a cash market.

In addition, Mr. President, it became, and still is my hope that inasmuch as our balance of payments, with the exception of 1 year in the last 15 years, has been an unfavorable one, we would determine to substitute our agricultural surpluses for dollars in the distribution of our foreign aid.

Mr. President, based on the assurances of the able and distinguished senior Senator from Louisiana [Mr. ELLENDER] that he feels this amendment is not pertinent to the present food stamp bill, I would be glad to withdraw it at this time. This action on my part is especially reasonable because the chairman assures his distinguished committee will give the amendment full consideration. For that I am very grateful.

I congratulate my friend from Louisiana who, on agricultural problems, is one of the wisest Members of the Congress. I also congratulate the distinguished Senator from Vermont [Mr. AIKEN] for his constructive interest in this problem.

I might add, Mr. President, that for many years a great lady from the State of Missouri has made this her No. 1 project—Representative LEONOR SULLIVAN. I thank the distinguished senior Senator from Vermont for mentioning her name in approbation. She has worked hard toward the passage of this bill, so ably presented to the Senate by the distinguished Senator from Louisiana this afternoon.

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

Mr. SYMINGTON. I yield.

Mr. PASTORE. If the Senator from Missouri ever expects or intends to introduce a separate bill on this subject, the Senator from Rhode Island would be honored to be included as a cosponsor.

Mr. SYMINGTON. I appreciate that statement from my able friend, and his interest in the matter. He will of course be included as a cosponsor.

Mr. COOPER. Mr. President, I join my colleagues in commending the chairman of the Committee on Agriculture and Forestry, for his work on this bill. He is a man whom I respect as one of the most able committeemen with whom I have ever served. He is one of the best informed Senators on agriculture.

I congratulate also the acting minority leader [Mr. AIKEN], the ranking minority member upon the Senate Committee on Agriculture for his leadership in initiating the food stamp idea years ago, and for the constructive work he has done on the bill.

The bill is important to many people in my State. But it is not merely because it has importance to my State that I am interested in it. I am interested in it because I know my State is typical of many other States and sections of the country.

It is a paradox that in a country where the great majority of our people are prosperous—more prosperous than they have ever been—there are thousands who are out of work, and thousands who live on a bare subsistence.

In the past, I have supported measures to distribute surplus food to needy people. I remember that several years ago I urged the then Secretary of Agri-

culture, Mr. Ezra Taft Benson, to provide a better balance of food to those who needed food.

I have supported other measures to provide employment to the people of depressed areas. I am interested in this bill. But I know that a bill of this type has capabilities for abuse. And when abuse occurs, it is not only bad for those who deservedly receive help, but it destroys the confidence of the people and their support of programs of this type.

I know that no bill can be drawn that will prohibit or prevent every abuse. But it is important that every effort be made to prevent abuses.

I would like to ask several questions to make clear the legislative intent that the program is intended to benefit the needy, and to be administered by the States.

Is it correct that the administration of this bill would be left to a State agency of the participating State? That is written into the bill?

Mr. ELLENDER. That is correct.

Mr. COOPER. But it is provided also that administration may be delegated by the State. I think it ought to be made clear that, however implemented, it is intended that the responsibility for the administration of this bill remains in the State government.

I believe that the responsibility may be diluted; and it will be more difficult to establish strict criteria if left wholly to local subdivisions. I should like to know if it is the interpretation of the chairman that the responsibility for the administration of the bill will rest with the appropriate agency of the State.

Mr. ELLENDER. Yes. As I stated earlier in the debate, merely as a deterrent, we have provided that if there is any fraud practiced—for example, if any of the coupons are used in a manner contrary to the law—the State will be responsible. We put the burden on the State to see to it that the coupons are made available to the people who are entitled to those coupons as defined in the bill.

Mr. COOPER. That is the point in which I am interested. I want everyone who is entitled and in need under the terms of the bill to receive help. But there has been criticism in my own State, and I am sure in other States, that people who do not need help, even with respect to surplus commodities, secure assistance. When this happens, the whole program is discredited.

Is it not correct that under the bill the State must submit to the Department of Agriculture its plan for the administration of the bill, including the criteria by which it will determine the families that will be eligible to obtain assistance under the food stamp bill?

Mr. ELLENDER. The Senator is correct. When the plan is submitted, it may be submitted for one, two, or three areas within a State, and not the entire State. Wherever the plan is workable and people are entitled to the assistance, these plans are submitted by the State under regulations that are outlined in the bill, and afterward submitted to the Secretary of Agriculture for his study and, of course, his final approval.

Mr. COOPER. I have received some letters from owners of stores in my State who have complained because they were not designated or approved as stores under the pilot plan that is in operation in Kentucky. I do not know whether the complaints are justified. But is it correct that under this bill a method of review—including judicial review—is provided for storeowners who claim they have been improperly denied approval as participants in the food stamp plan?

Mr. ELLENDER. There is a method that the storekeepers must follow before they obtain approval. After they receive the approval of the Secretary of Agriculture, they are bound to obey the rules and regulations pertaining to the retailing of the goods. Unless a storekeeper should follow the rules and regulations strictly, he would be subject to punishment like anyone else participating in the administration of the program.

Mr. COOPER. If a retail store or a wholesale food store should claim that it had been wrongfully denied approval, a procedure is provided in the bill for review, even extending to the courts. Is that correct?

Mr. ELLENDER. Yes.

Mr. COOPER. I should like to ask another question. The Senator has covered the point, but in order to make the record clear, I point out that many believe, and I am one, that to insure the establishment of proper criteria with respect to the beneficiaries and also to assure the proper administration of the bill, a State should be required to contribute a certain percentage of the cost, however small? What is the Senator's view on this proposal?

Mr. ELLENDER. The State would assume all of the cost of administering the program on the State level, including auditing, taking care of the coupons, and seeing to it that those entitled to the coupons received them. If a recipient were not under the welfare program of the State at the time, but was a resident of another State in the area and entitled to coupons because his income is equal to or below that stated for the welfare group, in that instance, and in that instance alone, does the Federal Government provide part payment on the administrative features of the bill?

But as to all those in the welfare program the State assumes complete control of the administration, subject, of course, to the supervision of the Federal Government. The State must assume all costs of distributing the stamps, keeping an account of them, and also being certain that the stamps or coupons are made available to those who are entitled to them under the law.

I wish again to emphasize to my good friend that in the event of fraud, the State, through the agency of the State that administers the program, would be responsible for any stamp fraudulently made available to any recipient in the State.

Mr. COOPER. The chairman of the committee has always insisted that Governmental programs be operated properly, efficiently, and economically. Will there be opportunity for this program to

be reviewed by the Committee on Agriculture of which he is chairman?

Mr. ELLENDER. There is no provision in the bill for that purpose. Every year the Congress will appropriate the money necessary in order to carry on the program. An opportunity will be given at that time to review the program. For example, for the year 1965 an appropriation of \$75 million would be made. When the Secretary came in for an appropriation for the second year, that is, for 1966, there would be time to review what had been done with the \$75 million previously appropriated.

I believe that through that method we can keep pretty close tab on what has been done under the program.

Mr. COOPER. I should like to address another question to the chairman—

Mr. ELLENDER. A while ago the Senator asked about the right of the storekeeper to appeal. At page 15 of the bill, beginning at line 9, the Senator will find the following language:

If the store or concern feels aggrieved by such final determination he may obtain judicial review thereof by filing a complaint against the United States in the United States district court for the district in which he resides or is engaged in business, or in any court of record of the State having competent jurisdiction, within thirty days after the date of delivery or service of the final notice of determination upon him, requesting the court to set aside such determination.

I knew that the language was there, but I could not put my finger on it at the time the Senator asked me for it.

Mr. COOPER. I wished to bring it out, because I knew it was in the bill.

I desire to address another question to the Senator. The Senator may remember that in the public welfare amendments of 1962, with respect to the dependent children's program, an amendment was adopted which was described as the community work and training program. The amendment provided that the State could, if it desired, require able-bodied men receiving assistance under the dependent children's program to work for a time comparable in value to the amount that one would receive under that program. Would the Senator consider the adoption of a similar amendment to this program, to provide that a State, if it so desires, may require that an able-bodied person who receives food under this bill, above the cost paid by him, shall perform work of a public nature comparable in value to the goods received? Would he not consider such an amendment to be of value? I believe it would be beneficial to the morale of the people who receive this help, and, have effect in assuring that only those who really meet the standards or criteria shall receive this aid? Does the Senator think it would be an effective amendment and be of value?

Mr. ELLENDER. The committee gave consideration to such a provision. We felt that, since the administration of the program was in the hands of the States, the State laws should apply. During the course of the hearings I learned that the State of Kentucky requires, under similar laws, that before any welfare program benefit is made available to a

household, if there is a job available, the job is to be offered to the head of the household. If he refuses to work, he receives no aid.

Since this program is to be administered by the States, I believe it might be well to leave that matter entirely in the hands of the States, and let the States make the determination, under rules and regulations, as outlined in the bill, as to who shall and who shall not be entitled to relief.

Mr. COOPER. The State of Kentucky, in adopting the program the Senator has described, did so under the amendment which was adopted under the aid to dependent children program. I believe it was, because the Congress wrote into that act a provision that the States could require such work of comparable value that gave the State of Kentucky the initiative to adopt such a requirement. I think it has had a good effect. People have been put to work in cleaning up communities, and doing other valuable work. It has aided the morale of the people who receive the aid, and has also given confidence in the program.

I have such an amendment. I wonder if the Senator from Louisiana would take it to conference, so it could be discussed there, and I hope adopted?

Mr. ELLENDER. We discussed the question to some extent during the hearings. Witnesses appeared from the Senator's State.

It is my belief that since the States are the ones that more or less administer this program, and will make the decisions as to who are eligible to receive this aid, we should rely on State laws, rather than impose that provision on all the States.

While I have not looked into the problem too thoroughly, I am of the impression that most of the States have laws such as the one on the statute books of the State of Kentucky, under which, if a person asks for relief, and does not have a job, if he does not take a job when it is offered to him he does not get relief.

I think it is something that should be taken care of by the States. I do not think the Government should give aid to anyone who refuses to work when he is offered a job. However, since practically all of the States have such laws, I think it might be best to leave it to the States.

As this program develops under the law as presently written, we could learn which States have such laws and which States have not, and how the program works in the States that have such laws. Then, in the future, there could be a provision offered to cover the situation the Senator is discussing.

I believe it might not be in order at the moment to impose such a law on all the States. Let us see how the program works. As the program develops, there will be ample time for proposals in keeping with what the Senator is suggesting.

Mr. COOPER. The amendment I suggest would not be mandatory on all the States. It would provide that States could impose a requirement of work.

Mr. ELLENDER. The States can do it now. Kentucky does it.

Mr. COOPER. But Kentucky was given the initiative to do it as a result of the provision in the Aid to Dependent Children Act.

Mr. ELLENDER. The mere fact that a State had the incentive to do it would not necessarily mean that it would adopt such a law.

I believe that as time goes on we shall see that, since the program is to be administered by the States, they will be very careful as to who will receive aid. The bill defines who shall receive aid. It is the responsibility of the States to determine who shall receive the benefits of the program.

In all the welfare programs the States decide who shall receive the aid, and what amount of income shall determine whether a recipient gets the benefits of the welfare programs.

Since most of the States that have such programs now have on the statute books sufficient laws to take care of the situation the Senator is discussing now, I think his suggestion is unnecessary. Personally, I would prefer that we proceed with the program as we have it for some time; and if occasion presents itself, a provision can be proposed to carry out what the Senator is speaking of. There will be plenty of time to do that.

Mr. COOPER. In asking these questions, I have not done so from any distrust of the people of the United States, or the States in the implementation of the program. I have voted for measures to provide relief for people who are really in need. I have had opportunity to work with the distinguished Senator from Illinois [Mr. DOUGLAS]. I appreciate the fact that he originally recommended the pilot program. However, I am extremely anxious that the benefits of the program shall go to the people who actually need it, and that it will not be used for those who do not need it. When that happens it brings discredit upon the whole program and produces a lack of confidence in the program on the part of the people.

I hope the interpretation and explanation of the safeguards in the bill, which the distinguished chairman has given this afternoon, will be impressed upon those who administer this program.

I shall offer the amendment. I know the Senator is opposed to it. I offer it to express a view that I hold, that this program and other similar programs should require comparable work of able-bodied beneficiaries. It will raise the morale of those who receive the benefit of these programs; that it would be helpful in assuring a better administration of the program, and save money.

Mr. President, I offer the amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 18, after line 23, it is proposed to insert a new section, as follows:

COMMUNITY WORK AND TRAINING PROGRAMS

SEC. 16. For the purpose of assisting the States in encouraging, through community work and training programs of a constructive nature, the conservation of work skills and the development of new skills for unemployed individuals who are the head of a household receiving a coupon allotment

under this Act, a State plan approved under section 10(e) of this Act may require as a condition of eligibility for receiving such coupon allotment in any month that such head of a household, if able bodied, be required to perform work for all or a portion of the value of the coupon allotment in excess of the amount charged such household, if such work is performed for the State agency or any other public agency under a program administered by or under the supervision of such State agency, and if such State plan includes provisions consistent with the provisions of paragraphs (1) through (5) of subsection (a) of section 409 of the Social Security Act, as amended.

On page 19, line 2, strike out "SEC. 16" and insert in lieu thereof "SEC. 17".

Mr. COOPER. Mr. President, I have explained the amendment. A State, in the submission of its plan, could provide as one of its requirements, that those who receive assistance under the program, who are not employed, and who are able bodied, may be required to work a comparable time in terms of wages at the prevailing wages for the value of the food received.

As I have said, it would contribute to the morale of those who work. It would give greater confidence in the program as a whole. It would hold down the cost of the program, because it would have a tendency to make States stricter in setting the criteria to be applied. It would be a wholesome thing to do.

Mr. ELLENDER. Mr. President, I have expressed my opposition to the amendment, and I have given my reasons for the opposition. I hope the amendment will not be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky.

The amendment was rejected.

Mr. BOGGS. Mr. President, I have an amendment at the desk. I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

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

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

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

On page 5 of H.R. 10222, under "Eligible Households", strike out all of section 5 and substitute:

"SEC. 5. (a) Households eligible to participate in the food stamp program shall be those which now qualify or later qualify for Federal-State or State public assistance programs.

(b) Each State may also establish standards to determine the eligibility of additional applicant households, such standards to include maximum income limitations consistent with the income standards used by the State agency in administration of its federally assisted public assistance programs. Such standards also shall place a limitation on the resources to be allowed eligible households. Any State requesting participation in the food stamp program under this subsection shall be required, from funds available to the State or political subdivision thereof, to make reimbursement payments to the United States in an amount equal to

10 per centum of the value of those coupons issued to such additional applicant households within the State which is in excess of the value of coupons for which such households are charged. Such reimbursement payments shall be deposited into and made a part of the separate account created in section 7(d) of this Act.

"(c) The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary."

Mr. BOGGS. Mr. President, I offered the amendment in committee to provide for 25 percent State participation in the cost of so-called bonus food stamps to persons not on public assistance. I have reduced the amount to 10 percent. The amendment would make more definite the application of the food stamp proposal now before the Senate. In my opinion, it would make more effective the administration of the proposal.

I do not intend by the amendment to restrict or limit the application of the plan, but I believe the application should be more definite.

For example, as the bill is before us, section 5(a), on page 6, provides:

Participation in the food stamp program shall be limited to those households whose income is determined to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

My proposal would provide, in lieu thereof:

Households eligible to participate in the food stamp program shall be those which now qualify or later qualify for Federal-State or State public assistance programs.

It seems to me that the language contained in section 5(a) of the bill makes a definite approach uncertain, except as limited by the following section, section (b).

Paragraph (b) of my proposal, however, provides that each State, in addition to setting forth the criteria of eligibility of those who are not presently qualified or who would be qualified to be on public or general assistance, would have to pay 10 percent of the cost of the coupons which is in excess of the value of coupons for which these households are charged. This would enable the States to participate in the cost of this portion of the program. In my judgment, the bill as it now is contains a large gray area. I do not know exactly where the limitation would be on those to be covered who are not on public assistance.

The appropriation for fiscal year 1965 is limited to \$75 million. That is nowhere near the \$360 million estimated for 1 year's cost, if the program were applied generally throughout the United States with its present wide coverage. My amendment would also provide more effective administration.

If a State is not participating financially in the program in some way or other, I can certainly see why Governors, State legislators, community and civic leaders, and others will not have too much interest in it. They will be interested, of course, but they will not have the incentive and interest they would have if the State were appropriating money to be used in the program. The cost of the stamps, under the program

now provided in the bill, would be carried 100 percent by the Federal Government.

Let me make one distinction. In all except one of the programs to which I refer in paragraph (a), both the State and Federal Governments now participate. I refer to the programs for old age assistance, medical assistance for the aged, aid to families with dependent children, aid to the blind, and aid to the permanently and totally disabled. The only other category would be that of general assistance, which is taken care of totally by State and local communities. So the additional people who would be covered for nutritional aid, so to speak, would receive coupons provided entirely by the Federal Government and the State's only participation would be a share of the cost of administration.

My amendment would provide for State participation to the extent of 10 percent of these coupons. I believe it would make for more effective administration and assure a more bona fide overall operation.

It has been a privilege and a pleasure to serve on the committee under the chairmanship of the able Senator from Louisiana [Mr. ELLENDER]. I congratulate both him and the distinguished senior Senator from Vermont [Mr. Aiken], the ranking Republican member of the committee, who advocated this program for many years. I sincerely believe that, improved and tightened by my amendment, the bill would provide a more effective, and more dignified program than the present bulk food distribution program which is being carried on.

Mr. ELLENDER. Mr. President, this amendment was discussed fully before the committee, and the committee rejected it almost unanimously. I hope the Senate will likewise reject it.

First, let me point out that in order to obtain bonus coupons, the recipient must put up in cash what he normally might be spending for food. In cases cited us, the recipients, on the average put up 60 percent of the total value of coupons received. Therefore, it cannot be said that the recipient does not participate in the total food cost.

Second, if we are going to require States, in the case of nonwelfare cases to put up an additional 10 percent the result will be to discriminate against the many low-income households not able to qualify for welfare assistance for one reason or another. I would expect that most, if not all of the States, would exclude these needy persons from the program. However, the fact that they were excluded would not make them less hungry or undernourished.

Third, the adoption of this amendment would severely limit the program, would create inequities, and would not permit, in many cases, the judicial and efficient operation of the food stamp plan.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was rejected.

Mr. DOUGLAS. Mr. President, I am somewhat distressed at the change in the language at the bottom of page 2

and the top of page 3 in the House bill. Soft drinks were originally excluded from the operation of the food stamp plan. In the revised committee draft, as I understand it, soft drinks are now included, and food stamps can be used for the purchase of soft drinks. Is my understanding correct?

Mr. ELLENDER. The language of the House bill was stricken. One of the reasons was that under the definition of "soft drinks," milk drinks would be excluded. Certainly, we would not want to do that. Further, many soft drinks are used in hospitals and for other medical purposes. These same drinks are used in homes for convalescents and other sickly persons. I am sure that hungry persons will not spend much money for these items unless needed.

Mr. DOUGLAS. I do not want to include Coca-Cola or Pepsi-Cola or any of that family. I like them myself, but I do not believe they should be permitted to be substitutes for milk. They are not valuable for the diet. They can be a waste of money especially for young people. Personally, I think it is a great mistake to include them. Milk, of course, would be included; chocolate would be included; chocolate milk would be included.

I should like to include carbonated soft drinks—and I am willing to make the definition "carbonated"—among the items for which food stamps cannot be given. I move to include carbonated soft drinks among the items for which food stamps may not be issued.

Mr. ELLENDER. Mr. President, I hope the Senate will reject the amendment. The House bill included an amendment which would exclude drinks such as orange juice and milk drinks. I believe it should be left to the people who have the stamps to decide what they wish to buy. We have excluded alcohol and tobacco; I think we have gone far enough.

Mr. DOUGLAS. Mr. President, I should like to speak concerning the proposal. My suggestion is that the item which is included be not merely soft drinks, but carbonated soft drinks. That would exclude Coca-Cola, Pepsi-Cola, Dr. Pepper, and all the varieties of the family of cola drinks. If we include them, this will be used as propaganda against an otherwise splendid and much needed measure. I want to help the poor and hungry and not sacrifice them for Coca-Cola. The Senator knows that these have no nutritional value—none at all. They are poor alternatives for milk or chocolate milk. Actually, they are bad for kids, rather than good for them.

I hesitate to use such language, but the only benefit I can see in the present language is that it will increase the sales of the Coca-Cola and other cola and soft drink companies.

The PRESIDING OFFICER (Mr. McIntyre in the chair). The question is on agreeing to the motion of the Senator from Illinois.

The nays appear to have it.

Mr. PASTORE. Mr. President, I call for a division.

The PRESIDING OFFICER. A division is called for.

On a division, the amendment was rejected.

Mr. PASTORE. Mr. President, I wish the RECORD to show that I voted for it.

Mr. MANSFIELD. Mr. President, I wonder whether I could get some idea of how much more time will be spent on this food stamp bill, because we have an important conference report which will have to be brought up very shortly.

Mr. ELLENDER. So far as I am concerned, I am finished. I have no further amendments.

Mr. HART. Mr. President, I realize that the Senate has spent much time on this bill, but there is overwhelming support for it, and I shall delay final action only a few moments. However, I do wish to express to the chairman of the Committee on Agriculture and Forestry, on which I have had the privilege to serve for 4 years, the satisfaction of the metropolitan Detroit area and its people with the pilot program which operated there beginning in early 1961.

The contributions made to that program by individual retail establishments in Detroit was an important plus. The Food Industry Committee of Detroit for some years had advocated just such action. Certainly, as we hear those at home criticizing us for evidencing concern for people overseas—a course of action which I heartily support—it should come as some comfort to realize that we do indeed respond prudently to need at home.

This is a prudent, effective program. I, too, wish that carbonated beverages had been excluded from the bill but on balance it is overwhelmingly plus.

Again, I salute the chairman of the committee for the leadership which he has given over these several years on that committee.

FOOD STAMPS INCREASE BEEF CONSUMPTION, IMPROVE HEALTH AND ASSIST FARMERS

Mr. McGOVERN. Mr. President, one aspect of the food stamp bill which has been of great interest to me is the increases in consumption of domestic food products which it brings about.

Studies have shown that families receiving food stamps in Detroit and other areas increased their meat consumption at least one pound per person per week. In Detroit, 55 percent of the increase in meat consumption consisted of beef or a little more than one-half pound of beef per person per week. The administrators feel sure that this experience will continue nationally.

I have worked out what this bill means in terms of beef consumption, based on this experience.

In the first year of the new authorization it will amount to 21.5 million pounds of beef; in the second year, 28.6 million pounds of beef, and in the third year 57.8 million pounds.

The Department of Agriculture estimates that ultimately 4 million persons will be in the program. At that time, increased beef consumption as a result of this program would run about 115 million pounds annually.

The significance of this considerable increase in beef consumption, Mr. President, can be appreciated when it is compared to the 1963 increase in beef imports

over 1962. The USDA report shows that our beef imports, including dressed meat and the meat equivalent of live cattle imported, increased 134 million pounds in 1963. The food stamp plan will offset 90 percent of such an increase.

The food stamp bill not only means more adequate diets for our poorer citizens, Mr. President, it also means expanded markets. It means a healthier citizenry and a healthier economy.

I would like to invite all those who are concerned about beef prices—and I continue to be concerned although prices are up some just now—to join in support of this bill. There are record numbers of feeder cattle in feedlots which will start coming to market this fall. Large supplies could again depress markets unless those markets have been expanded, as the food stamp plan would help to expand them.

There are other products which will enjoy improved markets under the food stamp program. I have used beef as an illustration because we have heard so much of the beef problems recently.

Producers of cereals and dairy products as well as fruits and vegetables will benefit from the increased markets it generates, reducing our surpluses.

And it will increase America's prestige throughout the world as a nation, with a democratic system of government under which all citizens are assured freedom from want for the essentials of life.

Each of us will stand a little taller for voting to provide our less fortunate fellow citizens the foodstuffs they need, while at the same time strengthening the incomes of our farm producers and retail grocers. As former director of our food for peace program, I came to a keen appreciation of what American food means to hungry people around the world. I know that we want to make certain that our own citizens have adequate diets.

Mr. HUMPHREY. Mr. President, ever since coming to the Senate I have sponsored and supported a food stamp program. In 1959 I led the floor fight that resulted in the authority for such a program on a pilot basis. This authority, though not used at that time, was the result of an amendment to the act extending Public Law 480.

At the request of the late President Kennedy in his economic message of February 2, 1961, a pilot food stamp program was inaugurated by the Department of Agriculture. The first project began in West Virginia in May of that year. Since that time additional pilot projects have been added in order to get a full and complete trial of the food stamp program. At the present time it is operating in 43 counties and cities in 22 States with about 380,000 persons participating.

On the basis of these extensive tests—in widely different types of urban and rural communities and for a period of over 2 years—the program has proved eminently successful. Building on the experience of the previous food stamp plan operated from 1939 to 1943, and with the best advice and council of all segments affected by the program, it was designated to expand farm markets and

to make our food abundance available to many of our people who needed it, in a dignified manner through normal commercial channels.

The operation of the program is quite simple. Individual families are certified by the public welfare authorities on the basis of their need. Both those families receiving public assistance as well as other low-income groups not receiving any other form of public assistance are eligible. The eligible families buy the food coupons. The price they pay is approximately what they would normally spend for food out of whatever income they have from whatever source. When the families have little or no income they make only token payments or receive their coupons free. In return for the coupons they receive food worth considerably more than they pay. On an average, across the Nation, the participants have been paying a little over \$6 for every \$10 worth of coupons they receive. They may then take these coupons to any grocery store and purchase any food for human consumption except alcoholic beverages, tobacco, and imported foods.

