secure Israel can be shrugged off by reliance on procastination and platitudes.

Nasser of Egypt, as I see it, is determined to revive the sweeping empire of Saladin. He wants this new conglomeration of states to stretch from Turkey around the Mediterranean to the Straits of Gibraltar. He hasn't actually come out and said so, of course. But I have no doubt, in the Egyptian archives, there is a blueprint of infiltration and conquest with deadlines worked out and strategy detailed.

Nasser's whole attitude points to this. He has imported foreign rocket experts and is building up Egypt's missile capability. He has acquired, from the Soviet Union, ships capable of firing ship-to-shore missiles. He is developing rocket power.

This threat to our friends in Israel is continually being brushed off—brushed under the foreign policy rug would perhaps be a better way of expressing it.

While we continue to drift, the menace of a hot war in the Middle East grows apace. It is time we adopted a firm policy. Only a firm policy—only some forthright statements of intent—will cool down the rising tempers of the Middle East. For instance, we have not yet come out and stated—not in so many words—that we consider the water of the Jordan River essential to Israel's continuing growth. I know that we side with Israel on this question and will resist any attempt to sabotage this magnificent effort.

But, without a firm statement from us, that one question alone, could set the Middle East ablaze.

I do believe—that if the tragedy should occur—we would go to Israel's assistance. But now is the time to act. Now is the time to prevent it. Now is the time to make crystal clear what our position is.

It is high time for our Government to pull the fuse out of the Middle East powder keg. It is the task of all of us to do what we can to stimulate our Government officials to view the plight of Israel with at least the same alarm that they view Indonesia or the Berlin wall. Actually, in my opinion, the danger of war in the Middle East is greater and more immediate than our Government officials realize.

Perhaps Attorney General Kennedy might stop off there on his way home. It would at least show Nasser how deeply we are concerned. It would certainly give him pause.

It seems to me, in our Middle Eastern foreign policy there exists what I call the interpretation gap. I mean the gap between what our policy actually is and how other nations interpret it to be.

In other words, we do so much hemming and hawing, other nations just don't believe we mean what we say. When we do act, they are taken completely by surprise and behave as though we were to blame for confusing the issue.

This saying one thing and meaning another reminds me of a story going the Washington rounds.

A young and attractive schoolteacher decided to get married rather hurriedly. There was some question as to whether she could get away for a honeymoon until a girl friend came to her rescue and offered to act as substitute for the couple of weeks the bride and groom were away.

On the newly married couple's return, a welcome-home party was given them. At this party someone started to introduce the husband to the girl who had acted as substitute. "Oh," he interrupted, "I know Miss Jones very well. She substituted for my wife on our honeymoon."

That story is a more apt illustration of our Middle East policy than appears on the surface. We do not intend to deceive. I do not think that we are deliberately saying one thing and meaning another. We just don't seem to be able to say what we really mean—to convince other nations that, under certain given circumstances, we do mean business.

I am sure that our diplomats are the most truthful, the most straightforward in the world. But for some reason a lot of foreign nations don't count on what they say. Which reminds me of the middle-aged husband who called his youngish wife to say that he wouldn't be home till late. "Can I count on that?" she asked him.

The people of Israel as well as the Arabs may be confused by our attitude. On the one hand, they know that America has traditionally been a friend and supporter of Israel.

They know how much American Jews have done and are still doing to build Israel. I think in their hearts they are convinced that America will not let them down. But they can't understand why America won't come right out and say so. Surrounded, as they are, by enemies on every hand they are naturally fearful of our 11th-hour diplomacy.

As a result of the uncertainty and doubt about U.S. intentions, Israel has had to build up its own military resources against possible aggression. I don't think I'd be far wrong in saying probable aggression.

The threat of encirclement is very real to Israel. The Israelis are understandably nervous and apprehensive. The slightest Arab action could trigger Israeli reaction—could result in open war. This is a very unhealthy state of affairs. And, as I see it, the remedy is obvious. We must not wait until the bombers are assembled, the missiles focused with warheads set, before we make our position clear—100 percent clear. We must act while the initiative is still in our hands.

Therefore I believe three steps should be taken without delay:

1. A direct and forthright statement should be made by the President that America is determined to maintain Israeli independence—and block any threat to that nation's independence.

2. The U.S. Government should join with England and France in a tripartite guarantee of Israel.

3. The President—just as the Pope has done—should consider paying Israel a state visit.

A visit by the President would do two things. It would be a symbol to the Israelis, of our country's interest and concern. It would be a hands-off warning to the Moslem nations. It would be a convincing gesture, to say the least of it. So far, we have obviously not been convincing enough to Nasser and his bully-boys that we do—in the last resort—mean business.

I have long contended that we should go one step further where Nasser is concerned and cut off his foreign aid, until he stops spending huge sums on military supplies and equipment.

Nasser—according to the best information available to me—spends some $428 million annually on his armed forces. It would be a very pointed gesture to him and one he would certainly understand, if we cut his foreign aid until this investment in armaments was channeled into projects of much more importance to the Egyptian people and less danger to world peace.

We know that Israel, by her very existence, is a showcase to less fortunate peoples of what a free government can achieve. We know that Israel has shown itself to be a laboratory of progress—an island of dynamic achievement to the countries around her.

It is my firm conviction that Israel will stand—will remain a firm rock in the surrounding turbulence—will be a proud bastion of free government against which Nasser and his ilk will crash in vain.

Let Nasser dream his nightmarish dreams. Israel achieves, Israel builds, Israel reclaims. The Middle East is a better place, a more civilized place, because Israel gained free and independent nationhood.

Finally, let me thank you again from the bottom of my heart for your generosity to me in making this award which I shall always cherish.

SENATE

THURSDAY, FEBRUARY 27, 1964

(Legislative day of Wednesday, February 26, 1964)

The Senate met at 12 o'clock meridian, on the expiration of the recess, 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:

O Thou God of all nations and of all races, who has made of one blood all men to dwell on the face of the earth, send out Thy light and Thy truth; let them lead us, let them bring us to Thy holy hill.

Cleanse Thy servants who here serve the public welfare from secret faults which may mar their public service knowing that we cannot call mankind to put aside the weapons of carnage if our own lives are blighted by impurity and are arsenals of hatred and of a selfish passion to rule. Make us all, we beseech Thee, vividly conscious of some freedoms which we may not exercise—the freedom to be self-indulgent; the freedom to satisfy our selfish greed, and leave others in need; the freedom to be soft, cynical, and self-centered; the freedom to criticize others, without accepting change in ourselves.

May Thy kingdom of love and righteousness come within us, that we may contribute worthily to mankind's abiding peace.

We ask it in the Name which is above every name. Amen.

THE JOURNAL

On request by Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 26, 1964, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 10051) to amend Public Law 86–272, as amended, with respect to the reporting date, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 10051) to amend Public Law 86–272, as amended, with respect to the reporting date, was read twice by its title and referred to the Committee on Finance.

TRANSACTION OF ROUTINE BUSINESS

On request by Mr. MANSFIELD, and by unanimous consent, it was ordered that there be a morning hour, with statements therein limited to 3 minutes.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON EXPORT CONTROL

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on export control, covering the fourth quarter of 1963 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

A letter from the Acting Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report on the progress of the liquidation activities of Reconstruction Finance Corporation, as of December 31, 1963 (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, TO GIVE THE FEDERAL COMMUNICATIONS COMMISSION CERTAIN ADDITIONAL AUTHORITY

A letter from the Chairman, Federal Communications Commission, Washington, D.C., transmitting a draft of proposed legislation to amend the Communications Act of 1934, as amended, to give the Federal Communications Commission certain additional regulatory authority over communications common carriers (with accompanying papers); to the Committee on Commerce.

REPORT OF U.S. TARIFF COMMISSION

A letter from the Chairman, U.S. Tariff Commission, Washington, D.C., transmitting, pursuant to law, a report of that Commission, for the fiscal year ended June 30, 1963 (with an accompanying report); to the Committee on Finance.

AMENDMENT OF TITLE 39, UNITED STATES CODE, TO PROVIDE A REDUCED RATE FOR AIR PARCEL POST HANDLED BY MILITARY POST OFFICES

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend title 39, United States Code, to provide a reduced rate for air parcel post handled by military post offices (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Alaska; to the Committee on Commerce:

"HOUSE JOINT RESOLUTION 33 OF THE STATE OF ALASKA URGING CONGRESS TO APPROVE THE 1965 COAST GUARD CONSTRUCTION PROGRAM IN ALASKA

"Be it resolved by the Legislature of the State of Alaska:

"Whereas the President of the United States has asked the Congress for a Coast Guard facilities construction program during fiscal 1965 in the amount of $1,858,000; and

"Whereas the proposed construction program includes family housing units and support facilities at Annette Island; maintenance facilities at Ketchikan; and the replacement of the runway at the Coast Guard loran station on Sitkinak Island; and

"Whereas these facilities are needed for the effective continuation of the Coast Guard's important mission in Alaska: Be it

"Resolved, That the Congress is requested to give early and favorable consideration to the President's request for the Coast Guard construction program in Alaska during fiscal 1965; and be it further

"Resolved, That copies of this resolution be sent to the Honorable Lyndon B. Johnson, President of the United States; the Honorable Carl Hayden, President pro tempore of the Senate; the Honorable John W McCormack, Speaker of the House of Representatives; the Honorable Clarence Cannon, chairman of the House Appropriations Committee; the Honorable Wilbur D. Mills, chairman of the House Ways and Means Committee; the Honorable Harry F. Byrd, chairman of the Senate Finance Committee; and the members of the Alaska delegation in Congress.

"Passed by the house February 8, 1964.

"BRUCE KENDALL,
"Speaker of the House.

"Attest:

"PATRICIA R. SLACK,
"Chief Clerk of the House.

"Passed by the senate February 17, 1964.

"FRANK PERATROVICH,
"President of the Senate.

"Attest:

"EMILY K. STEVENSON,
"Secretary of the Senate.

"WILLIAM A. EGAN,
"Governor of Alaska."

The petition of Jisho Ikehara, speaker of the Municipal Assembly, of Misato-son, Okinawa, Ryukyu Islands, relating to the settlement of claims arising before the signing of the Japanese peace treaty; to the Committee on Armed Services.

A petition signed by Kotaro Yamashiro, mayor, and Koshin Yoza, chairman, Council of Mandatories To Acquire Compensation for Damages Prior to Peace Treaty, both of the municipality of Urasoe-son, Japan, relating to the solution of the problem of pretreaty claims; to the Committee on Armed Services.

The memorial of C. S. Shinn, of Spray, N.C., relating to the recently enacted tax reduction bill; to the Committee on Finance.

A resolution adopted by the City Council of the City of Elizabeth, N.J., favoring the issuance of a tercentenary stamp commemorating the city of Elizabeth as the first capital of the State of New Jersey; to the Committee on Post Office and Civil Service.

The memorial of Amalie Koehler, of Mobile, Ala., remonstrating against the enactment of the civil rights bill; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

S. 2455. A bill to amend further the Peace Corps Act (75 Stat. 612), as amended (Rept. No. 881).

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

S. 1237. A bill for the relief of Kaloyan D. Kaloyanoff (Rept. No. 882);

S. 1525. A bill for the relief of Mrs. Kayo Fujimoto Howard (Rept. No. 883);

S. 1597. A bill for the relief of Juliano Barboza Amado and Manuel Socorro Barboza Amado (Rept. No. 884);

S. 1978. A bill for the relief of Lillian P. Johnson (Rept. No. 885);

S. 1985. A bill for the relief of Giuseppe Cacciani (Rept. No. 886);

S. 1986. A bill for the relief of Hattie Lu (Rept. No. 887);

H.R. 1174. An act for the relief of Elfriede Unterholzer Sharble (Rept. No. 892);

H.R. 1182. An act for the relief of Willy Sapuschnin (Rept. No. 893);

H.R. 1295. An act for the relief of Edith and Joseph Sharon (Rept. No. 894);

H.R. 1355. An act for the relief of Stanislawa Quellette (Rept. No. 895);

H.R. 1384. An act for the relief of Areti Siozos Paidas (Rept. No. 896);

H.R. 1455. An act for the relief of Ewald Johan Consen (Rept. No. 897);

H.R. 1520. An act for the relief of Jozefa Trzcinska Biskup and Ivanka Stalcer Vlahovic (Rept. No. 898);

H.R. 1521. An act for the relief of Lovorko Lucic (Rept. No. 899);

H.R. 1723. An act for the relief of Agnese Brienza (Rept. No. 900);

H.R. 1761. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of R. Gordon Finney, Jr. (Rept. No. 901);

H.R. 1886. An act for the relief of Valeriano T. Ebreo (Rept. No. 902);

H.R. 4085. An act for the relief of Tibor Horcsik (Rept. No. 903);

H.R. 4284. An act for the relief of Chrysanthos Kyriakou (Rept. No. 904);

H.R. 4682. An act for the relief of Mr. and Mrs. Fred T. Winfield (Rept. No. 905);

H.R. 4972. An act for the relief of Robert E. McKee General Contractor, Inc., and Kaufman & Broad Building Co., a joint venture (Rept. No. 906);

H.R. 5144. An act for the relief of Doyle A. Ballou (Rept. No. 907);

H.R. 5617. An act for the relief of Elizabeth Renee Louise Gabrielle Huffer (Rept. No. 908);

H.R. 5728. An act for the relief of the county of Cuyahoga, Ohio (Rept. No. 909);

H.R. 5982. An act for the relief of Pasquale Florica (Rept. No. 910);

H.R. 6092. An act for the relief of Alexander Haytko (Rept. No. 911);

H.R. 6313. An act for the relief of Stanislaw Kuryj (Rept. No. 912);

H.R. 6320. An act for the relief of Walter L. Mathews and others (Rept. No. 913);

H.R. 6477. An act for the relief of Capt. Otis R. Bowles (Rept. No. 914);

H.R. 6591. An act for the relief of Constantine Theothoropoulos (Rept. No. 915);

H.R. 6748. An act for the relief of the J. D. Wallace & Co., Inc. (Rept. No. 916);

H.R. 7347. An act for the relief of Teresa Elliopoulos and Anastasia Elliopoulas (Rept. No. 917);

H.R. 7491. An act for the relief of William L. Berryman (Rept. No. 919);

H.R. 7821. An act for the relief of Wladyslawa Pytlak Jarosz (Rept. No. 919);

H.R. 8085. An act for the relief of Roy W. Ficken (Rept. No. 920);

H.R. 8322. An act for the relief of John George Kostantoyannis (Rept. No. 921); and

H.R. 8507. An act for the relief of certain medical and dental officers of the Air Force (Rept. No. 922).

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

S. 473. A bill for the relief of Miss Wladyslawa Kowalczyk (Rept. No. 888);

S. 1966. A bill for the relief of Glenda Williams (Rept. No. 889); and

S. 1982. A bill for the relief of Francesco Mira and his wife, Maria Mira (Rept. No. 890).

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

S. 1684. A bill for the relief of Fotini Dimantopoulou (Rept. No. 891);

H.R. 4361. An act for the relief of the estate of Paul F. Ridge (Rept. No. 923); and

H.R. 7533. An act for the relief of Demetrios Dousopoulos (Rept. No. 924).

By Mr. ERVIN, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 935. A bill to protect the constitutional rights of certain individuals who are men-

tally ill, to provide for their care, treatment, and hospitalization, and for other purposes (Rept. No. 925).

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

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal stockpile inventories as of December 1963. I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

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

FEDERAL STOCKPILE INVENTORIES, DECEMBER 1963

INTRODUCTION

This is the 49th in a series of monthly reports on Federal stockpile inventories. It is for the month of December 1963.

The report is compiled from official data on quantities and cost value of commodities in these stockpiles submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures by the Departments of Agriculture, Defense, Health, Education, and Welfare, and Interior, and the General Services Administration.

The cost value of materials in inventories covered in this report, as of December 1, 1963, totaled $14,273,987,427, and as of December 31, 1963, they total $14,048,440,926, a net decrease of $225,546,501 during the month.

Detailed tables in this report show each commodity, by the major categories summarized above, in terms of quantity and cost value as of the beginning and end of the month. Net change figures reflect acquisitions, disposals, and accounting and other adjustments during the month.

The cost value figures represent generally the original acquisition cost of the commodities delivered to permanent storage locations, together with certain packaging, processing, upgrading, et cetera, costs as carried in agency inventory accounts. Quantities are stated in the designated stockpile unit of measure.

Appendix A to this report, beginning on page 19, includes program descriptions and statutory citations pertinent to each stockpile inventory within the major categories.

The stockpile inventories covered by the report are tabulated in detail as follows:

Table 1: Strategic and critical materials inventories (all grades), December 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month).

Table 2: Agricultural commodities inventories, December 1963 (showing by commodity net changes during the month in terms of cost value and quantity).

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

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

Table 5: Helium inventories, December 1963 (showing by item net changes during the month in terms of cost value and quantity).

New stockpile objectives

The Office of Emergency Planning is in the process of establishing new objectives for strategic and critical materials. Table 1 of this report reflects the new objectives for 12 materials.

Appendix B, beginning on page 21, contains excerpts from the Office of Emergency Planning statement setting forth the new policy with respect to objectives for strategic and critical materials.

Different units of measure make it impossible to summarize the quantities of commodities and materials which are shown in tables 1, 2, 3, 4, and 5, but the cost value figures are summarized by major category, as follows:

Summary of cost value of stockpile inventories by major category

Major category	Beginning of month, Dec. 1, 1963	End of month, Dec. 31, 1963	Net change during month
Strategic and critical materials:			
National stockpile [1]	$5,763,170,100	$5,756,516,100	−$6,654,000
Defense Production Act	1,488,322,400	1,483,573,500	−4,748,900
Supplemental—barter	1,352,246,150	1,354,337,813	+2,091,663
Total, strategic and critical materials [1]	8,603,738,650	8,594,427,413	−9,311,237
Agricultural commodities:			
Price support inventory	5,232,158,605	5,015,511,529	−216,647,076
Inventory transferred from national stockpile [1]	122,882,203	119,652,003	−3,230,200
Total, agricultural commodities [1]	5,355,040,808	5,135,163,532	−219,877,276
Civil defense supplies and equipment:			
Civil defense stockpile, Department of Defense	11,876,594	11,827,662	−48,932
Civil defense medical stockpile, Department of Health, Education, and Welfare	193,203,090	193,580,149	+377,059
Total, civil defense supplies and equipment	205,079,684	205,407,811	+328,127
Machine tools:			
Defense Production Act	2,208,600	2,208,600	
National Industrial Reserve Act	90,017,100	90,146,100	+129,000
Total, machine tools	92,225,700	92,354,700	+129,000
Helium	17,902,585	21,087,470	+3,184,885
Total, all inventories	14,273,987,427	14,048,440,926	−225,546,501

[1] Cotton inventory valued at $128,409,100 withdrawn from the national stockpile and transferred to Commodity Credit Corporation for disposal, pursuant to Public Law 87-548, during August 1962.

TABLE 1.—*Strategic and critical materials inventories (all grades), December 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*

Commodity	Cost value			Quantity					
	Beginning of month, Dec. 1, 1963	End of month, Dec. 31, 1963	Net change during month	Unit of measure	Beginning of month, Dec. 1, 1963	End of month, Dec. 31, 1963	Net change during month	Maximum objective [1]	Excess over maximum objective
Aluminum, metal:									
National stockpile	$487,680,600	$487,680,600		Short ton	1,128,989	1,128,989			
Defense Production Act	431,610,600	429,553,900	−$2,056,700	do	855,733	851,816	−3,917		
Total	919,219,200	917,234,500	−2,056,700	do	1,984,722	1,980,805	−3,917	[2] 450,000	1,530,805
Aluminum oxide, abrasive grain:									
Supplemental—barter	15,292,604	15,468,418	+175,814	Short dry ton	49,476	50,363	+887	(3)	50,363
Aluminum oxide, fused, crude:									
National stockpile	21,735,100	21,735,100		do	200,093	200,093			
Supplemental—barter	22,747,400	22,747,400		do	178,266	178,266			
Total	44,482,500	44,482,500		do	378,359	378,359		200,000	178,359
Antimony:									
National stockpile	20,488,000	20,488,000		Short ton	30,301	30,301			
Supplemental—barter	12,804,548	12,840,548	+36,000	do	21,876	21,876			
Total	33,292,548	33,328,548	+36,000	do	52,177	52,177		70,000	(4)
Asbestos, amosite:									
National stockpile	2,637,600	2,637,600		do	11,705	11,705			
Supplemental—barter	7,093,768	7,150,747	+56,979	do	28,600	28,825	+225		
Total	9,731,368	9,788,347	+56,979	do	40,305	40,530	+225	45,000	(4)

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), December 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*—Continued

Commodity	Cost value			Quantity					
	Beginning of month, Aug. 1, 1963	End of month, Aug. 31, 1963	Net change during month	Unit of measure	Beginning of month, Aug. 1, 1963	End of month, Aug. 31, 1963	Net change during month	Maximum objective [1]	Excess over maximum objective
Asbestos, chrysotile:									
National stockpile	$3,356,200	$3,356,200		Short dry ton	6,224	6,224			
Defense Production Act	2,102,600	2,102,600		do	2,348	2,348			
Supplemental—barter	4,129,931	4,226,905	+$96,974	do	6,045	6,245	+200		
Total	9,588,731	9,685,705	+96,974	do	14,617	14,817	+200	11,000	3,817
Asbestos, crocidolite:									
National stockpile	702,100	702,100		Short ton	1,567	1,567			
Supplemental—barter	7,253,695	7,364,306	+110,611	do	27,438	27,965	+527		
Total	7,955,795	8,066,406	+110,611	do	29,005	29,532	+527	[3]	29,532
Bauxite, metal grade, Jamaica type:									
National stockpile	13,925,000	13,925,000		Long dry ton	879,740	879,740			
Defense Production Act	18,168,000	18,168,000		do	1,370,077	1,370,077			
Supplemental—barter	89,403,300	89,399,100	−4,200	do	5,780,590	5,780,590			
Total	121,496,300	121,492,100	−4,200	do	8,030,407	8,030,407		2,600,000	5,430,407
Bauxite, metal grade, Surinam type:									
National stockpile	78,552,500	78,552,500		Long dry ton	4,962,706	4,962,706			
Supplemental—barter	45,280,400	45,280,400		do	2,927,260	2,927,260			
Total	123,832,900	123,832,900		do	7,889,966	7,889,966		6,400,000	1,489,966
Bauxite, refractory grade:									
National stockpile	11,347,800	11,347,800		Long calcined ton.	299,279	299,279		137,000	162,279
Beryl:									
National stockpile	9,768,400	9,768,400		Short ton	23,230	23,230			
Defense Production Act	1,425,800	1,425,800		do	2,543	2,543			
Supplemental—barter	22,739,500	22,739,500		do	11,321	11,321			
Total	33,933,700	33,933,700		do	37,094	37,094		23,100	13,994
Beryllium metal:									
Supplemental—barter	17,167,862	18,096,167	+928,305	do	145	150	+5	[3]	150
Bismuth:									
National stockpile	2,674,300	2,674,300		Pound	1,342,402	1,342,402			
Defense Production Act	52,400	52,400		do	22,901	22,901			
Supplemental—barter	5,540,200	5,540,200		do	2,506,493	2,506,493			
Total	8,266,900	8,266,900		do	3,871,796	3,871,796		3,000,000	871,796
Cadmium:									
National stockpile	16,520,300	16,268,200	−252,100	do	8,415,266	8,286,843	−128,423		
Supplemental—barter	12,327,600	12,327,600		do	7,448,989	7,448,989			
Total	28,847,900	28,595,800	−252,100	do	15,864,255	15,735,832	−128,423	6,500,000	9,235,832
Castor Oil:									
National stockpile	50,100,100	49,963,300	−136,800	do	196,490,152	195,940,649	−549,503	[21] 22,000,000	173,940,649
Celestite:									
National stockpile	1,412,300	1,412,300		Short dry ton	28,816	28,816			
Supplemental—barter	246,218	356,089	+109,871	do	5,964	9,015	+3,051		
Total	1,658,518	1,768,389	+109,871	do	34,780	37,831	+3,051	22,000	15,831
Chromite, chemical grade:									
National stockpile	12,288,000	12,288,000		do	559,452	559,452			
Supplemental—barter	21,880,400	21,879,400	−1,000	do	699,647	699,647			
Total	34,168,400	34,167,400	−1,000	do	1,259,099	1,259,099		475,000	784,099
Chromite, metallurgical grade:									
National stockpile	264,565,500	264,565,500		do	3,795,292	3,795,292			
Defense Production Act	35,879,900	35,879,900		do	985,646	985,646			
Supplemental—barter	224,198,100	224,197,600	−500	do	1,543,110	1,543,110			
Total	524,643,500	524,643,000	−500	do	6,324,048	6,324,048		[2] 2,970,000	3,354,048
Chromite, refractory grade:									
National stockpile	25,149,300	25,149,300		do	1,047,159	1,047,159			
Supplemental—barter	5,039,000	5,039,000		do	179,775	179,775			
Total	30,188,300	30,188,300		do	1,226,934	1,226,934		1,300,000	[4]
Cobalt:									
National stockpile	169,205,200	169,205,200		Pound	76,664,297	76,661,152	−3,145		
Defense Production Act	52,075,300	52,075,300		do	25,194,122	25,194,122			
Supplemental—barter	2,169,000	2,169,000		do	1,077,018	1,077,018			
Total	223,449,500	223,449,500		do	102,935,437	102,932,292	−3,145	19,000,000	83,932,292
Coconut oil:									
National stockpile	7,863,600	7,289,700	−573,900	do	51,882,918	48,096,398	−3,786,520	[3]	48,096,398
Colemanite:									
Supplemental—barter	2,636,400	2,636,400		Long dry ton	67,636	67,636		[3]	67,636
Columbium:									
National stockpile	23,919,200	23,919,200		Pound	7,507,959	7,507,959			
Defense Production Act	50,238,900	50,238,900		do	8,222,684	8,222,684			
Supplemental—barter	799,100	799,100		do	388,877	388,877			
Total	74,957,200	74,957,200		do	16,119,520	16,119,520		1,900,000	14,219,520

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), December 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*—Continued

Commodity	Cost value			Quantity					
	Beginning of month, Aug. 1, 1963	End of month, Aug. 31, 1963	Net change during month	Unit of measure	Beginning of month, Aug. 1, 1963	End of month, Aug. 31, 1963	Net change during month	Maximum objective [1]	Excess over maximum objective
Copper:									
National stockpile	$523,016,900	$523,114,200	+$97,300	Short ton	1,008,266	1,008,255	−11		
Defense Production Act	57,552,000	57,141,900	−410,100	do	102,834	102,183	−651		
Supplemental—barter	8,255,300	8,255,300		do	12,382	12,382			
Total	588,824,200	588,511,400	−312,800	do	1,123,482	1,122,820	−662	[2] 775,000	347,820
Cordage fibers, abaca:									
National stockpile	37,035,300	37,035,300		Pound	146,935,286	146,935,286		150,000,000	(4)
Cordage fibers, sisal:									
National stockpile	41,870,900	41,870,900		do	309,424,359	309,598,347	+173,988	320,000,000	(4)
Corundum:									
National stockpile	393,100	393,100		Short ton	2,008	2,008		2,000	8
Cryolite:									
Defense Production Act	6,890,200	6,648,100	−242,100	do	24,952	24,075	−877	(3)	24,075
Diamond dies:									
National stockpile	497,400	506,100	+8,700	Piece	16,696	16,949	+253	25,000	(4)
Diamond, industrial, crushing bort:									
National stockpile	61,609,500	61,609,500		Carat	31,113,411	31,113,411			
Supplemental—barter	15,800,500	15,800,500		do	5,550,579	5,550,579			
Total	77,410,000	77,410,000		do	36,663,990	36,663,990		30,000,000	6,663,990
Diamond, industrial, stones:									
National stockpile	100,501,500	100,501,500		do	9,315,183	9,315,183			
Supplemental—barter	186,324,500	186,341,500	+17,000	do	15,425,827	15,425,827			
Total	286,826,000	286,843,000	+17,000	do	24,741,010	24,741,010		18,000,000	6,741,010
Diamond tools:									
National stockpile	1,015,400	1,015,400		Piece	64,178	64,178		(3)	64,178
Feathers and down:									
National stockpile	36,701,500	36,701,500		Pound	8,859,352	8,859,352		[2] 3,000,000	5,859,352
Fluorspar, acid grade:									
National stockpile	26,167,500	26,167,500		Short dry ton	463,049	463,049			
Defense Production Act	1,394,400	1,394,400		do	19,700	19,700			
Supplemental—barter	33,530,700	33,530,700		do	673,232	673,232			
Total	61,092,600	61,092,600		do	1,155,981	1,155,981		280,000	875,981
Fluorspar, metallurgical grade:									
National stockpile	17,332,400	17,332,400		do	369,443	369,443			
Supplemental-barter	1,508,100	1,508,100		do	42,800	42,800			
Total	18,840,500	18,840,500		do	412,243	412,243		375,000	37,243
Graphite, natural, Ceylon, amorphous lump:									
National stockpile	937,900	937,900		do	4,455	4,455			
Supplemental—barter	341,200	341,200		do	1,428	1,428			
Total	1,279,100	1,279,100		do	5,883	5,883		3,600	2,283
Graphite, natural, Madagascar, crystalline:									
National stockpile	7,039,900	7,007,500	−32,400	do	34,154	33,996	−158,		
Supplemental—barter	236,600	232,000	−4,600	do	1,907	1,907			
Total	7,276,500	7,239,500	−37,000	do	36,061	35,903	−158	17,200	18,703
Graphite, natural, other, crystalline:									
National stockpile	1,896,300	1,896,300		do	5,487	5,487		2,100	3,387
Hyoscine:									
National stockpile	30,600	30,600		Ounce	2,100	2,100		2,100	(4)
Iodine:									
National stockpile	4,082,000	4,082,000		Pound	2,977,648	2,977,648			
Supplemental—barter	1,066,000	1,066,000		do	994,920	994,920			
Total	5,148,000	5,148,000		do	3,972,568	3,972,568		4,300,000	(4)
Iridium:									
National stockpile	2,525,800	2,525,800		Troy ounce	13,937	13,937		4,000	9,937
Jewel bearings:									
National stockpile	4,129,600	4,137,600	+8,000	Piece	51,626,565	51,727,565	+101,000	57,500,000	(4)
Kyanite-mullite:									
National stockpile	781,700	781,700		Short dry ton	9,042	9,042		4,800	4,242
Lead:									
National stockpile	319,298,100	319,298,100		Short ton	1,050,370	1,050,370			
Defense Production Act	1,233,900	980,700	−253,200	do	3,225	2,563	−662		
Supplemental—barter	78,398,600	78,398,600		do	327,998	327,998			
Total	398,930,600	398,677,400	−253,200	do	1,381,593	1,380,931	−662	[2] 0	1,380,931
Magnesium:									
National stockpile	128,925,700	128,602,100	−323,600	do	177,591	177,146	−445	107,000	70,146