The grocer, in turn, deposits his coupons with his bank just as he does his other cash receipts. The banks, in turn, redeem the coupons through the Federal Reserve System just as they do their other paper. The Federal Reserve banks are reimbursed out of the moneys collected from recipients and Department of Agriculture funds.

This program has been an unqualified success. It has presented no real administrative problems. Violations of the program have been less than one-half of 1 percent of the 14,000 grocers participating. The benefits have been many.

BENEFITS TO AGRICULTURE

Agriculture benefits directly from the expanding markets, particularly since increased food consumption under the program has proved to be concentrated in livestock products and fruits and vegetables. While the coupons are not earmarked for specific surplus foods, the movement of price supported commodities under the stamp plan has been greater than under direct distribution. In Detroit, for instance, utilization of grains was increased by 24 percent, including indirect usage through larger use of livestock products. The program has increased the sale of foods providing a larger return to the farmer. In Detroit—where the costs of direct distribution and later the food stamp program were roughly comparable—the return to the farmer from the purchased food and donated commodities used by eligible persons under direct distribution was \$1.75 per person per week. This same group of people, after inauguration of the food stamp program—including participants and nonparticipants—purchased food yielding \$2.01 per person per week to the farmer.

BENEFITS TO PARTICIPANTS

Participants are able to obtain food assistance in a much more dignified manner—actually buying the privilege. They have substantially increased their food consumption, with more than 80 percent of this increase in livestock prod-

ucts and fruits and vegetables. Almost twice the number of families were able to achieve nutritionally adequate diets after the program went into effect.

BENEFITS TO THE COMMUNITY

Retail food store sales have increased an average of 8 percent in the pilot areas. The additional dollars moving into the community act as a stimulant to the overall economy of the area. Thus, rather than the Federal Government competing with commercial food sales—as it does to some extent under the direct distribution program—food sales and the economy of the project areas are benefited under the food stamp program at about the same cost to the Federal Government.

The pilot operations have been conducted under the general authorities and with funds available under section 32. This experiment has run long enough to demonstrate the validity and effectiveness of the program. Legislation to provide specific authority for a food stamp program and to make possible its gradual expansion to other areas of the country in need of such a program was introduced at President Kennedy's request in the 1st session of the 88th Congress. President Johnson again called for the enactment of this legislation to extend and expand the food stamp program in his state of the Union message and again in his farm message.

The legislation before us would accomplish this end. This bill embodies many refining and strengthening amendments in the bill originally introduced in the Congress last year and these amendments have been agreed to by the administration. The language of the bill, for example, makes its abundantly clear that participating grocers will not be arbitrarily suspended or disqualified for alleged violations; that "due process" principles will be observed, and that grocers will have access to both State and U.S. district courts if they want judicial review of the Department's administrative action. Also, the bill specifically states that no authority is granted to the Secretary of Agriculture to control prices in participating retail or wholesale stores.

This is a fine bill. It is a workable bill. It is a bill that proposes nothing new. It provides for the same type of program and the same administrative requirements as the pilot food stamp program which has been time tested and proven effective.

I urge its passage by the Senate.

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

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. In the committee amendment, on page 3, at the beginning of line 5, it is proposed to strike out "which are identified as being from foreign sources when they arrive at the retail food store" and insert "which are imported".

Mr. ELLENDER. Mr. President, I wish to advise my good friend the Senator from Iowa that I will gladly take his amendment to conference. We have changed the definition that is in the

whole section. I know that there will be much work to do in conference with the House. Therefore, I agree to take it to conference.

Mr. MILLER. I very much appreciate the statement of the Senator from Louisiana.

The only purpose of my amendment is to tie in with the very first line in the preamble of the bill, which is to strengthen the agricultural economy and to reflect what the committee intends according to the colloquy we had earlier this afternoon.

Mr. President, I move the adoption of my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

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.

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

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

The motion to lay on the table was agreed to.

The title was amended so as to read: "An Act to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among low-income households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes."

Mr. ELLENDER. Mr. President, I move that the Senate insist upon its amendments and request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate on the food stamp bill just passed.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. JOHNSTON, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG of North Dakota conferees on the part of the Senate.

ONE-YEAR EXTENSION OF CERTAIN EXCISE-TAX RATES — CONFERENCE REPORT

Mr. SMATHERS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11376) to provide a 1-year extension of certain excise-tax rates. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

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

Mr. SMATHERS. Mr. President, first, let me state that the Senate conferees

went to a conference with the House conferees under some disadvantages. Under the procedures of the House it was necessary that we enter into some kind of agreement before midnight last night; otherwise, the conference report could not be considered today and certain excise taxes on liquor, beer, tobacco, and wine would have expired. They will expire at midnight tonight unless this report is accepted and the President signs the bill before that time. The cost to the Government if this bill is not passed will be some \$1.9 billion.

The House had to file its report before midnight last night in order that it might vote on the conference report today. Completion of the House action was necessary so that the Senate, too, might vote on the report today and complete action before midnight tonight.

The Senator from Virginia [Mr. BYRD], chairman of the Finance Committee, the Senator from Louisiana [Mr. LONG], the Senator from Delaware [Mr. WILLIAMS], the Senator from Kansas [Mr. CARLSON], and myself were the conferees on the part of the Senate.

We all endeavored to get the House to agree to the position which the Senate had adopted. However, we found that the House conferees were adamant.

The Senator from Louisiana [Mr. LONG] suggested, first, that they accept our amendments. This they refused to do.

The Senator from Louisiana then suggested that if they would not take all the amendments which we had adopted in the Senate, would they be willing to take as a compromise a lesser amount with respect to the items on which we had reduced excise taxes. This they also refused to do.

Then other Senators asked them if they would be willing to compromise with us by eliminating some of the items which were covered. We argued about various combinations of items which might be eliminated for quite some time and they refused to take any of the combinations proposed.

The first basic House position was that the House Committee on Ways and Means had underway hearings with respect to these excise taxes. These hearings began on June 15 and they have some 200 witnesses scheduled to appear, some of which have already been heard, and many more who will be heard in July and August of this year. They assure us that the study is thorough. It is in depth. It is serious. It is designed to bring about a reduction—a thoughtful and intelligent reduction is the way they put it—with respect to these excise taxes. The chairman of the Ways and Means Committee hoped that the reduction could be made in 1965 if the budgetary situation permits, although there was some indication that the Secretary of the Treasury believed that, on economic grounds, these excise tax reductions should be postponed until 1966.

The House conferees wanted to move forward with their study before making excise tax cuts. They pointed out that they were not in a position at this stage of their study to pick and choose which excise taxes should be taken off first—at this point in their study they did not

have sufficient information to properly make this decision.

They pointed out that some of the Korean taxes are probably less onerous than some of the excise taxes which have been on for a long time. However, before making reductions they wanted the benefit of their study. They wanted to give all of the parties in interest an opportunity to be heard by them, and subsequently to be heard by us.

Their second basic argument was that we had already cut taxes this year by some \$11.6 billion and that for 1 year that was enough. Actually much of the corporate tax relief in the earlier legislation went to small businesses, the same retailers for whom the Senate now seeks excise tax relief. It will be remembered that in the tax reduction bill which we recently passed, we reversed the surtax and the normal tax rates applicable to these small companies that make less than \$25,000 a year—we reduced the tax rate applicable in their case from 30 to 22 percent.

So those companies have had a great advantage. Some \$2½ billion of the reduction in the Revenue Act of 1964 went to corporations generally. The balance of the tax reduction went to individual citizens—which, of course, involves all individual income-tax payers throughout the Nation.

Third, the House conferees took the position that the economy at this time did not require a further tax reduction. It did not need further stimulation, because corporate profits were at a high level, because personal income was at an alltime high, because civilian employment in April for the first time exceeded 70 million, and because the unemployment rate for the first time in years was down close to 5 percent. They felt that this was not the year, in the light of that which had previously been done, and in the light of our burgeoning economy, to bring about a further cut in taxes.

Fourth, the House conferees argued that to make a further reduction now would result in a greater deficit. It would increase the deficit to close to \$6½ billion, whereas I understand now that the deficit for fiscal 1965 is expected to be \$5.8 billion.

We tried, in every logical and conceivable way, and in every way that we thought was persuasive to present the Senate reductions to them. But they had us in the position where time was running out and after a while it became rather obvious that our arguments and entreaties were getting us nowhere.

Faced with that situation, the junior Senator from Florida made the motion that the Senate recede. In the light of what they had said, I was convinced that the excise tax expiration date, which is midnight tonight would have arrived and still the House conferees would not have agreed to the Senate amendments. Allowing the expirations of the excise tax reductions to take effect would have meant a reduction in taxes of \$1.9 billion. The reduction would start immediately and would amount to \$1.50 a gallon on whisky, \$1 a barrel on beer, about an 11 percent reduction on wine, a

1 cent a pack reduction on cigarettes, a reduction from 10 percent to 7 percent of the manufacturers price on autos, a reduction from 8 percent to 5 percent on auto parts and accessories, as well as the elimination of the 10 percent tax on local telephone calls and the 5 percent tax on transportation by air.

I could not see the wisdom of doing this. It was not the view of the Senators on the conference committee that the Senate wanted to let all of the excise taxes on these particular items expire and result in a loss to the Government of \$1.9 billion. So, having that in mind, we did recede.

However, we are back to the Senate with the assurance that excise taxation will be looked into very thoroughly by the House, and certainly by us next year, with the hopeful expectation that we can then have a meaningful and thoughtful excise tax reduction.

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

Mr. SMATHERS. I yield.

Mr. PASTORE. First of all, I thank the Senate conferees. From all reports available, I have known that they themselves as members of the committee were sincerely opposed to the amendment that was passed by the Senate. This was the matter in dispute in the conference. Nevertheless they worked hard for its acceptance. There was an impasse, however, and they were up against a deadline. Unless the Senate were to do something by midnight tonight, there would be a chaotic condition—a threat to the stabilization of the economy of the country. Some of these taxes are absolutely essential; there is no question at all about it. In that juncture we might have had to pass some bill that would have made these taxes retroactive, and that would have added to the confusion.

There is a circumstance about these measures that irks the Senator from Rhode Island, and I think that irks every Senator, including the members of the Finance Committee. It is that these measures that have a deadline of midnight June 30 should come tardily from the House to the Senate. This measure was passed by the House on June 17. And I would suppose that it came to the Senate immediately thereafter.

The time stricture puts the Senate in a straitjacket. There seems to be little that we can do about it. I know that the House Ways and Means Committee is a rather busy committee. They have a lot of work to do. I can understand that they cannot come around to these measures as quickly as they would like. But I hope in the Congress we are not working ourselves into an operating procedure where the House holds up these measures and when it sends them over to us we are then placed in the position where under the pressure of deadlines we cannot make a free choice of what we think is right as against what we think is wrong.

The Senator from Rhode Island did not have any illusions that the House conferees would accept this amendment, even though the Senate passed it by a

vote of 48 to 38. The one comfort that I get out of it is the assurance that has been given, of a meaningful excise tax reduction next year. There is no question about it, the Senate has felt for a long time that some adjustment should be made on these excise taxes. We realize that we cannot take them all off abruptly and entirely. The fact is that some graduated system should be worked out. I am happy that the House shares our concern.

I congratulate the Senator from Florida. There is not a great deal that we can do at this time. There is not much that we can do to affect the result. It has already been achieved. But I would hope that the House Ways and Means Committee would bear in mind the Senate vote by which the amendment was passed, a vote of 48 to 38. That reveals the temper and the thinking of the Senate.

I hope they will bear in mind that these were instituted as temporary taxes, that they were put on at a time of crisis, when we needed the money, and we wanted to discourage people from buying certain articles that were considered not as necessary as other articles at the time. That time has long since passed.

I would hope that they would look into this matter as expeditiously as possible and bring some relief to the drugstore owner on Main Street, and the little store owner on one of the side streets. The little fellow is bothered and bothered by these taxes. Relatively speaking, they do not produce much money, but are a tremendous nuisance to the retailers of the country.

I compliment the Senator from Florida for all that he has done, and the Senator from Louisiana, and all of the Senate conferees. They all pitched in as hard as they could, conscientiously following the mandate of the Senate even though they knew they were fighting a losing battle.

Mr. SMATHERS. Mr. President, I agree with the Senator from Rhode Island that it makes it difficult for us when the House sends matters like this over to us so late in the year, and so close to the deadline that we have a difficult time working the Senate's will on them.

The distinguished Senator from Rhode Island and the distinguished Senator from New York were joint sponsors of the principal amendment which was adopted. This amendment took the excise taxes off the first \$100 of the sales price of jewelry and furs and completely eliminated the taxes on ladies' handbags, luggage, and toilet preparations. I believe it is clear from our discussion with the House conferees, that the Senate had established a priority with respect to these items, and I believe that the House Committee on Ways and Means will take this priority into account in its consideration of which excises to reduce. When they begin their talks in their committee concerning which excise taxes should come off, especially the priority of which taxes should come off first, I believe they will be mindful of the fact that the Senate has voted, 48 to 38, for the elimination of taxes on the items which I have mentioned.

I am happy to yield to the able Senator from New York.

Mr. KEATING. Mr. President, I appreciate the remarks of the distinguished Senator from Florida. I recognize what he was up against, and the other members of the conference committee, and what we are up against here in the Senate.

There is no realistic alternative to accepting this conference report. If the bill is not signed into law by tonight, there would be a gap in the force and effect of the excise levies which all concerned agree must be continued for another year.

It goes without saying that I deplore very much the conferees' action in deleting the Pastore-Keating amendment that had been approved by a solid margin in the Senate last week.

The four categories of retailers' excise taxes deserve, in my judgment, a top priority for repeal, and I take last week's vote at least as a hopeful sign for their final elimination in the near future.

I wish to join with the Senator from Rhode Island [Mr. PASTORE] in his expression of disquiet over the policy that the other body seems so often to adopt in relation to tax measures. Measures are sent to the Senate close to a deadline when there is no real opportunity to act. The House holds the whip hand. We cannot sit here and allow a necessary tax to expire.

The vote on the amendment to which the Senator from Rhode Island has referred was imposing. It seems to me that it was something to which the conferees in the other body ought to have given more acceptance and consideration than they did.

I appreciate the assurance given by the Senator from Florida. Our only hope is that in their consideration of the excise tax problems, Members of Congress will in the future be more cognizant of the vote that took place in the Senate. Insofar as possible, these particular items should have early priority.

I wish to express my gratitude to the conference committee for the fight I assume they put up, and I wish to express the hope that we shall still meet with success in removing these taxes that involve not only a nuisance to the small retail stores, but also a threat to the livelihood of thousands of employees in the industries concerned. When the taxes were inserted in the law, we promised that the taxes would be taken off in a relatively short period of time. At least the fight that has been put up this year has made the House committee, the public, and everyone else realize that the time is fast approaching when that promise to the American people will be kept.

Mr. SMATHERS. I thank the able Senator for his consideration of the position in which the conferees were placed. I am certain that the retailers in his State recognize the contribution which he has made in an effort to obtain relief for them. I am certain that they appreciate his efforts.

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

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

Mr. JAVITS. I proposed the tax cut on theater tickets, which the Senator from Louisiana [Mr. LONG] graciously accepted. Theater tickets are critically important to my State. That amendment went down the drain with the rest of the amendments.

The cooperation of the coordinate branches of Congress in respect to taxes is far more overlooked in the breach than in the observance. I say that with the deepest affection for our colleagues on the Ways and Means Committee in the other body.

I hope that one day, even at the 11th hour—at 4:25 p.m. on the last day—we shall not be driven to refuse to accept such a report and will throw the subject of taxes into a tailspin and put the blame where really, in all fairness, it belongs. I do not believe that the Senate is getting the recognition to which it is entitled on this subject. Knowing our colleagues as I do, and knowing the fight which was put up by the conferees, which, with other Senators, I appreciate, I hope that in between seasons that point will be impressed on the House. There is no guarantee that we will not become sore around here and really upset the applegart to the embarrassment of everyone. I hope very much that the knowledge that we have the capacity to take such action—we are not irresponsible here—may be used by our colleagues, who I know feel as we do in many of these cases, to advantage in between seasons before we get into a similar jam again.

Mr. SMATHERS. I thank the able Senator for his statements.

I yield to the Senator from Indiana.

Mr. HARTKE. First, I should like to express to my distinguished colleagues from the Finance Committee, the Senator from Florida [Mr. SMATHERS] and the Senator from Louisiana [Mr. LONG], my appreciation for looking after an important item on the subject of excise taxes which arose during my absence. That was the tax upon musical instruments used for school purposes. I think it is very important for all of us to understand that the Finance Committee itself was under a sort of deadline. After all, the measure was passed. Hearings did not begin until June 4 in the House. Then the bill came over to the Senate Finance Committee on June 17. Those of us who were in the Finance Committee understood that we were under the gun, so to speak. There was a time bomb even in the committee. The fuse had been lit. We were moving under a deadline waiting for the House to try to adjust itself, to what the Senate feels is not only a system of priorities, but a system of justice.

A general excise tax, which does not go into a dedicated fund, as some of them do, is to me the most oppressive, regressive, and regressive type of taxation that we could have. We note what is happening in other countries. As Russia moves forward with her so-called transaction tax, we find it is putting more of the burden of taxation on those who are in the lower income brackets. That

situation happens in relation to an excise tax.

We are a nation that has captured the idea that art is something to look upon with favor. One important form of art is music, and, of course, music calls for musical instruments. Anyone who participates in music personally knows that it is a form of self-satisfaction. Those who, as I do, listen to music rendered by high school bands, have an opportunity to understand that young people are dedicating themselves, and not alone their time, but also their spirits and minds, to something which is good and wholesome.

High school band instruments are purchased by the school, by parents, or by students out of their allowance. They are required to pay the tax on them. How ridiculous it is to have a tax on any musical instruments in the first place, but to see such a tax imposed in this fashion is repugnant to what we are trying to do.

I was criticized for supporting the quality stabilization bill. Throughout the country many small businesses are caught in fierce competition. Many people say, "If businesses cannot compete, let them go by the wayside." I do not subscribe to that attitude. I know that my distinguished friend, the Senator from Florida, is interested in small businessmen. Other Senators also are interested in seeing that small businesses shall be kept in the mainstream of American business life; and we should not permit the giants to have enjoyment of all our business activities.

It is 4:30 p.m. Certain taxes are to be extended. Along with other Senators, I shall back down and see this body take its action. I am certain that the Congress will again extend the excise taxes which would have expired.

I believe it is important to note that the Senate action was in relation to items which did not expire. The action was an affirmative action, and I believe that it should be clear to Members of the House of Representatives, all of whom we admire and respect, that the time is coming when action will have to be taken in a direct manner.

I feel that I personally have a right to make a little more complaint about the action taken than some others, because in order to secure the big tax cut which included businesses as well as individuals, throughout the United States last spring, I voted against my own convictions and helped kill excise tax changes at that time. At that time it was clearly indicated that to include excise tax amendments would bring a close vote in the Senate Chamber on the entire bill. I still feel that it is necessary for Senators to exercise fiscal responsibility. Therefore, when it became obvious that addition of excise tax amendments was about to kill the entire big tax cut, I was willing to concede that hearings could be held and ways studied for removing and reducing excise taxes instead of including them then.

The Senator from Louisiana at that time assured me, and I know he made the statement in good faith, that he would take up this controversy and try

to secure reductions or elimination of taxes which are in the form of sales taxes. I thank him for his wholehearted cooperation.

I shall continue to apply pressure in this matter. One of these days there will not be a deadline. I am even hopeful that we can take up the matter in this session of Congress. I am not willing to give up the fight until these taxes are removed.

I thank the Senator from Florida for his cooperation, dedication, and sincerity in the very difficult situation in which we find ourselves at the moment.

Mr. SMATHERS. I thank the Senator from Indiana. I congratulate him for his vigorous fight in behalf of the removal of excise taxes, particularly with respect to the tax on musical instruments. I was pleased to offer the amendment for him.

Mr. LONG of Louisiana. Mr. President, as one of the conferees, the junior Senator from Louisiana would have been the last one to hold out in favor of the Senate amendments. If the Senator from Louisiana had detected that there was a desire on the part of two more members of the conference ready to hold out until midnight, the Senator would have been willing to take a chance that the \$1,900 million tax extension would expire.

In view of the adamant position of the House, and speaking for amendments that the Senator from Louisiana had not supported but for which the Senate had voted, I would have felt the Senate was justified in being equally as adamant.

Obviously, one side or the other has to yield in this matter. Both the House and the Senate cannot prevail. The House viewpoint, as expressed by the distinguished chairman of the House Ways and Means Committee, who was chairman of the House conferees, was that they had taken the firm position that they would not go into the matter at this time, and they would not yield. Rather than take a few of these tax cuts, they did not want to be put in the position of choosing as between various possible tax reductions when the committee is studying the matter.

If the Senate is of the same will to vote these tax cuts in a bill which the President could veto or sign into law, I would be disposed to have the Senate conferees hold out until the end of the session and insist that the Senate position be taken to the President and give him a chance to veto or sign the bill, and then have the Senate act if the amendments were vetoed.

So far as I am concerned, the Senate has placed itself on notice that it believes that these taxes are going to have to come off—at least most of them will come off. The House is on notice that that is the way the Senate feels about it.

As a matter of fact, when the big tax cut bill was before the Senate this year, it took all the persuasion that could be mustered, by speeches on the floor, and by senatorial efforts to lobby behind the scenes, with all the help that could be obtained from the administration, to

keep some of these very same amendments from being agreed to when the Senate was considering the big tax cut bill this year.

I regret we were not able to persuade the House on some of these cuts, because some of the reductions would have resulted, not in losing money, but in adding money to the Treasury. In some areas the taxes have restrained trade to the extent that elimination of them would result in an increase in a sufficient increase in business activity to bring the Government more money.

I regret that the bill has come from conference in the form it has, in light of the Senate recommendations, but as one who served on the committee and who signed the report only after a majority agreed that the Senate would have to recede on this matter. I would welcome the chance to try again to see if we cannot make the House agree in part at least to the position taken by the Senate.

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

Mr. LONG of Louisiana. I yield.

Mr. SPARKMAN. May I ask the distinguished Senator from Louisiana a question? I did not hear him make this statement in his direct statement. He may have. Was there any intimation by the chairman of the House Ways and Means Committee as to when we may expect some relief in the excise tax situation? The reason why I ask the question is that, if I am not mistaken, he is quoted in the newspapers as saying 1966. I have heard others say 1965. It seems to me we have been holding up action in this field for a long, long time. I thoroughly agree with the need of a study and an orderly reduction, not necessarily repeal of every single one, but perhaps reductions, of different taxes. That is the way some of the taxes have been taken off.

Will the Senator tell us when we may expect action in that regard? The reason I ask the question is that the Senator may remember that when the tax-cut bill, which he so ably handled, was being considered on the floor earlier this year, I wanted to vote for amendments at that time to eliminate many of these excise taxes. We had a colloquy. If I remember correctly, there was an exchange of thoughts in the colloquy with the Senator from Louisiana. We were told there would be an opportunity later, when the present bill came up, and we understood that would be in June. I honestly thought at that time it meant the House Ways and Means Committee would send the Senate a bill of some kind of a start on the program of eliminating or reducing excise taxes. I voted with the Senator from Louisiana at that time. It was difficult not voting for the amendments, but it had been recommended over the years that it be done in a regularized way.

Can the Senator give us some idea when we may expect those cuts?

Mr. LONG of Louisiana. Let me answer the Senator from Alabama in two ways. First, the chairman of the Ways and Means Committee, as I best understand, has indicated he thinks there should be action on excise taxes in favor

of adjustments and certain reductions some time in 1965 if the budgetary situation in 1965 makes that possible.

Speaking as one of the Senate members of the committee, I am here to say that if the House Ways and Means Committee wants to act on this matter, it had better get moving, because the Senate has expressed its views. As one Senator who pleaded that Senators should not vote for the same amendments in February, I am tired of resisting these particular amendments. The Senate has expressed itself. It has made its position clear. As one Senator, I am ready to vote for them and to insist on them.

Incidentally, when we speak of the House conferees, it should be made clear that I am speaking of the majority House members, because the minority members, represented by the ranking Republican member, Mr. BYRNES, were ready to accept some part of the Senate package.

As a practical matter, there is strong support in the House for the Senate's position. Therefore I say that the House Ways and Means Committee should be prepared to accept some of these cuts, or be prepared to see these cuts come to them as amendments to their bills.

Mr. SPARKMAN. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. MORSE. Mr. President, some of us feel that the conference report on the excise tax bill is completely unacceptable. We believe there should be a yea-and-nay vote on it, so that Senators may register their stand on it.

In the conference report the Senate has again been treated in a manner that I do not believe it should be treated. We adopted some amendments by substantial votes.

I cannot possibly vote for an excise tax bill again until we start keeping our pledge to the American people with respect to excise taxes.

I believe Senators are perhaps forgetting what we promised the American people. The excise taxes were placed on the statute books, at a time when we were at war, for two main reasons. One was to encourage more production, with which to win the war. That certainly was justifiable reason. It curtailed civilian production. The excise taxes were effective in that regard. The other reason was to raise some quick war revenue. They did that also very effectively.

Mr. President, we ought to start returning to a civilian economy. We do not now enjoy a civilian economy. Our economy is a defense economy.

I do not know why we cannot cut some of these excise taxes. If Senators will read the CONGRESSIONAL RECORD when the excise taxes were adopted, they will see Representative after Representative and Senator after Senator getting up on the floor of Congress and pledging that, as soon as the war was over the excise taxes would be repealed. I believe it is about time for us to start keeping those pledges.

I wonder, for the accommodation of those who wish a record vote, whether we can have an understanding that we may have a yea-and-nay vote on the conference report.

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

Mr. MORSE. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BYRD of Virginia. Mr. President, we found the House conferees fully determined to take no excise tax reductions at this time. I concluded that the House conferees, rather than to be forced to pick and choose among the reductions voted by the Senate, would have let the automatic excise tax reductions go into effect.

The automatic excise tax reductions would decrease revenues by \$1.9 billion in a full year of operation. A reduction of this amount certainly cannot be tolerated by any of us. Moreover, I cannot think of any excise taxes which are much less appropriately candidates for reduction than those which would be reduced if these tax rates were not continued.

The excise taxes which will be reduced if this conference report is not continued are those on—

First. Distilled spirits, on which the tax would be reduced from \$10.50 to \$9 per proof gallon;

Second. Beer, on which the tax would be reduced from \$9 to \$8 per barrel;

Third. Wines, which are subject to various tax rates, which would be reduced by approximately 11 percent;

Fourth. Cigarettes, in which the tax would be reduced from 8 to 7 cents a pack;

Fifth. Passenger cars, on which the tax would be reduced from 10 to 7 percent of the manufacturers' price;

Sixth. Auto parts and accessories, on which the tax would be reduced from 8 to 5 percent of the manufacturers' price;

Seventh. General telephone service, on which the tax would be reduced from 10 percent of the amount paid to zero; and

Eighth. Transportation of persons by air, on which the tax would be reduced from 5 percent of the amount paid to zero.

It was necessary for us to reach agreement with the House conferees yesterday, because of the fact that these excise tax rates will expire if action on the bill is not completed by both Houses and if the bill itself not signed before midnight tonight. Had we not reached agreement with the House conferees yesterday, the House could not have brought up the conference report in the House today, because of their rules requiring that a conference report lie over 1 day, unless a two-thirds vote is secured. As a result, when it became evident to us that the House conferees would not change their opinion as to the excise tax deductions sought by the Senate, we agreed to the House version of the bill, with one minor exception.

The House conferees were willing to accept the Senate amendment providing for the deduction of nonbusiness losses arising from confiscation of property by

the Government of Cuba. The House conferees were willing to accept this amendment, because in prior conference action they recognized that the failure to make this provision retroactive was due to an oversight in establishing the effective date. Therefore, acceptance of this amendment was in accord with the prior understanding on this matter.

Although I recognize that many Senators are disappointed that none of the excise tax reductions voted by this body appear in the conference report, I point out that failure to agree to the report would result in an excise tax reduction of nearly \$2 billion in an area of excise taxation where no one has expressed a desire for reduction. This would increase our deficit for the fiscal year which now is upon us to nearly \$8 billion, even if all the expenditures are held down to the levels most recently forecast by the administration. This would also necessitate further action in raising the statutory debt ceiling. Undoubtedly, we would have to raise this ceiling to \$326 billion if this report were not approved.

The PRESIDING OFFICER. The question is on agreeing to the conference report. 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 Maryland [Mr. BREWSTER], the Senator from North Carolina [Mr. ERVIN], the Senator from Arizona [Mr. HAYDEN], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Utah [Mr. MOSS], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Indiana [Mr. BAYH], the Senator from California [Mr. ENGLE], and the Senator from Massachusetts [Mr. KENNEDY] are absent because of illness.

I further announce that the Senator from Oklahoma [Mr. EDMONDSON] is necessarily absent.

I further announce that, if present and voting, the Senator from Indiana [Mr. BAYH], the Senator from Maryland [Mr. BREWSTER], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from California [Mr. ENGLE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Utah [Mr. MOSS], and the Senator from Minnesota [Mr. MCCARTHY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. DIRKSEN], the Senator from Hawaii [Mr. FONG], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kansas [Mr. PEARSON], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from Idaho [Mr. JORDAN] is detained on official business; and, if present and voting, would vote "nay."

The Senator from Delaware [Mr. WILLIAMS] is absent to attend the funeral of a friend.

On this vote, the Senator from Illinois [Mr. DIRKSEN] is paired with the Senator from Hawaii [Mr. FONG]. If present and voting, the Senator from Illinois

would vote "yea," and the Senator from Hawaii would vote "nay."

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

The result was announced—yeas 73, nays 10, as follows:

[No. 454 Leg.]

YEAS—73

Aiken	Hart	Nelson
Allott	Hill	Neuberger
Anderson	Holland	Pastore
Bartlett	Hruska	Pell
Beall	Humphrey	Prouty
Bennett	Inouye	Proxmire
Bible	Jackson	Randolph
Boggs	Javits	Ribicoff
Burdick	Johnston	Robertson
Byrd, Va.	Jordan, N.C.	Saltonstall
Byrd, W. Va.	Keating	Smathers
Cannon	Kuchel	Smith
Carlson	Lausche	Sparkman
Case	Long, Mo.	Stennis
Church	Long, La.	Symington
Clark	Magnuson	Talmadge
Cooper	Mansfield	Thurmond
Cotton	McClellan	Tower
Curtis	McGee	Walters
Douglas	McGovern	Williams, N.J.
Eastland	McIntyre	Yarborough
Ellender	Miller	Young, N. Dak.
Fulbright	Monroney	Young, Ohio
Gore	Morton	
Gruening	Muskie	

NAYS—10

Dodd	McNamara	Mundt
Dominick	Mechem	Simpson
Hartke	Metcalf	
Hickenlooper	Morse	

NOT VOTING—17

Bayh	Fong	Moss
Brewster	Goldwater	Pearson
Dirksen	Hayden	Russell
Edmondson	Jordan, Idaho	Scott
Engle	Kennedy	Williams, Del.
Ervin	McCarthy	

So the conference report was agreed to.

URBAN MASS TRANSPORTATION
ACT OF 1964

Mr. SPARKMAN. Mr. President, I ask unanimous consent that there be laid before the Senate the House message on the mass transit bill, S. 6.

The PRESIDING OFFICER (Mr. MCINTYRE in the chair) laid before the Senate the amendment of the House of Representatives 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, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Urban Mass Transportation Act of 1964".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds—

(1) that the predominant part of the Nation's population is located in its rapidly expanding metropolitan and other urban areas, which generally cross the boundary lines of local jurisdictions and often extend into two or more States;

(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 inade-

quate 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; and

(3) that Federal financial assistance for the development of efficient and coordinated mass transportation systems is essential to the solution of these urban problems.

(b) The purposes of this Act are—

(1) to assist in the development of improved mass transportation facilities, equipment, techniques, and methods, with the cooperation of mass transportation companies both public and private;

(2) to encourage the planning and establishment of areawide urban mass transportation systems needed for economical and desirable urban development, with the cooperation of mass transportation companies both public and private; and

(3) to provide assistance to State and local governments and their instrumentalities in financing such systems, to be operated by public or private mass transportation companies as determined by local needs.

FEDERAL FINANCIAL ASSISTANCE

SEC. 3. (a) In accordance with the provisions of this Act, the Administrator is authorized to make grants or loans (directly, through the purchase of securities or equipment trust certificates, or otherwise) to assist States and local public bodies and agencies thereof in financing the acquisition, construction, reconstruction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas and in coordinating such service with highway and other transportation in such areas. Eligible facilities and equipment may include land (but not public highways), buses and other rolling stock, and other real or personal property needed for an efficient and coordinated mass transportation system. No grant or loan shall be provided under this section unless the Administrator determines that the applicant has or will have (1) the legal, financial, and technical capacity to carry out the proposed project, and (2) satisfactory continuing control, through operation or lease or otherwise, over the use of the facilities and equipment. No such funds shall be used for payment of ordinary governmental or nonproject operating expenses.

(b) No loan shall be made under this section for any project for which a grant is made under this section, except grants made for relocation payments in accordance with section 7(b). Loans under this section shall be subject to the restrictions and limitations set forth in paragraphs (1), (2), and (3) of section 202(b) of the Housing Amendments of 1955. The authority provided in section 203 of such Amendments to obtain funds for loans under clause (2) of section 202(a) of such Amendments shall (except for undischarged loan commitments) hereafter be exercised by the Administrator (without regard to the proviso in section 202(d) of such Amendments) solely to obtain funds for loans under this section.

(c) No financial assistance shall be provided 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 date of the enactment of this Act) from any such company, or for the purpose of providing by contract or otherwise for the operation of mass transportation facilities or equipment in competition with, or supplementary to, the service provided by an existing mass transportation company, unless (1) 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, (2) the Administrator finds that such program, to the maximum extent feasible, provides for the participation of private mass transportation companies, (3) just and adequate compensation will be paid to such companies for acquisition of their franchises or property to the extent required by applicable State or local laws, and (4) the Secretary of Labor certifies that such assistance complies with the requirements of section 10(c) of this Act.

LONG-RANGE PROGRAM

SEC. 4. (a) Except as specified in section 5, no Federal financial assistance shall be provided pursuant to section 3 unless the Administrator determines that the facilities and equipment for which the assistance is sought are needed for carrying out a program, meeting criteria established by him, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, and are necessary for the sound, economic, and desirable development of such area. Such program shall encourage to the maximum extent feasible the participation of private enterprise. Where facilities and equipment are to be acquired which are already being used in mass transportation service in the urban area, the program must provide that they shall be so improved (through modernization, extension, addition, or otherwise) that they will better serve the transportation needs of the area. The Administrator, on the basis of engineering studies, studies of economic feasibility, and data showing the nature and extent of expected utilization of the facilities and equipment, shall estimate what portion of the cost of a project to be assisted under section 3 cannot be reasonably financed from revenues—which portion shall hereinafter be called "net project cost". The Federal grant for such a project shall not exceed two-thirds of the net project cost. The remainder of the net project cost shall be provided, in cash, from sources other than Federal funds, and no refund or reduction of that portion so provided shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant.

(b) To finance grants under this Act there is hereby authorized to be appropriated at any time after its enactment not to exceed \$75,000,000 for fiscal year 1965; \$150,000,000 for fiscal year 1966; and \$150,000,000 for fiscal year 1967. Any amount so appropriated shall remain available until expended; and any amount authorized but not appropriated for any fiscal year may be appropriated for any succeeding fiscal year. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advance or progress payments on account of any grant made pursuant to this Act.

EMERGENCY PROGRAM

SEC. 5. Prior to July 1, 1967, Federal financial assistance may be provided pursuant to section 3 where (1) the program for the development of a unified or officially coordinated urban transportation system, referred to in section 4(a), is under active preparation although not yet completed, (2) the facilities and equipment for which the assistance is sought can reasonably be expected to be required for such a system, and (3) there is an urgent need for their preservation or provision. The Federal grant for such a project shall not exceed one-half of the net project cost: *Provided*, That where a Federal grant is made on such a one-half basis, and the planning requirements specified in section 4(a) are fully met within a three-year period after the execution of the grant agree-

ment, an additional grant may then be made to the applicant equal to one-sixth of the net project cost. The remainder of the net project cost shall be provided, in cash, from sources other than Federal funds, and no refund or reduction of that portion so provided shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant.

RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROJECTS

SEC. 6. (a) The Administrator is authorized to undertake research, development, and demonstration projects in all phases of urban mass transportation (including the development, testing, and demonstration of new facilities, equipment, techniques, and methods) which he determines will assist in the reduction of urban transportation needs, the improvement of mass transportation service, or the contribution of such service toward meeting total urban transportation needs at minimum cost. He may undertake such projects independently or by contract (including working agreements with other Federal departments and agencies). In carrying out the provisions of this section, the Administrator is authorized to request and receive such information or data as he deems appropriate from public or private sources.

(b) The Administrator may make available to finance projects under this section not to exceed \$10,000,000 of the mass transportation grant authorization provided in section 4(b), which limit shall be increased to \$20,000,000 on July 1, 1965, and to \$30,000,000 on July 1, 1966. In addition, notwithstanding the provisions of section 4 of this Act or of section 103(b) of the Housing Act of 1949, the unobligated balance of the amount available for mass transportation demonstration grants pursuant to the proviso in such section 103 (b) shall be available solely for financing projects under this section.

(c) Nothing contained in this section shall limit any authority of the Administrator under section 602 of the Housing Act of 1956 or any other provision of law.

RELOCATION REQUIREMENTS AND PAYMENTS

SEC. 7. (a) No financial assistance shall be extended to any project under section 3 unless the Administrator determines that an adequate relocation program is being carried on for families displaced by the project and that there are being or will be provided (in the same area or in other areas generally not less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the displaced families) an equal number of decent, safe, and sanitary dwellings available to those displaced families and reasonably accessible to their places of employment.

(b) Notwithstanding any other provision of this Act, financial assistance extended to any project under section 3 may include grants for relocation payments, as herein defined. Such grants may be in addition to other financial assistance for the project under section 3, and no part of the amount of such relocation payment shall be required to be contributed as a local grant. The term "relocation payments" means payments by the applicant to individuals, families, business concerns, and nonprofit organizations for their reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit, for which reimbursement or compensation is not otherwise made, resulting from their displacement by the project. Such payments shall be made subject to such rules and regulations as may be prescribed by the Administrator, and shall not exceed \$200 in the case of an individual or family, or \$3,000 (or if greater, the total certified actual moving expenses) in the case of a business concern or nonprofit organization. Such rules and regulations may include provisions authorizing payment to in-

dividuals and families of fixed amount (not to exceed \$200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

COORDINATION OF FEDERAL ASSISTANCE FOR HIGHWAYS AND FOR MASS TRANSPORTATION FACILITIES

SEC. 8. In order to assure coordination of highway and railway and other mass transportation planning and development programs in urban areas, particularly with respect to the provision of mass transportation facilities in connection with federally assisted highways, the Administrator and the Secretary of Commerce shall consult on general urban transportation policies and program and shall exchange information on proposed projects in urban areas.

GENERAL PROVISIONS

SEC. 9. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402, except subsection (c)(2) and (f), of the Housing Act of 1950. Funds obtained or held by the Administrator in connection with the performance of his functions under this Act shall be available for the administrative expenses of the Administrator in connection with the performance of such functions.

(b) All contracts for construction, reconstruction, or improvement of facilities and equipment in furtherance of the purposes for which a loan or grant is made under this Act, entered into by applicants under other than competitive bidding procedures as defined by the Administrator, shall provide that the Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the contracting parties that are pertinent to the operations or activities under such contracts.

(c) All contracts for construction, reconstruction, or improvement of facilities and equipment in furtherance of the purposes for which a loan or grant is made under this Act shall provide that in the performance of the work the contractor shall use only such manufactured articles as have been manufactured in the United States.

(d) As used in this Act—

(1) the term "States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States;

(2) the term "local public bodies" includes municipalities and other political subdivisions of States; public agencies and instrumentalities of one or more States, municipalities, and political subdivisions of States; and public corporations, boards, and commissions established under the laws of any State;

(3) the term "Administrator" means the Housing and Home Finance Administrator;

(4) 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; and

(5) the term "mass transportation" means transportation by bus or rail or other conveyance, either publicly or privately owned, serving the general public (but not including school buses or charter or sightseeing service) and moving over prescribed routes.

(e) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the funds necessary to carry out all functions under this Act except loans under section 3. All funds appropriated under this Act for other than

administrative expenses shall remain available until expended.

(f) None of the provisions of this Act shall be construed to authorize the Administrator to regulate in any manner the mode of operation of any mass transportation system with respect to which a grant is made under section 3, or, after such grant is made, to regulate the rates, fares, tolls, rentals, or other charges fixed or prescribed for such system by any local public or private transit agency; but nothing in this subsection shall prevent the Administrator from taking such actions as may be necessary to require compliance by the agency or agencies involved with any undertakings furnished by such agency or agencies in connection with the application for the grant.

LABOR STANDARDS

SEC. 10. (a) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of loans or grants under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. The Administrator shall not approved any such loan or grant without first obtaining adequate assurance that required labor standards will be maintained upon the construction work.

(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 1332-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c).

(c) It shall be a condition of any assistance under this Act that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by such assistance. 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 continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise; (2) the continuation of collective bargaining rights; (3) the protection of individual employees against a worsening of their positions with respect to their employment; (4) assurances of employment to employees of acquired mass transportation systems and priority of re-employment of employees terminated or laid off; and (5) paid training or retraining programs. Such arrangements shall include provisions protecting 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 section 5(2)(f) of the Act of February 4, 1887 (24 Stat. 379), as amended. The contract for the granting of any such assistance shall specify the terms and conditions of the protective arrangements.

AIR POLLUTION CONTROL

SEC. 11. In providing financial assistance to any project under section 3, the Administrator shall take into consideration whether the facilities and equipment to be acquired, constructed, reconstructed, or improved will be designed and equipped to prevent and control air pollution in accordance with any criteria established for this purpose by the Secretary of Health, Education, and Welfare.

STATE LIMITATION

SEC. 12. Grants made under section 3 (other than grants for relocation payments in accordance with section 7(b)) for projects in any one State shall not exceed in the ag-

gregate 12½ per centum of the aggregate amount of grant funds authorized to be appropriated pursuant to section 4(b).

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

I do not intend to have precipitate action. I wish to make a statement on the proposal before the question is put.

VISIT TO THE SENATE BY PRESIDENT OF COSTA RICA, FRANCISCO ORLICH

Mr. SPARKMAN. Mr. President, I ask unanimous consent that I may yield to the Senator from Minnesota [Mr. HUMPHREY], provided that in doing so I will not lose my right to the floor.

The PRESIDING OFFICER (Mr. INOUYE in the chair). Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, if I may have the attention of the Senate for a brief moment, we are privileged this afternoon to have in our presence a distinguished public official of a great and friendly country.

I refer to His Excellency Francisco Orlich, President of the Republic of Costa Rica.

I wish to express a warm welcome on behalf of the Senate to President Orlich and his party.

He is accompanied by the Foreign Minister, Daniel Oduber of Costa Rica; by his Ambassador who is well known to all of us in Washington, His Excellency Ambassador Gonzalo Facio; by the dean of the University of Costa Rica, Dean Tristan; and by the Minister of the Presidency, Mario Quiros Sasso.

This afternoon, we had the privilege, for a brief period, of having the President and his group as guests of the Committee on Foreign Relations. I know that Senators will join me in paying a well-deserved tribute, not only to a great leader of a friendly country, but also to the Republic of Costa Rica, which has set such a fine example in maintaining democratic institutions in this hemisphere.

If every country in the world would follow the fine example of dedication to the principles of democracy as exemplified by Costa Rica, this would be a world without war, a world without strife, and a world in which equality of opportunity and true freedom would be more than a promise—in fact, it would be a living reality.

We are particularly privileged to receive President Orlich, who represents a model democracy, and a political tradition which has provided progressive and inspiring leadership for the past two decades in the Caribbean.

President Orlich is a colleague and protege of that great Central American statesman, Jose Figueres who, together with Romulo Betancourt and Luis Muñoz Marin, was a leader in defending political democracy, and social and economic reform, long before the Alliance for Progress was launched by President Kennedy.

President Orlich continues in this great tradition. His government has maintained both freedom and stability

in his country, while moving ahead in the field of economic development. President Orlich has fought the growth of Castroism in the Caribbean and in the hemisphere. Due to his efforts and to those of his Foreign Minister, one of the most talented Latin American political leaders of his generation, Daniel Oduber, and the efforts of the Costa Rican Ambassador to the United States, who has recently served with great distinction as Chairman of the OAS Council, Ambassador Gonzalo Facio, Costa Rica has taken the lead in pressing for hemispheric action to contain the menace of Castro's Cuba.

Costa Rica, under President Orlich, has joined in the Central American integration movement which has progressed so remarkably during the past 3 years, a movement which is aiding in the economic development of the area, a movement which, under the able leadership of men like President Orlich, will eventually bring political stability and free constitutional government to the area.

Under President Orlich, Costa Rica has been a leading exponent of the Alliance for Progress in this hemisphere. The Costa Rican Government has always shown a profound grasp of one central truth of the Alliance that has sometimes proved elusive for others; that social and economic progress must be linked to the preservation of political democracy and institutional government if the Alliance for Progress is to succeed.

As one who has visited Costa Rica and met with leaders of the Government and with representative Costa Ricans, it is a great pleasure for me to welcome to the Senate the distinguished President of the Republic of Costa Rica, Francisco Orlich.

I now yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I join the distinguished Senator from Minnesota [Mr. HUMPHREY] in expressing a word of greeting and welcome to the President of Costa Rica, and the group of his fellow countrymen who are with him today.

I fully endorse the words spoken by the Senator from Minnesota as to the fine example of friendly relations, and the good living which has been set by the Government of Costa Rica.

It is a great pleasure to have this distinguished visitor with us. I am very glad to join with the Senator from Minnesota in extending greetings and appreciation to them for coming to see us.

Mr. HUMPHREY. I yield to the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, on behalf of Senators on this side of the aisle, I join Senators on the other side of the aisle in welcoming the President of Costa Rica and his associates who are our guests in the Chamber this afternoon.

Costa Rica is a country which means a great deal to us. There is a great deal of cooperation between Costa Rica and the United States.

I know that Senators will wish to welcome the President in person. I expect that the acting majority leader will see to it that they will have an opportunity to do so.

Mr. HUMPHREY. Mr. President, I now yield to the Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, as Chairman of the Subcommittee on Latin American Affairs, I have already apologized to President Orlich because I was not able to be at the reception which the Committee on Foreign Relations gave in his well-deserved honor this afternoon in the Foreign Relations Committee room. It was necessary for me to be at a meeting of the subcommittee on the poverty bill, in order to assure that there was a quorum ever present so that we could report that bill from the full committee this afternoon—which we did.

Let me say to the President of Costa Rica that I had the great privilege of attending in his country the conference of the Presidents of the Caribbean, when the late beloved President Kennedy also went down to Costa Rica and participated in that historic conference. I wish the President of Costa Rica to know—and I am sure the other two Senators who were with me, the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Iowa [Mr. HICKENLOOPER] share my opinion—that that conference would not have been the great historic success it was, had it not been for the able participation, the brilliant leadership, and the inspiring statesmanship of President Orlich. The Western Hemisphere is greatly indebted to him for his record of giving support to the democratic ideals which our two Republics join in supporting.

There are many wonderful things about Costa Rica, but I believe that one of the great examples which Costa Rica sets is its belief that a great military establishment is not needed in order to preserve democratic processes in Costa Rica. It is a country without a professional army.

I have always looked to Costa Rica as a great example in support of a sound ideal, that when mankind learns to lay down its weapons and resort to the policy of substituting the plowshare for the sword, and the pruning hook for the spear, we shall have a better opportunity of strengthening peace in the world.

Costa Rica is one of the great leaders of the movement toward peace in the Western Hemisphere.

I am proud to rise on the floor of the Senate and thank the President of Costa Rica for his wonderful hospitality which he extended to President Kennedy and the rest of the American delegation, but more important, for his great statesmanship in the Western Hemisphere in seeking to carry out the sound ideals President Kennedy enunciated in his historic Alliance for Progress program.

Mr. HUMPHREY. I now yield to the distinguished Senator from Iowa [Mr. HICKENLOOPER].

Mr. HICKENLOOPER. I thank the Senator from Minnesota for this opportunity to express to His Excellency, President Orlich of Costa Rica, to the Ambassador, and to the other distinguished members of the Costa Rican delegation, our warm welcome.

Let me say to the President of Costa Rica that the Republicans in this body are slightly less than half the number of Democrats in this body. We try to make up for that to you, sir, by being twice as warm in our welcome.

Seriously, I am sure that on both sides of the aisle the welcome is equally warm.

I have had the privilege of knowing His Excellency, and the other members of the Costa Rican delegation who are here, for a long time.

It was a great privilege and a great inspiration to attend the wonderful meeting in Costa Rica, which has been mentioned by the Senator from Minnesota and the Senator from Oregon. All of us admire the principles, the ideals, and the objectives of the people of Costa Rica. The way they have handled their social and economic problems inspires all of us. We believe that Costa Rica is the focal point for rallying the whole Central American area to advance the ideals of education, of health, and of expanding human freedom and liberty.

We welcome the Costa Rican delegation with all the warmth that we can muster.

I thank the acting majority leader for this opportunity to make this statement on behalf of myself and my colleagues.

Mr. HUMPHREY. Mr. President, I yield to the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, I wish to associate myself with the remarks which have just been made. We have had the privilege of welcoming the President to our committee and were engaging in a discussion of our various interests.

The President has made an outstanding record as the leader of his country. Costa Rica is an example for all other countries in the Western Hemisphere to follow as to the efficiency of its democratic system. It is a hopeful sign to have such a country in Central America which can show to other countries an efficient, intelligent, and liberal approach to self-government—of which they have done an excellent job. I congratulate them and welcome them.

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

Mr. YARBOROUGH. I thank the distinguished Senator from Minnesota for yielding to me.

I call attention to the fact that accompanying the President of Costa Rica and his official party, as one of the representatives of our Government, is the American Ambassador to Costa Rica, the former mayor of El Paso, Tex., a statesman who has made an outstanding record as an Ambassador—Raymond Telles.

I express our thanks to the people of Costa Rica for the wonderful hospitality that they extended the late President John F. Kennedy last year when he visited Costa Rica, where the Presidents of seven American Republics met in San Jose, the capital of that Republic. They met in harmony and friendship, and their meeting resulted in progress for all of the Americas.

I thank the President of Costa Rica and his colleagues on behalf of the Sen-

ate, in which John F. Kennedy served, for the great hospitality which we understand was one of the greatest welcomes he received in the world.

Mr. HUMPHREY. Mr. President, before the Senate takes a brief recess so that we may meet the President of Costa Rica and his colleagues, I ask my colleagues to join with me in a good old-fashioned American welcome.

[The visitors rose and were greeted with applause, Senators rising.]

The PRESIDING OFFICER. The Senate is very happy to welcome you here today.

RECESS TO 5:16 P.M.

Mr. HUMPHREY. Mr. President, I move that the Senate stand in recess, subject to the call of the Chair, so that Senators may meet the President of Costa Rica and his colleagues.

The motion was agreed to; and (at 5:11 o'clock p.m., the Senate took a recess until 5:16 o'clock p.m., the same day).