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), December 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*—Continued

Commodity	Cost value			Quantity					
	Beginning of month, Aug. 1, 1963	End of month, Aug. 31, 1963	Net change during month	Unit of measure	Beginning of month, Aug. 1, 1963	End of month, Aug. 31, 1963	Net change during month	Maximum objective [1]	Excess over maximum objective
Manganese, battery grade, natural ore:									
National stockpile	$21,025,500	$21,025,500		Short ton	144,485	144,485			
Supplemental—barter	13,621,900	13,621,900		do	137,700	137,671	−29		
Total	34,647,400	34,647,400		do	282,185	282,156	−29	50,000	232,156
Manganese, battery grade, synthetic dioxide:									
National stockpile	3,095,500	3,095,500		Short dry ton	21,272	21,272			
Defense Production Act	2,524,700	2,524,700		do	3,779	3,779			
Total	5,620,200	5,620,200		do	25,051	25,051		20,000	5,051
Manganese, chemical grade, type A:									
National stockpile	2,133,300	2,133,300		do	29,307	29,307			
Supplemental—barter	7,922,100	7,922,100		do	117,607	117,607			
Total	10,055,400	10,055,400		do	146,914	146,914		30,000	116,914
Manganese, chemical grade, type B:									
National stockpile	132,600	132,600		Short dry ton	1,822	1,822			
Supplemental—barter	6,669,800	6,669,800		do	99,016	99,016			
Total	6,802,400	6,802,400		do	100,838	100,838		53,000	47,838
Manganese, metallurgical grade:									
National stockpile	248,240,300	248,240,300		do	5,851,264	5,851,264			
Defense Production Act:	176,474,800	176,474,800		do	3,056,691	3,056,691			
Supplemental—barter	241,487,614	241,585,132	+$97,518	do	3,669,213	3,670,580	+1,357		
Total	666,202,714	666,300,232	+97,518	do	12,577,168	12,578,535	+1,357	6,800,000	5,778,535
Mercury:									
National stockpile	20,039,500	20,039,500		Flask	129,525	129,525			
Supplemental—barter	3,446,200	3,446,200		do	16,000	16,000			
Total	23,485,700	23,485,700		do	145,525	145,525		[2] 200,000	[4]
Mica, muscovite block:									
National stockpile	27,602,200	27,602,200		Pound	11,617,756	11,617,756			
Defense Production Act	40,746,400	40,746,400		do	6,446,722	6,446,722			
Supplemental—barter	5,444,103	5,586,842	+142,739	do	1,631,821	1,667,281	+35,460		
Total	73,792,703	73,935,442	+142,739	do	19,696,299	19,731,759	+35,460	8,300,000	11,431,759
Mica, muscovite film:									
National stockpile	9,058,100	9,058,100		do	1,724,327	1,724,327			
Defense Production Act	633,300	633,300		do	102,681	102,681			
Supplemental—barter	1,074,408	1,101,623	+27,215	do	109,789	112,760	+2,971		
				do					
Total	10,765,808	10,793,023	+27,215	do	1,936,797	1,939,768	+2,971	1,300,000	639,768
Mica, muscovite splittings:									
National stockpile	40,598,300	40,598,300		do	40,159,938	40,159,938			
Supplemental—barter	6,225,800	6,225,800		do	4,826,257	4,826,257			
Total	46,824,100	46,824,100		do	44,986,195	44,986,195		21,200,000	23,786,195
Mica, phlogopite block:									
National stockpile	303,600	303,600		do	223,239	223,239		17,000	206,239
Mica, phlogopite splittings:									
National stockpile	2,580,500	2,580,500		do	3,079,063	3,069,062	−1		
Supplemental—barter	2,400,100	2,400,100		do	1,986,906	1,986,903	−3		
Total	4,980,600	4,980,600		do	5,065,969	5,065,965	−4	1,700,000	3,365,965
Molybdenum:									
National stockpile	83,679,000	83,679,000		do	79,043,336	479,043,336		59,000,000	20,043,336
Nickel:									
National stockpile	181,960,400	181,952,400	−8,000	Short ton	167,109	167,097	−12		
Defense Production Act	101,070,500	101,070,500		do	52,767	52,767			
Total	283,030,900	283,022,900	−8,000	do	219,876	219,864	−12	[2] 50,000	169,864
Opium:									
National stockpile	13,661,700	13,661,700		Pound	195,757	195,757		[3] 141,280	54,477
Palladium:									
National stockpile	2,079,000	2,079,000		Troy ounce	89,811	89,811			
Defense Production Act	177,300		−177,300	do	7,884		−7,884		
Supplemental—barter	12,170,200	12,170,200		do	648,124	648,124			
Total	14,426,500	14,249,200	−177,300	do	745,819	737,935	−7,884	340,000	397,935
Palm oil:									
National stockpile	3,714,000	3,714,900	+900	Pound	20,631,337	20,641,287	+9,950	[3]	20,641,287
Platinum:									
National stockpile	56,879,900	56,879,900		Troy ounce	716,343	716,343			
Supplemental—barter	4,024,500	4,024,500		do	49,999	49,999			
Total	60,904,400	60,904,400		do	766,342	766,342		165,000	601,342
Pyrethrum:									
National stockpile	415,100	415,100		Pound	67,065	67,065		66,000	1,065
Quartz crystals:									
National stockpile	68,560,900	68,547,200	−13,700	do	5,558,138	5,557,024	−1,114		
Supplemental—barter	3,519,200	3,519,200		do	232,352	232,352			
Total	72,080,100	72,066,400	−13,700	do	5,790,490	5,789,376	−1,114	650,000	5,139,376

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), December 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*—Continued

Commodity	Cost value			Quantity					
	Beginning of month, Aug. 1, 1963	End of month, Aug. 31, 1963	Net change during month	Unit of measure	Beginning of month, Aug. 1, 1963	End of month, Aug. 31, 1963	Net change during month	Maximum objective [1]	Excess over maximum objective
Quinidine:									
National stockpile	$1,889,900	$1,889,900		Ounce	1,638,428	1,638,428		1,600,000	38,428
Quinine:									
National stockpile	3,622,600	3,464,500	−$158,100	do	5,727,732	5,477,732	−250,000	[2]	5,477,732
Rare earths:									
National stockpile	7,134,900	7,134,900		Short dry ton	10,042	10,042			
Supplemental—barter	5,813,809	5,818,009	+4,200	do	6,163	6,163			
Total	12,948,709	12,952,909	+4,200	do	16,205	16,205		5,700	10,505
Rare earths residue:									
Defense Production Act	657,800	657,800		Pound	6,085,311	6,085,311		[3]	6,085,311
Rhodium:									
National stockpile	78,200	78,200		Troy ounce	618	618		[3]	618
Rubber:									
National stockpile	743,870,200	739,611,300	−4,258,900	Long ton	962,343	956,465	−5,878	750,000	206,465
Ruthenium:									
Supplemental—barter	559,500	559,500		Troy ounce	15,001	15,001		[3]	15,001
Rutile:									
National stockpile	2,070,100	2,070,100		Short dry ton	18,599	18,599			
Defense Production Act	2,725,100	2,725,100		do	17,410	17,410			
Supplemental—barter	1,061,300	1,061,300		do	11,632	11,632			
Total	5,856,500	5,856,500		do	47,641	47,641		65,000	[4]
Rutile chlorinator charge:									
Defense Production Act				do	1,859		−1,859	[3]	
Saphire and ruby:									
National stockpile	190,000	190,000		Carat	16,187,500	16,187,500		18,000,000	[4]
Selenium:									
National stockpile	757,100	757,100		Pound	97,100	97,100			
Supplemental—barter	1,070,500	1,362,137	+291,637	do	156,518	232,268	+75,750		
Total	1,827,600	2,119,237	+291,637	do	253,618	329,368	+75,750	400,000	[4]
Shellac:									
National stockpile	8,503,600	8,483,400	−20,200	do	16,961,735	16,921,514	−40,221	7,400,000	9,521,514
Silicon carbide, crude:									
National stockpile	11,394,500	11,394,500		Short ton	64,697	64,697			
Supplemental—barter	26,803,600	26,803,600		do	131,805	131,805			
Total	38,198,100	38,198,100		do	196,502	196,502		100,000	96,502
Silk noils and waste:									
National stockpile	1,375,800	1,343,500	−32,300	Pound	1,071,302	1,050,751	−20,551	970,000	80,751
Silk, raw:									
National stockpile	486,600	486,600		do	113,515	113,515		120,000	[4]
Sperm oil:									
National stockpile	4,775,400	4,775,400		do	23,442,158	23,442,158		[5] 23,400,000	42,158
Talc, steatite block and lump:									
National stockpile	496,800	496,800		Short ton	1,274	1,274		300	974
Talc, steatite ground:									
National stockpile	231,200	231,200		do	3,901	3,901		[3]	3,901
Tantalum:									
National stockpile	10,992,700	10,992,700		Pound	3,445,169	3,445,338	+169		
Defense Production Act	9,734,400	9,734,400		do	1,531,067	1,530,567	+500		
Supplemental—barter	21,100	21,100		do	8,036	8,036			
Total	20,748,200	20,748,200		do	4,984,272	4,983,941	−331	2,420,000	2,563,941
Thorium:									
Defense Production Act	42,000	42,000		do	848,354	848,354			
Supplemental—barter	17,958,390	17,965,490	+7,100	do	8,620,525	8,620,525			
Total	18,000,390	18,007,490	+7,100	do	9,468,879	9,468,879		[3]	9,468,879
Tin:									
National stockpile	803,077,000	802,158,100	−918,900	Long ton	330,275	329,851	−424		
Supplemental—barter	16,404,000	16,404,000		do	7,505	7,505			
Total	819,481,000	818,562,100	−918,900	do	337,780	337,356	−424	[5] 200,000	137,356
Titanium:									
Defense Production Act	176,098,200	176,098,200		Short ton	22,371	22,371			
Supplemental—barter	32,097,700	32,097,700		do	9,021	9,021			
Total	208,195,900	208,195,900		do	31,392	31,392		[3]	31,392
Tungsten:									
National stockpile	369,127,300	369,128,200	+900	Pound	120,071,339	120,071,339			
Defense Production Act	318,813,900	317,204,400	−1,609,500	do	78,186,563	77,787,101	−399,462		
Supplemental—barter	18,651,400	18,651,400		do	5,774,827	5,774,827			
Total	706,592,600	704,984,000	−1,608,600	do	204,032,729	203,633,267	−399,462	50,000,000	153,633,267

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), December 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*—Continued

Commodity	Cost value			Quantity					
	Beginning of month, Aug. 1, 1963	End of month, Aug. 31, 1963	Net change during month	Unit of measure	Beginning of month, Aug. 1, 1963	End of month, Aug. 31, 1963	Net change during month	Maximum objective [1]	Excess over maximum objective
Vanadium:									
National stockpile	$31,567,900	$31,567,900		Pound	15,730,893	15,730,893		2,000,000	13,730,893
Vegetable tannin extract, chestnut:									
National stockpile	11,932,800	11,904,900	−$27,900	Long ton	42,770	42,670	−100	30,000	12,670
Vegetable tannin extract, quebracho:									
National stockpile	49,144,900	49,132,600	−12,300	do	198,628	198,578	−50	180,000	18,578
Vegetable tannin extract, wattle:									
National stockpile	9,826,900	9,826,900		do	38,962	38,962		39,000	(4)
Zinc:									
National stockpile	364,345,400	364,345,900	+500	Short ton	1,256,845	1,256,845			
Supplemental—barter	79,588,400	79,588,400		do	323,896	323,896			
Total	443,933,800	443,934,300	+500	do	1,580,741	1,580,741		[2] 0	1,580,741
Zirconium ore, baddeleyite:									
National stockpile	710,600	710,600		Short dry ton	16,533	16,533		(3)	16,533
Zirconium ore, zircon:									
National stockpile	128,200	127,000	−1,200	do	2,172	2,152	−20	(3)	2,152
Total:									
National stockpile	5,763,170,100	5,756,516,100	−6,654,000						
Defense production Act	1,488,322,400	1,483,573,500	−4,748,900						
Supplemental—barter	1,352,246,150	1,354,337,813	+2,091,663						
Total, strategic and critical materials	8,603,738,650	8,594,427,413	−9,311,237						

[1] Maximum objectives for strategic and critical materials are determined pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h). The Office of Emergency Planning is currently in the process of revising stockpile objectives. (See app. B, p. 3648.)
[2] New objective. (See app. B, p. 3648.)
[3] No present objective.
[4] Not in excess of maximum objective.

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

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

Commodity	Cost value			Quantity			
	Beginning of month, Dec. 1, 1963	End of month, Dec. 31, 1963	Net change during month	Unit of measure	Beginning of month, Dec. 1, 1963	End of month, Dec. 31, 1963	Net change during month
Price-support inventory:							
Basic commodities:							
Corn	$1,059,482,017	$1,046,095,750	−$13,386,267	Bushel	860,860,009	849,055,749	−11,804,260
Cotton, extra-long staple	9,812,704	9,811,931	−773	Bale	37,071	37,068	−3
Cotton, upland	1,077,832,107	977,862,467	−99,969,640	do	6,521,117	5,918,389	−602,728
Peanuts, farmers' stock		10,289	+10,289	Pound		87,969	+87,969
Peanuts, shelled	9,590,914	9,446,989	−143,925	do	56,182,206	55,664,161	−518,045
Rice, milled	80,975	74,390	−6,585	Hundredweight	7,600	6,803	−797
Rice, rough	8,773,102	8,140,448	−632,654	do	1,647,523	1,530,472	117,051
Wheat	2,015,704,960	1,970,622,675	−45,082,285	Bushel	1,005,061,053	982,272,898	−22,788,155
Bulgur	810,829	468,805	−342,024	Pound	15,349,909	8,658,636	−6,691,273
Total, basic commodities	4,182,087,608	4,022,533,744	−159,553,864				
Designated nonbasic commodities:							
Barley	37,836,002	36,468,919	−1,367,083	Bushel	42,849,252	41,132,953	−1,716,299
Grain sorghum	660,547,705	649,312,619	−11,235,086	do	597,103,573	585,453,864	−11,649,709
Milk and butterfat:							
Butter	135,419,870	120,322,998	−15,096,872	Pound	233,325,582	207,358,702	−25,966,880
Butter oil	77,415,239	64,757,536	−12,657,703	do	98,661,482	83,005,994	−15,655,488
Cheese	19,884,525	15,350,021	−4,534,504	do	52,495,510	40,470,167	−12,025,343
Ghee	1,075,268	439,396	−635,872	do	1,342,100	559,345	−782,755
Milk, dried	89,892,299	81,458,466	−8,433,833	do	611,151,414	553,899,423	−57,251,991
Oats	11,337,644	11,285,919	−51,725	Bushel	18,861,290	18,787,079	−74,211
Rye	1,031,681	891,044	−140,637	do	1,002,290	869,007	133,283
Total, designated nonbasic commodities	1,034,440,233	980,286,918	−54,153,315				
Other nonbasic commodities:							
Beans, dry, edible	2,434,686	1,382,841	−1,051,845	Hundredweight	318,304	182,218	−136,086
Cottonseed oil, refined	753,092	463,362	−289,730	Pound	4,383,743	2,697,219	−1,686,524
Flaxseed	10,653,881	9,492,881	−1,161,000	Bushel	3,615,106	3,227,869	−387,237
Soybeans	839,623	627,459	−212,164	do	375,947	282,804	−93,143
Vegetable oil products	949,482	724,324	−225,158	Pound	5,946,833	4,540,864	−1,405,969
Total, other nonbasic commodities	15,630,764	12,690,867	−2,939,897				
Total, price support, inventory	5,232,158,605	5,015,511,529	−216,647,076				
Inventory transferred from national stockpile: [1]							
Cotton, Egyptian	99,253,678	96,073,775	−3,179,903	Bale	117,485	113,721	−3,764
Cotton, American-Egyptian	23,628,525	23,578,228	−50,297	do	46,978	46,878	−100
Total, inventory transferred from national stockpile	122,882,203	119,652,003	−3,230,200	do	164,463	160,599	−3,864
Total, agricultural commodities	5,355,040,808	5,135,163,532	−219,877,276				

[1] Transferred from General Services Administration pursuant to Public Law 85-96 and Public Law 87-548. (See app. A, p. 3647.)

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

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

Item	Cost value			Quantity			
	Beginning of month, Dec. 1, 1963	End of month, Dec. 31, 1963	Net change during month	Unit of measure	Beginning of month, Dec. 1, 1963	End of month, Dec. 31, 1963	Net change during month
Civil defense stockpile, Department of Defense:							
Engineering equipment (engine generators, pumps, chlorinators, purifiers, pipe, and fittings)	$10,075,564	$10,078,518	+$2,954	10 mile units	45	45	
Chemical and biological equipment	1,801,030	1,749,144	−51,886	(1)			
Total	11,876,594	11,827,662	−48,932				
Civil defense medical stockpile, Department of Health, Education, and Welfare:							
Medical bulk stocks, and associated items at civil defense mobilization warehouses	138,681,711	139,038,262	+356,551	(1)			
Medical bulk stock at manufacturer locations	5,820,053	5,820,053		(1)			
Civil defense emergency hospitals	37,350,438	37,370,946	+20,508	Each	1,930	1,930	
Replenishment units (functional assemblies other than hospitals)	426,472	426,472		(1)			
Supply additions (for civil defense emergency hospitals)	10,924,416	10,924,416		(1)			
Total	193,203,090	193,580,149	+377,059				
Total, civil defense supplies and equipment	205,079,684	205,407,811	+328,127				

[1] Composite group of many different items.

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

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

Item	Cost value			Quantity			
	Beginning of month, Dec. 1, 1963	End of month, Dec. 31, 1963	Net change during month	Unit of measure	Beginning of month, Dec. 1, 1963	End of month, Dec. 31, 1963	Net change during month
Defense Production Act:							
In storage	$21,400	$21,400		Tool	7	7	
On lease	2,144,300	2,144,300		do	103	103	
On loan	42,900	42,900		do	7	7	
Total	2,208,600	2,208,600		do	117	117	
National Industrial Reserve Act:							
In storage	78,124,600	78,114,700	−$9,900	do	6,949	6,949	
On lease	27,500	27,500		do	1	1	
On loan to other agencies	2,689,500	2,718,200	+28,700	do	301	303	+2
On loan to school programs	9,175,500	9,285,700	+110,200	do	2,170	2,192	+22
Total	90,017,100	90,146,100	+129,000	do	9,421	9,445	+24
Total, machine tools	92,225,700	92,354,700	+129,000	do	9,538	9,562	+24

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

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

Item	Cost value			Quantity			
	Beginning of month, Dec. 1, 1963	End of month, Dec. 31, 1963	Net change during month	Unit of measure	Beginning of month, Dec. 1, 1963	End of month, Dec. 31, 1963	Net change during month
Helium:							
Stored aboveground	$245,963	$273,087	+$27,124	Cubic foot	21,100,000	24,200,000	+3,100,000
Stored underground	17,656,622	20,814,383	+3,157,761	do	1,819,100,000	2,110,200,000	+291,100,000
Total, helium	17,902,585	21,087,470	+3,184,885	do	1,840,200,000	2,134,400,000	+294,200,000

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

APPENDIX A

PROGRAM DESCRIPTIONS AND STATUTORY CITATIONS

STRATEGIC AND CRITICAL MATERIALS

National stockpile

The Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h) provides for the establishment and maintenance of a national stockpile of strategic and critical materials. The General Services Administration is responsible for making purchases of strategic and critical materials and providing for their storage, security, and maintenance. These functions are performed in accordance with directives issued by the Director of the Office of Emergency Planning. The act also provides for the transfer from other Government agencies of strategic and critical materials which are excess to the needs of such other agencies and are required to meet the stockpile objectives established by OEP. In addition, the General Services Administration is responsible for disposing of those strategic and critical materials which OEP determines to be no longer needed for stockpile purposes.

General policies for strategic and critical materials stockpiling are contained in DMO V–7, issued by the Director of the Office of Emergency Planning and published in the Federal Register of December 19, 1959 (24 F.R. 10309). Portions of this order relate also to Defense Production Act inventories.

Defense Production Act

Under section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) and Executive Order 10480, as amended, the General Services Administration is authorized to make purchases of or commitments to purchase metals, minerals, and other materials, for Government use or resale, in order to expand productive capacity and supply, and also to store the materials acquired as a result of such purchases or commitments. Such functions are carried out in accordance with programs certified by the Director of the Office of Emergency Planning.

Supplemental—barter

As a result of a delegation of authority from OEP (32A C.F.R., ch. I, DMO V–4) the General Services Administration is responsible for the maintenance and storage of materials placed in the supplemental stockpile. Section 206 of the Agricultural Act of

1956 (7 U.S.C. 1856) provides that strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural products, unless acquired for the national stockpile or for other purposes, shall be transferred to the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704(b)). In addition to the materials which have been or may be so acquired, the materials obtained under the programs established pursuant to the Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956 (50 U.S.C. App. 2191–2195), which terminated December 31, 1958, have been transferred to the supplemental stockpile, as authorized by the provisions of said Production and Purchase Act.

AGRICULTURAL COMMODITIES

The price-support program

Price-support operations are carried cut under the charter powers (15 U.S.C. 714) of the Commodity Credit Corporation, Department of Agriculture, in conformity with the Agricultural Act of 1949 (7 U.S.C. 1421), the Agricultural Act of 1954 (7 U.S.C. 1741), which includes at National Wool Act of 1954, the Agricultural Act of 1956 (7 U.S.C. 1442), the Agricultural Act of 1958; and with respect to certain types of tobacco, in conformity with the act of July 28, 1945, as amended (7 U.S.C. 1312). Under the Agricultural Act of 1949, price support is mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco—and specific nonbasic commodities; namely, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Under the Agricultural Act of 1958, as producers of corn voted in favor of the new price-support program for corn authorized by that act, price support is mandatory for barley, oats, rye, and grain sorghums. Price support for wool and mohair is mandatory under the National Wool Act of 1954, through the marketing year ending March 31, 1966. Price support for other nonbasic agricultural commodities is discretionary except that, whenever the price of either cottonseed or soybeans is supported, the price of the other must be supported at such level as the Secretary determines will cause them to compete on equal terms on the market. This program may also include operations to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities for the purpose of stabilizing prices at levels not in excess of permissible price-support levels.

Price support is made available through loans, purchase agreements, purchases, and other operations, and, in the case of wool and mohair, through incentive payments based on marketings. The producers' commodities serve as collateral for price-support loans. With limited exceptions, price-support loans are nonrecourse and the Corporation looks only to the pledged or mortgaged collateral for satisfaction of the loan. Purchase agreements generally are available during the same period that loans are available. By signing a purchase agreement, a producer receives an option to sell to the Corporation any quantity of the commodity which he may elect within the maximum specified in the agreement.

The major effect on budgetary expenditures is represented by the disbursements for price-support loans. The largest part of the commodity acquisitions under the program result from the forfeiting of commodities pledged as loan collateral for which the expenditures occurred at the time of making the loan, rather than at the time of acquiring the commodities.

Dispositions of commodities acquired by the Corporation in its price-support operations are made in compliance with sections 202, 407, and 416 of the Agricultural Act of 1949, and other applicable legislation, particularly the Agricultural Trade, Development, and Assistance Act of 1954 (7 U.S.C. 1691), title I of the Agricultural Act of 1954, title II of the Agricultural Act of 1956, the Agricultural Act of 1958, the act of August 19, 1958, in the case of cornmeal and wheat flour, and the act of September 21, 1959, with regard to sales of livestock feed in emergency areas.

Inventory transferred from national stockpile

This inventory, all cotton, was transferred to Commodity Credit Corporation at no cost from the national stockpile pursuant to Public Law 85–96 and Public Law 87–548. The proceeds from sales, less costs incurred by CCC, are covered into the Treasury as miscellaneous receipts; therefore, such proceeds and costs are not recorded in the operating accounts. The cost value as shown for this cotton has been computed on the basis of average per bale cost of each type of cotton when purchased by CCC for the national stockpile.

CIVIL DEFENSE SUPPLIES AND EQUIPMENT

Civil defense stockpile

The Department of Defense conducts this stockpiling program pursuant to section 201 (h) of Public Law 920, 81st Congress, as amended. The program is designed to provide some of the most essential materials to minimize the effects upon the civilian population which would be caused by an attack upon the United States. Supplies and equipment normally unavailable, or lacking in quantity needed to cope with such conditions, are stockpiled at strategic locations in a nationwide warehouse system consisting of general storage facilities.

Civil defense medical stockpile

The Department of Health, Education, and Welfare conducts the stockpiling program for medical supplies and equipment pursuant to section 201(h) of Public Law 920, 81st Congress, as delegated by the President following the intent of Reorganization Plan No. 1, of 1958. The Department of Health, Education, and Welfare plans and directs the procurement, storage, maintenance, inspection, survey, distribution, and utilization of essential supplies and equipment for emergency health services. The medical stockpile includes a program designed to preposition assembled emergency hospitals and other medical supplies and equipment in communities throughout the Nation.

MACHINE TOOLS

Defense Production Act

Under section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) and Executive Order 10480, as amended, the General Services Administration has acquired machine tools in furtherance of expansion of productive capacity, in accordance with programs certified by the Director of the Office of Emergency Planning.

National industrial equipment reserve

Under general policies established and directives issued by the Secretary of Defense, the General Services Administration is responsible for care, maintenance, utilization, transfer, leasing, lending to nonprofit schools, disposal, transportation, repair, restoration, and renovation of national industrial reserve equipment transferred to GSA under the National Industrial Reserve Act of 1948 (50 U.S.C. 451–462).

HELIUM

The helium conservation program is conducted by the Department of the Interior pursuant to the Helium Act, approved September 13, 1960 (Public Law 86–777; 74 Stat. 918; 50 U.S.C. 167) and subsequent appropriations acts which have established fiscal limitations and provided borrowing authority for the program. Among other things, the Helium Act authorizes the Secretary of the Interior to produce helium in Government plants, to acquire helium from private plants, to sell helium to meet current demands, and to store for future use helium that is so produced or acquired in excess of that required to meet current demands. Sales of helium by the Secretary of the Interior shall be at prices established by him which shall be adequate to liquidate the costs of the program within 25 years, except that this period may be extended by the Secretary for not more than 10 years for funds borrowed for purposes other than the acquisition and construction of helium plants and facilities.

This report covers helium that is produced in Government plants and acquired from private plants. Helium in excess of current demands is stored in the Cliffside gasfield near Amarillo, Tex. The unit of measure is cubic foot at 14.7 pounds per square inch absolute pressure and 70° F.

APPENDIX B

NEW STOCKPILE OBJECTIVES

The Office of Emergency Planning is in the process of establishing new objectives for strategic and critical materials. Table 1 of this report reflects the new objectives for 12 materials: aluminum, castor oil, chromite (metallurgical grade), copper, feathers and down, lead, mercury, nickel, opium, sperm oil, tin, and zinc.

The following excerpts from OEP statements dated July 11 and 19, 1963, set forth the new policy with respect to objectives for strategic and critical materials:

"The Office of Emergency Planning is now conducting supply-requirements studies for all stockpile materials which will reflect current military, industrial, and other essential needs in the event of a conventional war emergency. On the basis of recently completed supply-requirements studies for the foregoing materials, the new stockpile objectives were established with the advice and assistance of the Interdepartmental Materials Advisory Committee, a group chaired by the Office of Emergency Planning and composed of representatives of the Departments of State, Defense, the Interior, Agriculture, Commerce, and Labor, and the General Services Administration, the Agency for International Development, and the National Aeronautics and Space Administration. Representatives of the Bureau of the Budget, the Atomic Energy Commission, and the Small Business Administration participate as observers.

"These new objectives reflect a new policy to establish a single objective for each stockpile material. They have been determined on the basis of criteria heretofore used in establishing maximum objectives, and reflect the approximate calculated emergency deficits for the materials for conventional war and do not have any arbitrary adjustments for possible increased requirements for other types of emergency.

"Heretofore, there was a 'basic objective' and a 'maximum objective' for each material. The basic objectives assumed some continued reliance on foreign sources of supply in an emergency. The former maximum objectives completely discounted foreign sources of supply beyond North America and comparable accessible areas.

"Previously, maximum objectives could not be less than 6 months' normal usage of the material by industry in the United States in periods of active demand. The 6-month rule has been eliminated in establishing the new calculated conventional war objectives.

"The Office of Emergency Planning also announced that the present Defense Mobilization Order V–7, dealing with general policies for strategic and critical materials stockpiling, was now being revised to reflect these new policies. When finally prepared and approved, the new order will be published in the Federal Register.

"New conventional war objectives for the remaining stockpile materials are being developed as rapidly as new supply-requirements data become available. They will be released as they are approved.

"The Office of Emergency Planning is also making studies to determine stockpile needs to meet the requirements of general nuclear war and reconstruction. Stockpile objectives for nuclear war have not previously been developed. Some commodity objectives may be higher and others may be lower than the objectives established for conventional war.

"After the nuclear war supply-requirements studies are completed, stockpile objectives will be based upon calculated deficits for either conventional war or nuclear war, whichever need is larger.

"The Office of Emergency Planning stressed that any long-range disposal programs undertaken prior to the development of objectives based on nuclear war assumptions would provide against disposing of quantities which might be needed to meet essential requirements in the event of nuclear attack. While the disposal of surplus materials can produce many problems which have not heretofore arisen, every effort will be made to see that the interests of producers, processors, and consumers, and the international interests of the United States are carefully considered, both in the development and carrying out of disposal programs. Before decisions are made regarding the adoption of a long-range disposal program for a particular item in the stockpile, there will be appropriate consultations with industry in order to obtain the advice of interested parties."

STATEMENT BY SENATOR BYRD OF VIRGINIA

The cost value of Federal stockpile inventories as of December 31, 1963, totaled $14,048,440,926. This was a net decrease of $225,546,501 as compared with the December 1 total of $14,273,987,427.

Net changes during the month are summarized by major category as follows:

Major category	Cost value, December 1963	
	Net change during month	Total, end of month
Strategic and critical materials	−$9,311,237	$8,594,427,413
Agricultural commodities	−219,877,276	5,135,163,532
Civil defense supplies and equipment	+328,127	205,407,811
Machine tools	+129,000	92,354,700
Helium	+3,184,885	21,087,470
Total	−225,546,501	14,048,440,926

These figures are from the December 1963 report on Federal stockpile inventories compiled from official agency data by the Joint Committee on Reduction of Nonessential Federal Expenditures, showing detail with respect to quantity and cost value of each commodity in the inventories covered.

STRATEGIC AND CRITICAL MATERIALS

So-called strategic and critical materials are stored by the Government in (1) the national stockpile, (2) the Defense Production Act inventory and (3) the supplemental-barter stockpile.

Overall, there are now 93 materials stockpiled in the strategic and critical inventories. Maximum objectives—in terms of volume—are presently fixed for 76 of these 93 materials. Of the 76 materials having maximum objectives, 61 were stockpiled in excess of their objectives as of December 31, 1963.

Increases in cost value were reported in 18 of the materials stockpiled in all strategic and critical inventories, decreases were reported in 24 materials, and 51 materials remained unchanged during December.

National stockpile

The cost value of materials in the national stockpile as of December 31, 1963, totaled $5,756,516,100. This was a net decrease of $6,654,000 during the month. The largest decreases were $4,258,900 in rubber and $918,900 in tin.

Defense Production Act inventory

The cost value of materials in the Defense Production Act inventory as of December 31, 1963, totaled $1,483,573,500. This was a net decrease of $4,748,900. The larger decreases were in aluminum and tungsten.

Supplemental-barter

The cost value of materials in the supplemental-barter stockpile as of December 31, 1963 totaled $1,354,337,813. This was a net increase of $2,091,663. The largest increases were in beryllium metal and selenium.

OTHER STOCKPILE INVENTORIES

Among the other categories of stockpiled materials covered by the report, the largest is $5.1 billion in agricultural commodities. Major decreases in agricultural commodities during December were reported for cotton, wheat, and milk and butterfat.

Inventories of civil defense supplies and equipment showed increases in medical stocks; the machine tools inventories showed a net increase; and the helium inventories showed an increase during December.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. ELLENDER:

S. 2565. A bill to amend further the Farm Credit Act of 1933, as amended, to provide that part of the patronage refunds paid by a bank for cooperatives shall be in money instead of class C stock after the bank becomes subject to Federal income tax, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. TOWER:

S. 2566. A bill to authorize a new form of low-rent housing utilizing private accommodations, to provide more adequate compensation for persons whose property is taken under certain federally assisted programs; to provide improvements in the urban renewal program with emphasis on rehabilitation, and for other purposes; to the Committee on Banking and Currency.

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

By Mr. INOUYE:

S. 2567. A bill for the relief of Mrs. Julia B. Briones; to the Committee on the Judiciary.

By Mr. NELSON:

S. 2568. A bill for the relief of Henri L. Fraise; to the Committee on the Judiciary.

By Mr. RIBICOFF:

S. 2569. A bill for the relief of Luciano N Catale; to the Committee on the Judiciary.

By Mr. BREWSTER:

S. 2570. A bill to bring the Government Printing Office within the purview of the act of September 26, 1961, relating to allotment and assignment of pay and other matters; to the Committee on Post Office and Civil Service.

By Mr. GRUENING (for himself and Mr. BARTLETT):

S. 2571. A bill to amend the act of June 19, 1935 (49 Stat. 388), as amended, relating to the Tlingit and Haida Indians of Alaska; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. GRUENING relating to the above bill, which appear under a separate heading.)

By Mr. MORSE:

S. 2572. A bill to extend the provisions of the Automobile Dealers Day in Court Act to manufacturers of and dealers in tractors, farm equipment, and farm implements, and for other purposes; to the Committee on the Judiciary.

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

By Mr. MUSKIE (for himself and Mrs. SMITH):

S. 2573. A bill to authorize the International Passamaquoddy tidal power project, including hydroelectric power development of the Upper St. John River, and for other purposes; to the Committee on Public Works.

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

By Mr. EDMONDSON:

S.J. Res. 160. Joint resolution proposing an amendment to the Constitution of the United States to provide that nothing in the Constitution shall ever be construed to prohibit the recognition of Almighty God; to the Committee on the Judiciary.

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

NEW FORM OF LOW-RENT HOUSING TO UTILIZE PRIVATE ACCOMMODATIONS

Mr. TOWER. Mr. President, I introduce, for appropriate reference, a bill which I believe will provide some constructive alternatives to the administration's low-rent housing and urban renewal programs.

My bill will:

First, authorize a new form of low-rent housing utilizing private accommodations; second, provide more adequate compensation for persons whose property is taken under certain federally assisted programs; and third, provide improvements in the urban renewal program, with emphasis on rehabilitation.

I feel there are certain aspects of my bill which, after consideration, can be improved upon. I am hopeful that this proposed legislation will afford an opportunity for more constructive criticism of the administration's housing legislation in these fields.

I introduce the bill now, because it will provide an opportunity to obtain some reaction to it, in addition to the opportunity provided by the hearings which our Housing Subcommittee of the Banking and Currency Committee is conducting on the present housing bill.

Mr. President, the bill I am introducing is largely the work of the able and distinguished gentleman from New Jersey, Representative WIDNALL. The bill is, in effect, his bill.

I ask unanimous consent that an analysis of the bill be printed at this point in the RECORD.

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

The bill (S. 2566) to authorize a new form of low-rent housing utilizing private accommodations, to provide more adequate compensation for persons whose property is taken under certain federally assisted programs, to provide

improvements in the urban renewal program with emphasis on rehabilitation, and for other purposes, introduced by Mr. TOWER, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The analysis presented by Mr. TOWER is as follows:

ANALYSIS OF THE HOUSING AND NEIGHBORHOOD REHABILITATION ACT OF 1964 BY SENATOR TOWER

TITLE I. LOW-RENT HOUSING IN PRIVATE ACCOMMODATIONS

Sections 101–102: Provide annual contributions to provide direct assistant to supplement rents paid by low-income families. Units would be existing housing leased by local authority but operated and managed by private owners. Rent assistance is p.ovided for 30,000 units.

TITLE II. COMPENSATION OF CONDEMNEES

Sections 201–202, declaration of policy: Enunciates declaration of policy of just compensation with the aim of compensating owners of land and their tenants as fully as possible for losses suffered by reason of federally assisted condemnation under any housing or urban renewal statute.

Section 203, assurance of compensation: Extends assistance to tenant by assuring him of supplementary payment over and above compensation to owner.

Section 204, compensation: Establishes formula for compensation of tenant equal to actual value of interest or to the net diminution in actual value of the interest taken or damaged. Actual value will be determined by replacement cost of interest. Owne s and tenants will be allowed reasonable attorneys' fees incurred in securing such compensation.

Section 205, payments before eviction: When condemning authority has knowledge that property is to be taken or damaged, authority must make advance payment of 90 percent of estimated amount of compensation not later than 15 days after notice of taking pa-cel or adjoining parcel.

Section 206, actual value: Defines actual value of fee property as the greatest amount a prospective purchaser would have offered for the interest had it been offered for sale on the date of taking.

Actual value of a tenant's interest in a leasehold is the greatest amount that would be offered to purchase the tenant's interest by a prospective assignee willing to assume the obligations of the lease.

Section 207, replacement cost: Defines replacement cost to include moving expenses, costs of advertising and special promotions incidental to reopening a business, and attorney's fees, commissions, and other costs incidental to acquiring new property.

Section 208, taking and damage defined: Defines "damage" as the consequences of the exercise of eminent domain or zoning resulting in a net diminuation of the actual value of the parcel, and if the parcel is adjacent to a parcel taken in the course of a redevelopment program.

Sections 209–210: Technical provisions.

Section 211, application: Makes title effective only for contract executed after enactment, and for public housing and u-ban renewal for which there has been submitted a plan after enactment.

TITLE III. URBAN RENEWAL

Section 301(a) prohibits assistance for demolition and removal of buildings if objectives of renewal could be achieved by rehabilitation.

(b) Rehabilitation loans: Provides rehabilitation loan program to owners and tenants in an urban renewal area; residences or businesses, owner or tenant must establish that they are unable to obtain rehabilitation financing from private lenders or other Federal agencies on reasonable terms. Terms: 15 years or three-fourths of remaining economic life, whichever is less: 3-percent interest; up to cost of rehabilitation or $10,000 in case of residential property, or $50,000 in case of business property, whichever is less.

The section establishes $100 million revolving fund with additional $100 million to be made available after July 1, 1964 and July 1, 1965, a total of $300 million.

Section 302, relocation of displacees from urban renewal areas: Requires relocation program for business concerns, in addition to individuals, displaced by urban renewal. Provides for strict enforcement of relocation program, without regard to race, etc., of displacees, with suspension of further advances or payments as penalty for noncompliance.

Provides that relocation payments be made at time condemnation proceedings are commenced.

Section 303, local responsibilities under urban renewal program:

(a) Adds as an element of a workable program: "a statement of anticipated zoning changes in the community which would serve to assist displaced business concerns in making arrangements for their relocation."

(b) Requires administration in evaluating workable program to determine "that the locality has adequately identified the goals to be achieved with respect to each element of the workable program and has committed itself to the improvements (with respect to each such element) that will be made during the ensuing year."

(c) Provides for suspension of financial assistance if annual review of workable program finds that locality has not fulfilled its commitments.

(d) Authorizes HHFA assistance to communities in developing self-help programs for community improvements including rehabilitation projects which require no financial assistance as well as self-liquidating redevelopment projects.

(e) As a condition for approval or renewal of a workable program, requires community to initiate and carry out a study of the property assessment system to determine (1) effect of workable program and urban renewal project on property values; and (2) extent to which real estate taxation can be used as incentive to improve properties and a means of financing local urban renewal activities.

(f) Requires community referendum and majority approval before a local public agency can enter into any contract for loan or capital grants.

(g) Declares congressional policy that localities desiring to undertake urban renewal should be encouraged to obtain necessary financing from State and local sources, public and private. Also, gives priority to applicants for urban renewal assistance which permits increases in tax revenues resulting from redevelopment to be pledged for the payment of principal and interest charges on obligations issued for financing project, or which is otherwise found to have taken all possible steps to obtain State or local financing.

Section 304, nonresidential renewal: Terminates grants for nonresidential and nonpublic renewal; substitutes 10-year loans at going Federal rate plus one-half of 1 percent, up to two-thirds of net project cost. Loans will bear no interest for any period prior to the date on which the land involved is sold or otherwise disposed of by the local public agency for redevelopment.

Section 305(a) requires, insofar as practicable, competitive bidding on real estate acquired for a project.

(b) Preference to local developers.

Section 306, local grants-in-aid: Requires that grant-in-aid credit for streets within urban renewal area consider the ratio that traffic to and from the area bears to the total traffic with no credit being allowed for any portion of a street outside of the area.

(b) Denies grant-in-aid credit to any public body which has received any grant or subsidy from the Federal Government with respect to any demolition, removal, improvement or facility, to the extent of such subsidy or grant, with the exception of Federal contributions to the District of Columbia.

Section 307, definition of local public agency: Redefines local public agency to include "any public body exercising all of its functions relating to a project as agent for a local government or State."

TITLE IV—MISCELLANEOUS

Section 401, local approval of low-rent housing sites: Requires local governing body approval of sites for public housing before entering into any contract, including a preliminary loan contract.

Section 402, expenses in connection with private organizations: Prohibits use of any Federal funds for urban renewal or public housing to be used for (1) dues or fees in connection with membership in a private housing or urban renewal or related organization; (2) travel or subsistence in connection with attendance at meetings or conferences of such organizations except where individual is a scheduled speaker or has formal official duties at such meetings or conferences.

Section 403, FNMA purchase of conventional loans: Authorizes FNMA to purchase conventional mortgages of a quality generally acceptable to private institutional mortgage investors.

AMENDMENT OF THE TLINGIT-HAIDA JURISDICTIONAL CLAIMS ACT

Mr. GRUENING. Mr. President, I have sent to the desk a bill, which is cosponsored by my colleague, the senior Senator from Alaska [Mr. BARTLETT], to clarify provisions of an act passed in 1935 authorizing the Court of Claims to hear and determine claims of the Tlingit-Haida Indians of Alaska for loss of property rights in southeastern Alaska as a result of actions of the United States. The property involved includes almost the entire area of southeastern Alaska—over 20 million acres of land covering an area approximately 350 miles long and 120 miles wide.

Subsequent to passage of the Claims Act, the Court of Claims decided to divide the proceedings into two parts—one in which the claims to the property would be adjudicated and one in which the amount of recovery, if any, and other issues would be determined.

On October 7, 1959, the Court of Claims issued its decision in the first part of the proceeding in which it was found that, under terms of the 1935 act, the Tlingit and Haida Indians of southeastern Alaska were entitled to compensation by the Federal Government for the land they claimed. Meanwhile, proceedings for the determination of the amount of the recovery have continued, and it now seems a judgment as to this will be forthcoming shortly.

As will be realized from a statement of the large acreage involved in this claim the administration of funds received as a recovery is a matter of very great importance. The area includes the entire Tongass National Forest, covering over 16 million acres; the entire Glacier Bay National Monument, embracing 2,297,598 acres; and the entire Annette Island

Indian Reservation of 86,740 acres. The amount of the recovery is yet to be determined. However, there is reason to expect it will be a substantial sum of money.

Thus, the matter of the administration of these funds is important to Congress and to the Federal Government.

It is of even greater importance to the Tlingit and Haida Indians of Alaska, who will be the beneficiaries of the fund created by this judgment.

The amendment Senator BARTLETT and I have introduced to the original act is designed to improve the provisions relating to distribution of the funds received and determination of beneficiaries. It will prescribe the organization of a Central Council of the Tlingit and Haida Indians, in accordance with rules approved by the Secretary of the Interior, to have responsibility for planning the use of funds received when the recovery judgment is made. Under this provision the central council will have statutory definition as a body elected in accordance with provisions of law.

The amendment further provides that the funds recovered will be expended for purposes authorized by the central council and approved by the Secretary of the Interior.

The existing law will be changed by this bill to allow per capita payments from the judgment fund—a means of distribution that was prohibited by 1935 law.

This is legislation that has been recommended for enactment by the organization now known as the Central Council of the Tlingit and Haida Indians, which exists as a result of actions taken by the Indians voluntarily, but not in accordance with any prescribed procedures for election or membership. It is the feeling of this group that the organization should be more clearly defined and its status clarified by statute.

The need for clarifying the 1935 legislation has become apparent as it has been tested in the proceedings now coming to a close in the Court of Claims. Now that the award of a large sum of money to the Tlingit and Haida Indians is imminent the potential beneficiaries have recognized it is of great importance to amend the law passed in 1935 to insure equitable distribution of moneys received. Thus, this bill will cure a defect of the original law which failed to provide a workable plan for administration of sums recovered as a result of its passage.

Since the jurisdictional act was passed in 1935 many changes have taken place among the Tlingit and Haida Indians who will be its beneficiaries. Many of these people have moved away from the Indian villages of southeastern Alaska and now live in the larger communities of Juneau, Ketchikan, Petersburg, Wrangell, and in other parts of the United States Also, the way of life of many of the group has changed markedly in the generation that has passed since the original law was contemplated. Indians of southeastern Alaska may now be found practicing law, medicine, engineering, and other learned professions. They are found in the business world throughout southeastern Alaska and in other localities far from their native communities. They have served—with distinction—in the territorial and State legislatures and do so now. The president of our State senate, Frank Peratrovich, is a Tlingit Indian. Thus, there is a different economic and social aspect of this matter than was contemplated in the time which nearly all Alaskan natives were found in communities wholly of their own blood engaged in the traditional occupations of hunting, fishing, and trapping.

Thus, to meet the needs of a new generation, and to prepare, as wisely as possible, for the administration of a large sum of money, Senator BARTLETT and I hope early and favorable action will be taken upon this bill.

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

The bill (S. 2571) to amend the act of June 19, 1935 (49 Stat. 388), as amended, relating to the Tlingit and Haida Indians of Alaska, introduced by Mr. GRUENING (for himself and Mr. BARTLETT), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. BARTLETT. Mr. President, my colleague has stated very well the need for this legislation we introduce today in behalf of the Tlingit-Haida people of Alaska.

The Tlingit-Haida Jurisdictional Act, passed almost 30 years ago was well conceived for the most part but it was premised on the Tlingit-Haidi people's continuing to live in the then-existing Indian communities and following their traditional means of livelihood of hunting and fishing.

Mr. President, this has all now changed. There are Tlingit-Haidas living in many of the predominantly non-Indian communities of Alaska as well as in other States. For example, there are considerable numbers in Seattle and San Francisco. As a result, the mode of distribution of judgment money and the language specifying who is eligible to participate in the judgment no longer makes any sense.

Furthermore, no provision was made in the original act for establishment of an official representative body to make the necessary decisions as to how the judgment funds should be used and distributed. This I feel is one of the most urgent reasons for the bill my colleague and I propose to the Senate today.

A decision by the Court of Claims that the Tlingit-Haida Indians should be compensated for lands taken by the United States in southeastern Alaska has already been reached and I understand a determination of the size of the judgment will be forthcoming soon. The need for enactment of our proposal is, therefore, immediate and pressing.

Once the tribal governing body contemplated by the legislation is established, plans already in the making can be implemented which I am hopeful will bring, in one area, some of the same results anticipated by the President in his countrywide war on poverty.

My colleague and I are most anxious that there be hearings and action by the committee to which the bill is referred at the earliest possible date.

EXTENSION OF PROVISIONS OF AUTOMOBILE DEALERS DAY IN COURT ACT

Mr. MORSE. Mr. President, I introduce, for appropriate reference, a bill to extend the provisions of the Automobile Dealers Day in Court Act to manufacturers of and dealers in tractors, farm equipment, and farm implements, and for other purposes.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point in my remarks, and that the bill remain at the desk until the end of the session on Monday next, for cosponsors.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD and held at the desk, as requested by the Senator from Oregon.

The bill (S. 2572) to extend the provisions of the Automobile Dealers Day in Court Act to manufacturers of and dealers in tractors, farm equipment, and farm implements, and for other purposes, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (a) and (c) of section 1 of the Act entitled "An Act to supplement the antitrust laws of the United States, in order to balance the power now heavily weighted in favor of automobile manufacturers, by enabling franchise automobile dealers to bring suit in the district courts of the United States to recover damages sustained by reason of the failure of automobile manufacturers to act in good faith in complying with the terms of franchises or in terminating or not renewing franchises with their dealers", approved August 8, 1956 (70 Stat. 1125; 15 U.S.C. 1221), are amended by striking out the words "passenger cars, trucks, or station wagons", wherever those words appear in those subsections, and inserting in lieu thereof the words "passenger cars, trucks, station wagons, tractors, farm equipment, or farm implements, and parts therefor".

SEC. 2. Section 2 of the Act is amended by—

(1) inserting therein, immediately after the section number "Sec. 2.", the subsection designation "(a)";

(2) inserting at the end of the text of subsection (a) of such section, as redesignated by paragraph (1), the following new sentence: "In any such suit arising from any such failure which occurs on or after the effective date of this sentence, the plaintiff shall be entitled to recover treble the amount of the damages sustained by him by reason of such failure and the cost of suit."; and

(3) inserting at the end thereof the following new subsections:

"(b) No cause of action under the provisions of this Act shall be barred or otherwise impaired by any release given before or after the date of enactment of this subsection, or by any voluntary resignation of an automobile dealer of his franchise, whether made before or after the date of enactment of this subsection, if upon the trial of such action it is determined that such release or resignation was exacted from the automobile dealer under circumstances constituting economic coercion or duress, or by threats of coercion, retaliation or intimidation, or if any such release or resignation was obtained

from the automobile dealer for an inadequate monetary or other consideration. A cancellation of a franchise, or a resignation of a franchise based in whole or in part upon a threat of cancellation, shall be deemed to constitute a coerced resignation for the purposes of this subsection.

"(c) Any person, firm, corporation or association shall be entitled to sue for and have injunctive relief in any court of the United States having jurisdiction over the parties against threatened loss or damage by a violation of the provisions of this chapter when and under the same conditions and principles as injunctive relief against threatened conduct that will cause loss or damage is granted by courts of equity under the rules governing such proceedings, and upon the execution of a proper bond against damages for an injunction improvidently granted, which bond shall not in any event be for an amount which would exceed the automobile manufacturer's probable recovery for general damages on a cause of action against the automobile dealer for a breach of the franchise by the automobile dealer's continuance in business in the sale of the automobile manufacturer's products after a valid cancellation or termination of such franchise."

SEC. 3. Section 4 of that Act is amended by inserting therein, immediately after the section number thereof, the following new sentence: "This Act is hereby declared to be one of the antitrust laws of the United States, and all remedies for the violation of the provisions of such antitrust laws are hereby extended and made applicable to acts and omissions which constitute a cause of action for suit instituted under this Act."

AUTHORIZATION FOR INTERNATIONAL PASSAMAQUODDY TIDAL POWER PROJECT

Mr. MUSKIE. Mr. President, I introduce on behalf of myself, my senior colleague [Mrs. SMITH], a bill to authorize the construction of the Passamaquoddy-St. John hydroelectric project, subject to appropriate agreements between the United States and Canada. This proposed legislation carries us one step closer to the realization of a dream to harness the tides of Passamaquoddy and Cobscook Bays in Maine and New Brunswick and to develop the resources of the upper St. John River, to the advantage of Maine, New England, and the Maritime Provinces of Canada.

The bill, which would authorize construction of the necessary civil works and powerplants by the Corps of Engineers, construction of high voltage transmission lines by the Department of the Interior, and marketing of the power developed by the project by the Secretary of the Interior, opens the way to the development of 1 million kilowatts of peaking energy, 250 thousand kilowatts of firm energy, and 1 billion kilowatt-hours of dependable offpeak energy annually for our northeast region at prices one-fourth lower than average rates in our area.

Mr. President, this bill is important to our region and to the Nation. It has the backing of members of both parties, in and out of Maine. It is backed by sound and imaginative engineering studies; it is a feasible economic project.

As President Kennedy said, when he endorsed the project, July 16, 1963:

> Any proposed natural resource development must, of course, meet the national interest test. It must strengthen the economy of the whole Nation and enable America to better compete in the marketplaces of the world. The Passamaquoddy-St. John project now meets the national interest test. Each day, over a million kilowatts of power surge in and out of the Passamaquoddy Bay. Man needs only to exercise his engineering ingenuity to convert the ocean's surge into a national asset.

We hope we can bring this legislation to hearings this session, so that the advantages of this project can be considered by the Congress. We also hope that our Government and that of Canada will negotiate an agreement on an equitable sharing of the benefits from this combined project. When such an agreement is reached we will be in a position to give final authorization to Quoddy-St. John, and a potential asset can be transformed into a national benefit.

I want to take this opportunity to express my appreciation to Secretary of Interior Udall, the members of his Department, to the Corps of Engineers, and to the Department of State for the technical advice they have given us on this legislation. Since President Kennedy referred the 1961 International Joint Commission Report on the proposed Passamaquoddy project to Secretary Udall, we have enjoyed the closest cooperation and assistance as we have worked to make our dream a reality. The combination of technical skill, imagination, vision, and enthusiasm we have encountered has given us great courage in the pursuit of this goal of new opportunities for our region, and for the Nation.

Mr. President, I ask that the bill lie at the desk for 24 hours to permit other Senators to become cosponsors.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Maine.

The bill (S. 2573) to authorize the international Passamaquoddy tidal power project, including hydroelectric power development of the upper St. John River, and for other purposes, introduced by Mr. MUSKIE (for himself and Mrs. SMITH), was received, read twice by its title, and referred to the Committee on Public Works.

PROPOSED AMENDMENT OF CONSTITUTION RELATING TO RECOGNITION OF ALMIGHTY GOD

Mr. EDMONDSON. Mr. President, I introduce, for appropriate reference, a joint resolution providing for an amendment to the Constitution of the United States. I do this out of a sincere concern over recent trends which have developed in our country denying public recognition of the existence of a Supreme Being.

Many thousands of Oklahomans share this concern. As their representative to the U.S. Senate, I feel a responsibility to request that the Congress consider this problem and take whatever action is needed to restore the traditional foundations of religion to our public institutions.

Nothing in my joint resolution is intended to change our Nation's policy against the establishment of a state-controlled church or to modify the principles of separation of church and state as our founders intended them.

I introduce this joint resolution in the hope that Congress will act to reaffirm our Nation's longstanding belief in a Divine Being.

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

The joint resolution (S.J. Res. 160) proposing an amendment to the Constitution of the United States to provide that nothing in the Constitution shall ever be construed to prohibit the recognition of Almighty God, introduced by Mr. EDMONDSON, was received, read twice by its title, and referred to the Committee on the Judiciary.

AGRICULTURAL ACT OF 1964—AMENDMENTS (AMENDMENT NO. 436)

Mr. AIKEN submitted amendments, intended to be proposed by him, to the bill (H.R. 6196) to encourage increased consumption of cotton, to maintain the income of cotton producers, to provide a special research program designed to lower costs of production, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. DIRKSEN submitted an amendment (No. 437), intended to be proposed by him, to House bill 6196, supra, which was ordered to lie on the table and to be printed.

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO REPORT APPROPRIATION BILLS, ETC.

Mr. HAYDEN. Mr. President, I ask unanimous consent that during adjournments or recesses of the Senate during the 2d session of the 88th Congress, the Committee on Appropriations be, and it is hereby, authorized to report appropriation bills, including joint resolutions, with accompanying notices of motions to suspend paragraph 4 of rule XVI for the purpose of offering certain amendments to such bills or joint resolutions, which proposed amendments shall be printed.

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

PROPOSED AMENDMENT OF RULE VII—ADDITIONAL COSPONSORS OF RESOLUTION

Mr. CHURCH. Mr. President, at its next printing, I ask unanimous consent that the names of Senators BURDICK, Moss, PROXMIRE, and HUMPHREY be added as cosponsors of the resolution (S. Res. 297) to amend rule VII to permit morning business statements or comments for 3 minutes, which I submitted, on behalf of myself and other Senators, on February 10. 1964.

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

PERSECUTION OF JEWS IN RUSSIA

Mr. JAVITS. Mr. President, the reports broadcast here this morning from Moscow that nine Russian Jews have been sentenced to death for so-called economic crimes and that their alleged ringleader had been secretly tried and executed 2 weeks ago are enough to send a shudder of horror throughout the civilized world.

This time there can be little doubt whatever that Jews were deliberately singled out. The official newspaper Izvestia made a point, in its report at the opening of the trial, of stating defiantly that the leading defendants were Jews. Other Soviet newspapers have, as an outgrowth of the economic arrests and trials, also openly expressed hostility to the Jewish people and have used hateful caricatures and malicious language to describe Jews.

This kind of anti-Jewish agitation by government-controlled newspapers in a country where anti-Semitism is as deeply rooted as it is in the U.S.S.R. could well be the forerunner of even more widespread oppression and persecution, unless the world appeals and protests loudly enough, often enough, and long enough to make the Kremlin call a halt to this inhuman persecution.

Soviet Jews underwent intense suffering during World War II and under Stalin's rule. Over the past 3 years, Soviet press coverage of so-called economic crimes has revealed that Jews are being jailed and condemned in exceptionally large numbers and with unusual ferocity. Between July 1, 1961, and July 1, 1963, 140 persons have been executed for economic offenses, and about half of these unfortunate victims have been Jews. This is an extraordinarily high percentage, in view of the fact that Jews number only 1.1 percent of the total Soviet population.

Soviet persecution of Jews is also taking the form of religious and cultural repression, the peremptory closing of synagogues and Jewish cemeteries, and the banning of many ritual practices, including the baking of matzoh, or unleavened bread, for the Passover. No prayer books are printed, and all cultural activity is repressed. From 1948 to 1963, only six books in Yiddish have been published; all Yiddish theaters have been closed; and there are no Jewish schools and no Jewish organizations. There is intense pressure on the Jewish community of some 3 million souls, which is isolated from other Jewish communities in other countries. No emigration is permitted, not even to join families in Israel or other countries. Soviet Jews are restricted by quotas and are singled out in official documents, such as identification cards with a large J stamped on them. They are regarded as a nationality, but are accorded none of the privileges that nationalities enjoy in the Soviet Union.

The current emphasis on Jews in the prosecution of so-called economic crimes is unmistakable, and the anti-Jewish overtones in official publications is giving strength to traditional and existing anti-semitism. Soviet Jews are being made the scapegoats for the Kremlin's economic blunders, and their position is becoming increasingly dangerous. Our protests and those of all organizations and fairminded people throughout the world must continue to be heard loudly and clearly in Moscow. Chairman Khrushchev and his associates must be told time and again that the world condemns such persecution for economic crimes as a throwback to the days of barbarism, and that it will not stand by idly while a people are being destroyed.

I ask that a newspaper article and an editorial in this connection be printed in the RECORD.

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

SOVIET SAID TO DOOM NINE IN BIG FRAUD RING

(By Theodore Shabad)

Moscow, February 26.—Nine persons have been sentenced to death as members of a Moscow fraud ring involving Soviet officials, according to reliable sources.

Four others have been given 15-year jail terms and about 10 others lesser prison sentences after a 2-month trial of 23 persons, all of whom were found guilty of having participated in a private-enterprise ring. Eighteen of the accused are understood to be Jews.

It was not known how many of the nine sentenced to death were Jews and whether they included the ringleader, identified as Shakerman, who received a separate death sentence earlier this month. The only other members of the ring who have been identified in the press are Roifman and Galperin, both Jewish names.

The ring was said to have netted 3 million rubles ($3.3 million) by using mental patients to produce knitted goods, which were then sold through illegal retail outlets in marketplaces and railway stations.

The illegal shops and vast supplies of raw materials were obtained by bribing Soviet officials.

In an appeal to Premier Khrushchev, made public February 17, a group of distinguished Western citizens, including six Nobel Prize winners, expressed concern that about half of those executed in the Soviet Union for economic crimes in the last 3 years were Jews.

Soviet authorities have steadfastly denied that the nationality of the accused in crimes of embezzlement, bribery, theft of state property and so forth had any bearing on the cases.

Last October Izvestia, the Government newspaper demanded a major show trial of the Shakerman ring as a deterrent against economic crimes which have shown no indication of declining despite the imposition of the death sentence since 1961.

Izvestia identified some of the Jewish accused by name and added.

"We mention the Jewish surnames * * * because we pay no heed to malicious slander that is being stirred up in the Western press from time to time. It is not Jews, Russians, Tartars or Ukrainians who will stand trial—criminals will stand trial.

TRIAL CLOSED TO PUBLIC

Plans for a show trial were shelved, presumably because of the involvement of bribetaking Soviet officials. When the trial opened without publicity late December, the public and Western newsmen were not admitted.

Outsiders were understood to have been barred from the courtroom because the bribetakers were to be identified during testimony.

RAILROAD OFFICIALS INVOLVED

The officials are known to include two former masters of the Kursk Railroad Station, one of the busiest railroad stations of the Soviet capital.

They were given 7-year prison terms last September for having accepted 1,300 rubles ($1,443) and other gifts from the Shakerman ring. In return build two market stalls to retail its illegally manufactured wares on the main square in front of the station and a third in the main waiting room.

The Western expression of concern over Jewish involvement in the economic crimes was contained in the appeal urging better treatment of the Soviet Union's 2½ million Jews. The appeal dated December 2, was made public by Bertrand Russell, the British philosopher, after no reply had been received from Mr. Khrushchev.