On the expiration of the recess, the Senate reassembled, when called to order by the Presiding Officer (Mr. INOUË in the chair).

URBAN MASS TRANSPORTATION ACT OF 1964

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of 1 hour on amendments, to be equally divided between the majority and minority leaders, and a time limitation of 1 hour on the bill, with the same division.

The PRESIDING OFFICER. The question is on agreeing to the request of the Senator from Montana.

Without objection, it is so ordered.

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

Mr. MANSFIELD. I yield.

Mr. JAVITS. I want to make it clear that I expect the unanimous-consent agreement to contain the understanding that a substitute, preferential motion which I will make to substitute the amendment for the House amendment will be in order, and also, Mr. President, that I will control the time on my amendment.

Mr. MANSFIELD. The Senator will control the time. So far as I know, such a motion would be in order.

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

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

Mr. JAVITS. Will the Senator permit me to ask for the yeas and nays?

The yeas and nays were ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent, apart from the time limitation entered into, that the Senate proceed to consider executive business, to consider the nomination on the calendar, reported today from the Committee on the Judiciary, which nomination I understand has been cleared by both Senators from Texas, as well as the committee.

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

The PRESIDING OFFICER. Without objection, the clerk will report the nomination.

The LEGISLATIVE CLERK. Dorwin W. Suttle, of Texas, to be U.S. district judge for the western district of Texas.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. YARBOROUGH. Mr. President, I am pleased by the wise action of the U.S. Senate in confirming the appointment of Dorwin W. Suttle, a distinguished and honorable Texas trial attorney whom I have known well for 38 years, as U.S. judge of the western district of Texas.

Dorwin W. Suttle, born July 16, 1906, in Decker, Ind., is the son of William S. Suttle and Cordella Hungate Suttle, of New Braunfels, Tex.

A graduate of New Braunfels High School and of the subcollege of the Southwest at Texas State Teachers College in San Marcos in 1923, Dorwin W. Suttle received his law degree from the University of Texas, where we attended many classes together, in Austin in June 1928. He began the practice of law that year in Uvalde, home of the former Vice President John Nance Garner. Dorwin Suttle served as State administrator of Vice President Garner's Texas office and was the Vice President's personal attorney more than 30 years.

A brilliant trial lawyer, he has served as city attorney of Uvalde, county attorney and special judge in Uvalde County court, director of the Uvalde Chamber of Commerce, school trustee and member of the border district, Texas, and American Bar Associations. In addition he has served as a member of the grievance committee of the Texas Bar Association.

In other civic activities, he has been president of the Uvalde Lions Club, Uvalde County bar and border district bar associations, director of the University of Texas Ex-Students Association, commander of the American Legion Post No. 26, Uvalde, and is active in St. Philip's Episcopal Church of Uvalde.

The man the Senate has confirmed for nomination as Federal judge is of judicial temperament and will serve fairly and with honor and I am confident will reflect great credit upon the decision of the U.S. Senate and on Texas and the Nation.

Mr. Suttle is married to the former Lucille Cram Whitecotton. Mr. and Mrs. Suttle have four children. They are: Steve Suttle, who attends the University of Texas School of Law at Austin; Joanna Suttle, who attends the School of Law at St. Mary's University; Fred

Whitecotton, who attends Southwestern University at Georgetown, Tex.; and Frank Whitecotton, who attends public school in Uvalde.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

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

The motion was agreed to; and the Senate resumed the consideration of legislative business.

URBAN MASS TRANSPORTATION ACT OF 1964

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

Mr. MANSFIELD. Mr. President, I move that the time under the time limitation begin to run.

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

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

Mr. MANSFIELD. For a question. Mr. TOWER. While the distinguished majority leader is on the floor, may I ask what other business will be taken up after action on the mass transit bill is completed?

Mr. MANSFIELD. No further business. But it is our intention to lay before the Senate the pay bill and make that the pending business for tomorrow.

Mr. TOWER. Mr. President, I ask for the yeas and nays on the final passage of the mass transit bill.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I ask that my preferential motion be stated for the information of the Senate.

The PRESIDING OFFICER. The motion will be stated.

The legislative clerk read as follows:

MOTION BY MR. JAVITS

I move that the Senate concur in the amendment of the House to the bill (S. 6) to authorize the Housing and Home Finance Administration 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, with the following amendment:

Strike out section 9(c) of the House amendment and insert in lieu thereof the following:

"(c) The use of funds made available for the purposes of this Act shall be subject to the provisions of section 2 of title 3 of the Act of March 3, 1933 (47 Stat. 1520; 41 U.S.C. 10a), the so-called Buy-American Act, and to make such provisions effective, every con-

tract or agreement of any kind pursuant to this Act, shall contain a provision identical to the one prescribed in section 3 of title 3 of such Act."

Mr. JAVITS. Mr. President, I yield myself 15 minutes, or so much thereof as I shall use.

I emphasize that I favor the mass transit bill. But I rise in opposition to a provision of the bill, section 9(c), which is probably the most restrictive that I have been able to find with respect not only to buying everything which may be bought under the bill in the United States, but all components thereof which must also be manufactured in the United States. That is a provision which was inserted by amendment in the bill on the floor of the other body.

The requirement that contractors shall use "only such manufactured articles as have been manufactured in the United States" in fulfillment of contracts under the act will, in my view, cause no end of mischief to the United States—in our pocketbooks where it hurts the most.

I make that statement because experience has shown that nothing is more resented than efforts to tie procurement to sources within the United States to the exclusion of sources abroad, especially where there is no flexibility whatever of any kind or character in percentages or any other way out, and where it deals, as it does in the bill, with procurement which is obviously experimental in character and relates to the basic interest of the United States to do its utmost to get the improvements, for example, in transportation which are available anywhere in the world, and to bring into force upon American manufacturers the competition of foreign ingenuity, foreign ideas, and foreign costs.

It seems to me that we should take a page out of history and, for example, look at the year 1959 when, in the face of a similar effort to very sharply restrict procurement without much rhyme or reason to it, the subject became a hotly debated one between the United States and Britain, and it was at a Camp David conference, participated in by President Eisenhower and Prime Minister Macmillan, that the subject finally had to be settled.

Our negotiators in Geneva are trying to negotiate reciprocal tariff concessions and the mutual reduction of nontariff barriers. Here we are legislating with our left hand—to the exclusion completely of what our right hand is doing—an insurmountable, nontariff barrier to trade in a key and important area.

I said that this was the most broad-scale exclusion of any type of foreign procurement of which I know. I have tried to research the precedents on that score. What the bill provides is that not only the facility or the equipment which is bought be made in the United States, but every component of it should be made in the United States. Under the Buy American Act—and my amendment asks for the imposition of Buy American Act criteria—materials are considered of foreign origin, if the cost of the foreign products used in such

materials constitutes 50 percent or more of the cost of all the products used in such materials.

In other words, if goods bought in the United States contain more than 50 percent of domestic components, the goods qualify as domestic articles. That, as one can see immediately, is not nearly the restriction which is sought to be imposed by the amendment over in the other body.

Second. The Buy American Act permits the Executive to set the percentage by which American prices may exceed foreign prices. Normally, that is 6 percent or 12 percent, where one is dealing either with small business or the goods are bought in an area which is a surplus labor area. There is nothing to stop any Government department, including the Department of Housing and Home Finance, which would be administering the law, from setting a higher percentage. Indeed, the Department of Defense has set 50 percent. There may be some percentage set between 6 percent and 50 percent in this case, but that is still better than an absolute prohibition such as is contained in the amendment.

To show how tight the prohibition is, I should like to refer to the interpretation which was given by the author of the amendment in the other body. I refer to page 14975 of the CONGRESSIONAL RECORD of June 25, 1964. The amendment was proposed by Mr. SAYLOR. The manager of the bill for the majority on the floor explained that he understood the amendment to mean the following:

Mr. RAINS. As I understand the gentleman's amendment, it would require not only that any manufactured product, such as say a locomotive, be manufactured in the United States, but that substantially all its manufactured component parts likewise be produced in the United States.

The tightest restriction of that kind that I have been able to find is the so-called Berry amendment, which has been inserted in the appropriation bills for the Department of Defense since 1954. That amendment requires the service departments to procure food, various clothing, and cloth supplies entirely from domestic sources. That is a pretty tight provision. But even that one allows exemptions as to nonavailability, emergency conditions, and perishability of food needed abroad. No such exemptions are contained in the very tight, absolutely impenetrable provision which is contained in the bill.

I predict that if we pass the bill as it is, we shall run into a thicket of disputes and arguments with some of our firmest allies. To those who might snicker at the idea of getting into arguments with our allies, I say they are the countries with which we do the most business. It seems to me that the major argument against the provision in the House bill and for the adoption of the amendment which I have proposed is based upon the juxtaposition between the interests that we have in our foreign trade and the interest that we would have in the enforcement of this particular provision. In the export-import trade we have an

interest of something in the area of \$39 billion a year—in round figures, about \$22 billion a year—in exports and about \$17 billion a year in imports.

All of the difficulties which we could compound by taking this position—flying in the face of everything else we preach to the world—could bedevil enormous sections of our export trade. We have infinitely more at stake in that than we have in all the things which are covered by Buy American laws, of which the present proposal is the tightest. They involve—and I used as my authority a study by the Bureau of the Budget on the foreign procurement of the U.S. Government dated 1963—something in the area of \$25 to \$30 million a year.

In addition, inevitably if we are going to have a tight position like that, it will tax our budget. We shall pay more money for everything that we buy, not only because we shall be prevented from buying it abroad, but also because we shall not even have an opportunity for foreign competition, thereby having some ameliorating effect upon the American manufacturer.

It seems to me that it is high time that some of us, at least, took a mature view of the situation. It is so superficially attractive to say, "We have a new program like the mass transit program. We must buy in the United States everything which comes under that program."

Mr. President, such an attitude defies almost every other thing which we are doing in foreign and domestic policy. It defies everything we are seeking to accomplish in international trade, as I just pointed out. It defies everything that we are seeking to accomplish in budget reduction, as I have just pointed out. It defies everything we are seeking to accomplish in benefiting the American consumer by bringing to bear in his favor foreign competition. It defies the fact that we are an open and not a closed world, and we are looking for ingenuity and inventiveness wherever it may be. If it is at home, it is great; if it is abroad it is not. It defies the proposition that almost invariably there is some component in an article of domestic manufacture which almost literally must come from abroad. Someone will have to wink at the law even if we pass it, because it is almost physically impossible to get a complete item manufactured with every component being manufactured domestically.

Indeed, some of the rare metals we need to produce—certain alloys—cannot be obtained in the United States.

The interesting thing is that under the Buy American Act itself, in all areas of procurement to which even the Buy American Act applies, the Budget Bureau study to which I have referred found 68 percent in fiscal year 1960, 58 percent in fiscal year 1961, and 53 percent in fiscal year 1962 of total procurement represented items which cannot be obtained in the United States at all.

Let us remember that it was not a committee amendment that was considered in the other body. It occurred on the floor. We can understand the super-

official attractiveness of it to a State dealing with unemployment, and so forth. We have such problems in my own State. Let us take the State of Pennsylvania, where the author of this amendment comes from. He made a moving plea—and I deeply understand it—for his State and the fact that workers in his State need to be employed, and that there are pockets of economic difficulty, which is true. But even in his own State, the Saylor amendment could place hundreds of Pennsylvania manufacturers and their employees and their exports to foreign countries in jeopardy. This possibility would show the advisability of a provision such as I propose.

The difference is that Pennsylvania does not have to consider the question of export-import trade. The U.S. Government is supposed to take care of it. But the United States is not taking care of it in this bill. Let us remember that this bill provides two-thirds Federal aid. It seems to me the height of folly for us to defy our domestic and foreign policy by accepting a provision of this character.

I would not lightly seek to change a situation in which my own community of New York has a burning interest. We are deeply interested in mass transportation. I am strongly for the bill, but the economy of my State, as is true of many other States, is heavily dependent on an open world in which a maximum amount of international trade is engaged in.

In deep conscience, I would have felt it to be in derogation of my duty not to have pleaded for my proposal and to have raised this question, which I feel is so serious and portentous for the future of trade so far as the United States is concerned, especially in view of the exclusive, protectionist nature of the provision, if it is put on the statute books.

I appeal to all friends of international trade; I appeal to all friends of budget balance; I appeal to all friends of the consumer; I appeal to all friends of this program not to allow them to be debased by so narrow a provision which is in violation of the policy we have preached to all mankind. It is especially anomalous that this provision which is a complete reversal of everything we believe in and have preached in the world, should turn up in this most forward-looking bill. So I believe we would be doing ourselves a great disservice if we enacted the provision.

An effort is being made to avoid a conference. There have been other bills in which this situation has occurred. For example, I have in mind a particular amendment which the Senator from Pennsylvania [Mr. SCOTT] proposed to the river basin authorization bill which was pending before the Senate last December, and which was also very restrictive.

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

Mr. JAVITS. I yield myself 5 additional minutes.

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

Mr. JAVITS. I yield.

Mr. LAUSCHE. Does the Senator from New York have any substitute lan-

guage in his proposal that will be placed in the bill when the buy American provision is taken out?

Mr. JAVITS. I do have a buy American provision.

Mr. LAUSCHE. May I hear it?

Mr. JAVITS. I apply to this bill the Buy American Act, which gives the executive department complete discretion to fix any percentage it wishes.

Mr. LAUSCHE. That is the 6 percent provision?

Mr. JAVITS. Six and twelve, or it can fix a higher one. The Defense Department fixes 50 percent. I am not quarreling that we not give preference to the people of the United States. I am for it. I am arguing against the absolute protectionist device to bar any kind of procurement from any place outside the United States, including components. This device flies in the face of what we, ourselves, have preached and will be used against us so heavily that we should not begin to think it is worth putting in the bill. That is why I offer my proposal.

It is said that if the bill goes back to the other body with an amendment differing from the Senate's acceptance of its amendment, the other body will not take it. In the first place, this is no reason for committing an injustice to our own policy, both foreign and domestic. Secondly, again let us keep our eyes on the ball.

The pending bill is what the Members of the other body voted for. I do not believe it is logical to suppose that this fact overshadows completely what the Senate should do. It is a niggling, unwise, and very injudicious provision, but I doubt that this will be the basis on which the House will reject the whole bill which, with respect to a totally different subject, especially as my amendment relates to it, does not seek to do anything but actually apply the buy American concept. All I am doing is seeking to remove an absolute bar to the application of a policy which, after much consideration, we have adopted, and which has been in effect for three decades.

I ask the Senate to adopt a substitute motion which would incorporate in the bill, in lieu of the bar against any procurement from abroad whatever, the provisions of the Buy American Act, the considered American policy on this particular subject.

I reserve the remainder of my time.

Mr. MORSE. Mr. President, will the Senator from Alabama yield me 10 minutes?

Mr. SPARKMAN. I yield 10 minutes to the Senator from Oregon.

Mr. MORSE. I may not use all of it.

Mr. President, I am satisfied that the House amendment provides the basis for reorganizing our mass transportation systems to conform to the demands and requirements of our rapidly changing economy. There are few areas today which are as badly in need of overhaul and revitalization as are these troubled transport systems. The symptoms of the wide range of ailments which plague it have been expressed in numberless ways, too well known to most of us. The pas-

sengers complain. The shippers protest. The plight of the operating employees has occupied countless hours of the railway labor organizations, the railroads, the administration, to say nothing of the Members of Congress. Memories of the work rules disputes are still fresh and many of the problems which were raised at that time persist. Pressures for mergers and consolidations add to the general clamor. And, of course, compounding these deep-seated troubles in our mass transportation systems are the hopeless traffic tangles and highway congestion suffered by the suburban commuter in many of our major cities.

This legislation represents a major and long overdue step in the direction of bringing order out of this chaos from which the industry suffers.

It carries with it the hope and the promise of reorganizing these systems on a rational and comprehensive basis which is so desperately needed for the maintenance of our values of urban life.

Enactment of this bill, of course, marks only a beginning, but a most important beginning, in the drive to reform our transportation systems in a 20th century mold.

The course of this legislation has been long and painful. But persistent and courageous leadership in both bodies of Congress has produced results which, in my view, are, by and large, satisfactory. In my judgment, we have before us a good bill which should supply the means and the incentive for the development of realistic solutions to these most pressing urban problems.

I have examined in careful detail the provisions of the House amendment which condition the grant of any assistance under the act upon adherence to fair and equitable arrangements to maintain the interests and rights of employees affected by the reorganization and redevelopment of mass transportation systems under the bill.

These are the job protection provisions to which the Senate gave such particular care and attention during its consideration of S. 6 in April of last year.

Those of us who were immediately involved in the development of these standards at that time will remember that our task appeared to be one of the more difficult involved in the handling of this legislation. The proposal to regenerate the mass transit system brought into sharp focus the impact of innovation and change upon the railroad work force.

Indeed, this is a problem which has been particularly acute in railroading.

President Kennedy, in his message on railroad labor disputes on July 22, 1963, placed heavy emphasis upon this point as one of the central issues involved in that controversy.

To illustrate this, I might point out that three decades ago the average number of railroad employees in the service of class I railroads exceeded 1,500,000 persons. This figure has been steadily dropping each year since that time and has now dipped below the 700,000 mark. In the period 1939 through 1961 employment on class I railroads dropped 74

percent, more than in any other industry with the exception of mining.

In the same period, productivity, judged on the basis of revenue ton-miles per employee, rose to approximately 220 percent.

As dramatic as these changes have been, we realize only too well that the transportation system has failed to keep pace with the rapid changes occurring throughout the economy. If this gap is to be closed as the bill proposes, it is no less essential to develop corresponding programs to absorb and cushion the impact of the changes which the bill contemplates upon the structure of railroad employment and upon the railroad work force.

When the bill was before the Senate early last year, it was my privilege to propose an amendment to the reported bill which developed specific procedures and standards to achieve this purpose.

The job protection provisions of the bill, as thus amended, made it clear that first, the rights of beneficiaries of transportation employees will be preserved along with the rights of the employees under existing collective bargaining agreements in effect in any mass transportation system which is involved in any project assisted under the bill; second, that collective bargaining in any situation where it now exists will be continued; third, that in the event of any layoff or downgrading in consequence of the development of any project under the bill, employees will receive basic job protection benefits at least equivalent to those which have prevailed in the transportation industries subject to Federal regulation; fourth, that continuation of employment of employees of any mass transportation system which has been transferred in consequence of any project assisted under the bill will be assured; and fifth, that employees displaced or threatened with displacement will receive paid training or retraining in suitable and related occupations.

The Senate approved the Morse amendment by a substantial margin and I am happy to say that the House amendment to the Senate bill has retained these job protection provisions intact.

The differences between the House amendment and the Senate bill in this respect are, for the most part, technical and grammatical. The substance of the provisions remains untouched.

The single exception to this statement is the provision in the House bill providing that the determinations as to fair and equitable arrangements and the certification of compliance with the requirements of these conditions shall be made by the Secretary of Labor alone. Since these determinations involve matters which are clearly within the jurisdiction and the special competence of the Secretary of Labor, I regard this change as an improvement. I ask unanimous consent to include in my remarks at this point an analysis comparing the job protection provisions of the Senate bill with those of the House amendment.

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

COMPARATIVE ANALYSIS OF THE LABOR STANDARDS PROVISIONS CONTAINED IN SECTION 10(c) OF THE HOUSE AMENDMENT TO S. 6, WITH THE MORSE AMENDMENT, AS ADOPTED BY THE SENATE (SEC. 19(c)) OF S. 6, AS IT PASSED THE SENATE

I. *Cordon analysis, showing changes in 19(c) (the Morse amendment) of the Senate-passed bill made by the House amendment (the language omitted by the House amendment is enclosed in black brackets, the language added by the House is italic)*

LABOR STANDARDS

SEC. 19. * * *

(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 rights [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. *Such arrangements shall include provisions protecting 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 of February 4, 1887 (24 Stat. 379), as amended.* The contract for the granting of any such assistance shall specify the terms and conditions of [such] the protective arrangements.¹

II. *Analysis of House amendment*

A. The differences between the House amendment and the Senate bill consist, for the most part, of technical and grammatical changes which do not change the substance of the job protection provisions contained in section 19(c) of the Senate bill. The single exception to this statement appears in the following provisions assigning responsibility for the administration of the labor protection conditions.

(1) Section 19(c) provides that determinations as to fair and equitable arrangements should be made jointly by the House and Home Finance Administrator and the Secretary of Labor.

(2) Section 10(c) of the House bill provides that these determinations be made by the Secretary of Labor alone.

B. The remaining differences in language are in the nature either of conforming changes or clarifying or perfecting changes.

¹ It should be noted that the House amendment has divided subpar. (3) of this section into two parts, splitting off the sec. 5(2) (f) condition and restating it as a new sentence. For this reason, the Cordon comparison contains a corresponding adjustment, showing the sec. 5(2) (f) provision as a separate sentence.

(1) The Senate bill referred to both assistance and financing of projects whereas the House version refers only to assistance. Financing was included in the Senate version as a form of assistance explicitly covered by the section in order to insure that the job protection conditions would apply to guaranties as well as to grants, both of which were authorized by the bill. The House amendment eliminates the Senate provision authorizing guaranties and for that reason dropped the corresponding reference to "financing" in the section under consideration. There is no doubt that the House amendment covers all forms of assistance which may be provided under the act.

(2) Subparagraph (1) of the Senate version guarantees "the continuation of pension rights and benefits of all beneficiaries." The House version deletes the phrase "of all beneficiaries." The language modification is technical and does not change the meaning or the scope of the condition. Under both House and Senate versions, all pension rights and all benefits under existing collective bargaining agreements or under any other employment agreement or condition are guaranteed. The words "pension rights and benefits" in the House bill are not qualified and include the rights of employees under the described pension arrangements and the rights of their beneficiaries derived therefrom. The House eliminated the phrase "of all beneficiaries" because it was considered surplusage.

(3) Subparagraph (4) of the Senate version provides for "assurances of employment to employees of the acquired mass transportation systems by the acquiring or operating entities." The corresponding subparagraph in the House version drops the phrase "by the acquiring or operating entities" but otherwise retains the identical language of S. 6. Here again, the House deleted the designated phrase as surplusage. Under the House amendment, the "assurances of employment" required to be given to all employees of "acquired mass transportation systems," are precisely the same as under the Senate bill.

(4) The other modifications are all of the same nature as the foregoing.

III. *Comment*

Thus, it may be concluded that the only House modification of any significance is that dealing with the procedure for making the determination of what fair and equitable arrangements should be made. The subject matter of this provision is clearly within the special competence of the Secretary of Labor who has general responsibility in the administration of matters of this kind.

Mr. MORSE. Mr. President, of paramount significance is the fact that these job protection provisions represent another major step in the development of a realistic legislative policy dealing with grave problems of technological displacement in railroading as well as in other industries. Forming the cornerstone of this policy are, of course, the provisions of the Washington agreement of 1936 which for almost three decades have been successfully applied to problems of this kind in the transportation field. They have provided the basis for scheduling layoffs and position downgrading in federally regulated railroading throughout this time. They have been incorporated into the Interstate Commerce Act and have been generally accepted in collective bargaining in this industry and in the actions of the various Presidential emergency boards under the Railroad Labor Act.

Of at least equal importance is the requirement that the rights, privileges, and

benefits of employees under existing collective bargaining agreements must be respected and maintained as a condition to the grant of any assistance under the act. Pension rights and benefits of employees as well as of the beneficiaries of employees under collective bargaining contracts must also be maintained. Stability of the employment relationship and maintenance of valuable benefits earned during a long course of employment are in this manner protected against impairment from a reorganization financed under the act. Assurances of continuous employment by successor companies or priority of reemployment in cases of termination or layoffs represent sound labor relations policies incorporated into collective-bargaining contracts and forming a logical part of the job protection system developed by this section. Finally, the obligation to train and retrain with pay those employees whose jobs have been jeopardized by programs developed under the bill reflects a sound policy expressed in the Manpower Development and Training Act, the Area Redevelopment Act, and in a wide range of collective bargaining contracts.

These provisions provide assurances that changes of the kind which are projected by this bill will not be carried out at the expense of a stable and dedicated work force which has served the public interest for so long a period of time.

The bill has established a well-balanced and broad program to absorb the impact of these changes which are about to take place under the impetus of this bill.

I regard this as an important contribution to the development of measures to solve the manpower problems which have confronted the transportation system for so many years.

Mr. President, I urge approval of the bill because I agree with the chairman of the committee and others, who have so masterfully handled the bill, that unless we accept the bill in its present form, the probabilities are that we will have no bill at all. If later, in the next session of Congress, some improvements are needed, we can offer them at that time.

Mr. SPARKMAN. Mr. President, how much time has been used?

The PRESIDING OFFICER. The Senator from Oregon used 4 minutes.

Mr. SPARKMAN. I yield 3 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I listened with a great deal of interest to the very able speech of the Senator from New York in support of his amendment dealing with the "buy American" provisions of the pending bill.

No one can logically answer successfully the arguments which the Senator from New York has made. It is very clear indeed to me that he is absolutely right; that the other body has put into the mass transit bill a protectionist provision which has no business there and which, in effect, as is so often the case, as we come to the end of a session, confronts us with a take-it-or-leave-it proposal, in view of the enormous difficulty of surmounting a parliamentary procedure necessary to have a successful conference with the House and come out

on the winning side with the amendment of the Senator from New York as a part of the bill. I do not believe, as a practical matter, that the House would be willing to accept a conference report which incorporated the amendment of the Senator from New York.

As we all know, 40 Republican votes were required to pass the bill in the House. It required more than a year to corral them. The Republican leadership in the House was and is disenchanted with the 40. I have no doubt that several of the 40 were impelled to vote upon the bill by reason of the quite unsound provision which the Senator from New York now attacks.