The signer's told the Soviet Premier they hoped Soviet Jews would "be permitted full cultural lives, religious freedom and rights of a national group, in practice as well as in law."

The Nobel Prize winners who joined the appeal were Dr. Max Born of West Germany, Francois Mauriac of France, Lord Boyd Orr of Britain, Prof. Louis C. Pauling of the United States and Dr. Albert Schweitzer.

RUSSIAN ECONOMIC CRIMES

LONDON (JTA).—The death penalty for 11 Jews who faced a long secret trial in Moscow on charges of "economic crimes" was requested by the prosecution at the conclusion of the trial, according to reports reaching here from Moscow. Another Jew involved in this trial, listed as Shakerman, had already been sentenced to death earlier in the week as the "ring leader" of the group.

For each of the 12 non-Jews involved in the trial the prosecution asked prison terms of 15 years. The sentences for the 23 are expected to be issued within a few days, the Moscow reports indicated. The trial, originally expected to be a "show trial," lasted several weeks and was held in camera.

Izvestia, official organ of the Soviet Government, revealed that the accused were arrested following a denunciation to the police by a relative of Shakerman, whom the newspaper described as a "former doctor." The arrests were made last October, according to the newspaper, which claimed that the ringleaders of the group were Jewish, naming them as Shakerman, Roifman, Galperin, and Braslavsky. Izvestia had charged that the defendants were part of a ring which operated a subrosa knitting mill in the workshop of a neurological institute in a Moscow suburb. The group allegedly acquired 58 knitting machines and 460 tons of raw wool from illegal sources and the goods allegedly were sold at market and train stations with the compliance of agents of a government unit who allegedly had been bribed.

In calling for a "show trial," Izvestia said it was citing the fact that some of the defendants were Jews "because we do not pay attention to malicious slanders aroused in the Western press from time to time. They are tried as criminals—not as Jews, Russians, Tartars or Ukrainians."

Since July 1961, when death sentences were reintroduced in the Soviet Union for economic crimes, it is estimated that around 190 persons have been tried, convicted and executed on such charges. Of these, at least 95 were reported to have had obviously Jewish names and 11 others were thought to be Jewish.

From Rostov it was reported that a Jew was arrested for allegedly possessing various souvenir articles that had purportedly come from Israel. The report of his arrest appeared in the local Soviet newspaper "Vetchernaya Rostov."

Mr. TOWER. Mr. President, I commend the Senator from New York for his protest against the anti-Semitism which is occurring and has occurred for so long in the Soviet Union. This matter should

come to the attention of all of us, and I am glad the Senator from New York has again brought it to our attention.

THE INIQUITOUS CIVIL RIGHTS BILL

Mr. STENNIS. Mr. President, the so-called civil rights bill, which has already passed the House, is vicious and unconstitutional. The dangers of this bill should be recognized by people in every region and section of this great Nation of ours.

The Jackson Daily News, of Jackson, Miss., on Saturday, February 8, 1964, published an editorial entitled "The Iniquitous Civil Rights Bill," which I should like to share with other Members of the Senate. Therefore, I ask unanimous consent that it be printed in the RECORD.

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

[From the Jackson (Miss.) Daily News, Feb. 8, 1964]

THE INIQUITOUS CIVIL RIGHTS BILL

To discuss the so-called civil rights bill and be forced to use the words "civil rights" is in itself a victory for totalitarians in our midst. For the legislation being advanced in Congress under this label constitutes a denial of cherished rights, including even the right of freedom of speech, states Thurman Sensing, executive vice president of the Southern States Industrial Council.

U.S. Representative HOWARD SMITH of Virginia, chairman of the House Rules Committee, is one leader who clearly understands the nature of this legislation. In a recent comment on television, he pointed out that outspoken opposition to forced association, after enactment of such legislation, could result in federally ordered detention.

Perhaps too much attention has been devoted to the narrow integration aspects of the civil rights law—the power to police restaurant owners and shopkeepers. The evils of this legislation extend to far more sensitive areas than to who shall occupy a chair at a restaurant counter.

To understand the totalitarian nature and aims of the civil rights bill it is best to go to the arguments of the extremists who support it. One of these supporters is Arthur Waskow of the Peace Research Institute, who is on record as seeking an international police force and American disarmament, Mr. Sensing points out.

Writing in the New York Review of Books, Mr. Waskow hails the civil rights bill for being tough. He says that it is even tougher than Attorney General Robert Kennedy wanted it to be, gleefully citing the fact that it includes a provision for the Attorney General "to obtain injunctions against State and local police" and to remove so-called civil rights defendants from State courts. Mr. Waskow points out that these provisions "would encourage the Negro movement to develop sit-ins and other nonviolent techniques."

Another way of putting this is that the provisions of the civil rights bill would encourage revolution in the streets of America.

In addition, as Mr. Waskow happily points out, the police authority of communities and States would be subject to Federal supervision, and State courts would be denied jurisdiction in any case where the Central Government so pleased. This is absolutism, to use the classic word, or what moderns know as totalitarian government. It is government such as Hitler and Stalin wanted government to be, adds Mr. Sensing.

Mr. Waskow openly discusses the possible effects of civil rights legislation, saying at one point that "a large Federal police force would have to be organized to enforce these laws with a firm hand."

The whole outlook of the extreme civil rights attitude is alien to American traditions. Consider the viewpoint of Jack Greenberg, counsel for the NAACP's legal defense and education fund, who is pushing for the civil rights bill before Congress.

Writing in the Columbia Law Review, with coauthor A. R. Shalit, Mr. Greenberg praised establishment of "a supranational authority to guarantee fundamental rights taking precedence over national law." He says that this kind of action has the potential of infusing in the United States "a new, perhaps invigorating strain of authority." In short, they want the civil rights cause to be an opening wedge for the subordination of American law to the decisions of an international agency.

From these comments by Messrs. Waskow, Greenberg, and Shalit, it is possible to see the grand object that the so-called civil rights movement has in pushing legislation in Congress. Behind this movement is the desire to level the constitutional structure of the United States, which is built around States rights and State authority, and, in process, to cloak agitators and street revolutionaries with immunity from local regulation or State jurisdiction in any way.

If the civil rights bill is enacted by Congress, much more will be lost than the right of a storeowner or motel operator to choose his customers or citizens to select their associates. What would be scrapped with passage of a civil rights bill would be the local and State authority that prevents totalitarianism by dividing power.

At the same time, the most radical elements in America, who want U.S. sovereignty diluted, would gain a legal shield behind which they would be free to undermine the Republic, is the sound warning by the astute observer, Mr. Sensing.

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

The PRESIDING OFFICER (Mr. BAYH in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

IOU NO. 11

Mr. METCALF. Mr. President, I refer to the investor-owned utilities as IOU's for two reasons. One is obvious. A second reason is that the IOU's are indeed indebted to an American public which they have misled and overcharged. Exorbitant profit of electric power companies increases as their regulation decreases.

Today I wish to discuss the Virginia Electric & Power Co. situation, to which I made previous reference, on February 20, in IOU No. 8.

There are other States, including my own, where the ratepayer is being overcharged more than he is in Virginia. But the Vepco story illustrates the seemingly helpless situation of citizens in States where the regulatory commission is not active in their behalf. Perhaps the "case history" approach will help ratepayers organize into electric consumer groups, assist legislators in their oversight of utilities, and encourage regulators to be more mindful of consumer interests.

The February 22 issue of the Norfolk Virginian-Pilot carried an article by Staff Writer Raymond L. Bancroft which was based on his interview with the chairman of Virginia's State Corporation Commission. I shall insert this article in the RECORD at the conclusion of my remarks. At this point, however, I would like to read the first four paragraphs of this article:

NORFOLK.—The chairman of the State Corporation Commission said Friday a Montana Senator had no business criticizing the SCC for its regulation of electric rates in Virginia.

"I wouldn't stir up anything now," SCC Chairman Ralph T. Catterall told the Virginian-Pilot in a telephone interview from Richmond.

"Vepco (Virginia Electric & Power Co.) is trying to borrow some money in Wall Street," Catterall added.

He said unfavorable publicity at this time might cause the interest rate on the loan to go up and this might have to be "passed on to the consumer."

Mr. President, the commission chairman's wish that nothing be stirred up, because of the effect publicity might have on the market, reminded me of a similar statement, which the junior Senator from Alaska [Mr. GRUENING] will remember. An editorial in Electrical World read, in part, as follows:

What is most to be feared from Washington this session is the threatened investigation of electric light and power companies, and particularly holding companies, by a senatorial committee headed by Senator Walsh, of Montana. Not necessarily because of any shortcomings of the electric light and power industry as a whole, for it has an admirable record, but because of the detrimental effect of the publicity on the security market.

Mr. President, that editorial, which Senator GRUENING included in his book, "The Public Pays," was printed in 1927. Then, as now, electric company profits were exorbitant. Then, as now, the hope was expressed that the Senate of the United States would not investigate the companies. In 1927 it was a spokesman for the IOU's who hoped nothing would be done. But in 1964 that hope is expressed by a chairman of a commission which is charged with regulating utilities.

The suggestion was made, by the Virginia commission chairman, that unfavorable publicity might result in increased interest rates, and thus higher utility bills. Consumers were, in effect, advised to be quiet, if they knew what was good for them.

Mr. President, the public has the right to know answers to some obvious questions. In my February 20 speech, I noted that during the 1953 Vepco rate increase hearing, the Virginia State Corporation Commission had accepted the company's statement that it would save only a modest amount of money by switching from monthly to bimonthly billing. The Commission thus overruled Arlington County, which had protested the rate increase and asserted that anticipated expenses by the company should be reduced because of savings to be anticipated from bimonthly billing. I noted that, in 1960, the chairman of

the Board of Vepco was quoted, by the Wall Street Journal, as saying that bimonthly billing had saved the company $2 million the previous year.

I have since learned that the company subsequently has saved even more than $2 million a year. A June 20, 1962, letter to shareowners, from Vepco, includes this statement by the company president:

> Of particular significance is the fact that we pioneered and have one of the most extensive bimonthly meter reading and billing programs in the country, which results in annual savings of about $2½ million.

Yet a Virginia ratepayer was told this year, in a letter from the State Corporation Commission, that:

> We do not have any specific information concerning the amount of money saved by the Virginia Electric & Power Co. by the use of bimonthly billing.

Mr. President, consumers and regulators alike, in Virginia and in other States, have been too quiet, too long. Utility costs, including taxes, have been cut. Much of these savings has not been passed on to the consumers. A leading business publication, Forbes magazine, had this to say in its January 1, 1962, issue:

> The utilities are not like other industries. With more capacity than they need, utility men have been able to use their newer, more efficient capacity for base loads. The peak loads they can handle with older, less efficient equipment, or, better still, with cheaper power purchased from neighboring utilities. As a result, they have been able to make impressive reductions in costs, an achievement reflected in part in the steady contraction of the industry's operating ratio (i.e., operating expenses as a percent of revenues) between 1955 and 1960 from 46.9 to 44.8 percent.
>
> Utility profits have gotten a boost, too, from a bookkeeping situation: the so-called flowthrough accounting. Under flowthrough, tax savings resulting from rapid depreciation flow through to profits. This despite the fact that one day the industry may have to pay the taxes deferred and the rate commissions may have to grant compensatory rate increases. In 1961, under pressure from their State rate commissions, Pacific Gas & Electric Co., Philadelphia Electric Co., and Virginia Electric & Power Co. have converted to the new accounting method, often with spectacular impact on earnings.

And so, Mr. President, Vepco consumers who should have benefited from flowthrough, but did not, are warned not to rock the boat, to keep quiet, otherwise their rates might be increased. They receive letters from the State regulatory agency assuring them that "any reduction in expenses made by a regulated public service corporation benefits the ratepayer." But how are consumers to receive these benefits, in Virginia or in any other State, unless the regulatory body acts in their behalf? And how will the State regulatory body act if it does not even know how much money the utility, which it is supposed to regulate, is saving by techniques such as bimonthly billing, the matter to which I referred in my February 20 speech?

Mr. President, a number of Virginia ratepayers wrote me their reaction to my February 20 speech.

A minister in the Tidewater section of Virginia said:

> Many like myself have been aware of the terrible burden of excessive rates but are powerless to act.

An editor said:

> All too long the people of Virginia had to suffer excessive utility charges without relief.

A military officer wrote:

> I was delighted when I read in the newspaper your comments on the Virginia Electric & Power Co. and do hope that this will not stop without some type of action being taken.

Similar sentiments were expressed in the other letters I received.

Mr. President, I would emphasize that I have chosen to discuss a particular company only because, in this way, the consumers can better understand the defects in the regulatory procedure. According to the February 21 issue of the Value Line, an investment survey published by Arnold Bernhard & Co. of New York, the composite price gain for Vepco during the past 3 months was a spectacular 14 percent. A few other companies scored even greater gains. A survey of overcharges was conducted last year by the National Rural Electric Cooperative Association, using data and accounting procedures of the Federal Power Commission, and covering the 5-year period from 1956 to 1960. According to this survey Vepco overcharged—over and above a 6-percent rate of return—its customers a total of $83,619,000 during the 5 years. But at least one of 38 electric utilities initially surveyed by NRECA obtained an even greater benefit. Some other companies received an even larger rate of return than Vepco—the dominant IOU in my State, the Montana Power Co.—enjoys the most exorbitant profit of any major electric company.

It is my intention to provide other case histories, similar to the Vepco story, in subsequent remarks.

Mr. President, I ask unanimous consent to insert in the RECORD, immediately following these remarks, the full text of the Virginian-Pilot article to which I referred, an excerpt from the record made in 1953 before the Virginia State Corporation Commission prior to its granting a rate increase to Vepco and the November 6, 1963, memorandum to the Arlington County Public Utilities Commission, from the commission's executive assistant.

There being no objection, the article, excerpt, and memorandum were ordered to be printed in the RECORD, as follows:

[From the Virginian-Pilot, Feb. 22, 1964]

SCC CHIEF DEFENDS REGULATION OF VEPCO

(By Raymond L. Bancroft)

NORFOLK.—The chairman of the State Corporation Commission said Friday a Montana Senator had no business criticizing the SCC for its regulation of electric rates in Virginia.

"I wouldn't stir up anything now," SCC Chairman Ralph T. Catterall told the Virginian-Pilot in a telephone interview from Richmond.

"Vepco (Virginia Electric & Power Co.) is trying to borrow some money in Wall Street," Catterall added.

He said unfavorable publicity at this time might cause the interest rate on the loan to go up and this might have to be passed on to the consumer.

Senator LEE METCALF, Democrat, of Montana, claimed Thursday in a Senate speech that the SCC had let Vepco enjoy excessive earnings in recent years without major customer rate reductions.

Vepco headquarters in Richmond had no comment on METCALF's speech, but a spokesman added: "We're studying it."

The power company spokesman confirmed Vepco's intent to sell 850,000 shares of common stock in May to finance its $95 million 1964 construction program approved by company directors Friday afternoon.

The board also declared a 26-cent-a-share common stock dividend for its 1963 fourth quarter activities. The dividend matched the previous quarterly payment.

Catterall took issue with Senator METCALF's statements that Vepco's profits were excessive.

"It depends on how you figure those profits," he said. "No two companies are similar. We look at their earnings every year."

Asked if he had the latest Vepco profit totals, Catterall said he couldn't remember those figures.

But the SCC chairman referred to a section of the commission's annual report to the Governor which related how electric rates have been cut in recent years.

The SCC report stated: "In spite of the continuing rise in prices and wages, few utilities have increased their rates. Electric rates have been reduced by more than $4 million a year. The bulk of that reduction comes from the two largest companies: Vepco, $3 million and Appalachian, $600,000.

"When the commission approved the purchased gas adjustment in the rate schedules of gas distribution companies, fears were expressed that the adjustments would not benefit consumers. During the present biennium (1962–64) the adjustments have resulted in refunds through reduced rates aggregating nearly $5 million. Telephone rates have been reduced by $1 million a year."

(Vepco provides gas to customers in Norfolk and Newport News.)

Vepco officials said the 1962 rate reduction applied to some industrial and some residential customers.

But Senator METCALF said in his speech that the residential user of electricity who can't take advantage of the new promotion rates only would realize a maximum annual savings of 60 cents.

METCALF said the last major adjustment of Vepco rates was an increase in 1955.

Norfolk's city council unsuccessfully fought that increase along with other Virginia cities. Mayor Roy B. Martin, Jr., recalled February 11 the council's frequent efforts to prevent utility rate increase when a group of housewives complained about high utility rates.

Periodically, the utility companies' rate structure has become the subject of political debate. In 1961, for instance, unsuccessful house of delegates Candidate Gordon Dillon produced figures showing electricity and telephone rates were higher in Norfolk compared with other cities.

Councilman Sam T. Barfield proposed a study of the rates as a result of Dillon's charges and a survey was prepared for the city by Martin Toscan Bennett Associates of Washington. Metcalf included this survey in the Senate record.

The Bennett report said there appeared to be little hope of attaining reduced rates from either the telephone or electric utility because in 1961 "the regulatory climate of the Commonwealth of Virginia would thwart any attempt to obtain a rate reduction."

The survey said the rates charged by the Chesapeake & Potomac Telephone Co. of Virginia "are not low."

"More important," the report continued, "the company's earnings, in our opinion, are excessive." It also claimed Vepco rates generally are higher than other cities surveyed.

Telephone rates for long-distance calls made within Virginia were cut in 1962 as a result of Federal Communications Commission action with the American Telephone & Telegraph Co., the C. & P.'s parent company.

Catterall said Friday the telephone reduction came after the "SCC ganged up on the FCC and A.T. & T." with other State regulatory agencies.

(Source: Official record, Supreme Court of Appeals of Virginia Board of Supervisors, *Arlington County* v. *Virginia Electric & Power Company*, 1954, pp. 280–281.)

(All answers by Mr. Donald C. Barnes, Vepco board chairman.)

Question (by Mr. Maximilian George Baron, attorney for Arlington County). Mr. Barnes, you made a statement that the purchasers of this stock that was sold under this prospectus that has just been offered have made an extensive investigation and that they concluded that this commission would increase the rate?

Answer. I think they figured it was a reasonable probability more than a reasonable probability, of getting the increase.

Question. In other words, they had made up their minds for this commission and have represented that to the public?

Answer. I didn't say that, and I don't think that is true.

Question. That is what I wanted to find out, whether that is your statement.

Answer. It is not my statement and they did not represent it to the public.

(Page 572, further redirect examination.)

Question (by Mr. T. Justin Moore, general counsel of Vepco). As I understand, they (stock purchasers) believed there was relief going to be granted?

Answer. They did.

Question (by Commissioner Ralph T. Catterall). You do not have any evidence of that whatever, it is pure speculation?

Answer. Well, I have talked with the people that came down here and made the study.

Question. From Fenner and Beane?

Answer. Yes.

NOVEMBER 6, 1963.

Memorandum to: Public Utilities Commission.

From: Charles E. Hammond, executive assistant.

Subject: SCC Vepco calculations.

On Wednesday, October 23, 1963, the executive assistant traveled to Richmond to call on James H. Brown, chief accountant to the State Corporation Commission.

After brief discussion, Mr. Brown presented a photocopy of a handwritten document bearing the title, "Virginia Electric & Power Co., Rate of Return—1962, Electric Department, Per Hammond and Per Staff." The document has been duplicated and is attached hereto (exhibit A). In it, the State commission staff develops a rate of return for the calendar year 1962 of 6.36 percent. As expected, the differences between the SCC study and the data submitted to the SCC in the letter from the county board lie principally in the treatment of several tax items. A discussion of the differences is also attached to this memorandum (exhibit B).

In addition to discussion of the differences between the two reports, there was discussion of the State Corporation Commission's attitude and actions on several ratemaking matters. It was learned that the commission has not actually had any formal cases wherein consideration has been given to the treatment of liberalized depreciation, guideline lives, and rules or investment tax credit for ratemaking purposes, nor has the commission ruled on possible modification of the rate base for purposes of taking into account these items or possible treatment of the reserve for deferred taxes for accelerated amortization. The SCC and its staff underscored the fact that electric rates were adjusted on December 1, 1962, in an annual amount expected to be about $2,800,000 or $1,344,000 on a net basis. The SCC staff has made no interim analyses since the yearend study referred to, nor does it expect to make such until after yearend 1963. In order to suggest the probable results of any interim study by the SCC staff (if such were to be made), we have prepared exhibit C, using the SCC basis, but covering system data, for the 12 month periods ending November 30, 1962, December 31, 1962, and September 30, 1963.

(NOTE.—Vepco system data usually result in very slightly higher rates of return than electric only.)

The comparative study shows rates of return of 6.42, 6.39, and 6.13 percent, for the periods in question. If one were to adjust the SCC electric return for 1962 by the net of $1,344,000 refererd to above the rate of return for 1962 would have been 6.17 percent.

The treatment given by the SCC staff to the aforementioned tax items is apparently geared to the fact that the tax savings which were beginning to accrue to the company just prior to the 1953 rate case were considered by the commission at that time to be merely deferred taxes which the company would ultimately have to pay, and accordingly they (the tax savings) were included as operating expenses in that rate case, and no adjustment in the rate base was made. In order to illustrate the impact of the deferred tax items we have prepared exhibits D and E. In comparing the rate of return (SCC basis) for 1962, but using the adjusted rate base, it is noted that the rate of return becomes 6.88 against 6.39 percent, while for the 12 months ended September 30, 1963, the rate of return is 6.53 against 6.13 percent.

Of particular interest in connection with the tax items is the treatment given by the company in its reports to stockholders. While footnotes in the reports give indication of the amounts of tax savings due to guideline lives and liberalized depreciation, there is no operating expense or balance sheet treatment as in the case of accelerated amortization and investment tax credit. Amounts of tax savings due to accelerated amortization are charged to "provision for deferred or future income taxes due to accelerated amortization" and are credited to a liability account bearing the legend, "Accumulated amount invested in the business equivalent to reduction in Federal income taxes resulting from accelerated amortization." In the case of investment tax credit, the amount of the tax saving is charged below the line as a "Special charge equal to full amount of investment tax credit deducted from Federal income taxes," while the credit entry is to "Deferred credits: Investment tax credit." In the case of liberalized depreciation (double declining balance) and in the case of guideline lives the tax saving comes down to unrestricted net income.

The SCC staff summary, therefore, gives no recognition to the tax savings on the expense side, nor does it give recognition to the fact that the company's investment in facilities is less (as shown in exhibits D and E) by the cumulative amount of the deferred taxes.

CHARLES E. HAMMOND.

EXHIBIT A

Virginia Electric & Power Co.—Rate of return, 1962, electric department (per Hammond and per staff)

	Per Arlington Public Utilities Commission, Hammond	Per staff
	Thousands	
Electric plant	$815,054	$816,494,513
Miscellaneous plant	1,441	
Less depreciation reserve	124,297	124,296,664
Net plant	692,198	692,197,869
Common utility plant—Net	5,992	5,989,090
Less contributions in aid of construction	0	1,268,235
Net utility plant	698,190	696,918,724
Allowance for working capital:		
Cash	7,210	7,301,762
Materials and supplies	11,546	11,596,011
Total working capital	18,756	18,897,773
Rate base end of period	716,946	715,816,497
Operating revenues	170,937	170,937,562
Operating expenses	65,716	65,715,858
Depreciation	19,871	19,870,968
Taxes, other than Federal income	13,876	13,875,773
Federal income taxes:		
Income tax currently payable	22,931	22,931,122
Deferred:		
Liberalized depreciation	0	2,130,000
Guideline lives and rules	0	627,000
Investment tax credit	0	1,893,000
Accelerated amortization—Net	1,687	1,687,073
Total operating revenue deductions	124,081	128,730,794
Net operating income	46,856	42,206,768
Add interest during construction	3,310	3,309,762
Deduct charitable donations (estimated)	150	0
Adjusted net operating income	50,016	45,516,530
Rate of return (percent)	6.99	6.36

NOTE.—Arlington Public Utilities Commission, Hammond, in thousands; staff in hundreds.
Source: SCC accounting division Oct. 23, 1963.

EXHIBIT B

VIRGINIA ELECTRIC & POWER CO. RATE OF RETURN, 1962, ELECTRIC DEPARTMENT

SCC STAFF AND ARLINGTON PUC STUDY COMPARED

Rate base

SCC staff	$715,816,497
Arlington PUC (in thousands)	716,946

The principal difference is in the exclusion by SCC staff of contributions in aid of construction ($1,268,235). Other minor differences account for the net difference of $1,150,000. The Arlington figures used as a benchmark the 1953 rate case in which contributions in aid of construction were not excluded. In any rate case, however, the exclusion would be advocated.

Operating revenues, operating expenses

Federal income taxes currently payable, no differences.

Federal income taxes deferred—Liberalized depreciation

SCC	$2,130,000
Arlington PUC	0

The amount included by SCC was not included as a tax by the company in its annual report to stockholders. The amount represents a normalization of Federal income tax to the extent that less taxes are actually paid in a given year due to the fact that for tax purposes the company uses the double declining balance method of computing depreciation, while in its accounts straight-line depreciation is used, based on the life expectancy of the facilities. The amount shown by SCC is the amount of taxes saved by using this method, which the SCC has included as expense for the purpose of its study. This subject was not treated in the 1953 rate case. Rapid amortization was treated in 1953 in the same manner as the SCC used in the recent study. In 1953, and subsequently, the company accumulated the amounts saved in a reserve account. There is presently $36,215,000 in the reserve account (eligible and used for such corporate purposes as expanding plant). If the plant built from these funds were to earn a 6 percent return, the annual earnings from this capital (not advanced by the stockholders) would be $2,172,900. SCC's treatment apparently does not involve consideration of these sums as reserves.

Federal income tax deferred—Guideline lives and rules

SCC	$627,000
Arlington PUC	0

The amount included by SCC was not included as a tax by the company in its annual report to stockholders. It represents the 1962 tax saving achieved by the company through the use of "guideline lives and rules." The SCC treatment would allow, as expense, a greater amount for taxes than was actually paid.

Federal income taxes deferred—Investment tax credit

SCC	$1,893,000
Arlington PUC	0

The company, in filing its 1962 Federal income tax return, was allowed to deduct this amount from the total tax due. Its tax liability, therefore, was this much less. The credit is related to the increased investment made by the company computed at 3 percent in the case of facilities with life expectancies in excess of 8 years and 2 percent and 1 percent in the case of shorter life expectancies. Regulatory treatment has not been determined for most jurisdictions as yet, although FCC appears to have decided that the full amount of the investment tax credit should be brought down to net income. The apparent fact is however, that the U.S. Government has invested the full amount of the credit in the company. The only requirement of the Government is that no depreciation be charged for the facilities so acquired.

EXHIBIT C

Virginia Electric & Power Co.—Rate of return based on SCC accounting division methods, 12-month periods ending Nov. 30, 1962, Dec. 31, 1962, Sept. 30, 1963

[In thousands]

	Nov. 30, 1962	Dec. 31, 1962	Sept. 30, 1963
Electric, gas and miscellaneous plant	$855,640	$860,136	$917,265
Reserves, depreciation	129,579	130,817	144,031
Subtotal	726,061	729,319	773,234
Less contributions in aid of construction	1,314	1,321	1,415
Net utility plant	724,747	727,998	771,819
Cash working capital, 40 days	8,130	8,228	8,760
Materials and supplies	11,996	12,209	12,306
Rate base, end of period	744,873	748,435	792,885
Operating revenues	184,950	186,082	194,974
Operating expenses	62,856	63,569	66,607
Maintenance	11,317	11,391	11,331
Depreciation	20,523	20,652	22,047
Federal income tax, current	24,800	24,490	25,964
Deferred:			
Liberalized depreciation	[1] 1,932	2,209	[4] 2,962
Guideline lives	[2] 723	789	[4] 727
Investment tax credit	[3] 1,793	1,955	[4] 2,143
Accelerated amortization, net	1,863	1,687	451
Other taxes	14,743	14,876	16,134
Total operating expenses	140,550	141,627	148,366
Net operating revenues	44,400	44,455	46,608
Add interest charged to construction	3,397	3,347	2,048
Adjusted net operating income	47,797	47,802	48,656
Rate of return (percent)	6.42	6.39	6.13

[1] For 1961, 1/12×1,200,000; for 1962, 11/12×$2,209,000.
[2] For 1962, 11/12×$789,000.
[3] For 1962, 11/12×$1,955,000.
[4] Based on 9/12 1963 total and 3/12 1962 total.

NOTE.—The purpose of this summary is to reflect trend of rate of earnings since Dec. 1, 1962 rate adjustment.

Source: Arlington Public Utilities Commission, Nov. 5, 1963.

EXHIBIT D

Vepco rate of return, adjusted, using SCC method for results of operations and adjusting rate base for plant provided by tax reserves

[12-month period ended Dec. 31, 1962, in thousands]

System rate base Dec. 31, 1962, SCC basis	$748,435
Adjustments:	
Reserve, future taxes—Amortization [1]	36,215
Investment tax credit [2]	1,955
Reserve—Liberalized depreciation [3]	4,129
Reserve—Guideline lives [4]	789
Total	43,088
Adjusted rate base	705,347
Net operating income, adjusted (SCC basis) (from exhibit C., col. 2)	47,802
Adjusted rate of return (percent)	6.88

[1] Per balance sheet Dec. 31, 1962.
[2] Per balance sheet Dec. 31, 1962.
[3] 1960, $720,000; 1961, $1,200,000; 1962, $2,209,000.
[4] 1962, $789,000.

EXHIBIT E

Vepco rate of return, adjusted, using SCC methods for results of operations and adjusting rate base for plant provided by tax reserves

[12-month period ended Sept. 30, 1963, in thousands]

System rate base, Sept. 30, 1963, SCC basis	$792,885
Adjustments:	
Reserve, future taxes—Amortization [1]	36,495
Investment tax credit [2]	3,691
Reserve—Liberalized depreciation [3]	5,862
Reserve—Guideline lives [4]	1,391
	47,439
Adjusted rate base	745,446
Net operating income, adjusted (SCC basis) (from exhibit C, col. 3)	48,656
Adjusted rate of return (percent)	6.53

[1] Per balance sheet, Sept. 30, 1963.
[2] Per balance sheet, Sept. 30, 1963.
[3] 1960, $720,000; 1961, $1,200,000; 1962, $2,209,000; 1963, (9 months), $1,733,000.
[4] 1962, $789,000; 1963 (9 months), $592,000.

LARD TRADE WITH CUBA

Mr. KEATING. Mr. President, it is with shock and incredulity that American citizens learned that negotiations are underway for the direct sale of a large shipment of U.S. lard to Communist Cuba.

Mr. President, such an action would be directly contrary to the whole direction of U.S. policy toward Cuba. A large agricultural sale to Castro would completely undermine whatever position the United States sought to establish in preventing increased West European trade with Castro.

Mr. President, when the wheat sale to the Soviet Union was licensed—and a license was required in that case because wheat was a subsidized product—it was specifically provided that none of the wheat could go to Cuba. To turn around and sell lard directly to Cuba would make a parody of our whole policy effort directed at an economic boycott of Cuba.

Mr. President, I am aware of the fact that under present regulations as drawn up by the Department of Commerce there is no requirement for licensing of edible fats and oils for sale overseas, except to such nations as Communist China, North Korea and North Vietnam which have traditionally been dealt with in a different manner. However, Mr. President, there is very clearly authority in the broad terms of the Export Control Act of 1949 to require licensing or any other kind of regulation where necessary "to further the foreign policy of the United States and to aid in fulfilling its international responsibilities."

In the case of Communist China, North Korea and North Vietnam an export license is required for all trade whatsoever, and none is permitted except under unusual circumstances, for example to foreign embassies within Red China.

Mr. President, it is my view Communist Cuba should be under the same kind of trade restrictions as Red China. In other words, all shipments should require a validated license.

The fact of the matter is that a large agriculture sale to Cuba has a significant impact upon the foreign policy and international interests of the United States. Longshoremen unions were criticized in many quarters for refusing to load shipments of wheat to the Soviet Union because it was said that this refusal constituted private intervention in foreign policy. There can be no question that a large and direct sale to Communist Cuba is just as much an intervention in foreign policy. We can certainly imagine what the British will say about this.

Mr. President, it seems at times that the right hand of our Government has no notion whatsoever what the left hand is doing, or a more conscientious effort would have been made to bring U.S. trade with Cuba under adequate control. Ironically, President Betancourt of Venezuela has several times warned that his country is considering a boycott of shipments from nations which engage in trade with Cuba. Venezuela has felt the direct attack of Cuban-trained terrorists, and is determined to take firm action. What a farce it would be if the Venezuelan Government had to impose sanctions against the United States as well as West European countries for trade with Cuba.

We must not permit our own businessmen to lead the way in overcoming Government policy. And our Government officials must manifest more awareness over private activities that will have an immediate and detrimental effect on foreign policy. How, indeed, can we cut off foreign aid to our allies for their trade with Cuba when our own merchants are doing exactly the same thing?

Mr. President, the Department of Commerce under the Export Control Act has full authority to lay down regulations regarding exports to any country in the world. Immediately, action should be taken to place Cuba in the same category as Communist China, North Korea and North Vietnam. Every shipment of any kind to Cuba should require a validated export license so that our Government can maintain full control over a vital area of foreign policy.

THE U.S. BALANCE-OF-PAYMENTS DEFICIT CONTINUES

Mr. JAVITS. Mr. President, on a number of occasions I have called to the attention of the Senate the situation concerning our balance of payments with the world. I should now like to speak again briefly about this issue which is one of the most critical indices of our financial and monetary situation and our credit standing, and one of those which has caused the greatest worry to our authorities in the Treasury and to the President of the United States—and quite justly, as there are tremendous calls upon us far exceeding our gold stock by the other central banks in the world which are dependent upon the credit of the United States.

Despite the numerous steps taken by the administration thus far to deal with the continued deficit in our balance of payments, the overall success has been rather small. Our gold stock declined by another $461 million in 1963, so that at the end of that year it amounted to $15,596 million, the lowest level in our postwar history. The U.S. balance-of-payments deficit for 1963 remained at $3,020 million, below the $3,573 million deficit of 1962, but only slightly under $3,043 million in 1961, despite the Administration's claim that the series of measures it has put into effect is bringing this critical problem under control.

I am more convinced today than ever before that the United States must take leadership in world monetary reform, if we are to find a fundamental solution to this problem.

As I stated in my remarks here last September, the U.S. balance-of-payments deficit cannot be solved unless we seek a basic solution. Such a basic solution clearly involves the modernization of the international monetary system. While the United States must clearly exert itself to do all it can to bring its financial house in order, the U.S. balance-of-payments deficit cannot be isolated from the system of which it is but a part, even if a major part.

The outcome of the current study of the international monetary system by the 10-nation OECD "Paris Club" and by the IMF is therefore of crucial significance. Their failure to draw meaningful lessons from recent developments and to recommend the modernization of the system would, in my view, have serious consequences not only for the United States but the Western World as a whole, each member of which greatly depends for its continued growth on the stimulative effects of this system.

What is the administration doing to cope with this problem? It is continuing the export expansion program, the tourist promotion program, and the effort to reduce Federal expenditures abroad—particularly military expenditures—and tying U.S. economic assistance to U.S. exports, initiated under the Eisenhower administration. The Federal Reserve increased the rediscount rate from 3 to 3½ percent to stem short-term capital outflows and the much-vaunted "interest equalization tax" was introduced to reduce long-term capital outflows.

In addition, the Treasury devised a number of highly imaginative ad hoc measures, for example, to sell convertible medium-term Treasury bonds abroad denominated in foreign currencies; to arrange a $500 million standby credit for the United States from the IMF, to arrange for advance repayment of debt owed by foreign countries to the United States; to set up currency swap arrangements with several European central banks to defend the U.S. dollar and other key currencies against speculative raids, and so on.

I do not believe we can depend on gimmicks to resolve our own balance-of-payments problem while hopefully awaiting a modification of the system to meet our own long-term needs. I consider the interest equalization tax such a gimmick. The only thing that has made it work to date is the uncertainty surrounding its enactment by Congress. There is little doubt in my mind—and I am not alone in this by any means—that once the tax is passed—and I hope that it will be defeated—the outflow of long-term U.S. capital will once more resume. In this connection, a statement made by Secretary Dillon in response to my question on the subject during the January 28 hearings of the Joint Economic Commitee will be of interest:

Senator JAVITS. Do you feel that the almost total cessation of foreign long-term lending was attributable to the expected rate of the tax, or was attributable to the uncertainty as to whether there would or would not be a tax? In short, are we to anticipate that if there is a tax passed, this will result in practical cessation of long-term capital lending in this market?

Secretary DILLON. No; I would not think so at all. I think that the effect of the tax has been magnified considerably by the uncertainty. This was something that when the proposal was put forward, that we had not anticipated, because we had not foreseen the situation that has arisen—that the en-

actment would take so long. But I think that undoubtedly, particularly in the case of Canadian borrowing, where they have been uncertain whether there would be an exemption or would not, the uncertainty has had a great effect.

And I also think in the case of European and Japanese borrowers, they still may have some hopes that the bill will not take effect. So I think that there will be some borrowing once the bill is passed.

The United States must put into effect measures, the effectiveness of which are without doubt, if we are to convince the world of the sincerity of our oft-stated claim that we are doing all we can to find a solution to our balance-of-payment deficit problem.

In the field of long-term capital outflows, I recommend the establishment of a capital issues committee, to regulate this outflow on the basis of guidelines laid down by the Treasury and the Federal Reserve System. That would be much wiser in terms of American leadership and would be more reassuring to the world, than the ill-conceived interest equalization tax proposed by this administration. Previous experience has shown that a capital issues committee would be more effective.

In addition, I am in favor of the enactment of a tax incentive to stimulate our exports. While our favorable trade balance rose to $4.9 billion in 1963 from $4.3 billion in 1962, due to increased exports and decreased imports, they are rather temporary and cannot be counted upon to close the gap between our external payments and receipts without further stimulation. A significant proportion of the expansion in our exports in 1963 was accounted for by an increase in agricultural products that benefited from poor harvests in Western Europe and the Soviet Union, and an improvement in the competitive position of U.S. manufacturers resulting from an increase in prices in Western Europe.

Finally, I wish to stress the urgent need for modernization of the international monetary system, and call upon the United States to bring about and call for an international monetary conference for the purpose of having a far more rational monetary and credit system in the world than exists today, and one that would address itself to the problem of the rigidity of the existing adjustment process as well as to the problem of the adequacy of international reserves over the long term.

I ask unanimous consent to have printed in the RECORD an editorial from the February 19 issue of the New York Times calling for the creation of a capital issues committee and the enactment of a tax incentive for exports, an editorial from the February 13 issue of the Wall Street Journal calling for the defeat of the proposed interest equalization tax, a rather full exposition of the case against this tax made by the chairman of the Foreign Investment Committee of the Investment Bankers Association of America, and a former director of the IBRD and the IFC, Mr. Andrew N. Overby, on December 4, 1963, and finally, a New York Times article entitled "International Liquidity."

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

[From the New York Times, Feb. 19, 1964]

HALTING THE DOLLAR DRAIN

The marked improvement that the United States managed to achieve in its balance of payments over the last 6 months of 1963 is welcome, but rejoicing is decidedly premature. Washington has recorded temporary successes before, only to suffer a renewed backsliding. This could happen again.

Special factors were largely responsible for reducing the outflow of gold and dollars to an annual rate of $1.6 billion in the second half of 1963. There was a big jump in exports, particularly of agricultural products that benefited from the poor harvests in Western Europe and the Soviet Union. At the same time there has been a sharp decline in foreign sales of bonds and stocks since President Kennedy proposed placing a tax on purchases of foreign securities by Americans.

The continued effectiveness of these developments cannot be counted on in 1964. On the trade side, the surplus may dwindle even if agricultural exports are maintained. This is because the upsurge in business activity generated by tax cuts will mean increased demand for imports.

On the investment side, the outflow of capital could resume once the proposed interest equalization tax is passed. The drain will come from borrowers willing to pay higher prices for capital and from the opening up of loopholes that inevitably accompany a new tax.

Permanent progress in improving the balance of payments should not be left to chance. Rather, it requires the fashioning of specific weapons to meet specific payment problems. While trying to get our allies to pay a larger share of the burden of common defensive arrangements, Washington would do well to consider tax incentives for exports. And a capital issues committee would be a far better instrument for dealing with the drain of capital than the proposed tax.

The best time to take action to halt the drain is when the dollar is under least suspicion. Instead of hoping that the temporary improvement lasts, the administration could take advantage of its present opportunity to make sure that it does.

[From the Wall Street Journal, Feb. 13, 1964]

A CAPITAL OFFENSE

If there ever was a case of killing, or anyway maiming, a golden goose, it is the proposed tax on American purchases of foreign securities. Though Congress has been slow to act on the measure, the threat of its retroactivity to last summer has all but stopped such purchases.

The purported aim of the "interest equalization" tax is to improve the U.S. balance of payments, which has been heavily in deficit these many years, by discouraging capital outflows from America. And sure enough, the deficit has lessened for the time being, partly because of the threat of the tax.

All the same, the thinking behind this plan is remarkably myopic. It seems to assume that American private investment abroad is a simple matter of dispatching dollars and saying goodby to them forever.

In fact, from 1958 through 1962 income from all private foreign investments nearly offset the aggregate net outflow for new investment, and in 1962 exceeded it. In the future this income, unless the Government succeeds in reducing it, could well be a strong support of our balance-of-payments position.

Nor is that all. As Andrew N. Overby, the distinguished banker and former Treasury official, noted in a talk a while back, trade follows credit. "With the dollars which they obtain from U.S. purchases of their securities, countries such as Canada and Japan buy our goods and services. In many cases, the connection is direct and the proceeds of foreign issues are specifically used for purchases of U.S. goods and services and provide jobs for Americans."

The U.S. trade surplus has long been the great bulwark of the balance of payments; without it, that is, the deficit would be much more fearsome to behold. Action having the effect of undermining trade is not likely to be beneficial for the future balance of payments, let alone the American domestic economy.

In short, the tax attacks the wrong targets; in its short-sighted zeal to cut capital outflows, the Government would threaten the private foreign investment and trade which could strengthen the American position. At the same time the Government does little of any significance to clear up its untidy domestic fiscal and monetary affairs or to reduce the heavy balance-of-payments drain represented by its own enormous expenditures abroad.

Hardly less disturbing are some further implications of the proposed tax. As Mr. Overby says—and these columns have tried to say—it amounts to a new protective tariff on the importation of foreign securities. Hence it is "a new barrier to the free international movement of capital, and is a retreat from our long-standing policy of freedom for capital movements."

Whether it presages stronger controls to come, no one can say; it presumably could, if the Government persists in its failure to eliminate the deficit and in its determination to make a whipping boy of foreign investment. In any event, it reflects a bias against the principles of free international enterprise this country has so long preached to the world. As such, it is for foreigners an unsettling development in terms of more than dollars.

Those principles, it may be added, are sound not because the United States preaches them but because they make for a flourishing international economy from which all participants benefit. One of the chief drawbacks to the various forms of restrictionism, protectionism or economic isolationism is simply that they are self-defeating.

That certainly seems to be the case here. The so-called tax would not be the most egregious economic error the Government ever committed, but it would still be a mistake from the point of view of the long-term balance of payments as well as foreign confidence in this country.

For these reasons, we think Congress should kill the proposal instead of encouraging those who constantly try to throttle private initiative's golden production and promise.

REMARKS OF ANDREW N. OVERBY, CHAIRMAN OF THE FOREIGN INVESTMENT COMMITTEE, IN PRESENTING THE REPORT OF THE COMMITTEE TO THE 52D ANNUAL CONVENTION OF THE INVESTMENT BANKERS ASSOCIATION OF AMERICA, HOLLYWOOD, FLA., DECEMBER 4, 1963

President Ames, ladies and gentlemen, although the work of the Foreign Investment Committee during 1963 has included other matters—as can be seen from the committee report which is available on the tables outside this room—I believe my few remarks this morning should focus on the matter which has primarily concerned us this year—namely, the proposed Interest Equalization Tax Act of 1963.

This is my farewell I.B.A. appearance. It is ironic that the very morning I make a brief report to you is also the morning that the House Ways and Means Committee reportedly is making its final decision on the proposed interest equalization tax. I do not

know whether they will make that decision today. They were supposed to have made it yesterday, but apparently a little debate broke out. I hope, Mr. Ames, that you and I may have contributed somewhat to inspiring that debate.

My remarks this morning regarding the I.B.A.'s opposition to the proposed Interest Equalization Tax Act of 1963 concern a matter in which all of us should be interested. It isn't a narrow question; it is a broad question; it is a question involving the financial leadership of the United States in the free world.

As an American who believes in the strength and freedom of our economy, and who worked for years to get rid of restrictions in other countries but also in trying to make sure we did not get them in our own country, I have to say that it is not with particular pride or pleasure that I stand before you this morning—for I do not relish the possible—perhaps probable—legislative prospect of our being something other than a first-class country in financial leadership.

President Ames and I, in letters to every Senator and Congressman, have recently stated that the enactment of the proposed legislation would be contrary to our national interest, and a serious abdication of financial leadership by the United States.

As most of you know, the proposed legislation would—generally—impose what is called a tax of up to 15 percent on purchases by Americans from foreigners of the securities of 22 developed nations and of companies therein. Its purpose is to reduce longer term capital outflows from the United States.

At the moment it has paralyzed them. And let me say in this connection that the improvement in our balance of payments in the third quarter resulting in part from the threat of the proposed tax is misleading. The uncertainty engendered by the threat of the enactment of a retroactive tax has, in effect, to date, imposed not merely a limitation but an actual embargo on the sale of new foreign securities in the U.S. capital market.

The third quarter figures on the balance of payments were dramatic in their change. They should not be taken as a representative set of figures. I could assert that the short-term capital outflows showed a much bigger reduction than the reduction in the longer term capital outflows, but I don't think we should take the third quarter figures as being indicative of what the situation may prove to be.

In the few moments I shall take of your time this morning I want to indicate briefly the substance of the opposition that Mr. Ames and I have expressed, on behalf of the IBA, in our appearance before the Ways and Means Committee in August, and in our recent letters to every Member of Congress.

First, we think the proposed tax will adversely affect the U.S. balance of payments in the long run.

Private foreign investment we have described as an asset-creating expenditure. It is—as its name indicates—an investment; it is not an expenditure such as those for tourism, foreign aid, or for U.S. military expenditures abroad.

Foreign investment improves the international asset position of the United States. Since 1950, despite the fact that we began recording deficits in our overall balance of payments that year, total U.S. assets and investments abroad have increased from $32 billion to $80 billion, while foreign assets and investments in the United States have increased from $18 billion to $47 billion. Thus, in the period since 1950 although we have been recording deficits, the overall net international asset position of the United States has improved from $14 billion to $33 billion.

I repeat that in this period the net international assets position of the United States has improved from $14 billion to $33 billion.

Future receipts from foreign investment in the form of interest, dividends and return of capital benefit the balance of payments in future years. The extent to which income from previous investments serves to offset current net capital outflows is indicated by the fact that in the 5 years from 1958 through 1962 income from all private foreign investments amounted to over $15 billion and nearly offset the aggregate net outflow for new investment of something over $16 billion. In the year 1962 alone, income from foreign investment exceeded the outflow.

The proposal which is embodied in the proposed legislation, to slow the outflow of investment dollars from the United States, and thereby also to slow the future investment income to the United States from overseas, has been characterized by one financial editor in Europe as being "a little bit like trying to economize by quitting your job. After all, you do save the money you used to spend getting to work."

The highly regarded Monthly Economic Letter of the First National City Bank of New York recently had this to say:

"It is penny wise and pound foolish to blame the balance-of-payments deficit on private investments overseas. Unlike soft loans and grants under Government programs, private investments support the balance of payments for years into the future.

"Oversea investment is our natural, national destiny. Suppression of private investment is suppression of private enterprise. The ideological war can be won only by encouragements to private enterprise everywhere so that the full strength of free institutions can be mustered and unequivocally demonstrated."

Another point which Mr. Ames and I have made and which we think is important is that trade follows credit. With the dollars which they obtain from U.S. purchases of their securities, countries such as Canada and Japan buy our goods and services. In many cases, the connection is direct and the proceeds of foreign issues are specifically used for purchases of U.S. goods and services and provide jobs for Americans. Moreover, as I have said, over the years, the U.S. balance-of-payments benefits from the repayment of principal and interest.

Considering the proposed exemptions under the act, including a proposed exemption for new issues of Canadian securities, which was added rather precipitately over the weekend after the tax was announced, and which is not yet clearly defined, it appears to us that the proposed tax would, at best, contribute to a slight temporary reduction in our balance-of-payments deficit but at the cost of reducing the accumulation of long-term assets, and at other costs which we believe are far too high to pay.

Second, and most importantly: The proposed act is not addressed to the fundamental causes of the balance-of-payments deficit.

Government grants and capital outflows in 1962 amounted to $4.3 billion. (This figure includes other items as well as straight foreign aid.) Moreover, oversea military expenditures of the United States amounted to a further $3 billion gross in 1962.

There is little hope of correcting our balance-of-payments deficit unless the balance-of-payments leakage that is involved in these Government expenditures is reduced, and reduced substantially.

The subject of U.S. military expenditures abroad has been a debated issue for years. Some of us have for long contended that our allies should carry a larger and fairer share of this burden, and that we could reduce our troops abroad without any sacrifice in the symbol that we give to the world, or in free world strength. Support for this point of view has recently been expressed by a gentleman who has had a little experience in this: General Eisenhower.

We must also improve our cost position in relation to our competitors abroad, and enhance the attractiveness of investment in the United States by reduction in personal and corporate income taxes and by other appropriate measures—such as wage and price restraint and appropriate interest rates.

It is interesting to note—and again I do not take the third quarter balance-of-payments figures as conclusive—that following the increase in the discount rate in July from 3 to 3½ percent, and the change that was made in Regulation Q, there has been a rather sharp reversal, a sharp change in short-term capital outflows. The results appear to speak for the measures which were adopted.

Third, the proposed tax, in our judgment, is more appropriately described not as a tax at all, but as a new protective tariff to limit the importation of foreign securities. This so-called tax represents a new barrier to the free international movement of capital, and is a retreat from our longstanding policy of freedom for capital movements—a policy, I might add, which has been advocated and followed by Democratic and Republican administrations alike for many years. It is a policy which we have advocated to the rest of the world, and which I am happy to say the rest of the world has taken to heart. They have been dismantling their restrictions. I find it discouraging that we, the leader, may be resorting to them.

Fourth, the U.S. capital market, and foreign economies which are dependent upon it, may be seriously damaged. The United States has been the only free capital market in which the amounts and terms on which an issuer can sell securities are limited only by the marketplace. We feel this is a valuable national asset which should not be dissipated without convincing reasons of national interest.

Fifth, the proposed tax may create, and, indeed, has created, fears of further restrictions. Part of the responsibility of being the leading financial power of the world, of having the key currency of the world, is to keep our currency strong and free from restrictions on its use. We must not, through one device or another, impair the value of the dollar as the key currency of the world nor create fears that further restrictions may be imposed.

Sixth, the proposed tax is discriminatory. It may be said that this is a parochial point of view of investment bankers. The proposed tax is, nevertheless, discriminatory. It selects only one aspect of private expenditure abroad; namely, private portfolio investment, to be restricted by the proposed tax or tariff, and leaves unaffected our other private expenditures abroad such as those for tourism (a $2½ billion item gross), direct foreign investment, and commercial bank loans. I shall not belabor the latter point.

Lastly, it is clear that the proposed tax would be administratively complex. Compliance and enforcement procedures will prove burdensome. I do not want to suggest that there will be evasions, but certainly reporting and compliance requirements will be very difficult.

For the reasons which I have indicated the IBA believes that the restriction of private portfolio investment through the proposed Interest Equalization Tax Act is neither an effective nor desirable means of improving the U.S. balance-of-payments position and should not be enacted. (It may be, however, that when you leave this room you will find that it has been passed by the Ways and Means Committee.)

Any probable short-term beneficial effects would fall far short, in our judgment, of

justifying the adverse consequences. It would be most injurious to the U.S. international capital market, which we think is a national asset that should be fostered rather than injured. It would impose a hardship upon our friends abroad that over the long run would be detrimental to us, as well.

We sometimes lose sight of the fact that our long-term balance-of-payments position and outlook is strong. It would be better, in our judgment, to deal with our present problem by improving our international competitive position, by encouraging increased foreign investment in the United States, by reducing our non-asset-creating expenditures abroad, and even by temporary drawings on the International Monetary Fund, or the use of our reserves, rather than to endanger the free flow of funds, or our position as the world's banker and trustee of the key currency of the world. Once confidence in us and in the freedom of our capital market is impaired, it will be difficult to rebuild it.

In conclusion, I should like to quote from a recent speech made by Allan Sproul. This quotation was not part of the IBA testimony because he had not made the speech at the time. As you know, Allan Sproul was for many years President of the Federal Reserve Bank of New York, and is widely recognized as a financial leader. I quote Mr. Sproul partly to show that we are by no means alone in our opposition to this tax. A parade of opposition witnesses appeared at the House Ways and Means Committee hearing and there have been other speakers since who have expressed their opposition. Mr. Sproul recently had this to say about the proposed interest equalization tax:

"This is a form of tinkering with a problem which should be attacked in the total context of capital incentives in the United States and in foreign countries. It should not be attacked by a control which attempts to raise the rate of interest in one of the interconnected compartments of the long-term market. We need to provide more profitable opportunities at home for the investment of funds which have been flowing abroad. We need to promote domestic conditions which will lead to a revival of direct and portfolio investment by foreigners in this country. We need to raise the profit floor in the United States so as to bring out the increased domestic investment in plant and equipment which alone will employ our resources more fully. We need to avoid experimenting with direct controls, whatever they may be called, which in times of strain may be interpreted as a forerunner of stronger controls of capital outflow, or even of all dealings in foreign exchange, which in turn would heighten the danger of anticipatory withdrawals of foreign funds from our markets. In short, in dealing with private capital outflows, we should use those general powers of fiscal and monetary policy which maximize our total freedoms by minimizing direct interference with individual private transactions."

Thank you very much, and goodby.

[From the New York Times, Jan. 10, 1964]

INTERNATIONAL LIQUIDITY—UNITED STATES AND ALLIES ARE SEEKING TO AVOID A BREAKDOWN IN MONETARY MECHANISM

(By M. J. Rossant)

The central bankers and finance ministers of the non-Communist world are trying to determine whether there is enough liquidity in the present international monetary mechanism to keep it running smoothly.

Because the original blueprint for the mechanism was first set up in the waning days of World War II, breakdowns have been avoided. But there have been some near-misses. So the United States and its allies are reexamining the system, focusing attention on the thorny subject of international liquidity—the amount of gold, foreign exchange and credit available to meet external obligations.

The liquidity needed to fuel economic growth and expanding trade has been largely furnished by the United States. As a result of its deficits in its financial transactions with the rest of the world, Washington has been pumping out gold and dollars that have added to the amount of international liquidity.

But while the outflow continued in 1963, the nations of the Western World are looking to the day when the United States is no longer providing the wherewithal needed for the expansion in liquidity.

Last year saw the beginning of concerted moves to begin an overhaul of the existing machinery. This year, at the International Monetary Fund meeting in Tokyo, the results are likely to be unveiled.

While secrecy still shrouds the negotiations, the objective is clear. It is to prevent shrinkage and, if possible, bring about an increase in international liquidity. At the least, then, the air is to Sanforize the present system.

The reason for the concern over liquidity is that the nations of the non-Communist world want to be sure they can meet any external financial stress or strain without damaging their domestic economies.

Most authorities agree that there is no shortage of overall liquidity now. But there is a maldistribution of financial resources, with many developing nations suffering from a severe shortage of liquidity while many industrialized nations, especially in Western Europe, are experiencing an embarrassment of riches.

Countries lacking an ample cushion of liquid reserves to meet their foreign bills could be forced to take deflationary measures. And those with excess liquidity, like France, have been faced by inflationary symptoms.

Thus, the examination now going on is aimed at preventing a shrinkage in liquidity while ironing out some of the kinks in its distribution.

TWO GROUPS STUDY PROBLEM

Two separate groups are engaged in studying liquidity. One is being conducted by the 10 leading industrialized nations who are members of the Organization for Economic Cooperation and Development. The other is being carried out by the International Monetary Fund. Both are attempting to insure that the non-Communist world will possess sufficient liquidity to withstand short-term crises and provide additional liquidity to sustain economic growth and promote an expansion in trade.

The present system survived the shock of President Kennedy's assassination—as it did the Cuban crisis—with scarcely a tremor in the world's money markets. So it is far from antiquated.

Yet doubts remain about the future, particularly when the deficit in the U.S. balance of payments is no longer supplying dollars and gold to the rest of the world.

Improvements in the existing machinery have been taking place all along, but there is now a widespread belief that it needs substantial reform and reinforcement to cope with the prospective change in the American position.

There are disputes, however, about how much reform is required. Some plump for radical and revolutionary designs that would automatically guarantee increasing liquidity. Others think that the kind of evolutionary process that has already improved the machinery will suffice for the future.

SUSPICIONS VOICED

This is not the only area of contention. The countries enjoying surpluses are suspicious that nations in deficit, particularly the United States, do not seek an increase in the supply of liquidity simply to avoid taking the domestic steps needed to get its accounts in order with the rest of the world.

Robert V. Roosa, Under Secretary of the Treasury for Monetary Affairs, the head of the American team studying and negotiating liquidity reform, sought recently to allay fears that Washington was seeking to escape resort to the monetary and fiscal discipline required to correct its deficit.

In emphasizing that the United States was making the necessary adjustments, Mr. Roosa suggested that reform should be evolutionary in nature, hinting that any reform should be relatively modest.

Mr. Roosa's position confirmed that there was scant prospect of any revolutionary changes this year. For in setting up the OECD study, the 10 nations ruled out any change in the dollar price of gold, which will preserve a key ingredient of the present machinery.

At the same time, the negotiators turned their backs on the creation of a supranational central bank with credit-creating powers of its own. Instead, they remain convinced that gold, the key currencies—the dollar and the pound sterling—and the special arrangements that have been devised to mobilize the credit resources of other countries, must be counted on as the main sources of any expansion in liquidity.

SOVEREIGNTY AN ISSUE

There is a general reluctance to yield national sovereignty over money and credit to an international organization staffed by anonymous international civil servants. And though most nations are willing to see a further expansion in the resources and the flexibility of the International Monetary Fund, they prefer that strings be attached.

Before they get down to the fundamental job of deciding what changes will be made, the negotiators are bound to argue over the relationship between international liquidity and the expansion of world trade.

Over the last decade, liquidity had increased at little better than 2 percent a year. Trade has expanded at an annual rate of better than 8 percent, which makes clear that liquidity does not have to grow at the same pace to insure a continued rise in trade.

In fact, there is no certainty that a shrinkage will occur or, if it does, that it will impede the expansion in trade. The French and Dutch have actually voiced concern about excessive liquidity. And a recent study by the economic research department of the Chase Manhattan Bank observed that a decline in world liquidity over periods need not lead to difficulty.

Other groups take a different view. The British Treasury acknowledges that there is no fixed ratio between the level of trade and the need for reserves, but it argues that more liquidity will be needed in the future and it sees no present means of insuring that it will be forthcoming.

The major change likely this year is a shift from bilateral arrangements worked out between the United States and Germany, France, Britain, and other countries, to multilateral devices. This shift has already begun, but it is destined to take on additional momentum as a result of the present studies. And if it does provide added power and resources to the IMF, an international central bank may gradually take shape.

The immediate outlook, however, is for strengthening and enlargement of measures now in the blueprint stage or already in use.

The nations of the non-Communist world may be able to agree on some form of longer term financing of deficits than now prevails. They may also work out a plan to coordinate interest rates on foreign deposits, which would help to prevent swings in currency movements that cause disruptive extreme internal dislocations.

Consideration will be given to plans for a new world currency such as that proposed by Edward M. Bernstein. He has suggested the creation of a reserve unit composed of the currency of the major industrialized nations that would be deposited and distributed by the International Monetary Fund.

But the negotiators are much more likely to settle for expansion of the fund's regular facilities as a first step, accompanied by an enlargement and liberalization of the currency pool now available to the major nations.

Those involved in the negotiations evidently prefer to take one step at a time.

The most impressive test of the machinery's performance has been its ability to cope with crises. This is the strongest argument for the evolutionary reform of the system. There is no real danger of a serious liquidity shortage as long as the nations of the non-Communist world are prepared to provide additional fuel whenever there is a risk of the machinery's running down.

PRESENTATION TO MEXICO BY THE UNITED STATES OF A STATUE OF LINCOLN

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 855, Senate bill 944, a bill introduced by the Senator from California [Mr. KUCHEL], for himself and other Senators.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 944) to provide for the presentation by the United States to the people of Mexico of a monument commemorating the independence of Mexico, and for other purposes.

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.

Mr. KUCHEL. Mr. President, the proposed legislation would authorize the people and the Government of the United States to present to our friends, the people and the Government of Mexico, a statue of the Great Emancipator, Abraham Lincoln. The city of Washington has abundant beauty in part by reason of the imposing figures in bronze and stone, gifts from other countries to our city of Washington. By this bill, we would make a gift to our neighbor. There is no more beautiful capital city anywhere than Mexico City and there, a likeness of Lincoln would be enshrined. There is no more important friendship for our country than that with the people of Mexico.

Over the past several years our relations with Mexico have improved and strengthened. It was not many weeks ago that the U.S. Senate approved the treaty relating to the Chamizal, to right a grievous wrong which persisted for a century. Some day soon, I fondly hope the problem of the Colorado River will be honorably settled.