Those of us who agree in principle with the Senator from New York are confronted with the very difficult choice of having no bill or accepting the House bill as it comes to us. I do not like the bill a bit, and I would like to vote for the amendment of the Senator from New York.

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

Mr. CLARK. May I have 1 minute more?

Mr. SPARKMAN. I yield 1 additional minute.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 1 additional minute.

Mr. CLARK. The exigencies and the practicalities of political life are such, and the needs of the Commonwealth of Pennsylvania for this legislation are so very great, and have such high priority, that I personally shall knuckle under the House position and vote for the House bill, which I dislike to do, because I feel so strongly that this legislation must go through and that we must start the great metropolitan areas toward achieving mass transit, which they so badly need. Therefore, as a matter of political judgment I am of the view that if we do not defeat the Senator's amendment, we shall not have any bill.

Mr. SPARKMAN. I yield 3 minutes to the Senator from New Jersey.

Mr. WILLIAMS of New Jersey. Mr. President, the language that was added in the House appears on its face to be radically contrary to our national policy of trade expansion and would, in fact, be a contraction of our international trade. That is the appearance of the language that has been added. But that is not the fact. The fact is that there is now no importation of manufactured vehicles or equipment in the urban transit areas.

I should like to read at this point a telegram which was received today by the U.S. Conference of Mayors. It reads as follows:

BROOKLYN, N.Y., June 30, 1964.

LAWRENCE HENDERSON,
U.S. Conference of Mayors,
Washington, D.C.:

As this authority understands the purport of the amendment in the House version of the mass transit bill requiring the purchase of materials of domestic manufacture only we are of the opinion that it would have no practical effect on the operations of this authority as for many years more than 99 percent plus of the authority's equipment,

materials, and supplies are manufactured in the United States and purchased by it here.

NEW YORK CITY TRANSIT AUTHORITY,
JOSEPH E. O'GRADY, Chairman.

I have talked personally with major users in the transit fields, and I can find no appreciable importation now. Therefore, this language would have no effect on international trade.

I admit that it might temporarily create some adverse international thinking or psychology. I believe that would be temporary.

For the reasons stated by the Senator from Pennsylvania, I believe we cannot run the risk of what would happen if the amendment of the Senator from New York were accepted.

Getting the bill to where it is now has been about as hard a job as running a commuter railroad without a transfusion of money from the public sector.

We are about to give urban transit that transfusion. If we do not do it with this bill, we shall continue to see a withering away of the services we have and the loss of hope of better services.

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

I have a great deal of sympathy with the views expressed by the Senator from New York. I regretted that the House took this action, and used such restrictive language. However, there is a great deal in what the Senator from New Jersey has said, about the tortuous route the bill has had to take through the Congress.

More than a year ago we passed this bill in the Senate, after having passed several bills in previous years, and having had to accept a sort of an experimental program waiting on the House to take some action. It has been a most difficult task.

I am told by some of the best authorities that there is no noticeable amount of foreign material used in the construction of transportation systems at the present time, and that probably there will not be for a long time to come, if ever.

Furthermore, there may be some ambiguities here. There was a discussion on the floor of the House. I realize that what was said was a little ambiguous; it was used at one time, and then was to some extent rebutted—as to what was intended by this proposal.

I should like to read from a memorandum that was prepared by one who is, I believe, an authority. I read:

The House amendment simply requires that if a product needed for a project is produced in the United States, the American product must be bought without regard to the price advantage that might accrue by using a foreign-made product. However, if a needed product is not available in the United States, this amendment would not preclude the purchase of a foreign product.

If the purpose of the amendment is kept in mind, it is clear that the use of foreign materials or manufactured articles as components of American products is also not prohibited. Clearly, if the components of the American products are not available in the United States, it is permissible, within the intent of this provision, to use a foreign component.

In addition, it may not be possible, in an intricate piece of machinery having many,

many component parts, to practicably assure that every screw, every nut, every bolt, every can of oil, every coat of paint, is an American product.

This provision does not require the impossible. One cannot practicably determine that in the manufacture of intricate, sophisticated machinery, some foreign articles have not been included, or used to construct the completed product.

The House amendment simply requires that to the extent substantial components of the completed product can reasonably be identified and procured from American manufacturers, this must be done.

Even though I would not have supported the amendment or would not have proposed the amendment in the House myself, I do not believe it will do any harm to the bill at this time. I believe there will be plenty of time in which we may consider the matter more carefully, and in future legislation take care of the situation, if it requires taking care of.

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

Mr. SPARKMAN. I yield.

Mr. MANSFIELD. I am in accord with the general principles that have been advocated by the distinguished Senator from Alabama [Mr. SPARKMAN], who is the floor manager of the bill, and also by the distinguished Senator from New Jersey [Mr. WILLIAMS], the distinguished Senator from Pennsylvania [Mr. CLARK], and the distinguished Senator from Oregon [Mr. MORSE]. I am not at all unsympathetic to the amendment or the motion of the Senator from New York [Mr. JAVITS]. But as one who has followed this subject fairly closely in the leadership position, and who knows something of the difficulties that were encountered in the House, I merely say that based on the information that was available to me last Wednesday, I believe something in the nature of a miracle has occurred to get this bill through the House.

If we want a mass transit bill, we will, in my opinion, take the House bill; otherwise we shall have no transit bill at all.

The bill means nothing to me personally, because I come from the part of the country where mass transit is not a problem. But it does mean something in the urban areas of the country, where 70 percent of the people live.

I want to see legislation passed. It is a matter of practical realities. That is the situation in a nutshell, as the distinguished Senator from Alabama and other Senators preceding me have tried to make clear.

Mr. SPARKMAN. I thank the Senator from Montana.

Mr. TALMADGE. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I am glad to yield. Mr. President, I yielded myself 5 minutes. Have I used the 5 minutes?

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. SPARKMAN. I yield myself 2 additional minutes. I yield to the Senator from Georgia.

Mr. TALMADGE. What provision is made in the House bill for the relocation of public utilities that might be affected under the terms of the bill?

Mr. SPARKMAN. The relocation of utilities is dependent upon the Federal-aid highway program. In that act, a program is provided for the location of utilities. I shall not at this time attempt to give the details; I am sure the Senator from Georgia will recall them.

I refer the Senator to section 111, paragraph A, of the Federal-Aid Highway Act of 1956.

Mr. TALMADGE. I thank the Senator from Alabama.

Mr. SPARKMAN. That act contains a provision that payment can be made or negotiated so long as State law does not prevent it.

Mr. TALMADGE. I thank the able Senator from Alabama for clarifying that point.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. How much time have I remaining?

The PRESIDING OFFICER. The Senator from New York has 12 minutes remaining.

Mr. JAVITS. I yield myself 5 minutes.

I heard with a little amusement the arguments made by my colleagues. I love them; I hope they will forgive me.

The Senator from Alabama says this provision does not require the impossible. But it does require the impossible. The manager of the bill in the House said so on the floor of that body. Representative RAINS made very clear what he understood this provision to mean when he said, at page 14975 of the RECORD of June 25:

As I understand the gentleman's amendment, it would require not only that any manufactured product, such as say a locomotive, be manufactured in the United States, but that substantially all its manufactured component parts likewise be produced in the United States.

The courts are not going to pay that much attention—I wish they would—to the interpretation of the Senator from Alabama [Mr. SPARKMAN]. The courts are going to look at the words in the statute and the interpretation of the Members of the House who took the amendment, and that will be about as tight as we can make it. It will be absolutely impossible not to violate it. It will be violated; it must be violated, or a manufacturer could not buy anything, not even in the United States.

We are told by the Senator from New Jersey [Mr. WILLIAMS] that the provision will not have any practical effect because we are not buying anything abroad now. I maintain that we shall be going out to adventure and find new ideas, whether it be in monorails or something else, to help to solve our mass transportation problem. What are we going to do? Clamp down on the transportation crush? The bill does not provide that we cannot look abroad; that we are going to be confined to the United States. If the amendment has no practical effect, why put it in the bill and make it extremely difficult for Christian Herter to carry out his negotiations in Geneva now?

Finally, I must say that apparently our Democratic colleagues think they have a better idea of what the Republicans will do in the other body than we Republicans do. That is what they are speculating on. The Senator from Pennsylvania [Mr. CLARK], and the Senator from Montana [Mr. MANSFIELD]—and I have the highest affection and regard for them—are guessing that Republicans in the other body will not take the amendment.

I think my view is also entitled to some consideration in that regard. I believe they will give some consideration to it.

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

Mr. JAVITS. I yield.

Mr. MANSFIELD. Frankly, I was not even thinking of the Republicans in the other body, but I was thinking of some Democrats who I know would be hard to persuade to go along a second time.

Mr. JAVITS. I certainly would honor the Senator's thinking as to members of his party. I honor it as to my party. But I think in the river basin bill, which we also handled this year, in the same Congress, there was an amendment which provided for domestic procurement unless there was a price differential of 50 percent between the domestic as against the foreign product. The House insisted that it go out, and it was taken out in conference.

Second, we are not at the end of this session by any means. Suppose we sent the bill back with the kind of amendment that we ought to have, instead of the amendment that is now before us. If the House does not like it, it can still send it back to us. There is plenty of time. I rather hazard a guess that we shall be around for a few weeks more. Why cave in? It is one thing to cave in on excise taxes, which will expire tonight. But why cave in on this fight? We have been fighting for years. Why allow it to be distorted and abused—I say that advisedly—by the kind of provision that has been incorporated in the bill, without trying, at least, what I am proposing to the Senate—and, incidentally, on a most reasonable basis?

Finally, Mr. President, the Budget Bureau study, to which I have referred about the operation of the Buy American Act itself, concluded that if the price differential were raised to 25 percent we would get to the point of diminishing returns where it will generally cost much more in the budget than is saved in terms of foreign procurement.

So, for all those reasons I believe, first, that it is my duty to propose this amendment, because I believe it is extremely important that voices be raised against trade "no-nothingism" in Congress, and because I oppose the superficially attractive idea, "We will buy everything here," which is without any real concern for what happens in the rest of the world.

Second, I respectfully submit that we have an excellent opportunity to carry our point. We have carried it before.

The PRESIDING OFFICER (Mr. McIntyre in the chair). The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 additional minute.

Mr. JAVITS. The reason for a bicameral legislature is exactly what is happening here tonight—that is, one body refines what has been done in the other body, in order to keep from falling into the abyss of the serious mistake that bifocal lenses are not working at the particular moment when a particular body acts. The Senate does it sometimes, and the other body stops us. They did so in respect to the river basin bill, which was considered earlier this year in the Senate. Now it is our turn. We should do the same thing.

I hope that the Senate will approve my amendment and will send the matter back to the House, because it should go back with a buy-American provision, but a proper one, in accordance with a policy which will not embarrass us and confuse the world.

Mr. President, if the Senator from Alabama is prepared to yield back the remainder of his time, I shall do likewise.

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

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

The PRESIDING OFFICER. All time is yielded back.

Mr. LAUSCHE. Mr. President, has all time been yielded back now?

The PRESIDING OFFICER. All time has been yielded back on the amendment.

Mr. JAVITS. The Senator from Ohio can get time on the bill if he so desires. If he wishes to speak, he can get unanimous consent to do so.

The PRESIDING OFFICER. All time on the amendment has now been yielded back. The question is on agreeing to the amendment of the Senator from New York. 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 Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Arizona [Mr. HAYDEN], the Senators from Washington [Mr. JACKSON and Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Florida [Mr. SMATHERS], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from Indiana [Mr. BAYH], the Senator from California [Mr. ENGLE], and the Senator from Massachusetts [Mr. KENNEDY] are absent because of illness.

I further announce that the Senator from Oklahoma [Mr. EDMONDSON] is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada [Mr. BIBLE], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from Louisiana [Mr. ELLENDER], the Sen-

ator from California [Mr. ENGLE], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Washington [Mr. MAGNUSON], the Senator from North Carolina [Mr. ERVIN], the Senator from Tennessee [Mr. WALTERS], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. DIRKSEN], the Senator from Hawaii [Mr. FONG], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kansas [Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Delaware [Mr. WILLIAMS] is absent to attend the funeral of a friend.

If present and voting, the Senator from Illinois [Mr. DIRKSEN], the Senator from Kansas [Mr. PEARSON], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "nay."

The result was announced—yeas 14, nays 65, as follows:

[No. 455 Leg.]

YEAS—14

Aiken	Douglas	Nelson
Allott	Javits	Neuberger
Boggs	Keating	Proxmire
Cooper	Kuchel	Robertson
Dominick	Lausche	

NAYS—65

Anderson	Hill	Moss
Bartlett	Holland	Mundt
Beall	Hruska	Muskie
Bennett	Humphrey	Pastore
Brewster	Inouye	Pell
Burdick	Johnston	Prouty
Byrd, W. Va.	Jordan, N.C.	Randolph
Cannon	Jordan, Idaho	Ribicoff
Carlson	Long, Mo.	Russell
Case	Long, La.	Simpson
Church	Mansfield	Smith
Clark	McClellan	Sparkman
Cotton	McGee	Stennis
Curtis	McGovern	Symington
Dodd	McIntyre	Talmadge
Eastland	McNamara	Thurmond
Fulbright	Mechem	Tower
Gore	Metcalf	Williams, N.J.
Gruening	Miller	Yarborough
Hart	Monroney	Young, N. Dak.
Hartke	Morse	Young, Ohio
Hickenlooper	Morton	

NOT VOTING—21

Bayh	Ervin	McCarthy
Bible	Fong	Pearson
Byrd, Va.	Goldwater	Saltonstall
Dirksen	Hayden	Scott
Edmondson	Jackson	Smathers
Ellender	Kennedy	Walters
Engle	Magnuson	Williams, Del.

So Mr. JAVITS' amendment was rejected.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Alabama to concur in the House amendment.

Mr. SPARKMAN. Mr. President, as I understand, we have 30 minutes to the side.

The ACTING PRESIDENT pro tempore. That is correct. Are there any further amendments?

The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, I am ready to vote, but I understand the Senator from Texas wants to use some time,

Mr. TOWER. Mr. President, a number of Senators on my side want to speak against the bill. I believe that we should not have a vote yet for 30 minutes anyway.

Mr. SPARKMAN. Mr. President, several Senators have requested time, but I do not see any of them in the Chamber.

Mr. TOWER. Mr. President, I yield 5 minutes to the Senator from Ohio.

The ACTING PRESIDENT pro tempore. The Senator from Ohio is recognized.

Mr. LAUSCHE. Mr. President, I urge the Senate to vote against this bill. In my opinion, if the bill were passed, we would enter into a program that would have no end. It would be interminable in its operation. The most optimistic estimators of what the cost will be give the amount of \$6 billion. The figure of \$6 billion is predicated upon the needs of about 40 metropolitan communities. Two hundred and seventeen communities may ask for help. In 1962 the Highway Act was amended so as to authorize a study of the problem. The study was to be completed by July 1, 1965. More than a year remains for the completion of that study. It has not yet been filed. We do not know what the findings and recommendations will be as ways and means of solving mass transportation problems in our cities. Forty cities have indicated that the amount of money that will be needed is \$6 billion. Since 217 metropolitan cities in the United States may ask for help, the needs of 177 communities have not been studied.

In my judgment, if we pass the bill, the Federal Government will forever be in the field of providing moneys with which to buy buses, equipment, parking facilities, and other needs of local mass transportation systems.

I point out to Senators the looseness of the definition of "urban areas" in the bill. On page 41, line 19, of the House bill appears the following definition of an urban area:

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.

I submit to the Senate that under that definition practically every crossroads area in the United States, if the administrator should so determine, would become eligible for grants from the Federal Government to purchase buses, equipment, terminal facilities, parking areas, and other things needed by such transportation systems.

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

Mr. LAUSCHE. Mr. President, may I have 2 additional minutes?

Mr. TOWER. I yield 2 minutes to the Senator from Ohio.

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

Mr. LAUSCHE. The problem is one of people. People refuse to ride the public transportation systems when they can

ride in their automobiles. The problem exists in Boston, New York, Philadelphia, and other communities that have been imprudent in the management of their systems. They have not attempted to charge the fares that would produce a revenue adequate to sustain the service. They have been subsidizing the systems. Now they have come to the end of their rope and they want the Federal Government to subsidize.

I close by saying to Senators who do not reside in the metropolitan areas that if they wish the citizens and taxpayers of their States to finance the imprudence of the managers of transportation systems in New York, Boston, and Philadelphia—not so much in Chicago, because they have been making progress—they should vote for the bill. It is a pure subsidy of what I call extravagance, negligence, and unwillingness to take firm positions on the fares to be charged.

I yield the floor.

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

Mr. SPARKMAN. I yield to the Senator from New Jersey such time as he may require.

Mr. WILLIAMS of New Jersey. Mr. President, one of our colleagues, because of a recent serious plane accident, cannot be with us today to lend his voice in support of this very important piece of legislation. I, of course, refer to the junior Senator from Massachusetts [Mr. KENNEDY], who since coming to the Senate, has expressed a continuing personal concern, and has extended a real effort in the development of an effective Federal-State mass transportation program.

The Senator from Massachusetts has emphasized to the people of his State the urgency of finding solutions to the increasingly complex urban and suburban commuter problem. Largely through his efforts, funds were obtained from the HHFA for extensive commuter service experiments in the Boston area.

I might say parenthetically at this point, contrary to the statement of the Senator from Ohio [Mr. LAUSCHE], that some of the commuter lines in the greater Boston area have substantially increased ridership.

These experiments yielded valuable data and recommendations which led, to a considerable extent, to the development of a mass transit plan for Massachusetts, which plan was recently enacted into law by the Massachusetts general court.

In embarking on this pilot commuter study, and in developing a comprehensive State mass transit plan, Massachusetts has provided a very worthwhile record from which many other States and municipalities can benefit in the days ahead. The Senator from Massachusetts [Mr. KENNEDY], can take pride in the fact that his State has moved forward with positive action in this field, and Massachusetts can be proud of its junior Senator who has exhibited the spirit and initiative to stimulate this progress.

I am very pleased to make this statement and to convey to the Senate his personal wish that this measure will be

finally accepted by the Senate, and that it will become effective as soon as possible so that we can get on with the job of developing efficient mass transportation systems throughout our States.

For my part, and I think I speak for all of the Senate, we wish TED a rapid and complete recovery from his accident. The reports of his improvement have been very encouraging, and we are most thankful for this. We know TED KENNEDY is a strong and courageous young man who, in the past 2 years as a Member of the Senate, has impressed all of us with his dedication and his sincerity of effort in every job he tackles. We know he will tackle his new responsibility of getting back into condition for the fine career that lies ahead of him.

I should like to make one further comment in personal terms. The miracle described by the Senator from Montana [Mr. MANSFIELD] in relation to the passage of the bill in the House was in large part wrought by the House Member from Alabama, ALBERT RAINS. The action is one of Mr. RAINS' valedictories this year. We regret so much his decision not to seek reelection. It is interesting that the leadership of the bill in the Senate has been by another Alabamian, Senator JOHN SPARKMAN. They are truly two stars from Alabama. I yield the floor.

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

Mr. TOWER. I yield 5 minutes to the Senator from Colorado.

Mr. DOMINICK. Mr. President, along with the Senator from Ohio [Mr. LAUSCHE] I spoke against the bill when the Senate originally considered it. That was the original Senate bill as modified by the Commerce Committee. The House bill is wholly new. I suggest to the Senate that many Senators have not studied the wording of the House bill. Following up what the Senator from Ohio said, I should like to cite some of the things which I think create real concern over the bill as it is now worded. The first is the definition of "mass transportation." That is what we are supposed to be providing aid for; and I presume from the comments that have been made by the Senator from New Jersey [Mr. WILLIAMS] and by others that they are thinking in terms of commuters. But the fact is that the definition of "mass transportation" to which aid could be given under the bill is stated to be "transportation by bus, rail, or other conveyance, either publicly or privately owned, serving the general public and moving over prescribed routes."

This could be in a steamship. It could be in a freighter line. It could be in helicopter service. It could be in an air-line. It could be in a ferry line. It could be in any single bit of conveyance at any place in the country, moving inside or outside the country, as included within the words of the definition.

The question of who is going to get the grants and who is not is left in the sole discretion of the Administrator.

My second point, again, goes to the definition. I reemphasize what the Senator from Ohio said. What is an urban area? Part of the definition is "any built-up place," anywhere, as far as one

can see. If that does not mean a house or a barn with a couple of "Chic" Sale outhouses behind it, I never heard anything more indefinite than that. Any "built-up place" is the definition which will give discretion to the Administrator to give away \$75 million of the taxpayers' money in the first year and \$150 million in each of the next 2 years.

My third point is that it will be recalled from the original hearings that San Francisco and the State of California worked together to try to establish a mass transportation system in that State. I do not have the exact figures before me, but my recollection is that the total amount involved was \$900 million of bond issue in order to provide an adequate commuter service in that city.

Going further, I said that the administrator, at his discretion, could give money to any place in America, but I point out that he could give no more than \$9,375,000 in the first year to any one State and no more than \$18,750,000 to any one State in the second or third year. Consequently, it is not going to do any good so far as producing an adequate commuter service that will do any good for the general public is concerned.

So we are kidding ourselves if we think the bill, if adopted, would be effective in solving the commuter problem.

We come now to what is going to be granted. Under section 3(a) of the bill the Administrator is given authority to make loans or grants, at his discretion, and he is authorized to make loans or grants on criteria which he determines are satisfactory.

Section 4(a) reads:

Except as specified in section 5, no Federal financial assistance shall be provided pursuant to section 3 unless the Administrator determines that the facilities and equipment for which the assistance is sought are needed for carrying out a program, meeting criteria established by him.

Once again, this means that under the proposed act there would be an administrator who would have sole authority to determine what facilities and equipment are proper. It would give him a czarist position, if we want to use that term, over the whole industry.

It seems to me we are compounding about three evils in the bill as it is now written.

I merely want to say one more thing about the bill. We are being urged to push through a bill which is vague and indefinite, and which covers a far larger scope than anybody in the Chamber at the present time—unless he is on the committee—actually realizes. It is not going to do any effective good. It gives to one man power to give away \$75 million the first year and \$150 million in each of the next 2 years.

In my opinion, it is a poorly drawn bill and should not be passed.

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

The Senator from Alabama is recognized.

Mr. TOWER. Mr. President, does the Senator from Colorado desire further time? If so, how much?

Mr. DOMINICK. I could use 1 more minute.

Mr. TOWER. I yield 1 minute to the Senator from Colorado.

The ACTING PRESIDENT pro tempore. The Senator from Colorado is recognized for 1 additional minute.

Mr. DOMINICK. No study has been made as to the effect which the bill would have in connection with the Federal Aviation Agency. It is perfectly apparent that under the provisions of the bill it is entirely possible for the Administrator to take over many of the functions of the Federal Aviation Agency and to create complete discord in one of the few industries which is now working in somewhat well regulated and well modified terms.

It seems to me this is another proposal which we should study very carefully before we accept it.

Mr. TOWER. Mr. President, I yield 6 minutes to the Senator from South Carolina [Mr. THURMOND].

The ACTING PRESIDENT pro tempore. The Senator from South Carolina is recognized for 6 minutes.

Mr. TOWER. Mr. President, I change that to 5 minutes.

Mr. THURMOND. Mr. President, I reiterate the opposition which I have already expressed to the enactment of the proposed mass transit legislation.

There is no constitutional authority for the Central Government to enter this field of activity, because this is a purely local matter. This proposal does not come within the scope of the commerce clause of the Constitution, and the welfare clause of the Constitution was never intended to cover expenditures for activities such as this. Had the welfare clause been intended to cover such a broad scope of activity, there would have been no necessity for the specific enumeration of delegated power of Congress which is found in article I, section 8 of the Constitution. Also, had the welfare clause been intended to be this broad, the 10th amendment would have been meaningless, for the Central Government would have had all powers under the welfare clause, and there would have been no powers left to reserve to the States and to the people.

S. 6, in its amended form, authorizes appropriations in the amount of \$75 million for fiscal year 1965, and \$150 million for each of the fiscal years 1966 and 1967. It is clear, and I am sure that the proponents of this legislation would agree, that this \$375 million is but the beginning of this extravagant program. Our country simply cannot afford to engage in this activity, even if it were an activity authorized by the Constitution. Congress has recently enacted tax reduction legislation which, of course, has the effect of reducing the revenues accruing to the Treasury. Just last week the Senate completed congressional action on the administration's request for another temporary increase in the national debt ceiling, this time to \$324 billion. Congress owes it to itself and to the Nation to curb deficit spending and to practice restraint in its handling of public funds.

The essence of the argument in favor of this bill is that a "national problem" exists, and that, therefore, Federal action is necessary to solve that problem.

The facts do not support this approach. In fact, the inherent physical structure of our communities prove differently. We do not have a "national network" of mass transit facilities. Rather, we have as many different urban passenger transportation systems as we have communities. Clearly, then, there is not a national problem, although some of the communities having transit systems may be faced with specific problems. Accordingly, such problems, where they exist, are local in nature. This being so, there is no need, and indeed, no justification, for Federal assistance.

If a locality has a transit problem, then it should be solved at the local level, and Congress should not inject the Central Government into this area which is not authorized by the Constitution. What is the logic which would require people living in an area that does not have a transit problem to pay the bill for an area that has not worked out its own difficulties? These problems are not unsolvable for a number of communities have already met the modern day challenges in this field. They include San Francisco, Calif.; Phoenix, Ariz.; Santa Monica, Calif.; and Houston, Tex.

If one or more local communities can solve their problems, then I believe that all communities can do so. If Congress does enter this field, then, judging from the lesson of history, local initiative will soon falter and eventually die. All of our local communities will then look to Washington for the solution of their local transit problems.

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

Mr. TOWER. I yield 1 more minute to the Senator from South Carolina.

Mr. THURMOND. Experience shows that when the Central Government subsidizes, it also controls. Control in the area of local mass transit could very well expand and ultimately result in complete control over, if not outright nationalization of the entire field of transportation. Some will contend that this proposal embodies no more than a first infant step. Perhaps this is true, but this is an infant which will grow and expand overnight and could well become a monster. This program should be rejected.

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

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

Mr. YOUNG of Ohio. Mr. President, more efficient transportation systems are absolutely essential to the growth and well-being of our metropolitan areas. Years ago, 75 percent of Americans lived in rural areas. Transportation was a much less complicated matter. Today, 75 percent of all Americans live in urban areas. It is estimated that in 20 years 140 million people will live in 40 large urban communities.

Today, urban areas cross city, county, and even State lines. Operators of bus, subway, and rail lines do not recognize political boundaries. Coordinated, area-wide transportation systems are required. These systems require and merit Federal assistance so that urban areas

can carry the burden of a growing, mobile American public.

This era of urban sprawl has removed whatever justification there may have been for attempting to solve urban mass transportation problems by local action alone.

Seven of ten Americans now live in metropolitan areas. This proportion is increasing—at the rate of 3 million of our fellow citizens yearly—while our rural population is declining.

Citizens living in rural areas can no more ignore the problems of our cities than citizens living in our great cities can ignore the needs of this Nation's rural communities. Economically, politically, and socially, they thrive on mutual well-being.

An ever-increasing volume of traffic chokes our city streets, hampers commerce and communication and hampers our national growth. It is clearly the responsibility of the Federal Government to join with private enterprise and local government to help solve this problem.

Inadequate public transportation has forced city dwellers to use their private automobiles. This in turn has meant a gradual strangulation of our city streets, highways, parkways, and freeways. In most communities, the construction of freeways cannot keep up with the ever-increasing volume of traffic.

There were 7 million new automobiles sold in the United States in 1963. A yearly sale of 10 million automobiles is expected within a decade. The implication is clear: foresight, planning, and action are needed now. The urban mass transit bill, it appears to me, is a good beginning. It is that always important first step.

The bill, if enacted into law, would provide \$375 million in loans and grants over a 3-year period for commuter railroad projects aimed at moving people more quickly and efficiently. Federal funds will come into play only if initial anticipated revenues from a particular project are not sufficient to encourage private investment. The Federal Government's responsibility and interest terminates when a grant is made. Once this is done, all responsibility remains at the local level where it belongs.

Opponents of this legislative proposal deplore Federal spending for so-called local problems such as transportation. I cannot agree that the well-being of the economy and the people of Cleveland, Akron, Toledo, New York, Chicago, Columbus, and other great cities is of no concern to the rest of the Nation. In this space age of change and challenge, we can no longer legislate for a horse and buggy era, as some opponents of this bill would like to do.

Throughout our history the Federal Government has helped to build bridges and highways, to dredge canals and harbors, and to construct railroad lines across the continent. This has helped to build a great nation and a society of plenty. We must continue to build in this manner to move America forward.

Since the bill seeks to promote private investment, and since urban areas are free to develop transit systems best suited

to their particular needs, the bill is a good example of a legislative proposal that, if enacted into law, will encourage local action. It in no way intrudes on the judgment, initiative, or responsibility of local government.

People want and will use public transportation if up-to-date, convenient service is available. This is being proved in those communities cooperating in experiments financed by combined local and Federal aid, under the pilot program authorized by Congress in 1961.

Mr. President, both of the great newspapers of Cleveland, Ohio, recently published editorials strongly urging the enactment of the urban mass transportation bill. Unfortunately, all of the Representatives in the Congress representing the Cleveland metropolitan area in the House of Representatives did not support this bill when it was recently passed by the other body. In June 22, 1964, there appeared in the Cleveland Press an editorial entitled "Taft, Bolton on Wrong Track" and on June 27, 1964, there appeared in the Plain Dealer an editorial entitled "Promote Transit Aid Plan." I commend these to my colleagues and ask unanimous consent that they be printed in the RECORD at this time as part of my remarks.

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

[From the Plain Dealer, June 27, 1964]

PROMOTE TRANSIT AID PLAN

Approval by Congress of the \$375 million mass transit bill makes it imperative that Cleveland area Congressmen, no matter what their previous feelings on the issue, unite in the effort to get a fair share for improving Cleveland's public-transportation system.

It also is incumbent on the Cleveland Transit Board to provide, as soon as possible, a detailed, feasible plan which would qualify the Cleveland transit system for this aid.

The final program should stress three aspects in particular of rapid transit. These would be extensions of the network to the southwest region around the airport; to the Parma-Brook Park area; to the southeastern section of the city.

These are the most pressing needs in the system, the places where rapid transit does not serve now, or serves insufficiently, and where passenger traffic is waiting. The program, which, by the language of the bill, can include only capital improvements, must not be muddled with extraneous items which would divert attention from the most logical and necessary transit advancements.

A hurdle to be negotiated by the board after aid is secured under the new bill would be that of raising the local share of the expenditure of any approval project. The Federal grant would cover two-thirds of the cost. A further stipulation is that only the part of an approved transit program that cannot be supported by anticipated fare revenue is eligible for this Federal help.

Since during the 3-year authorization of the bill no State can qualify for more than \$47 million, the need for Cleveland to make a sound case for its share takes on added importance.

Big cities, such as Cleveland, which are hubs of metropolitan areas, daily are finding it more difficult to find capital improvement money for transportation and allied civic housekeeping chores. The transit bill appears to be a way for Federal tax money to come back to the big cities which produce most of this revenue and need its benefits so urgently.

[From the Cleveland Press, June 22, 1964]

TAFT, BOLTON ON WRONG TRACK

Greater Cleveland's Republican legislators in Washington would do well to reconsider their opposition to the urban mass transportation bill before they vote on it this week.

If it passes the House the measure would provide up to \$500 million in Federal aid for the development and expansion of such lines as the Cleveland Transit System. Thus the proposed extension of the rapid transit to Hopkins Airport would be accelerated. It would also hasten the day when the rapid could go to Cleveland Heights or elsewhere.

Congressman at Large **ROBERT TAFT**, who would like to be Senator, has declared against the bill, fearing excessive Federal expenditures. Congressman **OLIVER BOLTON**, Republican, 11th District, who would like to be Congressman at Large, plans to oppose it because he thinks it would "create a Federal mayor" on Main Street.

Rather than conjuring up imaginary hazards, these men would do their urban, suburban, and ex-urban constituents a positive service by voting to relieve the growing transportation complexities in expanding municipalities.

The money involved in the mass transit bill is almost lost when compared to the huge Federal outlays spent on the interstate highway program, including the several controversial Cleveland freeways under consideration.

The Republican Congressmen representing Greater Cleveland should weigh realistically the benefits of a mass transit bill against their dubious fears of Federal assistance.

Mr. SPARKMAN. I yield 1 minute to the Senator from Rhode Island.

Mr. PELL. Mr. President, as a co-sponsor of the mass transit bill in the Senate, I want to urge its final passage in the form passed by the House of Representatives. This long-needed legislation, which is awaited eagerly by municipalities in my own State and across the Nation, provides a valuable new departure in Federal participation in an increasingly complex area of public concern—the freedom of movement for our growing population in our vast urbanized areas. I am especially interested in the success of this legislation because it relates so closely to my own proposal, embodied in Senate Joint Resolution 18, for an interstate public authority to modernize rail passenger service between Boston and Washington. What the mass transit bill does for public transportation within cities, my bill would do, by somewhat different means, for public transportation between cities. Now that Congress has accepted the principle of Federal participation in transportation problems at the local level, I hope that in due course it will adopt the principles advanced in my own plan for Federal participation at the regional, or megalopolitan, level. Finally, I would like to express my congratulations to the distinguished Senator from New Jersey [**Mr. WILLIAMS**] and all who have worked with him to bring the mass transit bill to final passage.

Mr. TOWER. Mr. President, I yield 2 minutes to the Senator from Iowa.

Mr. MILLER. Mr. President, I shall vote against the pending bill. I recognize that it might be a slight improvement over what was passed by the Senate some time ago.

In looking through the bill, I have come to the conclusion that it is not clearly drawn. With respect to the observation made by the Senator from Ohio [**Mr. LAUSCHE**], and the Senator from Colorado [**Mr. DOMINICK**], I note that with regard to the definition of an "urban area," the drafters of the bill went to some trouble to make sure that the term "States" included "possessions of the United States."

I should like to know what possessions of the United States have traffic problems to warrant the mass transportation assistance that is envisioned by the proposed act. If the manager of the bill has in mind any particular possession, I should like to have him describe it.

With respect to the comments made by the other Senator from Ohio [**Mr. YOUNG**], that 75 percent of the people reside in cities, it seems to me that if that is so, perhaps they ought to pay for these developments. Not all of the cities have asked for this assistance.

It is my recollection that San Francisco, Calif., has done a very good job of self-help. If it has done it, why cannot other cities do so too?

I should like to make one other observation. On page 33 of the bill I note that it provides:

(c) No financial assistance shall be provided 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, * * * unless (2) the Administrator finds that such program, to the maximum extent feasible, provides for the participation of private mass transportation companies.

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

Mr. TOWER. I yield a half minute more to the Senator from Iowa.

The **ACTING PRESIDENT** pro tempore. The Senator is recognized for an additional half minute.

Mr. MILLER. Mr. President, I ask: Why are we to have a program that will provide for the maximum use of private mass transportation companies, and in the same breath provide for the acquisition of such private mass transportation companies? I hope the bill will be defeated; but I would guess, because of the control of the executive branch over this body, that this body will pass it.

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

So many things are wrong with the bill that I do not know really where to start. To begin with, it is potentially a political grab bag. I believe it will result in a great deal of wasted money. The worst thing about it is that it does not address itself to the problem.

The bill is basically dishonest, because it is proposed to take \$375 million and throw it at a \$10 billion problem. That is a drop in the bucket. It will not do the job. But it will be a foot in the door. Ultimately, we shall have federally controlled mass transportation in every city in the United States, if we let the camel stick its head in the tent now.

The purport of the bill is that it will help resolve transportation problems in

the cities, and encourage the cities to develop their own transit plans. I submit that the bill will discourage initiative and responsibility on the local level, because there are many people who will reason: "Let us not play around the issue and improve our own mass transit system. Let us not do what is necessary. If we wait a while, the Federal Government will appropriate more money. The law will be amended, and we will get more than 12½ percent. We shall have billions more to play with. Then we can go to Washington, and they will solve our mass transportation problem."

While those people are waiting around, they will not be doing anything about the problem locally, because they will be expecting the Federal Government to do something for them.

The bill contains insidious provisions. Not only will the bill stifle local initiative and responsibility; it will intrude the Federal Government into the political subdivisions of the States. Cities are creatures of the States. We shall be going over and around the State governments. The bill makes a calculated effort to reduce the cities and States to absolute dependencies of the Federal Government.

There is also the labor problem. The bill will do some strange and wonderful things. The labor provision will probably negate State laws pertaining to public employees, the right to bargain, the right to strike, and that sort of thing. The bill could, I think, affect State laws with regard to public utilities.

Further, the bill is probably in conflict with the civil rights bill, because it provides for freezing in particular jobs and situations the employees of companies that are taken over by local authorities to be subsidized by the bill. There may be companies in which discrimination is currently practiced. Then the bill would run into conflict with title VI of the civil rights bill.

I think it is high time, when we cannot balance our budget, to stop initiating new programs, programs that will cost the Government money. I think, even more, that it is high time that we stop reducing the people and the States to dependency on Uncle Sam. It is high time that we stop encouraging everyone to come to Washington with his problems, insisting that if there are problems, we will throw some money at them, and they will go away.

I hope the Senate will defeat the measure.

DEDICATION OF CAPE MAY-LEWES FERRY

Mr. SPARKMAN. Mr. President, I yield 2 minutes to the distinguished Senator from New Jersey.

Mr. WILLIAMS of New Jersey. Mr. President, today, as we debate a mass transit bill, the culmination of a long and remarkable transit development took place at Cape May, N.J. There, Gov. Richard Hughes, of New Jersey, and Gov. Elbert Carvel, of Delaware, presided at dedication ceremonies of the Cape May-Lewes Ferry and celebrated

still another link of friendship and accessibility between the two States.

At ceremonies on both sides of Delaware Bay, the Governors were joined by those who helped make this new service possible. As Governor Hughes said, the dedication today was the result of bi-State, bipartisan action by State legislators, the Delaware River and Bay Authority, and individuals and groups that have a keen understanding of the benefits to be derived from the new facility.

Today's ceremonies also brought forth the prediction that the ferry ceremony may well be the forerunner of an eventual direct highway connection across Delaware Bay. This comment was made by Clarence D. Martin, Jr., Under Secretary of Commerce for Transportation. He also reminded us that we are rapidly approaching the day when an Atlantic coastline ocean route will stretch from Maine to Florida.

Mr. President, the Under Secretary's speech clearly expresses the great local and national interest in new transportation advances. I ask that it be printed in the RECORD, along with an excellent summary of the history of the Cape May-Lewes ferry. This summary, written by Mr. William P. Frank, was printed as part of the official dedication program.

There being no objection, the speech and historical summary were ordered to be printed in the RECORD, as follows:

REMARKS BY THE HONORABLE CLARENCE D. MARTIN, JR., UNDER SECRETARY OF COMMERCE FOR TRANSPORTATION, INAUGURATING FERRY SERVICE BETWEEN LEWES, DEL., AND CAPE MAY, N.J., JUNE 30, 1964

It is a pleasure to take part in the opening of this important new ferry service, linking the resort areas of Delaware and New Jersey.

The State and local officials who took the initiative to develop this service we are inaugurating are to be congratulated. This is a welcome reminder of the important role of State and local governments in meeting transportation requirements.

This project, for instance, involves a brand new service. It is using vessels obtained from the State of Virginia which have been replaced by a vast bridge-tunnel project across lower Chesapeake Bay.

That project once started just as yours—as an experimental ferry service. Its place in the transportation system was quickly demonstrated. It grew and eventually the need outpaced the capacity of a ferry system. Now a more extensive facility is in operation. It may well be that history will repeat here. This may be the forerunner of an eventual direct highway connection across Delaware Bay.

Many of us have long been fascinated by the developing system of ocean highways along the Atlantic coast. Such links as the Garden State Parkway, the Long Island Parkways, and the highways of New England have made possible great stretches of available routes for travelers who enjoy the sight and proximity of the ocean.

Water barriers still hamper the full realization of an ocean route from Maine to Florida, but they are becoming fewer each year. The Virginia bridge and tunnel, the Narrows bridge in New York, and many other projects now exist.

This kind of facility—boldly conceived to open up new economic and social opportunities—involves the kind of local, State, and Federal cooperation which President Johnson has earnestly asked for to serve our great society.

The highway between Rehoboth and Ocean City, Md., opened in the late 1930's is an ex-

cellent example of how a highway can promote new kinds of community relationships, stimulate economic growth and help provide additional recreational opportunities.

The administration is fostering this kind of highway development in its program for Appalachia, the economically underdeveloped regions in the Appalachian mountains.

We are dedicating a facility catering to the vast, heavily populated region of the northwest corridor of the United States. This immediate area is one of the world's most popular playgrounds for the millions of families along the eastern seaboard.

As this region continues to prosper in the future, Federal, State, and local authorities must cooperate closely for transportation development. The planning studies undertaken by the highway department in cooperation with the Bureau of Public Roads are examples of what is being done. Federal aid to mass transportation, for which Senator HARRISON WILLIAMS deserves major credit, is another factor. The tireless leadership of the Johnson administration and Senator WILLIAMS and his colleagues in Congress has finally resulted in a transit bill being approved by both Houses of Congress.

A further step will be the growth of transportation services to supply high-speed movements of persons between the major urban centers of the region. The Department of Commerce has been charged with the responsibility for developing the plan for this service in the urban regions of the Northeast.

Transportation is vital to the social, economic, and recreational well-being of this great area. The ocean highway should be one part of a comprehensive program, evolved through the cooperation of all governmental levels.

I share your faith in the future development of this region—your desire to make it a better place to live and work—and to improve the access to its unparalleled resources for recreation.

I offer my congratulations and my best wishes.

Thank you.

CAPE MAY-LEWES FERRY (By William P. Frank)

A ferry service does not begin in the drafting room of engineers nor in the swank offices of financiers. It begins, rather, in the imagination of men who want to get from one land base to another, across a body of water, in as straight a line as possible—and as quickly as possible.

This is how the Cape May-Lewes ferry began—back in the dawn of the histories of Delaware and New Jersey. From earliest days of colonization, men figured that the Delaware Bay and Atlantic Ocean could either be a barrier between the two States or a common bond.

The opening of the Cape May-Lewes ferry today caps the climax of dreaming, thinking and planning on how to bridge the barrier and establish what a New Jersey Governor recently called "the betrothal of our two States."

Even before the coming of the Dutch, Swedish, and English explorers in our area, the Indians ferried themselves across from one cape to another in their flimsy canoes. They didn't have to depend upon traffic studies to convince them of the importance of getting from one shore to the other.

The European settlers who followed them did likewise, although their craft was a lot more safe and dependable.

In the days before the Civil War, steamers would come down from Philadelphia, touch at Delaware ports, such as New Castle and Wilmington, and then proceed toward Cape May for weekend jaunts and summer holidays.

In the latter part of the 19th century and early 20th century, railroads and steamship

companies combined their efforts to transport pleasure seekers across the Delaware Capes. That service died, but the dream of linking the two States with a ferry line did not fade. Men of southern Delaware and southern New Jersey stood on the shores of their respective States and in their minds' eyes could see a ferry service that would be beneficial to the entire area.

The only questions were—and they were major questions: How and who would start such a service?

Studies were made in the middle 1950's with great hopes that refused to be squelched by cynics and pessimists. Then came the big break which, oddly enough, grew out of a dispute between Delaware and New Jersey over the future of the Delaware Memorial Bridge.

In 1955, Gov. J. CALIB BOGGS, of Delaware, and Gov. Robert B. Meyner, of New Jersey, began conversations about the mutual problems of their respective States. As they discussed the future of the Delaware Memorial Bridge, they also began to talk about the ferry.

In the meantime, business and civic leaders of southern Delaware and southern New Jersey actively promoted the idea of a Cape May-Lewes ferry. They kept alive the plan which often faced defeat. It frustrated them that they were so close—and yet so far away with the absence of an agency that could bring them together.

Eventually, through intelligent understanding and a willingness to be partners in crossings of the Delaware River and Bay, the two States worked out a compact agreeable to the legislatures and the Governors.

So was born the 10-member Delaware River and Bay Authority, with blessings of the two States and the Congress. It had a directive to build other bridges across the Delaware and also establish a ferry between Cape May and Lewes.

Despite opposition in some quarters, the Governors of the two States—Elbert N. Carvel, of Delaware, and Richard J. Hughes, of New Jersey—worked together in harmony along with the authority representatives of their States.

From the time the authority was activated in February of 1963, its members proceeded with dispatch to establish the Cape May-Lewes ferry. It was visualized as "the missing link" in a route between New England and Florida and a stimulus in travel between central and southern Delmarva Peninsula and southern New Jersey.

Four ferries of the Kiptopeke-Cape Charles Virginia, line were purchased for \$3,300,000. The vessels were refurbished and renamed in keeping with the Delaware-New Jersey "betrothal."

And so after many years of dreaming and planning the 16-mile expanse of water between Lewes and Cape May is spanned. The Delaware Bay is no longer a barrier, it is now a bond between two States.

URBAN MASS TRANSPORTATION ACT OF 1964

The Senate resumed the consideration of the bill (S. 6) to authorize the Housing and Home Finance Administration 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 yield myself 5 minutes.

I support S. 6, as amended, and passed by the House of Representatives on June 25. I urge the Senate to approve the House amendment without a conference. The differences in the House bill over the

Senate bill are not of earth-shaking importance. We can live with them. I believe the Senate should accept the House version.

I have prepared a memorandum showing the principal differences between the Senate and House versions of the mass transit bill. I ask unanimous consent that it be printed at the conclusion of my remarks.

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

Mr. SPARKMAN. Mr. President, much of the debate this afternoon has seemed to follow a course as if we were passing a brandnew bill. That is not the situation. We are calling for action on a bill that has previously passed the Senate by a good margin, and then went to the House, where a complete substitute amendment was added.

Many Senators who have spoken against the bill ought to be pleased that the House cut in half the amount of the Federal funds involved. I refer to the deletion of the provision relating to guaranteed bonds, which the Senate bill originally contained.

I digress for a moment to pay my respects to the able junior Senator from New Jersey, who has handled the bill from the beginning. He was very active in the subcommittee in the course of the hearings, in developing evidence that the committee ought to have, and in fighting for the legislation over the years. I pay tribute to the Senator from New Jersey for the excellent work he has done.

The first mass transit bill was passed by the Senate in 1960. However, no action was taken by the House of Representatives. Again in 1961 we passed legislation on mass transit as part of the housing bill of that year. That legislation placed mass transit on a temporary basis. It was agreed to by the House after a conference. That law went into effect, and studies of experimental projects were made throughout the country with the assistance of Federal loans and demonstration grants.

In 1962, the Banking and Currency Committee reported a comprehensive mass transit bill to the Senate but held up its passage waiting for the House. When it became apparent that the Congress would take no action the Senate and the House reached an agreement whereby we would merely extend the temporary program for another year.

In April 1963, the Senate passed this bill. That made it 4 consecutive years that the Senate voted favorably on some aspects of mass transportation legislation.

I could take up many of the things that have been said about the bill and explain them; but all of it has been hashed over, not once, not twice, but four different times. The Senate has acted favorably three times on extensive bills and one other time to extend the existing program.

All that is being asked now is that the Senate concur in the amendment of the House.

Passage of this legislation by the House of Representatives is a milestone in good legislation and a great victory

for the cities of America. This bill was conceived in order to help local transit overcome the traffic congestion that is paralyzing our cities. Every city in the country is caught between rising costs and declining patronage resulting in fares going higher and higher. Consequently, more and more people are using private automobiles which compounds the problem and creates considerably more congestion in the cities. This is a vicious circle. The cities have long recognized this but have been unable to do anything about it. They have appealed to the Federal Government for assistance and, at long last, the Congress has realized the significance of this problem and is about to pass legislation to do something about it.

Mr. President, the problems which this bill seeks to solve affect every one of us. It affects the millions of people who use mass transit daily; it affects those who find that driving their own cars becomes more difficult every day as traffic jams become worse and parking more difficult; it affects the whole Nation because our cities account for most of the business activity of the country and anything that makes them inefficient hampers our national growth; and, finally, it affects all of us who recognize that unsolved traffic and transit problems weaken local government and reduce the tax revenues on which they depend.

The passage of legislation this year will complete 4 years of effort on the part of the Congress to provide relief which the cities so badly need. During these 4 years, after many days of hearings and many hours of debate in both Houses of Congress, we have developed legislation which, with the exception of a few minor differences between the bill as passed by the Senate and amended by the House, represents the consensus of the Congress.

Mr. President, there are a few differences between the Senate and House versions which I find have no real significance. They can be reduced to three principal differences and a number of minor ones which, I believe, will in no way impair the effectiveness of the bill as passed by the Senate.

Mr. President, I feel that there are three principal issues before the Senate in deciding whether to approve the House-passed bill. One involves the question of guaranty of revenue bonds, which provision was not included in the House-passed bill, but which is in the bill as passed by the Senate. Another involves the buy American provision which is included in the House-passed bill, but which is not included in the Senate bill. The third involves the difference in the language of the labor provision in each bill.

Regarding the guarantee of revenue bonds, the bill as passed by the Senate would authorize the Federal guarantee of \$375 million or revenue securities issued by public bodies but subject to Federal income taxation. The bill required that the Administrator was to first determine whether the guarantee provisions would satisfy the financial needs of a community before he would be permitted to make grants or direct loans.

All of us know that the big push behind this amendment was to satisfy the needs of a few communities on the west coast. One city in particular was operating under a State law which made it necessary to use the bond guarantee approach. Since passage of the bill by the Senate in 1963, however, I learned that the State of California has passed a new law for southern California which removes the necessity for the bond guarantee method.

Another provision which I feel represents a principal difference between the bills as passed by the Senate and House is the "buy American" provision which is included in the House-passed version of S. 6.

Section 9(c) of S. 6 as passed by the House would require that:

All contracts for construction, reconstruction, or improvement of facilities and equipment in furtherance of the purposes for which a loan or grant is made under this act shall provide that in the performance of the work the contractor shall use only such manufactured articles as have been manufactured in the United States.

This provision attempts to assure that American made products are used in projects assisted with a loan or grant made under the Urban Mass Transportation Act of 1964.

I have no quarrel with this overall objective and I believe that most Members would support it in principle. However, the provision as contained in the House-passed bill is much more restrictive than the usual "buy American" provision regarding the purchase of goods financed with Federal funds. I am sure that some Members would object to such a restrictive provision primarily because of the precedent it sets. However, I have studied this matter and have concluded that it is not a serious matter as it would affect the administration of this act.

I believe there are a number of points that should be taken into consideration in deciding what its impact would be upon this program. In the first place, it does not appear that the House intended that foreign manufactured products or foreign articles which may be components of American products be entirely prohibited.

The purpose of the amendment is to assure maximum employment of American labor on projects assisted with funds provided by the Urban Mass Transportation Act of 1964. This purpose is not furthered if this provision is applied in so literal a fashion as to preclude this undertaking or completion of a project which is dependent upon the use of foreign-made products which cannot be acquired in the United States.

The House amendment simply requires that if a product needed for a project is produced in the United States, the American product must be bought without regard to the price advantage that might accrue by using a foreign made product. However, if a needed product is not available in the United States, this amendment would not preclude the purchase of a foreign product.

If the purpose of the amendment is kept in mind, it is clear that the use of

foreign materials or manufactured articles as components of American products is also not prohibited. Clearly, if the components of the American products are not available in the United States, it is permissible, within the intent of this provision, to use a foreign component.