Just last week, the President of the United States and the President of Mexico met together in the State from which I come, not only to receive from a great State institution there, the University of California at Los Angeles, appropriate honorary degrees, but to meet together and to discuss mutual problems between our two Nations. Truly, these two great republics are strengthening the bonds between them.

The proposed legislation has been approved by the Department of State. It came from the Foreign Relations Committee unanimously and with enthusiasm. I am sure I speak for all of my colleagues who were coauthors of the bill—indeed, for all the Members of the Senate—when I urge that the Senate now approve the measure.

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

Mr. KUCHEL. I yield.

Mr. MANSFIELD. I think the RECORD should be corrected. It is my understanding that the President of the United States, Lyndon B. Johnson, the President of the United Mexican States, Adolfo Lopez Mateos, and the distinguished Senator from California [Mr. KUCHEL]—all three—met in California on that occasion. But I believe this is a propitious moment to take the bill up. It is on the eve of a visit to be paid to the Congress next week by our colleagues from the Mexican House of Deputies and Senate. The Senator from California has been most enthusiastic about this project, and I join him in urging that the bill be given a unanimous approval of the Senate.

Mr. KUCHEL. I thank my able friend. I was privileged to serve under his leadership a year ago when we from the Senate and the House of Representatives journeyed to Mexico to participate in an exceptionally constructive and most enjoyable interparliamentary conference, which will be repeated, as the able majority leader has suggested, here in Washington next week.

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

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

Mr. JAVITS. I, too, should like to join in the expectation that the Senate will approve the bill, and I congratulate the Senator from California [Mr. KUCHEL] for his initiative and for his sponsorship of and for offering the bill, and the majority leader for bringing it up.

I was very much interested in hearing my friend from California speak of the urgent need for friendship, at a time when our friendship in Latin America hangs in the balance, and when there has been a renaissance of friendship between the United States and Mexico. I think it is one of the really bright events in the history of the Americas, in the effort to promote friendship, at a time when all the Americas, in the main, are on the roll of the free states. It is necessary that we increase the role of friendship which is so essential and which is symbolized by the friendship between the Mexican people and the American people.

I could not agree more with the majority leader about the timing of this event with the visit from the members of the Mexican Congress.

Mr. KUCHEL. I thank my friend. I remind my colleagues that the senior Senator from New York had the rather unique experience of speaking in the Senate of the Republic of Mexico, both in English and Spanish.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 944) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State is authorized and requested to procure a statue of Lincoln to commemorate appropriately the independence of Mexico, and present the same, on behalf of the people of the United States, to the people of Mexico. Such monument shall be prepared only after the design, plans, and specifications therefor have been submitted to and approved by the Commission of Fine Arts.

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

Mr. KUCHEL. Mr. President, I move that the vote by which the bill was passed be reconsidered.

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

The motion to lay on table was agreed to.

MILITARY PROCUREMENT

Mr. YOUNG of Ohio. Mr. President, I am supporting the legislative proposals for authorizing appropriations during the fiscal year 1965 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluation for the Armed Forces.

LET US REEXAMINE OUR SELECTIVE SERVICE SYSTEM—DO WE NOW NEED A PEACETIME DRAFT?

Mr. President, the peacetime draft may soon be a thing of the past. It should be. As now functioning, it is discriminatory and unfair to parents and youngsters. The facts are our armed forces manpower needs are diminishing as missiles and other modern weaponry are emphasized and reliability increased. Our needs should soon be met by voluntary enlistments. Few of our allies have any peacetime draft and none of them draft men for as long as 2 years. West Germany, on the very front line of danger were the Soviet Union to attack only takes men for 18 months.

In 1952, our Armed Forces totaled over 3½ million. Today they are above 2½ million—a reduction of almost one-third. Draft demands have leveled off and are expected to average only about 8,000 men per month in the foreseeable future. This at the same time our celebrated "war babies," born during or immediately following World War II, reach military age. The number of those reaching draft age beginning July 1 this year will skyrocket to 1.8 million. In view of this, there seems little justifiable reason for continuing the practice of

disrupting the lives of millions of our youth and drafting unwilling young men into service.

We have already written many special exemptions into the selective service law such as exempting married men and college students. This removes uncertainties from some lives but not from all. We should keep in mind few employers will hire young men until their military obligations have been completed. It is impossible to know when, or if, a young man will be drafted. I feel strongly that our future military needs can and should be met by well-trained volunteers interested in serving in our Armed Forces. I was recently a member of the subcommittee of the Committee on Armed Services which studied salaries and allowances in our Armed Forces and then drafted a bill which increased the salaries of military personnel.

We drafted a bill which we unanimously recommended to the full committee and which later was enacted into law. This increased the salaries of all the officers and men of our Armed Forces.

This pay raise, making salaries more comparable to nonmilitary pay, increases the attractiveness of an armed services career.

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

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 1 additional minute.

Mr. YOUNG of Ohio. Further steps in this direction will be taken, I am sure. For example, it has always distressed me, as a former private and later as an officer in our Armed Forces in time of war, to hear of enlisted men being compelled to do menial chores for officers. I remember doing that in a grudging manner when I was a private in the Army. Times have changed since I served as a private. Today, most officers treat enlisted men in our Army, Navy, Air Force, Marines, and Coast Guard with respect and friendship. The small minority who do not should not be tolerated. They should be weeded out.

We should reappraise the entire situation and reexamine our Selective Service System. We can in the future induce men to voluntarily enter the air, naval, and military services for their Nation rather than induct them and force them to do so.

I look forward to the end of the peacetime draft in the near future.

AMERICAN FOREIGN POLICY

Mr. GOLDWATER. Mr. President, the growing concern over American foreign policy is a matter of record. There are, of course, highly vexatious problems in the world today and not all of them are to be, or will be, solved easily.

Nevertheless in the last 3 months there has occurred a series of mishaps around the world that has made it clear we are at a policy standstill. This dilemma was the subject of thoughtful discussion by Senator EVERETT MCKINLEY DIRKSEN, Republican leader of the Senate, and Representative CHARLES A. HALLECK, Republican leader of the House of Representatives, at a press conference today where they spoke for the joint Senate-House Republican leadership.

I ask unanimous consent to have the statements printed in the RECORD at this point.

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

STATEMENT BY SENATOR DIRKSEN

One of the responsibilities of the party out of power in the United States is to lend its support to bipartisan foreign policy wherever mutual accord makes this possible. We, the members of the joint Senate-House Republican leadership, have repeatedly subscribed to this doctrine since the Democratic administration took office January 20, 1961.

However, on several occasions during the last 3 years we have been compelled to assert our mystification as to what policy we were being asked to support, indeed whether there was any policy at all. Since Mr. Johnson assumed the Presidency in November, the mystery has deepened. In those 3 months, the United States has suffered one setback after another around the world without any coherent policy emerging to right them. We have been drifting on the high seas of uncertainty and confusion.

Is President Johnson continuing the late Mr. Kennedy's highly questionable policy of coexistence with the Communist world? If so, how can the United States persuade other free-world nations not to trade with Cuba or to extend long-term credits to the Communist bloc countries, a pair of bleak problems which now confront us?

If the policy of coexistence is still in force, where is the evidence of coexistence on the part of the Communist nations when they promote subversion, violence, and anti-American campaigns in Latin America, Africa, and southeast Asia? Have the Kennedy-Johnson administrations paved only a one-way street with good intentions?

And what is happening to American prestige when one little nation after another—with smaller populations than most of our larger cities—kicks us in the shins and gets away with it? If our foreign policy cannot cope with problems of these dimensions, what happens when greater issues must be met?

We think the time is here for a reassessment of American foreign policy. Surely we Republicans cannot be expected to support an enigma. We respectfully suggest to President Johnson that Radio Moscow was right on June 12, 1963, when it applauded our Government's shift to a policy of "coexistence" as a "renunciation of the policy of strength" that marked the Eisenhower years. We stand ready to support a "policy of strength" and the sooner this nation returns to it the better.

STATEMENT BY REPRESENTATIVE HALLECK

Perplexity over American foreign policy is not limited to members of the joint Senate-House Republican leadership, but it also exists among the governments of our allies. The examples that contribute to the confusion are numerous.

One month the administration says that the war in South Vietnam—crucial to all southeast Asia—can be successfully concluded by the end of 1965. A couple of months later Secretary of Defense McNamara tells us we are withdrawing from South Vietnam by the end of 1965 regardless of the outcome.

One day President Johnson says that if there is a proposal to neutralize both North and South Vietnam the United States will consider it sympathetically. A few days later our Ambassador to South Vietnam, Henry Cabot Lodge, says neutralization would be regarded as turning South Vietnam over to the Communists.

One month the White House is promoting the sale of surplus American wheat to the Soviet Union. A couple of months later it is protesting the sale of British-made buses to Communist Cuba, to which the British manufacturer replies: "If America has a surplus of wheat, we have a surplus of buses."

One day Secretary of State Rusk is saying over the Voice of America radio that American consumers may boycott goods produced by nations trading with Cuba; a couple of days later the State Department officially announces the U.S. Government does not favor such boycotts.

One day American newspapers picture the White House as resolute in its determination not to renegotiate our Canal Zone rights in Panama; a few days later the same newspapers report the White House is seriously considering admission of the renegotiation question.

We Republicans do not recite these examples of vacillation in American foreign policy with any satisfaction. We recite them with dismay. We think corrective steps are urgent and our goal is to encourage them. President Johnson says we are "beloved" around the world. We certainly hope so, but it is equally important to be respected. In the coldblooded arena of foreign affairs, love is not enough.

TRIBUTE TO BASIL O'CONNOR

Mr. JOHNSTON. Mr. President, I would like to bring to the attention of the Senate an article appearing in the January 31 issue of Medical World News, entitled "Basil O'Connor—One Man's War Against Disease."

This is a vivid and inspiring story of our Nation's victory over polio, the dread disease of our age that has taken so many thousands of lives and crippled so many more thousands of children. The article pays tribute to all those in our lifetime who fought this battle including the late Franklin D. Roosevelt who initiated the March of Dimes war by the people against polio. The article concentrates on the part Basil O'Connor, longtime confidant and law partner of President Franklin D. Roosevelt, played in the creation and success of the National Polio Foundation. Mr. O'Connor has been president of the March of Dimes, now known as the National Foundation, since its inception in 1938. His 28 years of service deserve the praise which this article gives.

Mr. President, I ask unanimous consent to have the article printed in the RECORD together with my remarks.

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

BASIL O'CONNOR: ONE MAN'S WAR AGAINST DISEASE—GUIDING FORCE OF THE VICTORY OVER POLIO, THE FORMER LAW PARTNER OF F.D.R. CONTINUES HIS "ASSAULT ON MAN'S OLDEST AFFLICTIONS"

Saturday, January 4, 1964 ended the first week in U.S. history in which not a single new case of poliomyelitis was reported. This was hardly chance: Since 1955, the year Salk vaccine was first used nationally, polio morbidity has steadily declined. The 1951–54 average was some 40,000 cases annually; in 1963, fewer than 500 cases were reported, a 98-percent decline.

By common consent of scientists, physicians, and laymen, one man can largely be

credited as the guiding force behind this unequivocal victory. He is Basil O'Connor, a bantamweight Massachusetts Irishman "one generation removed from servitude," whose combustion point remains perilously close to room temperature despite his 72 years. O'Connor is president of the National Foundation. It is his restless energy that has kept him for 30 years at the forefront of the drive against polio and in major roles in other health campaigns.

A self-described "barefoot Wall Street lawyer," O'Connor was once Franklin D. Roosevelt's law partner. And he received his commission as commander in chief in the war against polio when Roosevelt handed him a check in a White House ceremony three decades ago. The check was for more than $1 million, the net proceeds of the first nationwide Birthday Ball for the President, held on January 30, 1934. Presenting it to O'Connor, F.D.R. turned to onlookers and said, with his jauntiest grin:

"Now I'm going to appoint you all a committee of the whole to watch Doc O'Connor."

Greatly enlarged, the "committee" has been keeping an eye on Doc O'Connor ever since. The U.S. public has watched with awe as he collected and spent some 7 billion dimes in the past 30 years, a half-billion dollars of it for the polio war alone.

"There's an art in raising money," he says bluntly, scorning false modesty. "There's an art in spending it, too."

PLANS WAR ON POLIO

For the first 3 years, the antipolio money-raising campaign centered around the President's birthday, while the spending was almost wholly for the rehabilitation of a decrepit spa at Warm Springs, Ga., which Roosevelt had handed over to O'Connor and a board of trustees. O'Connor was not much interested, he recalls, but loyalty to F.D.R. kept him at the job.

For O'Connor, a gain in wisdom is usually directly proportional to the accumulation of experience. He soon saw that the defeat of polio was a far more formidable task than anyone had supposed. Although suspected of being a virus, the enemy had not yet been identified. There were no prisoners to be studied, and no routes of invasion were known. Help for polio's casualties was crude and ineffective, though with all the publicity the demand for medical aid mounted rapidly.

Meanwhile, receipts of subsequent fund campaigns dropped sharply from the original $1 million total. Yet O'Connor knew perfectly well that far larger sums would have to be raised for medical care, rehabilitation, and the research that would show the way to prevention.

"I could see we were headed for a lot hotter water than Warm Springs unless we got going with something much bigger," he recalls.

What he had in mind is defined by Gerard Piel, publisher of Scientific American, as "O'Connor's unique social invention: a permanently self-sustaining source of funds for the support of research—the voluntary health organization." When it was launched in 1938, the National Foundation for Infantile Paralysis, Inc., was the prototype of such agencies. Since then, health organizations have proliferated, many of them in the National Foundation's image, and some with O'Connor's encouragement and advice.

As he envisioned it, the new organization had to be able to generate large numbers of relatively small contributions to the cause. It had to have undisputed control over its funds. And it needed a mechanism for determining intelligently how those funds should be spent. His social invention was artfully designed to meet these exacting requirements.

From the outset, O'Connor created the National Foundation partly in the likenesses of a political party, a corporation, and an army. Its national office is an army headquarters with O'Connor in undisputed command.

His adjutant general today is Joseph F. Nee, a veteran of 18 years of National Foundation battles. Nee succeeded Melvin A. Glasser, a money-wise sociologist who now heads the social security services of the United Auto Workers Union.

Under O'Connor and Nee, there functions a well-oiled machine designed to fight the foundation's two-front war: for the money and against the disease. Like an army it has its general staff, and psychological warfare, intelligence, and supply services. Seven headquarters generals command the seven regions into which the foundation has divided the Nation. Under them are State directors who supervise the fieldwork. Finally, there are 3,100 chapters and their battle-seasoned troops, the volunteers who march forth each January for the assault on the private American purse. So willing have Americans been to open that purse and so effective have been O'Connor's legions that, in the peak year of 1954, the foundation collected $67 million.

The image of O'Connor as a brusque martinet commanding a fundraising juggernaut is part of the myths surrounding the man. Like all legends, it has some basis in truth. Very much a realist, O'Connor laid down a few inviolable principles for the National Foundation from the start. They were not always calculated to endear him to the public or to his associates. He stipulated that:

Headquarters, not the chapters, would decide how much money would be returned to the chapters for local medical care for polio victims.

Headquarters, never the chapters, would plan and allocate disbursements for research.

Grants for research or clinical purposes would always be made on the advice of scientific and medical advisory committees.

Ultimate power to approve disbursements of funds for any purpose, including scientific ones, would reside in the foundation's board of trustees, composed exclusively of laymen.

Commenting on this last rule, O'Connor says: "Nobody respects scientists more than I do. I work with them all the time, though I'm not a scientist myself. Maybe that's why I know for sure that intelligent laymen can always broaden a scientist's outlook. The researcher's word is law in the laboratory, but sometimes you have to point out to him what's happening right outside the lab window, not to mention the rest of the world."

VACCINE WAS BELIEVED IMPOSSIBLE

O'Connor means what he says. Inside the scientist's domain, he is an attentive and intelligent listener and commentator. Speaking of the prewar beginnings of the foundation, one of his close advisers confirms this.

"This first thing Basil did was to query all the men of our advisory committee as to what we thought we ought to find out. We knew next to nothing about polio then, you must remember. We suspected a virus, but we all believed it was absolutely impossible to make a vaccine—well, almost all of us. O'Connor was absolutely determined even then that a way would be found. And when he gets his teeth into an idea, there's no shaking him loose."

From these discussions, O'Connor concluded that the foundation should dig far, wide, and deep in its search for the buried treasure of a polio preventative. His advisers agreed with him.

"O'Connor practically created virology," says Dr. Edward L. Tatum of the Rockefeller Institute, who now heads the foundation's scientific advisory committee. "He did it by not concentrating research grants narrowly on polio, but by encouraging the most basic studies of all viruses."

O'Connor's chief adviser in virus research was the late Dr. Thomas M. Rivers, also of the Rockefeller Institute. "Dr. Rivers broke the way for O'Connor with the medical profession," says his adjutant, ex-football coach Nee. "He'd do a little blocking here and there, and then O'Connor would run with the ball. Man, they were one tough pair of backs."

On Dr. Rivers' advice, O'Connor set up fellowships to train new men in virology, among them a promising young Michigan physician named Jonas Salk. With Dr. Rivers, he also placed foundation money in the hands of a considerable number of future Nobel laureates, many of them working in areas seemingly remote from polio. One example was Dr. Linus Pauling's research on the protein molecule. Another grantee was Harvard's Dr. John F. Enders, whose almost parenthetical discovery of how to grow polio-virus in non-nerve tissue won him and his colleagues a Nobel Prize in 1954. Other grants aimed at identifying all three strains of polio. And finally, there came the big push to make and prove out both a killed-virus vaccine (Salk's) and a live-virus vaccine (Dr. Albert Sabin's) as specific preventatives.

Concurrently, the foundation spent millions on medical care, rehabilitation, and the training of thousands of paramedical personnel in the techniques of physical therapy for paralytic-polio patients. Today, foundation funds supply such care for some 20,000 victims who, as O'Connor says, "got born too soon." He declares the National Foundation will never abandon them.

Now that the rout of polio is virtually complete, it has seemed to some that the victory may prove the very undoing of the National Foundation. Indeed, a few authorities openly favored closing down as the only honorable course for the organization, once triumph was proclaimed. Nothing could have been better calculated to get O'Connor into a fighting Irishman's stance.

Actually, he was well ahead of his critics. Several years before the Salk vaccine work was completed, O'Connor marshaled his expert forces to begin a study of what new course, if any, the foundation should set. Foundation trustee George Gallup and a group from Columbia University's Bureau of Applied Social Research studied the situation minutely.

FOUNDATION CARRIES ON

Strong support for continuation came from Dr. Frank L. Horsfall Jr., president of the Sloan-Kettering Institute, and from MWN's editor, Dr. Morris Fishbein. Both these men shared O'Connor's conviction that so effective a social instrument for "applying the benefits of science to the interests of humanity" should not be dismantled.

Many people disagreed, including a substantial number of erstwhile contributors. From its $67-million peak, National Foundation income has steadily declined. Last year's contributions totaled a "mere" $21 million. This sum was given to support the foundation's expanded program of research, treatment, and professional training in the fields of birth defects and arthritis, and for the partial support of the new Salk Institute for Biological Studies located at La Jolla, Calif.

The Salk institute is clearly O'Connor's pet project. He describes it as "a focal point of man's greatest endeavor to learn about himself and to improve his condition on this earth."

Dr. Salk is both director and a research fellow of the institute. Its board of trustees is headed by Dr. Warren Weaver, dean of American natural scientists. In essence, Dr. Weaver says, the aim is to bring together under one roof scientists interested not only

in one branch of science, or exclusively in science itself, but in the whole range of the humanities, the creative arts, and the creative side of man's life. Resident fellows are to be stimulated by contact with visiting nonresident fellows.

Such a concept is understandably dear to O'Connor's heart. He has been called a kind of human catalyst who has already set off a good many reactions. Some of these generated dazzling light, others blistering heat. Like a chemical catalyst, O'Connor always seems to come out relatively untouched in a human way.

"Sometimes I feel sorry for O'Connor," one of his associates says. "He mingles with the great and near great on equal terms. He must have a huge list of acquaintances, but inevitably his job permits him few close friendships."

This scientist is one of the few who have penetrated O'Connor's disguise as a tough Irish autocrat whose childlike vanity is protective coloration for the highly sensitive inner man. The real O'Connor is much more like the embattled "diminishing citizen" whose cause he pleaded at the 50th reunion of his Dartmouth class of 1912. He feels beset on every hand by what he calls today's "climate of enormity."

"Only at the point where biography intersects history," he told his classmates, "can individuals achieve that dignity and meaning which is the mainstay of a free society."

SEARCH FOR UNIVERSAL IMMUNITY

To Basil O'Connor, that point has been his role as lay leader of one of the most spectacular offensives ever mounted against a human ailment. Today, he carries on against birth defects and arthritis but really for life. Polio was a disease that plagued rich countries with good sanitation, and that fact taught him that "the survivors of bad sanitation have acquired immunity to many diseases. High mortality is one way you get that kind of broad immunity. There ought to be a better way to redeem our children from men's ancient afflictions and deficiencies."

To the support of the search for that universal immunity O'Connor obviously intends to give the rest of a life devoted to leading privately supported public health programs, a lifework for which he has never been paid a penny. He is the first to assert that he has received other rewards, far more dearly prized. To him, the need to help his fellow man, to participate in what Dr. Salk has called "an asault on the unreasonableness of life," has become as urgent as hunger.

A cynic recently called O'Connor "a man without a disease." Not so, replies an admirer. O'Connor is hopelessly infected with life, and he trusts the infection will continue to be both virulent and contagious.

A WOMAN WRITER TAKES A CRITICAL LOOK AT AMERICA

Mr. TALMADGE. Mr. President, one of the most outstanding reporters in the country is Mrs. May Craig, Washington correspondent for the Portland, Maine, newspapers. She is especially well known for her excellent writing and as a persistent panelist on the television program, "Meet the Press."

In the March 2 issue of U.S. News & World Report, there was reprinted an excellent article by May Craig, which I earnestly recommend to the Senate. Mrs. Craig, like so many of us, seems to be greatly concerned about the future of the United States because of policies both at home and abroad which leave a great deal to be desired.

I ask unanimous consent that this article be printed in the RECORD.

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

A WOMAN WRITER TAKES A CRITICAL LOOK AT AMERICA

(By May Craig)

Unless there is a change, deep down, in the American people, a genuine crusade against self-indulgence, immorality public and private, then we are witnesses to the decline and fall of the American Republic.

Death on the highways, a pack a day, cheating from top to bottom in our society, get rich quick, break-up of the family, faltering in foreign policy, reckless debt—these have destroyed nations before us. Why should we think we can take that path and change history?

Look around you, and everywhere you see lack of principle and steadfastness in the right and brave. The disgraceful cover on the recent issue of a publication with a nationwide circulation and its palliating story of sexual immorality adds adult consent to the looseness of our youth, already far down the road of delinquency, shiftlessness, derogation of virginity in our girls who will be the mothers of tomorrow.

There is no financial morality in our Government—"Charge it," is the accepted practice.

Round the world they think they can take our money with one hand and slap us in the face with the other. We talk of our "leadership," but we are apparently incapable of giving leadership.

One listens with dismay to the campaigning for the presidency that is going on. Oh, for a crusader to call us back to dignity and strength and austerity.

What was that last word? "Austerity"—plain living and high thinking, putting our money into the real things of life, not mink-handled saucepans and three cars in every garage; public servants who are not Bobby Bakers. Schools for the young, care for the elderly, strength so that none will dare attack us, a worthy succession to those men with feet wrapped in bloody bandages at Valley Forge to give us liberty. How have we used the liberty they bought for us so dearly?

Because it is unpleasant to think of unpleasant things, we say the Soviet Union may be changing its determination to "bury us." Red China is bad, of course, but maybe not Khrushchev. Halfheartedly we send American men to die in jungles, where we do not have the guts to go in to win or to stay out.

We sell wheat to Russia to save her from a demonstration that communism cannot produce enough food for its own people. If we do this to get rid of surplus wheat, which we have already subsidized and which we will subsidize again to give it to the Communists cheaper, we might try discouraging the production of surplus wheat and remember the old-fashioned private enterprise where one grows for the market, not the Government storage bins.

We faltered in Cuba and now she is the homeland of subversion of all Latin America and Africa. Where will we find a strong man to lead us? Would we vote for one if he campaigned, crying in the wilderness that we come and be saved, from ourselves? We could have saved Cuba for freedom, and saved ourselves and the rest of Latin America from this nest of communism, but we did not. Around the world they do not believe what we say; they look at what we do.

The United Nations was founded in this country. Now it is a messy combination of polyglot nations, old and new, grabbing for our money and ignoring our halfhearted arguments.

The idea of letting in a small nation of fewer than a half million people, utterly inexperienced in governing itself, unproved as a stable, honest state—letting them in within a few days of their establishment. We might at least insist on a period of probation.

The United Nations itself should be forced into financial honesty by the United States refusing to keep on paying the bills while many get a free ride while outvoting us. The idea of letting in Red China in the face of the charter which says, "peace-loving nations." True, we are against letting Red China in, but all we do is get out our handkerchiefs and weep into them while the majority in the U.N. does as it pleases.

We waste untold sums on useless defense, and fail to keep ourselves truly strong in all fields, to be able to fight small as well as missile wars.

We sign test ban treaties with known enemies, known defaulters on treaties, that we will not test as we may need to. Why should we put our defense in such an agreement? If our defense experts—not businessman McNamara [Secretary of Defense]—say we need to test, then let us test without asking permission of friend or foe.

We fiddle-faddle in southeast Asia, and may be ignominiously pushed out. Maybe we should never have gone in there—let the Reds take it—but there is one thing for sure: If we go in anywhere, we should go in to win.

We are losing the respect of the world, and respect is more necessary to a nation, as to a person, than affection. We get little affection from the people we have helped over the years—and we are losing respect.

Nobody respects a fumbler, a weak man, a wobbler, in policy or deeds.

First, every one of us has to clean out weakness and selfishness and immortality of all types. Then choose leaders who with strength and principle and intelligence will lead us to where we can have self-respect and respect of others.

Would we elect such a man if he campaigned on such a platform?

RACIAL DEMONSTRATIONS ON THE EASTERN SHORE OF MARYLAND

Mr. BREWSTER. Mr. President, the past few days has seen a renewal of street demonstrations in Cambridge, Md., and the first sparks of violence in the small college town of Princess Anne. The renewal of demonstrations on the eastern shore of my State is extremely disappointing to me.

I had been very hopeful that the problems of racial discrimination could be worked out entirely at the local level. The city of Salisbury, surrounded by this racial violence, has worked hard to meet the requirements of social change. Its citizens have been fittingly rewarded by the presence of peace, good will, and economic prosperity.

The need for the civil rights bill now before Congress is clearly evident in Maryland. The violence that has occurred in the past days took place in areas exempted from the State public accommodations law. There have been no serious incidents and no racial disturbances in any part of Maryland where the equal accommodations law exists.

All Americans must be conscious of their responsibility to live together in harmony and in peace. The civil rights bill will, I believe, make a very significant contribution to community relations in many parts of our land. I am giving it my vigorous support in the hope that it will be helpful in the resolution of problems on Maryland's eastern shore.

In the meantime, every effort must be made to negotiate differences in an atmosphere of calm. We need new approaches—positive and constructive thinking, combined with positive and constructive action. The alternative to this attempt at a new direction for the attitudes, ideas, and forces contending is unimaginable.

Mr. President, I ask unanimous consent that an editorial expressing these sentiments, from the February 25 edition of the Baltimore Sun, be printed in the RECORD.

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

PRINCESS ANNE

Handsome old dwellings and the looming sycamore trees are one part of Princess Anne. The modern buildings of the Negro college on the other side of a muddy creek are another part of Princess Anne. The two parts have not had much in common. Princess Anne is a town with a State college which has nevertheless managed not to become a college town. Over the years the students have been discouraged from patronizing local commercial establishments, particularly eating places, and have looked to nearby Salisbury as their off-campus commercial center, especially since Salisbury proved so responsive to the requirements of social change.

The racial status quo in Princess Anne was not likely to remain forever. Bitterness on the campus part of town has been evident for several years. In the wake of the Cambridge stalemate, in fact, some of the white leaders of Princess Anne organized a citizens group to work out a more viable race relationship in the town. Supposedly the eating places were opened to Negro patrons. But as it turns out, the town had moved only part way, and part way was not enough.

Abruptly the issue of racial desegregation in Princess Anne has moved into the streets, in a direct confrontation between Negro impatience and set white minds. The streets are a poor place to settle delicate issues. What is desperately needed is understanding: The understanding among Princess Anne's white citizens that the Negro students are asking for no more than what Negro citizens throughout the United States have asked for and, in most instances, have received; the understanding among the Negro demonstrators that there is good will in the white community which is worth nurturing, even if it means seemingly endless hours at the conference table.

When tempers flare and irresponsible persons are given an opening for violent retaliation, all is lost. Nobody in Princess Anne, of either race, should want another Cambridge. The State police and, if necessary, the National Guard can keep the peace by turning Princess Anne into an armed camp, but neither side should want that, when in an atmosphere of mutual desire for reconciliation reasonable men can, if they will, reach reasonable solutions of differences.

POEM IN TRIBUTE TO THE LATE PRESIDENT KENNEDY

Mr. EDMONDSON. Mr. President, many poems and other tributes have been written about the late President Kennedy since his assassination on November 22, 1963.

One which I felt was very moving was written by David Randolph Milsten of Tulsa, Okla., and printed in the Tulsa World.

Mr. President, I ask unanimous consent that Mr. Milsten's poem, "John Fitzgerald Kennedy," be printed in the RECORD.

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

JOHN FITZGERALD KENNEDY

(By David Randolph Milsten)

It is hard to conceive the enormity
Of the events which have taken place,
The full impact of our Nation's loss
Was reflected in every face.

The assassin's deed was swiftly done,
Dastardly malicious, brutal and quick
It left us stunned in icy shock
And turned our stomachs sick.

Man could not tell to others
The supplications to be said
Yet, propelled by broken hearts
They whispered, "Our President is dead."

Through the miracle of television
In the homes of our treasured land
They came to know the beloved Chief
And extended him their hand.

He championed the cause of civil rights
And vigor sparked his eyes
Now closed to the mortal world
As in death's repose he lies.

Prime Ministers, Kings and Princes
Joined with thousands to appear
And bestow the honors due him
As they mournfully passed his bier.

The world will know and long remember
That peace was his constant goal,
Surely for such an illustrious son
There is an immortal role.

If prayer can be the passport
To the presence of Almighty's grace
The whole universe has joined to
See him safely to his place.

Dear God, his soul is yours forever
He has come to you without despair
And we pray that what he sought
Will be waiting for him there.