In addition, it may not be possible, in an intricate piece of machinery having many, many component parts, to practically assure that every screw, every nut, every bolt, every can of oil, every coat of paint, is an American product.

This provision does not require the impossible. One cannot practically determine that in the manufacture of intricate, sophisticated machinery, some foreign articles have not been included, or used to construct the completed product.

The House amendment simply requires that to the extent substantial components of the completed product can reasonably be identified, and procured from American manufacturers, this must be done.

The other matter which I should like to call to the attention of the Senate is the language of the labor provision in the House bill. On the surface, the language of the Senate version looks different from the House version, but a deeper analysis boils it down to one basic issue.

The Senate would have labor's rights under the bill protected by arrangements made by the HHFA Administrator in concurrence with the Secretary of Labor. The House would place the complete responsibility for this in the Secretary of Labor.

Now, Mr. President, I am sure we can find those who would support one or the other. However, in considering this matter, the House of Representatives had in mind the technicalities of labor legislation properly rested in the hands of the Secretary of Labor and not in the hands of the HHFA Administrator. Therefore, in considering this change, I, for one, feel this is a decided improvement, and I concur completely in the House action.

I will not take the time of the Senate to review the several minor differences between the two bills only to say that several of them were conforming changes made as a result of the deletion by the House of the bond guaranty section of the bill.

Beyond that, the House did not include several items which were in the Senate bill as a result of further study of these matters by the House Banking and Currency Committee which felt that many of these provisions were unnecessary and would be unduly restrictive in the administration of the program and that existing law and regulations would take care of matters of this sort.

For example, the Senate bill required the Administrator to approve a schedule of fares that would be economically sound and to watch over that schedule of fares to make sure that no change was made in it which would impair the economic soundness of the project. The House committee felt that the Administrator already had such authority and that the effect of the Senate provision would be to involve him too deeply into local affairs.

Mr. President, I believe that S. 6 as amended and passed by the House is a

good and effective bill, and I hope that the Senate will accept it.

EXHIBIT 1

URBAN MASS TRANSPORTATION BILL OF 1964—
DIFFERENCES BETWEEN H.R. 3881, AS
PASSED BY THE HOUSE AND S. 6, AS PASSED
BY THE SENATE

1. GUARANTEE OF REVENUE BONDS

The Senate bill (secs. 5 to 12) would authorize the Federal guarantee of up to \$375 million of transit revenue securities, issued by local public bodies but subject to Federal income taxation. The Administrator would be authorized to make grants or direct loans only where he determines that these guarantee provisions "would not provide the financial assistance required by the applicant." (Apparently, loan guarantees are intended to be used along with grants, in projects where such use will reduce the need for grants.) The guaranteed securities would have to be reasonably assurable of repayment from transit revenues, be amortized over not more than 40 years, bear whatever interest rate the market establishes, and be issued in connection with projects for which at least 25 percent of the "financing" is by "bonds and securities not guaranteed under this act."

To the extent that guaranteed securities would otherwise be in default, regular debt service payments to the security holders would be made from a Transit Revenue Bond Guarantee Fund. Appropriations to the fund would be authorized as needed to make such payments. The local public body issuing the defaulted securities would in turn give the fund a note, at an interest rate one-fourth higher than that of the defaulted issue, payable from any revenues available after all earlier issues had been retired.

The House bill contains no comparable provisions.

2. BUY AMERICAN PROVISIONS

The House bill (sec. 9(c)) would require that all "contracts for construction, reconstruction, or improvement of facilities and equipment" receiving loan or grant assistance shall provide for use only of "such manufactured articles as have been manufactured in the United States." The legislative history indicates that even component parts of articles are subject to the provision.

The Senate bill contains no comparable provision.

3. PROTECTION OF MASS TRANSPORTATION COMPANY EMPLOYEES

The House bill (sec. 10(c)) would require, as a condition to any assistance, that fair and equitable arrangements, as determined by the Secretary of Labor, be made to protect the interests of "affected" employees. These arrangements would have to include—(A) such provisions as are necessary for (1) preservation of rights, privileges, and benefits (including pension rights) under existing collective bargaining agreements or otherwise; (2) the continuation of collective bargaining rights; (3) the protection of individual employees against a worsening of their position with respect to their employment; (4) assurances of employment to employees of acquired systems and priority of reemployment of employees terminated or laid off; and (5) paid training or retraining programs; and (B) provisions (whether or not otherwise required under (A)) for protection of individual employees against loss of employment or reduction in pay which provide benefits at least equal to those established pursuant to section 5(a)(f) of the Interstate Commerce Act (which in effect assures that employees terminated or displaced from their old jobs will be assured of a continuation of their current wage-income for up to 4 years).

The Senate bill (sec. 19(c)) is substantially identical except that determinations

as to what are "fair and equitable" arrangements would be made jointly by the Secretary of Labor and the Housing and Home Finance Administrator, rather than solely by the Secretary.

Note.—Both bills also contain regular Davis-Bacon prevailing wage requirements (secs. 10 (a) and (b) in the House bill, and secs. 19 (a) and (b) in the Senate bill).

4. RESTRICTION ON ACQUIRING OR COMPETING WITH EXISTING PRIVATE COMPANIES

The Senate bill (sec. 3(b)(1)) would prohibit acquisition of the facilities or other property of a private mass transportation company, or the improvement of facilities acquired from such a company after the effective date of the act, unless (1) the company has been declared bankrupt or is in receivership, or (2) the requested assistance is essential to a program for the acquisition of facilities or property supplementary to those provided by an existing publicly owned or operated system.

Also, the Senate bill (sec. 3(b)(2)) would prohibit financial assistance for facilities or equipment to be used in competition with, or supplementary to, service provided by an existing private company unless the Housing Administrator finds that (1) such assistance is essential to the comprehensively planned transportation program for the area, and (2) the program provides for the maximum feasible participation of private companies.

The House bill (sec. 3(c)) would apply less strict requirements in cases involving acquisition or improvement. It would prohibit acquisition, improvement, competition, or supplementation unless the Administrator finds that (1) such assistance is essential to the comprehensively planned transportation program for the area; (2) the program provides for the maximum feasible participation of private enterprise; (3) just and adequate compensation, to the extent required by applicable State and local laws, will be paid to companies for acquisition of their franchises or property; and (4) the Secretary of Labor certifies that the project complies with the labor-protective provisions of section 10(c).

5. CONTROL OF FARES ON GRANT-ASSISTED PROJECTS

The Senate bill (sec. 13(c)) would require the Administrator to determine whether a proposed fare schedule was "economically sound" in his estimate of the "net project cost" of a grant-assisted project. If, while revenue obligations for such a project were outstanding, the approved schedule was changed and the Administrator determined that the change "will substantially reduce revenues * * * and lessen the chances for an economically sound operation," no assistance "under any law administered by the Housing and Home Finance Agency" could be granted for any project in "such (urban) area" until the Administrator determined that changes had been made to permit an economically sound operation.

The House bill contains no comparable provision, but contains a provision prohibiting the Federal regulation of rates, as explained in item 6 below.

6. PROHIBITION AGAINST FEDERAL REGULATION OF CHARGES OR OPERATIONS

The Senate bill (proviso in sec. 11) would prohibit the Administrator from regulating "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."

The House bill (sec. 9(f)) would specify that the Administrator is not authorized, after a grant is made, "to regulate in any manner the mode of operation of any mass transportation system with respect to which a grant is made under section 3 or, after such grant is made, to regulate the rates,

fares, tolls, rentals, or other charges fixed or prescribed for such system by any local public or private transit agency," but is authorized to require compliance with undertakings furnished by an assisted agency as part of its grant application.

7. MAXIMUM LOCAL TAX RELIEF FOR ASSISTED PRIVATE COMPANIES

The Senate bill (sec. 3(c)) would require that before a local public agency could obtain Federal financial assistance in assisting a private transportation company, it must first have "afforded the company every feasible relief, compatible with * * * [its] * * * own fiscal responsibilities, including, but not necessarily limited to," relinquishment of real and personal property taxes and franchise taxes.

The House bill contains no comparable provision.

8. DIRECT LOAN INTEREST RATE FORMULA

The Senate bill (sec. 3(e)) would change the formula for determining the rate of interest on funds borrowed from the Treasury to make mass transportation loans. The new formula would be based on the average yield of all outstanding marketable Government obligations of comparable maturities and would result in a lending rate from one-half to 1 percent higher, depending on the maturity of the issue, than in the present loan program.

The House bill (sec. 3(b)) would continue the Treasury borrowing formula presently applicable in the transportation loan program (and in the regular public facility loan program to which it is related, through the provisions of sec. 203 of the Housing Amendments of 1955). This formula is based on the average annual interest rate on all interest-bearing public-debt obligations, and presently produces a lending rate of 3½ percent.

9. STATE LIMITATION ON GRANT FUND

The Senate bill (sec. 18(f)) would limit the amount of capital grants per State to 12½ percent of the grant funds appropriated, plus up to an additional 1 percent from a 10 percent reserve fund. In applying this quota in the case of a project undertaken in two or more States, grants for the project could be allocated to any of the States involved.

The House bill (sec. 12) allows a straight 12½ percent to any State, but based on the aggregate grant authorization (\$375 million) rather than on the grant appropriation.

10. PROHIBITION AGAINST REPLACEMENT RESERVES

The Senate bill (fourth sentence of sec. 13(a)) would require that the Administrator, in "determining net project cost" for any assisted project, shall not reduce the estimate of project revenues "by any amount to be allocated as a reserve for replacement of equipment or facilities."

The House bill contains no comparable provision.

11. PARTICIPATION BY SMALL BUSINESSES

The Senate bill (sec. 18(b)) would require the Administrator to develop, in cooperation with Small Business Administrator, a program to insure that small business concerns are given an equitable opportunity to share in all procurement aspects of assisted projects.

The House bill contains no comparable provision.

12. ADVANCE ACQUISITION OF PROPERTY

The Senate bill (second sentence of sec. 3(a)) would authorize financial assistance "for land and improvements acquired or constructed" in advance of their expected use, if there is assurance of repayment where the property is not in fact used as proposed "within a reasonable period of time."

The House bill contains no comparable provision.

13. CONSULTATION WITH THE SECRETARY OF COMMERCE

Both the House and Senate bills contain requirements (sec. 8 and 17(a), respectively) that the Housing Administrator and the Secretary of Commerce shall consult on general urban transportation policies and programs and exchange information on proposed projects.

The Senate bill (sec. 17(a)) adds specific requirements for cooperation with respect to the planning, financing, and construction of proposed projects in urban areas, including advance acquisition projects.

14. CONSULTATION WITH THE INTERSTATE COMMERCE COMMISSION

The Senate bill (sec. 17(b)) would require the Housing Administrator to consult and cooperate with the Chairman of the Interstate Commerce Commission with respect to projects affecting interstate transportation.

The House bill contains no comparable provision.

15. PUBLIC AVAILABILITY OF DEMONSTRATION PROGRAM DATA

The Senate bill (sec. 15(d)) would require grant contracts for technological research and development to include provisions to assure that "all information, uses, products, processes, patents, and other developments" from the project will be freely available to the general public. Exceptions could be made "in the interest of the national defense," and existing "background patents" would also be protected.

The House bill contains no comparable provision.

16. DEFINITION OF MASS TRANSPORTATION

The Senate bill (sec. 18(d)(5)) in defining "mass transportation" would exclude "aircraft or steamship service (other than ferrying service)."

The House bill (sec. 9(c)(5)) in defining "mass transportation" would exclude "school buses."

17. MAXIMUM USE OF PUBLIC TRANSIT AGENCY FUNDS

The Senate bill (sec. 3(c)) would prohibit Federal assistance to a public transportation company which has any "division or segment of its operations * * * operating profitably" unless the Administrator determines that a transfer of those profits "would not be compatible with the maintenance of a coordinated mass transportation system in the area."

The House bill contains no such specific provision. However, a similar result would be reached under section 4(a), which would allow grants only for that portion of project cost which cannot be financed from revenues. Under this provision all available local transit revenues would be considered, including revenues already accumulated in the form of reserves or unallocated profits.

18. PROTECTION OF FEDERAL INVESTMENT IN GRANT PROJECTS

The Senate bill (fifth sentence of sec. 13(a)) would specify that the Administrator could make a grant for a transit project only if he determines that "(1) there exists a commitment from non-Federal sources to supply the remainder of 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 House bill contains no such specific provision. However, proper administration of the bill would in any case require that these conditions be met before grants are made.

Mr. SPARKMAN. I yield 3 minutes to the Senator from Connecticut.

Mr. DODD. Mr. President, today is an important day, I believe, because shortly we will vote on and I hope complete congressional action on an urban mass transportation bill.

The Senate approved its bill, S. 6, on April 4 last year. From that date, until only a few days ago it has been a very discouraging situation for me and my colleagues from States with a high percentage of urban population because it seemed that this legislation would not get through the House.

But the House last week approved an amended version of our bill, one which I think should be accepted by the Senate so that we will not waste any more time before coming to the assistance of our urban areas.

Some of the opponents of an urban mass transportation program contend that it is special legislation to benefit primarily a handful of States, including the State I represent, Connecticut.

Admittedly there is a great need for improved mass transit facilities and services in our large metropolitan areas and I would expect a substantial share of any Federal assistance under a mass transportation program to go to them. And I might point out that my State almost without exception contributes much more in Federal revenues than it receives under the various Federal programs. So perhaps it is about time that Connecticut gets a fairer share of one program anyway.

The program that is proposed in the bill now before the Senate is a broad and diversified one, however, which takes fully into account the particular needs of urban communities of all sizes, in all sections of the country. So I do not think it should be criticized as being more beneficial to some States.

Federal assistance can go to small and medium sized cities which want to provide adequate bus service to their residents, for example, to keep transportation development in pace with urban renewal and the rapid growth of suburbs.

In Connecticut, Hartford, New Haven, Bridgeport, New Britain, and other cities are presently trying to cope with these difficult, indeed in some cases staggering, transportation problems. Undoubtedly a number of them would want to apply for Federal guidance and assistance. But so would many other small and medium sized cities throughout the country.

Federal assistance under this bill can also go to large metropolitan areas, including those overlapping the borders of one or more States as New York City does.

Needless to say I am especially interested in this specific situation because the commuter problem is so acute in my State.

One of the primary reasons for the financial difficulties of the New Haven Railroad is the fact that running commuter trains into New York City is a losing proposition. But the New Haven must continue to do this, despite the assurance of financial loss each year, because thousands of people who live in Connecticut need and depend upon this transportation to get to work every day.

To illustrate what might be accomplished once an urban mass transportation program is put into operation, I would like to cite a project worked out several years ago by the Tri-State Transportation Committee, in which Connecticut, New Jersey, and New York participate.

The objectives of this plan was to link up commuter train service from outlying areas in Connecticut with the New York intracity rapid transit system, with the addition of passenger train service over an alternative route into a station in Queens from which commuters would be able to make connections with the subways to other parts of the city.

This particular plan may never come to fruition, Mr. President, but it shows the possibilities that will be open once the Federal Government is in a position to help defray some of the large expenditures needed for facilities and equipment.

The urban mass transportation bill, in addition to making grants and loans available to various kinds and sizes of urban areas, also offers a variety of methods under which this assistance can be extended.

If the need for assistance is urgent, a city can apply for a grant or loan under the emergency provisions of the bill.

In cases where a city has more time in which to evolve a coordinated mass transportation plan, it can apply for assistance under the long-range program and thereby qualify for a larger Federal matching contribution.

One more important category of assistance relates to research, development, and demonstration projects, each of which will be of value in increasing our knowledge and experience in the urban transportation field.

It is regrettable that the House did not agree to the Senate loan guarantee program. A Federal guarantee of mass transportation loans would add greatly to our efforts to help communities, in effect it would have just about doubled the number of situations in which some kind of Federal help is available, and I can well understand the dismay of a number of my colleagues over this change.

But if we do not take a firm step forward in dealing with our urban transportation problems today, and who can predict with any certainty that we will pass any legislation this year if the Senate insists on keeping the loan guarantee provision in the bill, for example, there will be a continued and even greater deterioration of commuter transportation facilities than we face at present, one with which we may be unable to adequately cope at a later date.

We cannot and should not avoid this problem of how to provide adequate mass transportation services at a reasonable cost any longer.

Seventy percent of the American people live in urban areas, so the future of these mass transportation systems is of great concern to the majority of our population right now.

And it is certain that an even larger percentage will live in metropolitan and

urban areas in the future. One reliable estimate is that 75 percent of a total population of 250 million will reside within urban areas by 1980.

Let us face up to our responsibilities to these people without further delay. I urge my colleagues to join with me in voting final congressional approval of this modest beginning.

Mr. SPARKMAN. Mr. President, I will yield back the remainder of my time, if the Senator from Texas will yield back the remainder of his time.

Mr. TOWER. We did, indeed, act on this bill before. I think it is wonderful, since we did not reject it earlier, that we have the opportunity to defeat the bill tonight.

I yield back the remainder of my time.

Mr. SPARKMAN. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Alabama to concur in the amendment of the House. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT (when his name was called). Mr. President, on this vote I have a pair with the Senator from Rhode Island [Mr. PELL]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. MUSKIE (when his name was called). Mr. President, on this vote I have a pair with the Senator from Massachusetts [Mr. KENNEDY]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. MANSFIELD (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withdraw my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from North Carolina [Mr. ERVIN], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Rhode Island [Mr. PELL] are absent on official business.

I also announce that the Senator from Indiana [Mr. BAYH], the Senator from California [Mr. ENGLE], and the Senator from Massachusetts [Mr. KENNEDY] are absent because of illness.

I further announce that the Senator from Oklahoma [Mr. EDMONDSON] is necessarily absent.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. EDMONDSON], the Senator from California [Mr. ENGLE], and the Senator from Minnesota [Mr. MCCARTHY] would each vote "yea."

*On this vote, the Senator from Montana [Mr. MANSFIELD] is paired with the Senator from Illinois [Mr. DIRKSEN]. If present and voting, the Senator from Montana would vote "yea," and the Senator from Illinois would vote "nay."

*On this vote, the Senator from Arkansas [Mr. FULBRIGHT] is paired with

*Live pair.

the Senator from Rhode Island [Mr. PELL]. If present and voting, the Senator from Arkansas would vote "nay," and the Senator from Rhode Island would vote "yea."

*On this vote, the Senator from Maine [Mr. MUSKIE] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Maine would vote "nay" and the Senator from Massachusetts would vote "yea."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. DIRKSEN], the Senator from Hawaii [Mr. FONG], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kansas [Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Delaware [Mr. WILLIAMS] is absent to attend the funeral of a friend.

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

On this vote, the Senator from Pennsylvania [Mr. SCOTT] is paired with the Senator from Hawaii [Mr. FONG]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Hawaii would vote "nay."

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

The result was announced—yeas 47, nays 36, as follows:

[No. 456 Leg.]

YEAS—47

Anderson	Hartke	Monroney
Bartlett	Hayden	Morse
Beall	Hill	Nelson
Bible	Humphrey	Neuberger
Brewster	Inouye	Pastore
Burdick	Jackson	Randolph
Byrd, W. Va.	Javits	Ribicoff
Cannon	Johnston	Russell
Case	Keating	Smathers
Church	Kuchel	Sparkman
Clark	Long, Mo.	Symington
Dodd	Long, La.	Talmadge
Douglas	Magnuson	Williams, N.J.
Gore	McGovern	Yarborough
Gruening	McNamara	Young, Ohio
Hart	Metcalf	

NAYS—36

Aiken	Hickenlooper	Moss
Allott	Holland	Mundt
Bennett	Hruska	Prouty
Boggs	Jordan, N.C.	Proxmire
Byrd, Va.	Jordan, Idaho	Robertson
Carlson	Lausche	Simpson
Cooper	McClellan	Smith
Cotton	McGee	Stennis
Curtis	McIntyre	Thurmond
Dominick	Mechem	Tower
Eastland	Miller	Walters
Ellender	Morton	Young, N. Dak.

NOT VOTING—17

Bayh	Fulbright	Pearson
Dirksen	Goldwater	Pell
Edmondson	Kennedy	Saltonstall
Engle	Mansfield	Scott
Ervin	McCarthy	Williams, Del.
Fong	Muskie	

So Mr. SPARKMAN's motion to concur in the House amendment was agreed to.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

REIMBURSEMENT TO OWNERS AND TENANTS OF CERTAIN LANDS OR INTERESTS

Mr. MANSFIELD. Mr. President, I move that the Senate turn to the consideration of Calendar No. 1068, S. 1509. But, before the bill is laid before the Senate, may I say that there will be no more votes this evening. There are only two bills to which there is no objection that will be brought up. Then the Senate will stand in adjournment, unless some other Senator wishes to speak.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1509), to authorize reimbursement to owners and tenants of certain lands or interest therein acquired by the United States for certain moving expenses, losses, and damages, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations with an amendment on page 4, line 2, after the word "Interior", to strike out "or (3) the Tennessee Valley Authority." and insert "(3) the National Aeronautics and Space Administration, or (4) the Tennessee Valley Authority."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as otherwise provided by this Act, whenever any land situated within any State, the District of Columbia, the Commonwealth of Puerto Rico or any possession of the United States, or any proprietary interest in any such land, is hereafter acquired by or on behalf of any executive agency by purchase, condemnation or otherwise, the head of that executive agency is authorized to reimburse the owners and tenants of such land or interest in land for any expense, loss, or damage directly and necessarily incurred by such owners or tenants in moving themselves, their families and their possession from such land to other places of residence or business to the extent that the head of such executive agency determines such reimbursement to be fair and reasonable. Such reimbursement may be in addition to, but not in duplication of, any payment to such owners and tenants otherwise authorized by law.

(b) The total reimbursement made under this Act to the owners and tenants of any parcel of land or interest therein shall in no event exceed 25 per centum of the fair value of such land or interest, as determined by the head of the executive agency making the payment.

(c) No payment under this Act may be made to any owner or tenant unless application therefor, supported by an itemized statement of the expenses, losses, and damages incurred, is submitted to the head of the executive agency within one year from (1) the date upon which the parcel of land or interest in land is to be vacated under agreement with the Government by the owner or tenant or pursuant to law, including, but not limited to an order of a court, or (2) the date upon which the parcel of land or interest in land involved is vacated, whichever first occurs.

SEC. 2. (a) The Administrator of General Services shall make such uniform rules and regulations as he determines to be necessary and proper to carry out the provisions of this

Act. The head of each such executive agency concerned shall perform such acts and issue such orders and directives as he deems necessary to carry into effect the rules and regulations issued by the Administrator under this section. The head of each such executive agency may delegate the authority conferred upon him by this Act, including authority to make determinations and decisions, to any officer or employee of that agency.

(b) The provisions of the Administrative Procedure Act (60 Stat. 237, as amended; 5 U.S.C. 1001-1011) shall have no application to functions performed under this Act, except that the requirements of section 3 of the Administrative Procedure Act shall apply to the performance of those functions.

SEC. 3. Funds appropriated or otherwise available to any executive agency for the acquisition of real property or any interest therein shall be available also for obligation and expenditure to carry out the provisions of this Act.

SEC. 4. As used in this Act, the term "executive agency" means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation, except that such term does not include (1) the Department of Defense or any military department thereof, (2) the Department of the Interior, (3) the National Aeronautics and Space Administration, or (4) the Tennessee Valley Authority.

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

The amendment was agreed to.

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

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1509) was ordered to be engrossed for a third reading, read the third time, and passed.

LOWER TETON DIVISION OF THE TETON BASIN PROJECT, IDAHO

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1069, Senate bill 1123.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 1123) to provide for the construction of the lower Teton division of the Teton Basin project, Idaho.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments on page 3, at the beginning of line 2, to insert "all"; in the same line, after the word "in", to strike out "southern"; on page 4, line 9, after "(a)", to strike out "The Secretary is authorized to amend contracts heretofore made under the Acts of September 30, 1950, supra, and of August 31, 1954, supra, whereby the water users assumed an obligation for winter power replacement based on the winter water savings program at the Minidoka powerplant to relieve the contractors ratably by one-third of that obligation, and to make new contracts under these Acts on a like basis." and insert "The Secretary is au-

thorized to amend contracts heretofore made under the Acts of September 30, 1950 (64 Stat. 1083), and August 31, 1954 (68 Stat. 1026), whereby the water users assumed on obligation for winter power replacement based on the winter water saving program at the Minidoka powerplant to relieve the contractors ratably by one-third of that obligation, and to make new contracts under these Acts on a like basis."; on page 5, after line 8, to strike out:

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

And, in lieu thereof, to insert:

SEC. 5. For a period of ten years from the date of enactment of this Act, no water from the project authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b) (10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

And, after line 23, to insert a new section, as follows:

SEC. 6. There are hereby authorized to be appropriated for the construction of the Lower Teton Division of the Teton Basin Federal Reclamation project \$53,000,000 (1963 prices) plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes and, in addition thereto, such sums as may be required to operate and maintain said unit.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to assist in the irrigation of arid and semiarid lands in the upper Snake River Valley, Idaho, to provide facilities for river regulation and control of floods, to utilize the hydroelectric power opportunities created thereby, to enhance recreation opportunities, and to provide for the conservation and development of fish and wildlife, and for other purposes, the Secretary of the Interior is authorized to construct, operate, and maintain the Lower Teton division of the Teton Basin Federal reclamation project. The principal engineering features of the said project shall be a dam and reservoir at the Fremont site, a pumping plant, powerplant, transmission facilities, canals and water distribution facilities, ground water development, and related facilities in the upper Snake River Valley, Idaho. In the construction, operation, and maintenance of the said project and project works, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof and supplementary thereto) and the project shall be operated consistent with the existing agreements as to storage rights in the Federal reclamation reservoirs in the upper Snake River Basin.

SEC. 2. The period provided in subsection (d) of section 9 of the Reclamation Project Act of 1939, as amended, for repayment of construction costs properly allocable to any block of lands and assigned to be repaid by the irrigators may be extended to fifty years, exclusive of a development period, from the time water is first delivered to that block,

or as near that number of years as is consistent with the adoption and operation of a repayment formula as therein provided. Costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to repay within a fifty-year period shall be returned to the reclamation fund from revenues derived by the Secretary from the disposition of power generated at all Federal projects in Idaho.

Sec. 3. (a) The Secretary is authorized as a part of the Lower Teton division to construct, operate, and maintain public recreation facilities including access roads, to acquire or to withdraw from entry or other disposition under the public land laws such adjacent lands or interests therein as are necessary for present and future public recreation use, and to provide for public use and enjoyment of the land and water areas of the project in a manner consistent with the other project purposes. The Secretary is authorized to enter into agreements with State or local public agencies or other public entities for the operation, maintenance, or additional development of project lands or facilities or to dispose of project lands or facilities to State or local agencies or other public entities by lease, exchange, or conveyance, upon such terms and conditions as will best promote their development and operation in the public interest for recreation purposes. The costs of the undertakings described in this section, including costs of investigation, planning, Federal operation, and maintenance and an appropriate share of the joint costs of the Lower Teton division, shall be nonreimbursable.

(b) The Secretary may make such reasonable provision in connection with the Lower Teton division as, upon further study in accordance with the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661 et seq.) he finds to be required for the conservation and development of fish and wildlife. An appropriate portion of the cost of the development shall be allocated to fish and wildlife as provided in said Act and it, together with the Federal operation and maintenance costs allocated to this function, shall be nonreimbursable and nonreturnable under the reclamation laws.

Sec. 4. (a) The Secretary is authorized to amend contracts heretofore made under the Acts of September 30, 1950 (64 Stat. 1083), and August 31, 1954 (68 Stat. 1026), whereby the water users assumed an obligation for winter power replacement based on the winter water saving program at the Minidoka powerplant to relieve the contractors ratably by one-third of that obligation, and to make new contracts under these Acts on a like basis. To the extent such annual obligations are reduced, the cost thereof shall be included in the cost to be absorbed by the power operations of the Federal power system in southern Idaho.

(b) No construction shall be undertaken on facilities of the Lower Teton division which are required solely to provide a full water supply to lands in the Rexburg Bench area until the Secretary has submitted his report and finding of feasibility on this phase of the division to the President and to the Congress.

Sec. 5. For a period of ten years from the date of enactment of this Act, no water from the project authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an in-

crease in production of such commodity in the interest of national security.

Sec. 6. There are hereby authorized to be appropriated for the construction of the Lower Teton Division of the Teton Basin Federal Reclamation project \$53,000,000 (1963 prices) plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes and, in addition thereto, such sums as may be required to operate and maintain said unit.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1127), explaining the purposes of the bill.

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

THE PROJECT

The Lower Teton division of the Teton Basin project is located in southeastern Idaho near the confluence of the Henry's Fork River and the Teton River, both tributaries of the Snake River. The division contains 151,400 irrigable acres of land of which about 114,000 acres are presently irrigated but needs supplemental water. The balance of 37,000 acres is presently dry land and will receive a full supply. This is the area that would be affected by the "surplus crop" amendment added to the bill by the committee.

The Lower Teton division will be developed in two stages, with facilities to supplement the water supply of the presently irrigated lands to be constructed under the initial stage. These facilities would consist of Fremont Dam, Reservoir, and powerplant on the Teton River, a conveyance system, and 40 ground water wells to supplement the available capacity of Fremont Reservoir. The second stage, consisting of works to serve the dry lands, is proposed for later construction.

The cost allocation as indicated in testimony before the committee was:

Cost allocation:	
Power	\$6,960,000
Irrigation	38,151,000
Repaid by water user.....	20,635,000
Repaid by power.....	17,516,000
Flood control.....	6,850,000
Fish and wildlife.....	913,000
Recreation	73,000
Total cost.....	52,947,000

Benefit-cost ratio, 100 years..... 2.3-1

At the hearings on the bill on March 3, 1964, it was testified that historically this area has been adversely affected by periodic periods of drought and flood. The need for stabilization was vividly exemplified when in 1961 the region was a drought emergency area and that 6 months later the same counties were declared a flood disaster area. Floods in 1961 and 1962 caused hundreds of thousands of dollars in damage to homes, buildings, roads, bridges, and utilities as well as the land itself. Proper controls on these streams as envisaged in the project proposal would have stored these waters in the spring and made them available for irrigation during the late summer and early fall months when historically water is in short supply.

Further testimony before the committee indicated that the movement for the creation of the Teton Dam and Reservoir commenced more than 30 years ago when Dr. Meade, then Commissioner of Reclamation, made a survey of the Teton project. The disastrous flood of

February 1962 dramatically reemphasized the need for the construction proposed and resulted in the completion of the feasibility report by the Bureau of Reclamation that has formed the basis for consideration of the measure by the committee.

The project proposal has the unanimous endorsement of all Idaho agencies including that of the congressional delegation and the office of the Governor.

COMMITTEE DISCUSSION

The measure was considered at length by the full Interior and Insular Affairs Committee in executive session.

The committee accepted several of the amendments that had been proposed by the Department of the Interior, but rejected the recommendation that the source of financial assistance to repay that portion of the costs that is beyond the ability of the irrigator to repay should be charged to the entire Bonneville power system.

The committee intends to schedule hearings at an early date when the entire matter of establishing a Columbia Basin account can be explored in depth. In the meantime it was the committee's decision that authorization of worthwhile projects should not be delayed until this determination can be made.

Mr. JORDAN of Idaho. Mr. President, I am a cosponsor of a bill for this same purpose in the Senate. This proposal is truly a multiple-purpose project with flood control, supplemental irrigation, recreation, and power generation as features. It has the full support of the people of Idaho. The Governor and the State legislature have both given it complete endorsement.

In years of a heavy snowpack or where sudden spring thaws or exceptional early spring rains occur, the fast runoff from this drainage causes disastrous flood damages to the farms and towns downstream. These floodwaters are badly needed later in the season for irrigation and should be stored for such use. As an example, in the summer of 1961, the two counties, Fremont and Madison, where the project will be located, were declared in a drought emergency area but within 6 months, in February of 1962, floods from these same streams necessitated a designation of the same counties as a flood disaster area.

A development of multiple-purpose programs such as this which stabilizes our upstream watersheds constitutes the highest type and the most economical of all of our conservation efforts. It will pay out all costs within a reasonable period of time and will add immensely to the total economy of our State.

This is proposed on a two-phase operation. The first would consist of the Fremont Dam, reservoir, and powerplant. The dam will be 310 feet high with a 315,000-acre-foot reservoir and the powerplant will have an installed capacity of 22,000 kilowatts. This storage provides supplemental irrigation water for some 114,000 acres in the Fremont-Madison Irrigation District.

The second phase of the project will not be constructed at this time until some water exchange proposals can be worked out. When completed a second phase of the project will have a 30-mile pump canal and a 28-mile gravity canal with the appurtenant works and about

100 ground water wells for irrigation at certain times when surface supplies are inadequate.

The Teton River is an excellent trout fishing stream and plans have been made to protect that sport to the fullest possible extent in this program. Water sports such as water skiing and swimming, also picnicking and camping all contribute recreational facilities so the full use of this beautiful spot near Yellowstone Park and the Grand Teton Mountains may be thoroughly enjoyed.

We find that in most of these high mountain valleys such as this basin, there is usually an excellent climate, rich mountain loam soil capable of producing fine crops, particularly alfalfa hay, potatoes, and feed grains. Most of these crops are not in surplus and are used in connection with the abundant forage which is grown in the adjoining mountains and used for the production and feeding of beef cattle, sheep, and dairy animals. With irrigation a stable productive economy will be built.

An early and proper stabilization of these watersheds is not only important to the local economy but to all of the farms, towns, and cities along the principal rivers all the way to the Pacific Ocean.

It is my wish that you as members of this subcommittee will give full and favorable consideration to this very worthwhile project so it may be developed before more disastrous floods or destructive droughts occur.

Mr. CHURCH. Mr. President, I join with my distinguished colleague in strongly recommending this bill to the Senate. In doing so, I express my appreciation to the Interior and Insular Affairs Committee of the Senate, as well as the Subcommittee on Reclamation and Irrigation, for the speedy consideration that has been given this measure, for the prompt report to the Senate itself, which makes it possible for us to ask the approval of the Senate today for this most important Idaho project.

During the past 3 or 4 years, this region of my State has been subject to great fluctuations of alternating drought and flood. The floods have been the worst experienced in the history of the State. The droughts have also occasioned the need to declare a public emergency, and to seek sizable Federal aid. The Lower Teton Dam would help to correct both problems. By adding to the total storage capacity in our upstream reservoirs, it would help to protect against the problems of drought. Giving us our first effective flood control project on the Teton River would help greatly to ameliorate the hardship occasioned by these serious floods.

I do not know of a single river development project which has enjoyed such universal approval as this has. In recent years, our efforts to secure needed projects in Idaho have been burdened with controversy, and though the Senate has approved such worthy projects as Hells Canyon Dam and Burns Creek Dam, and though I personally have supported these projects, believing them to be in the public interest, nevertheless,

the House of Representatives has not seen fit, thus far, to concur. Consequently, water development in southern Idaho has been stalemated for a number of years.

Happily, the Teton project is not fraught with this kind of controversy. It is a multiple-purpose project with benefits of flood control and irrigation, as well as the production of a modest amount of power, though little more than necessary for the needs of the project itself. Ultimately, it will not only mean supplemental irrigation water for land now being irrigated with an insufficient supply, but it will bring new land under irrigation as well. Thus, it unquestionably meets the criteria for multiple purpose development, so well established under our reclamation laws.

I am pleased to say that this project has the endorsement of the business community, the farm community, and the irrigation districts. It has been supported by my colleague, and it has enjoyed bipartisan support in the Senate. It has the approval of the Governor of the State and of both our Representatives in Congress. I know of no important group in Idaho that has taken a stand against it.

So, Mr. President, I urge the Senate to pass the bill. I do so in the hope that our action now may make it possible to secure the approval of the House of Representatives in this session. If that can be done, the comprehensive development of Idaho's water resources in the Upper Snake River Basin can commence again, and the future of our State, through the full utilization of our water, will be better assured.

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

The amendments were agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1123) was passed.

Mr. CHURCH. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JORDAN of Idaho. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMOVAL OF BILL FROM CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 909, the bill (S. 1790), a bill to amend the Watershed Protection and Flood Prevention Act, as amended, be taken off the calendar because the bill was passed by the Senate several days ago.

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

AUTHORIZATION FOR THE SENATE TO RECEIVE MESSAGES FROM THE HOUSE AND FOR THE ACTING PRESIDENT PRO TEMPORE TO SIGN BILLS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, notwithstanding the adjournment or recess of the Senate today, the Secretary may receive messages from the House, and the President pro tempore or the Acting President pro tempore be authorized to sign bills and joint resolutions duly passed by the two Houses and found truly enrolled.

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

GOVERNMENT EMPLOYEES SALARY REFORM ACT OF 1964

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1063, the bill H.R. 11049, and that the bill be laid before the Senate and made the pending business.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11049) to adjust the rates of basic compensation of certain officers and employees in the Federal Government, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service, with an amendment, to strike out all after the enacting clause and insert new language.

"BLUNT WARNING BY 40 EARS"—MICROPHONES IN U.S. EMBASSY IN MOSCOW

Mr. PROUTY. Mr. President, the 40 microphones planted 10 years ago in our Embassy in Moscow by the Kremlin is a disaster for the American people and for the nations of the West. Most civilized people will consider this newly discovered, long-range thievery to be as bad as Stalin's theft of our atomic secrets soon after the so-called end of World War II, for it is a certainty that Khrushchev's line of peaceful coexistence now reveals itself to be a fraud based on conspiracy and deceit.

It is therefore heartening to read in the Washington Post and in the New York Times on May 25, 1964, a careful analysis of this latest piece of Communist perfidy, whereby vital U.S. diplomatic, military, and scientific secrets were stolen from us during those 10 fateful years.

Authored by Mr. A. N. Spanel, the founder of International Latex Corp., and presented by the company in paid newspaper space, as a public service, this editorial-advertisement, which is entitled "Blunt Warning by 40 Ears,"

should be carefully studied by foreign ministers and their staffs and by ambassadors and their assistants throughout the whole free world, with our own foremost among them.

I submit that Mr. Spanel and his corporation have again demonstrated, as in the past 25 years, their extraordinary patriotism and citizenship on behalf of our country and our allies; and for this they deserve highest recognition everywhere.

Therefore, I ask unanimous consent that the article by Mr. Spanel be printed in the body of the RECORD.

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

BLUNT WARNING BY 40 EARS

(By A. N. Spanel, founder-chairman, International Latex Corp.)

Perfidy has been for so long a fixed element in the record and reputation of Soviet Russia that it has lost most of its earlier power to shock and anger its victims. Kremlin duplicities are by now accepted calmly, almost as if they represented a natural phenomenon.

Only that can explain the complacency with which the American public has received the State Department announcement that 40 microphones have been dug out of the walls of the U.S. Embassy in Moscow. But it is an ominous piece of news, one which we would do well to take seriously and ponder deeply.

The real danger is that, in our current eagerness to swallow Khrushchev's peaceful coexistence line, we may treat this latest evidence of Kremlin treachery too lightly—that we may ignore the grim warning it packs, for fear of disturbing the consolations of wishful thinking and self-delusion.

The discovery of the "bugging" of our Embassy, on a scale and for a duration without precedent even in the annals of Communist deceit, could be a blessing in disguise if it served to end the soporific myth that communism has changed its nature. It could be a reminder, perhaps in the nick of time, that the Red leopard, for all of Khrushchev's purring and meowing, hasn't turned into a pussycat.

WE HAVE BEEN WARNED

But if the reminder goes unheeded, if it does not compel us to reappraise the beguiling coexistence formula, we shall find ourselves more inextricably in the Soviet trap for America and the free world. We shall then be set up for another Pearl Harbor, this time of the nuclear variety.

Commonsense is our guarantee that if the Kremlin, for over 10 years has been eavesdropping on our Embassy staff, as well as on the conversations of visiting military men, scientists and foreign diplomats, Khrushchev has been playing diplomatic poker with us, with marked cards. Unfortunately the stakes in this game are nothing less than the future, the very survival, of America and the Western civilization of which it is a part.

Only the naive, the blind and the Communist-infected will minimize and wish away this decade-long exercise in treachery. It is their kind who once explained, in tones cultured and raucous, that we could do business with Hitler if only we "tried to understand the wave of the future."

The same voices are again being heard, pleading every imaginable argument with instant optimism dished up to whet our appetites for lucrative trade. There are, alas, too many in our Western World not only willing but eager to barter principles for the mirage of commerce with Communists, though a third of mankind is already in the bloody

claws of Red tyranny. Under the spell of suicidal greed they close their eyes to the Kremlin's record of broken treaties. They forget that Moscow still refuses to pay even part of the \$11 billion it owes the United States in war debts; on the contrary, they actually countenance plans for huge credits to the Communist lands.

WORLD AWAITS U.S. RESPONSE

The immediate question, of course, is what to do about this new proof of Soviet betrayal. First things first, it would probably be the best part of wisdom to dismantle the U.S. Embassy building in Moscow brick by brick. Our staff must be assured the privacy to which an Embassy is entitled by international law, tradition and civilized behavior. We might then build a new Embassy with clear American glass bricks, not on the present site but on the original plot of ground on Manezh Square from which our Embassy was ousted by Stalin in 1952. (It is noteworthy that at the time, the British Embassy was determined not to be budged, and they weren't.) Beyond that, our course in policy vis-a-vis the Kremlin must be geared to firmness based on a realistic understanding of the immoral essence of communism.

We have a useful precedent for firmness in an episode on March 23, 1962, between Soviet Russia and France. On March 18 France was negotiating the Evian agreements with the FLN, recognizing Algeria's independence on condition that the natives of that French territory would confirm by referendum that the majority desired it as the FLN claimed. General de Gaulle declared that if any nation recognized the FLN as speaking for a sovereign Algeria before such a referendum took place, it would risk a break of relations with France.

Moscow violated this reasonable stipulation by recognizing the FLN only 5 days later though the referendum had not yet taken place. In retaliation for this piece of arrogance, General de Gaulle at once recalled his Ambassador, Mr. Dejean, from Moscow and on March 23 demanded that Soviet Russia recall its Ambassador from Paris. One week later Mr. Vinogradov, the Soviet Ambassador, left France and was not permitted by General de Gaulle to return to his post until July 28, after the Algerian referendum had already taken place.

FIRMNESS, NOT DISUNITY

From that day until this, Khrushchev has behaved most respectfully toward France and its determined head of state, while he has not hesitated to vilify the United States, Germany, and England. For he knows that he can get away with any obscene method of downgrading and degrading us before the whole of mankind. Indeed, he has gotten away with much, much more than that.

Recently we had occasion to write in these columns that, inspired and supported by the Kremlin, "a Communist fortress, Cuba, stands at the very doorstep of our own country and serves as the staging area for the spread of the new barbarism to the entire American Hemisphere." Then we went on to say:

"The African Continent, having largely become independent, is racked by horrifying tribal warfare and many of the new countries are subjected to despotisms far worse than the worst exploitations of the colonial past. From Zanzibar to Ghana the agents of communism prow for prey amidst the chaos. A Communist-armed and Communist-oriented Indonesia reaches out for empire in the South Pacific. India, as a reward for its naive neutralism, is menaced by Red China; and Pakistan, once a staunch ally against communism, finds comfort fishing in Communist waters. Nasser brazenly works both sides of the street yet our dollars continue to feed his sinister war machine and power-mad ambitions.

"The inventory of dissolution and defeat could be extended without end. The frontiers of freedom are shrinking and violence has the right-of-way. Yet the nations of the West are more disunited than ever, openly putting commercial profit above common purpose. Not only have our alliances been weakened but the objectives for which they were formed are fading from memory.

"Indeed, the free world could be competing for its own destruction under banners of nationalism which in essence reiterate the sick pronouncement made a century ago by a European statesman: 'We have no perpetual allies and we have no perpetual enemies, our interests are perpetual.'

"The very nations which thought they could do business as usual with Hitler are rushing to do business as usual with the Khrushchevs and Maos and Castros. The lessons of such recent history have been lost upon them. Those who thought they could buy peace by appeasing the Nazis—thereby making war inevitable—now unashamedly beg for the privilege of appeasing the Communists.

"Political leadership today," we ventured to warn, "is falling mainly because we have lost the compass of principle and are eager to compromise with evil."

The discovery of those 40 "ears" should bring the free world back to its senses, and especially our own country as its last bastion. Just as the microphones were built into the Embassy walls, perfidy is built into the Communist code of conduct; and the determination to bury us is built into the Communist ideology.

(Presented as a public service by International Latex Corp., 350 Fifth Avenue, New York, N.Y.)

NINETEENTH ANNUAL CONVENTION OF NATIONAL SECRETARIES ASSOCIATION

Mr. MORSE. Mr. President, although I was graciously scheduled to attend and speak before the 19th Annual National Secretaries Association Convention, in the Sheraton-Park Hotel, in Washington, on the evening of July 7, Senate duties unfortunately require me to be out of town on that date. Nevertheless, I feel that my colleagues should have the benefit of the information available to me in regard to this convention.

The National Secretaries Association—International—is the largest organization of business women in one profession in the world. Presently, there are 24,000 members in 550 chapters. There are chapters in all 50 States of the United States, 14 chapters in the Canadian Division, chapters in Mexico and Puerto Rico, and affiliate chapters in Finland and Panama.

The NSA was founded in 1942, to establish and improve secretarial standards. It is nonprofit, nonunion, nonpartisan, and nonsectarian, and is dedicated to a continuous program of education and professional improvement for all its members. The NSA sponsors the program for Certified Professional Secretaries—CPS, and promotes the designation of CPS as the recognized standard of proficiency in the secretarial profession. The NSA also sponsors the Future Secretaries Association, to help students prepare for business and particularly for secretarial work.

The convention will begin July 7, with an Open House, on Thursday evening,

at which the international officers of NSA will be presented by U.S. Senators from their home States and by representatives of the New Zealand and Canadian Embassies. The U.S. legislators include the Senator from Washington [Mr. JACKSON], the Senator from New York [Mr. JAVITS] and the Senator from Ohio [Mr. YOUNG]. Had I been able to attend, it would have been my honor to present the international president of the National Secretaries Association, Mrs. Hazel A. Kellar, of Portland, Oreg.

The business part of the convention will start on Wednesday morning, July 8, at the Sheraton-Park Hotel, with the official theme of "Knowledge: Passport to Understanding." Rev. Frederick Brown Harris, Chaplain of the U.S. Senate, will deliver the first invocation; and Dr. Albert Burke, scientist, economist, world affairs and TV lecturer, will deliver the keynote address, entitled "Education for What?" Approximately 1,500 delegates, alternates, and members of the NASA will attend the convention.

Once more, I express my disappointment at not being able to attend the convention. I wish the NSA the greatest success with its convention.

MESSAGE FROM THE HOUSE— ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 11376) to provide a 1-year extension of certain excise-tax rates, and for other purposes, and it was signed by the Acting President pro tempore.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to, and (at 7 o'clock and 24 minutes p.m.) the Senate took an adjournment until tomorrow, Wednesday, July 1, 1964, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, June 30, 1964:

COMMODITY CREDIT CORPORATION

John A. Schnittker, of Kansas, to be a member of the Board of Directors of the Commodity Credit Corporation.

RAILROAD RETIREMENT BOARD

Arlon E. Lyon, of California, to be a member of the Railroad Retirement Board for the term of 5 years, from August 29, 1964. (Reappointment.)

CONFIRMATION

Executive nomination confirmed by Senate, June 30, 1964:

U.S. DISTRICT JUDGE

Dorwin W. Suttle, of Texas, to be U.S. district judge for the western district of Texas.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 30, 1964

The House met at 12 o'clock noon.

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

Psalm 34: 3: O magnify the Lord with me and let us exalt His name together.

Almighty God, whose inspiration and help are the supreme needs of our life, grant that we may be conscious of Thy all-pervading presence and sustaining power as we encounter the bewildering problems of each new day.

We pray that Thou wilt expand and enlighten our minds and hearts that they may be large enough to understand and comprehend Thy will and Thy love.

Guide the Members of this legislative body by Thy spirit as they take counsel together for the common good of all mankind and may we mobilize every moral and spiritual resource in behalf of a finer civilization.

Inspire us to believe in a social order in which men everywhere shall join hearts and hands in a great cooperative effort to establish peace and good will among men.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Jones, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 9, 1964:

H.R. 1382. An act for the relief of John Gatzopl Overbeck and Mary Gatzopoulos Overbeck; and

H.R. 11201. An act making deficiency appropriations for the fiscal year ending June 30, 1964, and for other purposes.

On June 11, 1964:

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

H.R. 7757. An act for the relief of Jesse I. Ellington;

H.R. 8222. An act for the relief of Edward J. Maurus;

H.R. 8348. An act for the relief of Mrs. Faye E. Russell Lopez;

H.R. 8532. An act for the relief of Ivan D. Beran;

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

H.R. 8936. An act for the relief of Leonard M. Dalton;

H.R. 9475. An act for the relief of Miss Grace Smith, and others; and

H.R. 10078. An act for the relief of Philip N. Shepherdson.

On June 12, 1964:

H.R. 1727. An act for the relief of Richard G. Green, Jr.;

H.R. 5305. An act for the relief of Dr. Ernest P. Imlie;

H.R. 5571. An act for the relief of Noble Frank Smith and his wife, Viola Smith;

H.R. 10774. An act for authorize the disposal, without regard to the prescribed 6-month waiting period, of cadmium from the

national stockpile and the supplemental stockpile; and

H.J. Res. 889. Joint resolution commemorating the golden anniversary of the Naval Air Station, Pensacola, Fla., and authorizing the design and manufacture of a galvano in commemoration of this significant event.

On June 13, 1964:

H.R. 7332. An act granting the consent of Congress to a further supplemental compact or agreement between the State of New Jersey and the Commonwealth of Pennsylvania concerning the Delaware River Port Authority, formerly the Delaware River Joint Commission, and for other purposes.

On June 24, 1964:

H.R. 1887. An act for the relief of Chang In Wu; and

H.R. 8964. An act for the relief of Diedre Regina Shore.

On June 25, 1964:

H.R. 9934. An act to authorize the construction of a dam on the St. Louis River, Minn.; and

H.R. 10465. An act to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders.

On June 29, 1964:

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

H.R. 9220. An act for the relief of Elisabete Maria Fonseca;

H.R. 9720. An act authorizing a study of dust control measures at Lon Island, Port Isabel, Tex.;

H.R. 9964. An act to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments;

H.R. 10463. An act to continue until the close of June 30, 1965, the existing suspension of duties for metal scrap;

H.R. 10537. An act to continue for a temporary period the existing suspension of duty on certain natural graphite;

H.R. 11375. An act to provide, for the period ending June 30 1965, a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act; and

H.J. Res. 1056. Joint resolution making continuing appropriations for the fiscal year 1965, and for other purposes.

MESSAGE FROM THE SENATE

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

H.R. 9876. An act to amend the Juvenile Delinquency and Youth Offenses Control Act of 1961 by extending its provisions for 2 additional years and providing for a special project and study; and

H.R. 10314. An act to further amend the Federal Civil Defense Act of 1950, as amended, to extend the expiration date of certain authorities thereunder, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2434. An act to amend section 560 of title 38, United States Code, to permit the payment of special pension to holders of the Congressional Medal of Honor awarded such medal for actions not involving conflict with an enemy, and for other purposes; and

H.R. 10053. An act to amend section 502 of the Merchant Marine Act, 1936, relating to construction differential subsidies.