DEATH SENTENCE FOR KNITTING

Mr. KEATING. Mr. President, it is a barbaric manifestation of Communist economic and moral values that as many as nine persons have been sentenced to death for participation in private enterprise. What these unfortunate persons are guilty of appears to be an effort to engage mental patients in the production of knitted goods which were then sold in a number of places including railroad waiting rooms in Moscow.

Mr. President, it is hard for the inhabitants of any civilized nation to understand why knitting should be a crime or the sale of knitted goods would involve the death sentence. Undoubtedly, harsh Soviet action against those who engage in any form of private economic activity is a deliberate attempt to encourage anti-Semitism in the Soviet Union. It is no coincidence that these defendants, as well as a number of others who received shorter sentences, are known to be Jewish, and the Soviet press has gone out of its way to emphasize this fact in any cases where Jewish defendants are involved.

Mr. President, the whole free world should express its dismay at the harsh sentences handed down in this manner. The Soviet Union seems to be reverting to the blackest days of medieval feudalism when capital punishment for stealing a loaf of bread was not uncommon and when persecution of Jewish merchants was commonplace. Such harshness from a Soviet court of justice certainly suggests that communism is not the way of the future, but instead the way of a dark and terrible past which other free nations of the world must deplore.

SHORTAGE OF SCIENTISTS AND ENGINEERS

Mr. FULBRIGHT. Mr. President, in recent years, especially since the space race began, we have heard time and time again about the serious shortage of scientists and engineers in this country. Last week an article appeared in the Wall Street Journal which indicates that perhaps we have been laboring under a false impression all this time and that the shortage was strictly artificial. According to this article, we may even have a surplus of engineers—at least in defense and space industries.

From 60 to 70 percent of the Nation's engineers are directly or indirectly involved in defense and space work, according to a statement in the article attributed to Mr. Carl Frey, executive secretary of the Engineering Manpower Commission. Apparently, it has been common practice in these industries to "stockpile" engineers, since as a rule the companies operated under cost-plus-fixed-fee contracts. This practice was—and is—used to prove the technical competence of the company to defense officials in order to obtain additional contracts. All this waste of talent was ultimately paid for by the taxpayer. There is little wonder why we are having such difficulty in competing for world markets when consumer-type industries are deprived of needed engineering and scientific personnel by such practices.

Fortunately this type of activity is being eliminated through increased reliance on incentive contracts which encourage defense and space industries to cut costs. Although progress is being made, there is still a long way to go. For example, I am advised that during the 1963 fiscal year, 77 percent of NASA's direct contract awards of $25,000 and over—totaling $1,618 million—were made on a cost-plus-fixed-fee basis. The picture is improving and it is high time that corrective action was taken.

According to the Wall Street Journal article, the current slump in demand for engineers results primarily from uncertainty about future spending on defense and space programs. Although the defense budget for the next fiscal year calls for a reduction of only $1.3 billion, the space budget is $200 million above last year's appropriation. If this minute shift in defense spending is sufficient to bring about a severe curtailment in the demand for engineers and other skilled technicians, it makes one wonder what will happen to this important segment of our economy when there is more than a token cutback in defense outlays.

I ask unanimous consent to have the article printed in the body of the RECORD at this point.

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

UNEASY ENGINEERS—MANY SEEK TO ACQUIRE NEW SKILLS AS DEMAND SOFTENS, LAYOFFS MOUNT—DEFENSE CUTBACKS BIG FACTOR; FIRMS CURB STOCKPILING OF ENGINEERS TO CUT COSTS—RUSH BACK TO THE CLASSROOM

(By Alfred L. Malabre, Jr.)

Carl Ferrar recently returned to the classroom for retraining.

No displaced coal miner, 26-year-old Mr. Ferrar has a master's degree in electrical engineering. But he nevertheless feels he needs more education to keep a firm hold on his research job at Raytheon Co. So he's now on leave from the electronics company, seeking a doctorate in aeronautical engineering at the University of Connecticut's Storrs campus.

"I've seen several of my colleagues at Raytheon laid off recently," Mr. Ferrar says. His job there is plasma research, a relatively new science not related to the familiar blood component. It involves finding ways to get energy from superhot gases, and Mr. Ferrar says an understanding of aeronautical as well as electrical engineering has become necessary in this work.

His efforts to safeguard his employment is no alarmist precaution, evidence from many quarters indicates.

DECLINING DEMAND

Demand for engineers and other highly skilled technicians stands at only 65 percent of the 1961 average, reports Deutsch & Shea, Inc., a New York-based technical manpower consultant. The 65-percent figure is the lowest on record since Deutsch & Shea's monthly demand index was started in mid-1960; the index is based on the volume of help-wanted advertising in technical journals and newspapers across the land.

Engineering salaries also suggest a slackening of demand. Since 1960, studies indicate, salaries for beginning engineers have risen less than 4 percent annually, on average, far below the average yearly increase of about 8 percent in the mid-1950's.

"There's no question that the market for engineers has softened considerably," says Carl Frey, executive secretary of the Engineering Manpower Commission, a nonprofit arm of the Engineers Joint Council aimed at promoting more effective use of engineers. "The man who hasn't kept up with the latest developments is in trouble."

Mr. Frey ticks off a list of emerging engineering technologies that includes not only Mr. Ferrar's plasma, but also such esoteric fields as lasers, masers and bioengineering, to mention only a few.

IMPACT OF DEFENSE CUTBACKS

Defense spending cutbacks are a major factor in the demand slowdown. President Johnson's recent budget message calls for a $1.3 billion cut in defense expenditures next fiscal year. And, although the message indicates a slight rise in space spending, a McGraw-Hill Publishing Co. survey issued this month finds that industry's space outlays will sink 12 percent this year, a sharper decline than in any other of the 23 business categories polled.

"From 60 to 70 percent of the Nation's approximately 900,000 engineers are tied directly or indirectly to defense and space work," estimates Mr. Frey.

Defense spending, of course, could suddenly spurt if the cold war heats up. In the meantime, however, here's what's happening to engineers in several defense-oriented companies:

Sperry Rand Corp.'s Sperry Gyroscope division recently furloughed 100 engineers, the first such layoff in the division's 54-year history. Tied almost entirely to Government business, Sperry Gyroscope sliced its total employment to 6,000 from 32,000 right after World War II, but dismissed no engineers.

Republic Aviation Corp. has released 240 engineers, most of them aeronautical, just since January 1. Republic builds the F-105 fighter-bomber, which is being phased out by the Air Force.

Radio Corp. of America's defense electronics division has furloughed some 500 engineers in the past year at its Camden and Moorestown, N.J., facilities. By retraining many of them for other engineering jobs, however, the company has managed to relocate all but 135 of the original 500.

PROBLEM AT BOEING

Boeing Co. won't discuss engineering layoffs publicly, but privately its personnel department is urgently writing other corporations trying to find jobs for those dismissed. Sources close to Boeing estimate 1,500 engineers have been trimmed at its Seattle facilities since August; jobs have been found at other Boeing plants for only about 350 of the 1,500. Chief cause of the slash: Cancellation of the Dyna-Soar space glider program.

American Bosch Arma Corp.'s Arma division in the past year has cut engineering employment at its plant near Garden City, N.Y., by 804, leaving only 616 engineers on the job. Many of those laid off performed guidance work on missiles that the Government no longer wants in large supply.

Some extremely seasoned and respected engineers were swept from the employment ranks in the Arma reduction. "I'm 54 years old, with 30 years' experience," says Edward Keonjian, among the most senior of those released. "I never would have believed I'd be out hunting for a job." Mr. Keonjian, whose long list of credentials includes authorship of a leading book on electronics, has been more fortunate than many of his former Arma colleagues, however; he recently landed a new job at Grumman Aircraft Engineering Corp., whose force of engineers, contrary to the trend in many companies, is rising.

"It's just plain nonsense to talk about a shortage of engineers," says Mr. Keonjian, clearly worried by his recent brush with unemployment.

Increasing Government use of "incentive type" contracts is compounding the impact of defense cutbacks, some observers say.

Under such contracts, companies bid competitively for Government jobs much as they would in private industry. If the company winning the contract does the job at less expense than originally estimated, it receives a bonus; conversely, if costs go above the original estimate, penalties are applied.

Previously, the Government relied largely on cost-plus-fixed-fee contracts, under which it would pay the cost of the job, plus a predetermined extra fee. Such contracts encourage a "complacent attitude toward cost reduction," says an official of Martin-Marietta Corp.

NINETY PERCENT BY 1966?

By 1966 about 90 percent of all defense procurement will be on an incentive basis, estimates Frank Coss, a Deutsch & Shea vice president. And, he notes, "the effectiveness of incentive contracts is also being studied by NASA," the National Aeronautics and Space Administration.

Use of incentive contracts, among other things, will prompt more firms to trim "stockpile" engineers from their staffs, Mr. Coss predicts. By such stockpiling, companies employ more engineers than they really need, keeping the extras busy on drafting and other chores than can be done by less highly trained technicians.

"The old cost-plus-fixed-fee arrangement encouraged companies to prove their capabilities by the number of engineers and scientists they kept on their staffs, in the hope of being assigned contracts," says Mr. Frey, of the Engineering Manpower Commission. A Sperry Gyroscope spokesman adds, "The swing to incentive-type contracting definitely affects stockpiling of engineers."

Despite recent tightening up, however, stockpiling is by no means yet a thing of the past.

DRAFTSMEN TO SALESMEN

A recent study by the National Committee on Employment of Youth, a nonprofit employment research group in New York, estimates only about half of the country's engineers actually are employed "in engineering work; the rest are acting in many capacities, from draftsmen to salesmen."

Despite its big cutback, American Bosch's Arma division still has "many engineers performing lower-grade technicians' work," an official says. "We must try to preserve as much of our capabilities as possible, in case things suddenly turn around."

On top of the Government squeeze, the demands of fast-changing technologies are spurring many engineers, such as Raytheon's Mr. Ferrar, to return to school. Result 14 pe:cent more engineering doctorates were awarded in 1963 than the year before and the master's count rose by 8 percent; bachelor awards fell about 4 percent, perhaps reflecting undergraduate awareness that the demand for engineers has been softening.

Noting the whirlwind technological pace, Arthur B. Brownell, University of Connecticut dean of engineering, says, "An engineering student of 10 or 15 years ago coming back to college now would hardly know what's going on."

Even ancient engineering disciplines now demand space-age knowhow. Example: The recently named head of the department of naval architecture and marine engineering at the Massachusetts Institute of Technology is, of all things, an aeronautical engineer.

"There was a time when it was a relatively simple matter to study about ships," says an MIT administrator. "Now you get into jet propulsion, nuclear reactors and all sorts of amazing things."

SOME PAY OWN WAY

Many engineers are paying their own way back to the campus. Carl Ferrar's presence at college, for instance, is voluntary; with the help of a NASA grant, he will pay the education bill himself and his Raytheon salary has been suspended.

Still other retrainees are returning at full salary to the campus on "work study" assignments, financed by their companies.

International Business Machines Corp., heavily dependent on engineers, maintains a massive, rapidly expanding work-study program. Some 1,200 IBM engineers and scientists currently attend universities across the country, from Stanford in California to Syracuse in New York State, taking courses leading to a master's degree. The employees study 40 technologies, ranging from electrical engineering to physics. As recently as 7 years ago, only 334 IBM personnel participated and only 18 technologies were studied.

IBM's rapidly mounting education bill suggests the attention the company is paying to upgrading its employees. The bill has soared 180 percent since 1958, more than twice the gain in IBM's gross domestic income in the same period.

University administrators report a rush of engineers back to the classroom. "We have 560 engineering students, sent to us by various companies, taking evening courses leading to a master's degree; that's over 25 percent more than we had last year," says Mr. Bronwell at the University of Connecticut. "The companies are paying all or part of the expense in each instance; most employers now clearly recognize the need for continuing the education of their technical personnel."

At MIT's Cambridge, Mass., campus, ground will be broken later this year for a $5 million advanced engineering center, to be paid for through an Alfred P. Sloan Foundation grant. The center will provide "continuing education for seasoned engineers," says Harold S. Mickley, named to direct the program. Mr. Mickley hopes the center will be in "full operation by 1966; about 300 engineers will move through the program in a year, and their tuition presumably will be paid by their firms."

Many companies are setting up retraining programs at plant locations. At a luncheon next week, for example, E. Donald Gittens, an American Bosch vice president, will hand "diplomas" to 100 Arma division engineers, the first graduates of a new 17-week "technical education program" conducted at the division's facilities. Two hundred more of the division's remaining engineers will participate in the second session of the program, which will commence shortly. Subjects reviewed range from "advanced transistor circuit design" to "digital computer systems."

TARIFF NEGOTIATIONS

Mr. SCOTT. Mr. President, the steel industry recently has been presenting its views with respect to the forthcoming Kennedy round tariff negotiations. Representative of the industry's viewpoint is an oral statement delivered before the U.S. Tariff Commission by W. E. Mullestein, vice president and general manager of Lukens Steel Co., Coatesville, Pa. I ask unanimous consent that the text of his statement be inserted in the RECORD.

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

STATEMENT BY W. E. MULLESTEIN, VICE PRESIDENT AND GENERAL MANAGER OF LUKENS STEEL CO., COATESVILLE, PA., BEFORE THE U.S. TARIFF COMMISSION, FEBRUARY 19, 1964

My name is W. E. Mullestein, and I am vice president and general manager of Lukens Steel Co., Coatesville, Pa. I am generally familiar with the production and commercial aspects of the steel plate industry.

First, let me say a word about the company I represent. Lukens is the Nation's fourth largest plate producer with annual sales of about $100 million. Its plate capacity is estimated as 7 percent of the total plate capacity of the industry and about one-half of 1 percent of the ingot capacity of the industry as a whole. Thus, while by some standards it may be termed a medium-sized enterprise, it is relatively small in relation to the total industry. In contrast to other companies comprising the steel industry, Lukens concentrates on steel plate as a specialty producer, with particular emphasis upon high grade carbon, alloy, armor, and clad steels. We also fabricate various plate shapes and heads for the durable goods market. Our production is geared to these products and the facilities are not convertible to any other product line without investment prohibitive to our means.

Our working force consists of 4,600 employees. Thirty-three percent of these are highly skilled, 41 percent semi-skilled, and only 26 percent have limited skills which can be readily acquired. They are entrusted with the manufacture of plates which are individually worth as much as $10,000 on a day-in-and-day-out basis, and consequently their acquired skills are so specialized that they cannot be readily utilized in other industries.

I have outlined these facts in order to demonstrate the serious consequences of any erosion of our markets. We are not concerned with any legitimate competition, as we have been in business since 1810 and have survived many critical periods. We are genuinely concerned with being put in the position of being hamstrung while being assaulted from all sides by others possessing insurmountable advantages and supported by their governments. This is exactly the situation that is shaping up in the import and export market for steel plates today.

Lukens has spent over $50 million in the last 8 years in order to remain competitive. We are now conducting engineering, market, and cost studies to determine how we may best continue to invest in the future, but the fact of the matter is that this would be futile if our foreign competitors are permitted to steal our business by the use of dumping practices and with the subsidization of their respective governments. If they are permitted to continue, the end result can only be loss to investors, waste of valuable facilities important for national defense, and unemployment for steelworkers, most of them homeowners located in what is already a substantial labor surplus area.

Now let me turn to the plate segment of the steel industry. Steelplate is a product which is not familiar to most people and is not generally used in consumer goods. It can be from three-sixteenths of an inch to 25 inches thick, 8 to 200 inches wide, and from 5 to over 60 feet long. One plate can weigh as much as 100,000 pounds. Its principal use is the building of plants and equipment for the petroleum, chemical, electrical, machinery, shipbuilding, transportation, and construction industries. It is a critical product in national defense, being used in submarines, nuclear reactors, and heavy defense needs.

Historically, the demand for plate does not necessarily fluctuate with the rise and fall of the overall use of steel. During the period from 1952 to 1957, U.S. plate production averaged about 9 million tons a year with a peak of over 11 million tons in 1957. Since that time the average has dropped to about 7 million tons. This reduction is attributable to the change in demand from durable to consumer goods, a shift in military procurement from conventional armaments to missiles and electronics, economies achieved by research and development of high strength steels resulting in weight savings, and, last but not least, the reduction of exports and the increase in the importation of foreign steel. On the other hand, estimated capacity has risen from about 8 to 11½ million tons. This overcapacity condition is expected to be aggravated since the forecast of U.S. plate production projects a reduction to 6¾ million tons in 1970.

Thus in a static market where there is already substantial domestic overcapacity the effect of reduced exports and increasing imports becomes extremely critical. A ton increase in imported plate does not answer an increased demand for that product, but actually results in a ton decrease for the domestic producers. If our position in the domestic market has deteriorated, the situation in the world market is worse. In 1952, U.S. plate production accounted for about one-half of the total free world plate tonnage whereas in 1961 (the latest figure available) our participation had dropped to a little over a quarter and by 1970 it is estimated to be about one-fifth. Thus it is apparent that a loss in the domestic market cannot be offset by making inroads in the world market. On the contrary, the U.S. producer is losing in both. The loss in exports would even have been greater were it not for the fact that almost one-half of our steel plate exports in the first 9 months of 1963 represented AID shipments which in effect amounted to a captive market.

I believe I have said enough to demonstrate the seriousness of the situation as it applies not only to Lukens but the U.S. steel plate industry generally. It is, therefore, now appropriate to explore the causes. The home market price is logically the first place to look. The principal sources of imports of plates are Japan, the Common Market, and Mexico, but the tables of our written statement indicate that the home market prices of these countries are about the same as those of the U.S. producers.

While the differences in the cost of transportation and the tariff rates have not been significant, it should be noted that recently most countries with lower tariffs on steel plate just last week raised their rates to the Italian level which is higher than the U.S. level. Furthermore, the United States computes its tariff on an f.o.b. rather than a c.i.f. basis in contrast to our principal foreign competitors.

The real answer, however, lies in nontariff trade barriers, subsidization by government, and dumping. All of these subjects have been thoroughly discussed and analyzed by others who have already appeared here and are illustrated in the written statement filed with this Commission. I should, however, like to call attention to the fact that the cost of entry into the United States of a ton of carbon steel plate is only $7.31 as compared to three times this much in Japan and as high as six times this much in France. I should also like to point out that not only do our foreign competitors have this advantage as a protection against imports, but they are also subsidized by their governments in the export market by such devices as tax rebates. Needless to say, the U.S. producer does not expect such favored treatment, but we do believe that we should be given protection against others who do receive it. The tables of the written statement show effect of such policies, in conjunction with the ability to practice dumping, and the comparison between home market prices and export prices is striking.

Furthermore, the importation of foreign steel causes a net loss in tax revenue accruing to our governmental authorities. Our brief shows that over $5 million in taxes were lost in 1962 as a result of the 150,000 tons of plate which foreign producers shipped into the United States. Thus, the net loss in tax revenue for each ton of imported steel plate amount to $33.

Over the past 2 years, Japan, Mexico, and the E.C.S.C. have together accounted for more than three-fourths of the steel plate imported into the United States. It is interesting to note that the country with the highest tariff, Japan, is also the one that in the past few years has shipped the largest amount of plate into the United States. The second largest importer to the United States is Mexico, a country which has not been referred to extensively by others. You will note on page 24 of our statement that Mexico in the last 5 years has increased its export of plates to the United States from nothing to over 50,000 tons in the first 10 months of 1963, whereas our exports have decreased from 2,000 tons to about 600 tons over the same period of time. The Mexican imports represent about 10 percent of the steel plate market in the southwest area of our country. Mexico is now the fastest growing participant in the U.S. plate market.

Mexico and Japan have been the two largest recipients of U.S. financial assistance in their steel industry, eight Japanese steel companies have received $276 million and nine Mexican companies over $90 million. The U.S. producer with private capital is now ironically faced with serious injury as a result of the predatory practices of those foreign producers financed out of the U.S. producers' taxes.

A look at the written statement will show that Mexico sells steel to the United States at a base price of more than $31 a ton lower than the price in Mexico. At the same time, however, this problem of cost of entry, referred to above in connection with other foreign

countries, does not even apply to Mexico. There is no cost of entry into Mexico because there is no entry except by license, and this is given only if the steel cannot be produced in Mexico. In effect, imports are prohibited.

I have tried briefly to sketch the serious consequences for the U.S. steelplate industry which will result if the present foreign practices are not prohibited or equalized. I have tried to point out what these practices are and how they unfairly penalize the U.S. steelplate producer. On behalf of Lukens and other U.S. steelplate producers, I should now like to urge your earnest consideration that:

1. U.S. steel tariffs be placed on the reserve list.

2. Effective action be taken to prevent dumping of steelplates in the United States.

3. The cost of entry of steelplates into the United States and other countries be equalized.

4. Failing the above, U.S. tariffs on plates be adjusted upward to accomplish a comparable result.

5. If tariffs cannot be adjusted sufficiently to be effective, a system of plate quotas be adopted as a temporary measure until the U.S. producer is granted the opportunity to compete on an equal footing with the foreign producer.

Gentlemen, we believe that your aggressive and successful efforts for such remedial action will go far to remove existing inequitable conditions and enable U.S. steelplate producers to compete with producers in other nations whose economy has not as yet reached our standards, whose governments subsidize their industries, whose depreciation rates are designed to attract capital, and whose corporations are allowed to enter into international monopolies.

Thank you for your attention.

FLORIDA EAST COAST RAILWAY

Mr. HART. Mr. President, I hope the issue raised yesterday by the Senator from Oregon when he introduced S. 2561 receives early attention by the Committee on Banking and Currency of the Senate. It seems an urgent and important matter.

As my friend from Oregon remarked last evening, the Florida Du Pont estate appears to be an extraordinary combination of banks, industries, railroads and real estate. The Miami Herald of last Sunday described this Du Pont estate as "Florida's most powerful economic-political force," valued at well over a billion dollars—and all in the hands of one man.

One would expect combinations of this sort to be subject to our antitrust laws. As my colleagues know, I have a particular interest in the antitrust field. It is an area of great concern to me.

It surprises one that this great Du Pont estate, with its 31 banks, was exempted from the Bank Holding Company Act. As the Senator said, that act is essentially an antitrust measure, designed to prevent unfair competitive practices and the growth of monopolistic tendencies in the banking industry.

Certainly the Du Pont estate's exemption from the Bank Holding Company Act—based on the record put before us by the Senator from Oregon—deserves early attention. I hope the committee will be able to consider this bill at an early date.

VICIOUS ANTI-SEMITISM OF THE RUSSIAN GOVERNMENT

Mr. WILLIAMS of New Jersey. Mr. President, the New York Times for February 27 contained a shocking report that an official agency of the Soviet Government was publishing a vicious and slanderous tract attacking members of the Jewish faith.

A book entitled "Judaism Without Embellishment" is being distributed under the imprint of the Ukrainian Academy of Sciences. It is an absolute perversion and distortion of fact under the guise of "science." The Jews were viciously persecuted under the czars. It is a tragic fact of history that the present totalitarian regime in Russia has inherited and continued the anti-Semitic policies of its predecessor. The shocking fact is that this book is not the work of some demented crackpot, but an official effort of an alleged academy of science. The cruelest lie in this tract is the charge that Zionist leaders aided the Nazis. This is brazen and outrageous rewriting of history.

Religion is and will be the greatest threat to totalitarian rule. The strength men draw from their faith in God will always make them strive for freedom. The Russians have worked relentlessly to destroy religious faith. They have not been successful and never will be.

I hope that outraged world opinion will force the Russians, who pass themselves off as the protectors of minorities, to stop continuing the ideology of the Nazis they say they so despise.

I ask unanimous consent to insert the two articles in the RECORD on the subject.

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

SOVIET SAID TO DOOM NINE IN BIG FRAUD RING

(By Theodore Shabad)

Moscow, February 26.—Nine persons have been sentenced to death as members of a Moscow fraud ring involving Soviet officials, according to reliable sources.

Four others have been given 15-year jail terms and about 10 others, lesser prison sentences after a 2-month trial of 23 persons, all of whom were found guilty of having participated in a private enterprise ring. Eighteen of the accused are understood to be Jews.

It was not known how many of the nine sentenced to death were Jews and whether they included the ring leader, identified as Shakerman, who received a separate death sentence earlier this month. The only other members of the ring who have been identified in the press are Roifman and Galperin, both Jewish names.

The ring was said to have netted three million rubles ($3.3 million) by using mental patients to produce knitted goods, which were then sold through illegal retail outlets in the marketplaces and railway stations.

The illegal shops and vast supplies of raw materials were obtained by bribing Soviet officials.

In an appeal to Premier Khrushchev, made public February 17, a group of distinguished Western citizens, including six Nobel Prize winners, expressed concern that about half of those executed in the Soviet Union for economic crimes in the last 3 years were Jews.

Soviet authorities have steadfastly denied that the nationality of the accused in crimes of embezzlement, bribery, theft of state property and so forth had any bearing on the cases.

Last October, Izvestia, the Government newspaper, demanded a major show trial of the Shakerman ring as a deterrent against economic crimes which have shown no indication of declining despite the imposition of the death sentence since 1961.

Izvestia identified some of the Jewish accused by name and added:

"We mention the Jewish surnames * * * because we pay no heed to malicious slander that is being stirred up in the Western press from time to time. It is not Jews, Russians, Tartars or Ukrainians who will stand trial—criminals will stand trial."

TRIAL CLOSED TO PUBLIC

Plans for a show trial were shelved, presumably because of the involvement of bribetaking Soviet officials. When the trial opened without publicity late December, the public and Western newsmen were not admitted.

Outsiders were understood to have been barred from the courtroom because the bribetakers were to be identified during testimony.

RAILROAD OFFICIALS INVOLVED

The officials are known to include two former masters of the Kursk railroad station, one of the busiest railroad stations of the Soviet capital.

They were given 7-year prison terms last September for having accepted 1,300 rubles ($1,443) and other gifts from the Shakerman ring.

The Western expression of concern over Jewish involvement in the economic crimes was contained in the appeal urging better treatment of the Soviet Union's 2½ million Jews. The appeal, dated December 2, was made public by Bertrand Russell, the British philosopher, after no reply had been received from Mr. Khrushchev.

The signers told the Soviet Premier they hoped Soviet Jews would "be permitted full cultural lives, religious freedom, and rights of a national group, in practice as well as in law."

The Nobel Prize winners who joined the appeal were Dr. Max Born of West Germany, Francois Mauriac of France, Lord Boyd Orr of Britain, Prof. Linus C. Pauling of the United States, and Dr. Albert Schweitzer.

KEATING DISTURBED

Senator KENNETH B. KEATING said today that he was disturbed by State Department reluctance to blame the Russian Government for anti-Semitism within the Soviet Union.

"The fact that 'official Soviet spokesman consistently deny the existence of any anti-Semitic bias in Soviet policy' is no reason for the citizens of the United States to accept without protest this continuing Soviet prejudice and injustice," the New York Republican said on the floor.

He made public a report from the State Department, prepared at his request, on anti-Semitism in the Soviet Union. In it the Department concluded that official protests would not be "in the best interests of Soviet Jews."

"There is no evidence," the report stated, "that the authorities intend to incite the public to acts of anti-Jewish violence. Rather, they seem to be using popular anti-Semitic sentiments for their own purpose."

SOVIET BOOK ATTACKS JEWS

(By Irving Spiegel)

The American Jewish Committee reported yesterday that an official body of the Soviet Government had published a book utilizing Nazi-like caricatures to attack Jews and Judaism. The committee displayed a copy of the book.

Details of the 190-page volume, in the Ukrainian language and entitled "Judaism Without Embellishment," were outlined by

Morris B. Abram, president of the committee, at a news conference at the organization's headquarters at the Institute of Human Relations, 165 East 56th Street.

The book bears the imprint of the Ukrainian Academy of Sciences. The author is M. K. Kichko, described as a professor of philosophy. The book was printed in Kiev in 1963.

Mr. Abram, a U.S. member of the United Nations Subcommission on the Prevention of Discrimination and Protection of Minorities, denounced the book as a "hodgepodge of misinformation, distortion, malicious gossip, and insulting references to Jews and Judaism."

CARICATURE ON COVER

The book's cover bears a caricature of a Jew clad in a prayer shawl, leading a congregation in prayer and holding money in his hand.

Other captions over caricatures say: "All sorts of swindlers and cheats find refuge in the synagogues," "The swindlers in religious articles sometimes wage battles among themselves over the divisions of the spoils," and "During the years of Hitlerite occupation the Zionist leaders served the Fascists."

Ridicule is leveled in the book against the Talmud, one of the most revered books of Judaism. The Talmud is a compendium of religious and ethical laws that provide a code to daily living and behavior.

Mr. Abram said that about 12,000 copies of the book were in circulation in the Soviet Union.

He added that he would protest the book to Boris S. Ivanov, a Soviet member of the United Nations Subcommission on Minorities.

REPRESENTATIVE RALPH J. RIVERS DISSECTS THE CIVIL SERVICE COMMISSION'S ILL-ADVISED ATTEMPT

Mr. GRUENING. Mr. President, a very foolish attempt is being made by the U.S. Civil Service Commission to upset the long-established patterns of the cost-of-living allowance paid to classified Federal employees in the outlying areas of the United States where unique conditions have properly called for appropriate employment practices. The Commission has sponsored legislation which would seek to substitute in-grade promotions for the present well-established generally satisfactory if not wholly adequate system. Naturally the people of Alaska, Hawaii, Puerto Rico, and the Virgin Islands who would be gravely and adversely affected are up in arms. The economy of these areas would also suffer seriously at a time when the President is waging an all-out war on poverty, and has successfully sponsored tax-cut legislation designed to bolster our economy.

An excellent statement opposing the proposed legislation as far as Alaska is concerned but applicable to the other areas that would be affected if this ill-considered proposed legislation were enacted, was made this morning by Alaska's able Representative, the Honorable RALPH J. RIVERS, before the House Post Office and Civil Service Committee subcommittee considering the legislation proposed in H.R. 7401.

I ask unanimous consent that Representative RIVERS' remarks be printed in the RECORD.

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

STATEMENT OF RALPH J. RIVERS, U.S. REPRESENTATIVE FROM ALASKA, BEFORE THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE OF THE HOUSE OF REPRESENTATIVES, IN OPPOSITION TO H.R. 7401, ON FEBRUARY 27, 1964

Mr. Chairman, I appreciate this opportunity to be heard in opposition to H.R. 7401, which would terminate the cost-of-living allowance paid to classified Federal employees in Alaska, Hawaii, Puerto Rico, and the Virgin Islands, and amend the so-called Federal Salary Reform Act of 1962 in such a way as to stretch the pay system set forth in that act to make it fit the unusual situation in Alaska, and the situations in the referenced offshore areas.

Before criticizing this bill, I wish to make it clear that it is my impression that the distinguished chairman of the Committee on Post Office and Civil Service introduced it upon request (although such words were not included on the face of the bill), and that in doing so he lent his name to a bill drafted by the U.S. Civil Service Commission, sponsored by the Civil Service Commission, and promoted by the Civil Service Commission. I base this statement upon the executive request addressed to Hon. JOHN W. MCCORMACK, Speaker of the House of Representatives, under date of May 14 and signed by John W. Macy, Jr., Chairman of said Commission.

Involved in H.R. 7401 is a fundamental dispute. In pressing for the legislation, the Civil Service Commission contends that it is acting under a mandate from the Congress contained in the Federal Salary Reform Act of 1962. I have read this act with care, recognize its applicability to the 48 contiguous States, note that section 502 sets up a criterion of comparability with private enterprise salary rates for the same levels of work upon the basis of national averages, but I fail to find any mandate telling the Civil Service Commission to seek legislation to abolish the cost-of-living allowance in areas where the rates of pay found by determining nationwide averages are inadequate, and, therefore, invalid.

This is highlighted by the fact that upward adjustments authorized in section 504 of the Salary Reform Act of 1962 are limited to the seventh salary rate prescribed by law for classification grades or levels, which fits the economic situation and salary requirements of the older 48 States but is inadequate to encompass the economic situation and Federal salary requirements in Alaska. This is consistent with the fact that a 25-percent cost-of-living allowance has been in effect in Alaska for many years, and ostensibly when the Congress enacted the 1962 act, it intended to keep the cost-of-living allowance in Alaska and the other cost-of-living allowance areas.

This point becomes clearer when you look at the rates of starting pay and maximums within grades up to and including the seventh level presently in effect. The rate at the seventh level is not high enough to encompass present base rates in Alaska plus 25 percent as the equivalent of the cost-of-living allowance, even without considering the increased tax factor. This is tacitly admitted in H.R. 7401, on page 2, section 3(1), lines 19 to 22, which read as follows:

"*Provided*, That in no case, except in Alaska, shall any minimum salary rate so established exceed the seventh salary rate prescribed by law for the grade or level."

Additionally, you will find in section 4 of the bill, lines 6 through 13, on page 3, that admittedly the maximum salary of $20,000 set by the Salary Reform Act of 1962 is considered inadequate for several top grades in Alaska.

This demonstrates to me that in passing the 1962 act, the Congress intended that the base rates to be established thereunder would apply to Alaska without changing the cost-of-living allowance.

Mr. Chairman and members of the committee, let us now look into the original reason for establishing the cost-of-living allowance in 1949 and the part it has played in the maintenance of a good civil service establishment in Alaska.

Postal employees and other Federal civil servants in Alaska couldn't make ends meet on the regular base pay rates in effect in the 48 States. The cost of living in Alaska, which was as high as 50 percent over the national average, impelled the establishment of a cost-of-living allowance. Such allowance, also found to be warranted in other noncontiguous areas of Hawaii, Puerto Rico, and the Virgin Islands, was, therefore, established by section 207 of the Independent Offices Appropriation Act of 1949 with a maximum of 25 percent above the regular base rates. This allowance did not entirely cover the excessive difference between the cost of living in Alaska and the 48 contiguous States, but was a great palliative in removing hardship and in solving the Federal Government's recruitment problem. This 25-percent cost-of-living allowance, combined with exempting same from the Federal income tax, established an equitable situation in Alaska. Permit me to say that in the ensuing years the situation hasn't changed. The latest Bureau of Labor statistics report on the cost of living—using Washington, D.C., as the base—shows as follows: Anchorage, 143.2; Fairbanks, 146.5; Juneau, 132.8. Included in establishing those figures are the following items: market basket, clothing, housing, transportation, recreation, medical care, household services, and household furnishings. Not included in the figure are such items as the high total cost of the large total amount of fuel needed to heat a house during the long Alaska winters, and the cost of heavy winter clothing for all members of the family in addition to the usual wardrobe requirements.

Let us now consider the fact that even if the base pay of Alaska's classified Federal employees were to be raised by an amount equal to the cost-of-living allowance, such base pay raise, as distinguished from the cost-of-living allowance, would be subject, at the top, to the Federal income tax. This alone, generally speaking, would result in 20 percent to 30 percent of such increase in base pay being withheld for taxes and in an equivalent reduction of take-home pay. I might add that in my conversation with Civil Service Commission representatives, I find no disposition to assure that the increase in base pay will equal amounts now attributable to the cost-of-living allowance, much less overcome the added Federal income tax. Thus, under this bill the Federal employees in Alaska are bound to suffer a reduction in total compensation if this bill is passed.

This brings me to a fundamental provision in the Salary Reform Act of 1962 entitled "Saving Provision," to wit: Section 1006, which reads as follows:

"Notwithstanding any provision of this act, no rate of basic, gross, or total annual compensation or salary shall be reduced by reason of the enactment of this act."

This, in effect, guarantees the classified Federal workers in Alaska that they shall not be penalized, as the Civil Service Commission urges should be done, by the passage of this bill. The Civil Service Commission wishes to mitigate such a penalty by providing in section 3 of H.R. 7401, an amendment to the Salary Reform Act of 1962 which would exclude Alaska from the salary adjustment limitation of the seventh salary rate. Obviously this proposal will not suf-

fice to fulfill the promise of the language of the "saving provision" above quoted, and I challenge the witnesses for the Civil Service Commission to demonstrate how they propose to live up to that promise by virtue of this proposed amendment, and to warrant to this committee that the Federal employees in Alaska will be fully protected against any loss of take-home pay.

I think I have demonstrated the unique human and Federal problem existing in regard to the maintenance of a civil service establishment in Alaska. What I am saying is that the Congress, in its wisdom, solved the referenced problem in Alaska and the other noncontiguous areas under our flag, by establishing the cost-of-living allowance in 1949, and demonstrably did not, in the Salary Reform Act of 1962, give the Civil Service Commission a mandate to seek legislation to distort the matter by trying to fit—and I coin a word—an "unfittable" element into the formula governing the contiguous 48 States.

There are several other inconsistencies contained in H.R. 7401 which I would like to call to the attention of this committee. For example, the general authority for the Civil Service Commission to upgrade salaries on a job by job basis, to coincide with the rates of pay used by private enterprise in Alaska upon a regional basis, is a departure from the general requirement of using national averages, and leads in the direction of setting up another wage board system in Alaska. Then there are also the complications which would be incident to paying higher salaries in Alaska for given grades than in the rest of the country. Withholding for retirement on the higher wage base, for example, would be inconsistent with the lower wage paid to the employee upon his reassignment to the contiguous States. Other complications, administrative involvements and troubles would result from passage of this bill. Therefore, I urge that we keep the cost-of-living allowance and its application and familiar pattern and its equitable results for the benefit of all concerned.

There are 13,507 classified civil servants in Alaska at this time. Most of them have become permanent residents of Alaska by making the usual commitments of their incomes along the lines of keeping up with contracts for the purchase of homes, the furnishing, and maintenance of same, various kinds and degrees of insurance coverage, local property taxes, provisions for sending children to college, automobile expense, and all the items that go into the cost of living in the high-cost State of Alaska. These people of whom I am now speaking, in making their commitments and thereby establishing their respective standards of living, have definitely depended upon what they considered to be the reliability of their employer "Uncle Sam," in terms of, at least, keeping up the existing level of their take-home pay. They need every bit of what they are getting as base pay plus the Federal tax free cost-of-living allowance. Thus, they look at this bill—as do I—with a critical eye and the perception that the repeal of the cost-of-living allowance as provided for in this bill would surely undermine and cut down on their take-home pay. Understandably, this would cause hardship and bitter feelings and ruination of the morale of these classified civil service workers in Alaska. This in turn would erode the present satisfactory Federal Establishment in Alaska by increasing turnover. It would also increase the cost of training replacements, and multiply the costly procedure of transporting 2-year turnaround employees and their families into and out of Alaska. In my opinion, the passage of this bill could not save the Government any money, but would, on the contrary, result in deterioration of the service, added costs and the compounding of administrative complications.

Let me now mention the Federal civil service workers stationed in Alaska on temporary tours of duty. Presently, when they arrive in Alaska with their established grade, they simply commence receiving the cost-of-living allowance and continue to undergo withholding for retirement purposes consistent with the level of their base pay. Then when they return to the lower 48 States, the cost-of-living allowance is dropped, without effect upon retirement plans, and other factors. Under the new system which would be used pursuant to this bill, the nonresident Federal employees of whom I speak would receive ingrade elevations and upward adjustments of base pay, upon which retirement withholding would be based, and upon leaving Alaska to fulfill assignments elsewhere, downgrading and reduction of base pay would ensue. This would in turn becloud the retirement situations involved and lead to other complications.

Let us now think of the very important concern of the Federal Government in regard to situations where the Government finds itself at a disadvantage in competing with private industry in the recruitment of qualified people with the desired talents and skills and other endowments.

Basically, the Congress in its wisdom removed this disadvantage in Alaska by authorizing the cost-of-living allowance, which has enabled the executive branch to adequately staff its agencies in Alaska and which system has proved to be satisfactory to the Federal civil service workers in Alaska. This system has also been easy to administer in consonance with the basic grade and salary specifications prevailing within the contiguous 48 States. As to this problem of Federal Government recruitment handicaps which underlies the situation in Alaska, the solution has been achieved. We already have it. The cost-of-living allowance is the answer to the unique situation in Alaska. When you have a winning combination to meet a particular situation, why change it? Especially when the winning combination coincides with fair play and satisfaction to all concerned.

I now offer for inclusion in the record of this hearing many letters and telegrams which I have received from Federal employees throughout Alaska—all in opposition to H.R. 7401. Other letters from Alaska have been sent directly to the committee for inclusion in the record. In summary, these communications make three main points:

1. The cost of living in Alaska is so high that many of the Federal civil service workers now residing there would be forced to move elsewhere if their take-home pay were to be reduced.

2. It is impossible to discover salary rates as to jobs in private industry in Alaska comparable to many job classifications in the Federal civil service because private industry in Alaska is largely made up of small businesses and no labor market exists in private industry for such services.

3. The augmentation of civil service salaries by virtue of the cost-of-living allowance has had an important effect upon the economy of the State of Alaska, as well as being beneficial to the employees themselves. Thus no change should be made without exhaustive consideration of all factors. Such consideration should include hearings in the principal cities of Alaska, to give the thousands of Federal employees most concerned a chance to be heard before this issue, which is of such vital concern to them and to Alaska, is resolved. If, after these hearings are completed, this committee still wants to pursue this matter any further, it may consider that I join with my constituents in requesting that it hold hearings in the principal cities of Alaska. If it turns out that this bill is rejected upon the case as presented here, so much the better.

Thank you, Mr. Chairman and other distinguished members of this committee, for your courteous attention and consideration.

TRUTH IN LENDING

Mr. DOUGLAS. Mr. President, approximately 3 weeks ago the chairman of the Senate Banking and Currency Committee, the junior Senator from Virginia, placed in the RECORD a series of 83 legal questions that the junior Senator from Wyoming had raised during the recent hearings by the Production and Stabilization Subcommittee of the Senate Banking and Currency Committee on S. 750, the truth-in-lending bill.

I am delighted to say that, as I had suggested, the chairman forwarded these questions to the Board of Governors of the Federal Reserve System and the Federal Trade Commission so that these agencies, both of which have had extensive experience in administering similar types of legislation, might provide the Banking and Currency Committee with competent legal advice on these 83 questions. The committee has received replies from both of these agencies, which responded in full to the 83 questions asked. In my opinion the answers provided by the Federal Reserve Board and the Federal Trade Commission clearly dispel any genuine doubts about the purposes of the truth-in-lending bill and, indeed, the meaning of specific language included in S. 750.

I am delighted that we have cleared away this legal underbrush and that we can now get back to considering the fundamental issue in the committee, and that is whether or not the consumer is entitled to full and accurate information on finance charges and interest rates whenever he borrows money or buys on the installment plan.

Mr. President, I ask unanimous consent that the questions that the junior Senator from Wyoming has raised and the answers from the Federal Reserve Board and the Federal Trade Commission be included in the RECORD at this point.

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

QUESTIONS ON S. 750

1. Let me direct your attention to the third clause of the definition of "credit" in section 3(2), which reads: "* * * any contract to sell, or sale, or contract of sale of property or services, either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract. * * *" Would this language cover a contract to purchase goods for cash on delivery if the goods aren't delivered until subsequent to making the contract?

2. The definition of "credit" would apply then to an agreement to buy a car, for example, where the car was not picked up and paid for until the following week, would it not?

3. And this is true even though the full price of the car is paid by the purchaser, is it not?

4. The definition of "credit" also applies to services. What if I make an agreement with my next door neighbor's son, whereby

he will mow my lawn each Saturday afternoon and I will pay him 50 cents each time he completes the job. Would this be included in the definition of credit also?

5. Transactions such as those I have just outlined, where payment and performance occur at the same time, are normally thought of as cash transactions and not credit transactions, are they not?

6. Why, then, are these transactions included in the bill's definition of credit?

7. Look a little further down in the definition, where you will see the phrase, "* * * any contract or arrangement for the hire, bailment, or leasing of property * * *." Is a lease of property a credit transaction?

8. Are not the charges commonly incident to a lease, rental payments?

9. A finance charge is defined as a charge incident to the extension of credit. Since credit is defined to include the leasing of property, this means charges incident to a leasing of property. Are rental payments finance charges within the meaning of the bill?

10. How can a lessor fulfill the requirements of section 4 with respect to such charges?

11. There isn't any cash or delivered price for the property, is there?

12. Is there anything to which an interest charge can thus be computed?

13. Do you think the bill intends to reach such a transaction by the definitions of "credit" and "finance charge"?

14. But the definitions would seem to, wouldn't they?

15. Anyone reading the definitions and then section 4 would be puzzled as to just what he had to do, wouldn't he?

16. Wouldn't he be worried that if he guessed wrong he would be subject to the penalties of section 7?

17. Wouldn't the problem be the same if a company rented cars for $50 a week, payable at the end of the period?

18. Wouldn't the definitions of "credit" and "finance charge" similarly cover the hire of taxicabs rented for an hour, or of a horse for half an hour?

19. Doesn't the fact that those definitions would cover such transactions prove that there is something wrong with the definitions?

20. What kinds of leases, if any, was the definition of credit intended to reach? Can you think of any?

21. What kind of contracts of hire? What kind of bailments?

22. Don't you think the language of the statute should be limited to those transactions which it is intended to reach, and not to all leases, contracts for hire, and bailments?

23. Now let's take the next phrase, "any option, demand * * * or other claim against, or for the delivery of, property or money." Suppose that for $100 one person sells another an option to buy a house. Wouldn't that come within the statutory definition of credit?

24. If it does, should the definition of credit apply to it?

25. What kind of option, if any, could or should the bill apply to?

26. Now how about the word "demand." What kind of a demand is it for which a charge is made?

27. If the word is tied in with the subsequent phrases "against, or for the delivery of, property or money," what kind of transactions would it apply to?

28. And if there are some demands to which the definition of credit could apply, certainly every demand for property or money for which a charge is made shouldn't come within the definition of credit, should it?

29. Isn't the same true about the words "other claims against, or for the delivery of, property or money"?

30. What kinds of claims are intended to come within a definition of credit like this, if any?

31. Would there be many others which couldn't fit under it?

32. What about the words "lien" or "pledge"? Is every lien or pledge for which a charge is made a credit transaction?

33. Should all such liens or pledges be included in the definition or credit?

34. If not all, which ones should?

35. Shouldn't the definitions make this clear?

36. What about a rental-purchase contract?

37. Should all such contracts be subject to this definition of credit?

38. If there are any such transactions which are intended to be covered, shouldn't the definitions be tied down to them?

39. Doesn't the above make it clear that this broad classification, including leases, bailments, options, pledges, liens, demands and claims in the definition of "credit" goes much too far, and indeed makes no sense, and that the whole definition should be thought out more carefully?

40. Refer to the beginning of section 3(2), which starts with the phrase "any loan." To take the simplest transaction, if a bank lends you $1,000 at a specified percent of interest, is there any reason why all the other items in section 4(a) should be specified?

41. Refer to the word "mortgage." This applies, of course, to real estate mortgages as well as chattel mortgages, does it not?

42. Don't mortgagees usually know the rate of interest they are paying?

43. Is it really desired that all fees such as lawyers' fees, fees for credit investigations, title searches, title insurance, be included within the interest rate?

44. Is that the way it is done now?

45. Aren't the buyers or mortgagees adequately informed now when they are told the interest rate and the dollar amount of these charges?

46. Isn't it more accurate to say that the mortgage is at a 6 percent rate plus $200 for fees which are paid once at the beginning, than to lump them all together and say that the rate is 6-plus percent?

47. What is meant by "deed of trust"?

48. Is every deed of trust a credit transaction, using that term in its normal sense and not with the enormously inflated meaning given it in this bill?

49. Even if there is a charge for a deed of trust, would it necessarily be a finance charge?

50. What is meant by "advance"?

51. In section 4(a)(4) the bill says that charges must be itemized "which are not incident to the extension of credit." This contrasts with section 3(3) which includes fees and service charges, among other things, as among the charges incurred as incident to the extension of credit. Can anyone tell clearly what charges are or are not "incident" to the extension of credit?

52. Would a fee for a title search or credit investigation be incident?

53. How about a lawyer's fee in connection with the sale of property or for recording a mortgage?

54(a). How about title insurance?

(b) Or the fee for collision insurance on a car sold on an installment basis, or theft insurance for jewelry bought on time?

(c) Or the fee for fire insurance on leased or mortgaged property?

(d) Or the cost of life insurance on the borrower for the duration of a loan?

55. Is it clear whether any of the above charges are or should be included in the finance charge?

56. Don't you agree that if these insurance charges are finance charges they must be included in the numerator in computing the percentage rate required by section 4(a)(7)?

57. And if they are so included, would this not increase the percentage figure?

58. Don't you agree that people normally carry insurance on such items, even if they buy them outright for cash?

59. And where the merchandise is sold on time, such insurance operates to protect the buyer as well as the seller, doesn't it? It will cover the buyer's obligation to the seller, and also protect the buyer himself as he gradually pays that obligation off.

60. In view of this, isn't it unfair to the seller to require him to state insurance charges in such a way that they appear to increase the interest rate being paid by the buyer?

61. Doesn't this analysis suggest that the phrase "incident to the extension of credit" is too broad? It either includes (1) all such insurance, which is unreasonable, or (2) only some such insurance, in which case no one can tell which is included and which is not.

62. Wouldn't it seem that money actually expended for various cost items incurred at the time of the transaction should be included in computing the total cost of the purchase, or the total amount to be financed, rather than in computing the amount of interest and the annual interest rate to be earned in the future, as seems to be required under the bill?

63. Section 4(a) requires delivery of a written statement to the debtor "prior to the consummation of the transaction." Take, as an example, a typical sale of merchandise, where the store delivers to the customer a few days later. Is the transaction consummated when the buyer signs the contract to purchase, or when the goods are actually delivered?

64. The bill does not make this at all clear, does it?

65. Look at section 5(a), page 6, lines 9 through 12, which states that the Board shall prescribe rules and regulations requiring that the information specified in section 4 "be set forth with sufficient prominence to insure that it will not be overlooked by the person to whom credit is extended." How can this be insured? Some persons will overlook this information no matter what the Board prescribes, wouldn't you say? And what about a blind person?

66. Sections 4(b)(1) and (2) require "a clear statement in writing" setting forth the simple annual interest rate. What is meant by "clear"—big, legible print, or a statement of the percentage which can be understood?

67. Does this mean a statement written in English?

68. Several witnesses who testified before this committee about being duped into making purchases have been unable to speak English. If the buyer can't speak or write English, will a statement written in English convey any information to him?

69. Does the requirement that the written statement be "clear" mean that in such cases the seller must furnish the buyer a statement in his native tongue?

70. Section 6(2) provides that State laws shall not be affected except to the extent that they are directly inconsistent "with the provisions of this act." Does the reference to provisions of the act include the rules and regulations promulgated by an administrative agency?

71. The penalty provisions refer to violations of this act "or any regulation issued thereunder." Does the absence of any express reference to regulations in section 6(a) give rise to the argument that the section doesn't apply to regulations, and that State laws inconsistent with regulations under the act are not to be regarded as inconsistent with the act and are not superseded?

72. Section 6(a) provides that State laws are not superseded "except to the extent that such laws are directly inconsistent with the provisions of this act." Would that exclude

a State law making it illegal to disclose any of the items required by the Federal law, if there was such a State law?

73. If the State law required additional information, would that be all right?

74. Suppose the State law required approximately the same information, stated or computed somewhat differently. Would it be "inconsistent" if the information were given both ways, so as to satisfy both the State and Federal requirements?

75. Couldn't this be confusing, if the rate of interest was to be computed in two different ways? If so, would it be inconsistent?

76. If the creditor put in both rates, would that violate the Federal requirement of "a clear statement?"

77. If the creditor merely followed the Federal form, might not he be in violation of the State law?

78. Section 7(a) exempts the seller from any civil penalties "if the percentage disclosed to such person pursuant to this act was in fact greater than the percentage required by [section 4] * * * to be disclosed." Does this mean that a seller or lender who wants to be sure he is avoiding civil penalties may adopt a procedure whereby the percentage rate is intentionally overstated?

79. There is no such exemption in the criminal penalty provision, section 7(c), is there?

80. Would such a person be "willfully" violating the act by knowingly overstating the interest rate, and hence subjecting himself to the criminal sanctions of section 7(c)?

81. Section 3(5) defines the term persons as including the United States and any other government or subdivision or agency thereof. Would it thus cover loans by the Federal Government or State governments?

82. Section 7(d), however, says that no penalties shall apply to those agencies. Does this mean no civil penalties or no criminal penalties or no penalties at all?

83. Must the debtor pay the agency the undisclosed finance charge?

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, D.C., February 17, 1964.

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

DEAR MR. CHAIRMAN: This refers to your letter of February 6, 1964, which enclosed a list of questions relating to S. 750, Senator DOUGLAS' bill, "To assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extensions of credit."

Because of the rather technical and detailed nature of most of the 83 questions on the list, it was submitted to the Board's staff for study. In response to your letter, there is enclosed a memorandum which the staff has prepared commenting on the various questions. It is hoped that the memorandum will be useful in connection with further considerations of the bill.

In this connection, the Board would like to point out again that it is in full accord with the purpose of requiring creditors to disclose their finance charges. There is no doubt that the more information borrowers and credit purchasers have about the prices they are paying for credit, the more efficiently they can choose among the alternatives available to them. The Board expressed the same view in its report of February 20, 1963, to you on S. 750 and also in its reports on similar bills introduced in 1960 and 1961.

However, as these reports have stated, the Board believes that administration of such legislation would not constitute an appropriate activity for the Federal Reserve System. The regulation of trade disclosure practices would be foreign to the Board's present responsibilities. As noted in its report to you of February 20, 1963, the Presidential message of May 15, 1962, concerning consumer protection stated that: "Inasmuch as the specific credit practices which such a bill would be designed to correct are closely related to and often combined with other types of misleading trade practices which the Federal Trade Commission is already regulating, I recommend that enforcement of the new authority be assigned to the Commission."

Accordingly, as stated in its earlier reports, the Board endorses the objective of requiring creditors to disclose their finance charges, but believes that it would be inappropriate for the Board to administer such a bill.

Sincerely yours,

WM. MCC. MARTIN, Jr.

COMMENTS OF THE STAFF OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM ON QUESTIONS CONCERNING S. 750 SUBMITTED WITH CHAIRMAN ROBERTSON'S LETTER OF FEBRUARY 6, 1964

COMMENTS CONCERNING QUESTIONS 1 THROUGH 39

These questions involve principally the definition of "credit" in section 3(2) of the bill, and, in effect, suggest—as does question 22 specifically—that the definition "should be limited to those transactions which it is intended to reach."

Where the apparent intent of the legislation, as in the case of S. 750, is to prescribe rules for a broad area of activity, involving innumerable technical problems and wide variations in types of transactions and practices, it may well prove more feasible and workable for Congress to establish comprehensive definitions or standards and leave to an administering agency the function of filling in the details as may be necessary or appropriate in effectuating the congressional purpose and design in the light of experience and developments. A more limited approach might fail adequately to provide in the legislation for categories of transactions or practices not specifically anticipated at the time of the legislation, but which clearly should be subject to it.

An example of the broader approach involves the definition of "credit" in section 602(d)(2) of the Defense Production Act of 1950 (64 Stat. 814) after which the definition of "credit" in S. 750 seems to be patterned. The definition in the 1950 act, of course, applied to a control of the use of credit in a selected area.

On the other hand, while S. 750 is limited to the disclosure of the cost of credit, it is intended to apply to credit transactions in a much broader area. Narrowing the definition in S. 750 might be undesirable, particularly in the light of the great variety of the means for effectuating credit transactions and the tendency for changes in practices among grantors of credit. In any event, however, the bill clearly would not apply to cash transactions.

It may be observed also that the application of the definition of "credit" in S. 750 is dependent on other relevant provisions of the bill. Thus, the requirements of the bill apply to credit extended by a creditor. The latter term is defined in section 3(4) of S. 750 to mean "any person engaged in the business of extending credit * * * who requires, as an incident to the extension of credit, the payment of a finance charge." The term "finance charge" is defined in section 3(3) of the bill which, at various places, including sections 4 and 5(a), places broad regulatory authority in the agency designated to administer the bill, including authority to prescribe "classifications and differentiations * * * adjustments and exceptions as * * * are necessary or proper to effectuate the purposes of this act or to prevent circumvention or evasion, or to facilitate the enforcement of this act, or any rule or regulation issued thereunder."

The foregoing provisions of the bill, it is believed, answer many of the questions 1 through 39 either specifically or indicate that a specific answer would depend on rules or regulations prescribed under the bill. In addition, specific answers, in some instances, might be misleading since the correct conclusion would necessarily depend upon all of the facts and circumstances of the particular transaction.

COMMENTS CONCERNING QUESTION 40

This question seems to ask whether, if a bank makes a "loan" at a given rate of interest, there is any reason why "all the other items" in section 4(a) of S. 750 should be set forth in the statement required to be given to the borrower, meaning, apparently, the items covered under subparagraphs (1) through (7).

As indicated in the opening sentence of section 4(a), such items would have to be set forth "to the extent applicable" to the transaction "and in accordance with rules and regulations prescribed" by the administering agency. It may be noted that items (1) through (3) relate to regulated transactions where the credit is to finance the acquisition of "property or services." With respect to item (4), the answer would depend on the facts. As to items (5) through (7), the information would seem necessary in any regulated transaction.

COMMENTS CONCERNING QUESTION 41

As suggested by the question, the word "mortgage" in the definition of "credit" in section 3(2) of S. 750 would cover both real estate mortgages and chattel mortgages.

COMMENTS CONCERNING QUESTION 42

Whether the mortgagors usually know the "rate of interest" they are paying might depend on whether the mortgage involved is a chattel mortgage or a real estate mortgage. It is believed to be a usual practice for real estate mortgage papers to specify the "rate of interest" applicable to the mortgage loan. In the case of chattel mortgages, this may not be the case. In the case of real estate loans, there may be some question in various situations as to whether the "rate of interest" specified in the mortgage papers might fail to reflect certain costs of the credit included, for example, in the closing costs.

COMMENTS CONCERNING QUESTION 43

This question concerns the fees that should be included within the "interest rate" apparently in the case of a real estate mortgage transaction.

This question would seem to be discussed quite fully by the letter of June 19, 1962, to Senator DOUGLAS from the General Counsel of the Housing and Home Finance Agency, set forth at pages 189 and 190 of the hearings in May 1962 on S. 1740 before the Subcommittee on Production and Stabilization of the Senate Committee on Banking and Currency ("Truth in Lending—1962").

COMMENTS CONCERNING QUESTION 44

Whether the practice today is to include certain fees within the "interest rate" applicable to real estate mortgage transactions would depend both on the particular fees in question and the practice followed in the particular locality. As stated in the letter referred to in the comments concerning question 43, the matter would be one for continuing study so that the regulations to be issued under S. 750 could reflect changes, from time to time, in terminology and practices.

COMMENTS CONCERNING QUESTION 45

This question seems to suggest that buyers and mortgagors are now adequately informed of various charges incident to the extension of credit "when they are told the interest rate and the dollar amount of" various

charges related to the transaction. An answer to the question would necessarily depend on the practices followed by the lenders involved; and the practices of various lenders are not the same. In some cases the questions would require a negative answer.

COMMENTS CONCERNING QUESTION 46

The answer to this question involves a matter of policy. The purpose of S. 750 is to establish uniform standards on the basis of which meaningful comparisons of the cost of credit may be made, and the bill has adopted a specific design, rather than some other approach, by which that purpose may be attained. Where competing lenders, for example, follow the different practices suggested in the question, borrowers would find it difficult to make meaningful comparisons.

COMMENTS CONCERNING QUESTIONS 47 THROUGH 49

A deed of trust can be used for various purposes. In some States an instrument known as a deed of trust is used in the financing of real estate purchase transactions which, in other areas, would be covered by a mortgage. In such cases the trustees under the deed of trust holds the property until the fulfillment of a condition, which is the payment in full of the loan by which acquisition of the property was financed. The deed of trust thus secures payment to the lender of the amount of his loan. It would seem relevant in this connection to refer again to the definition of "credit" in section 602(d)(2) of the Defense Production Act (64 Stat. 813) which covers, among other things, "any loan, mortgage, deed of trust."

COMMENTS CONCERNING QUESTION 50

This question asks what is meant by "advance." The reference apparently is to that word as used in the definition of "credit" in section 3(2) of S. 750. In the context of the bill, the word includes a credit transaction in which funds are transferred by one person for the use of another on the condition that they will later be repaid to the former. It may be noted that the definition of "credit" in section 602(d)(2) of the Defense Production Act (64 Stat. 814) includes "advance." The word is used to describe a credit transaction in other provisions of law such as, for example, section 13 of the Federal Reserve Act (12 U.S.C. 347) relating, among other things, to "advances" by Federal Reserve banks to member banks, and section 6(a) of the Bank Holding Company Act (12 U.S.C. 1845) concerning "advances" by banks on certain security.

COMMENTS CONCERNING QUESTIONS 51 THROUGH 62

These questions all seem to relate to the provision in section 4(a)(4) of S. 750 which requires any creditor "to furnish to each person to whom credit is extended, prior to consummation of the transaction, a clear statement in writing, setting forth, to the extent applicable, and in accordance with rules and regulations prescribed by" the administering agency, among other things, "the charges, individually itemized, which are paid or to be paid by such person in connection with the transaction but which are not incident to the extension of credit." Sections 3(3) and 4(a)(6) are companion provisions concerning charges "incident to" the extension of credit. The questions are concerned, in the main, with what might or might not be regarded as incident to an extension of credit.

This matter is gone into at some length at pages 189 and 190 of the May 1962 hearings cited in the comments on question 43. It is also discussed in the memorandum in the appendix to the hearings in July 1961 on S. 1740 before the Subcommittee on Production and stabilization of the Senate Committee on Banking and Currency "Truth in Lending," page 1309. As there pointed out, precedent in this connection has been established not only in the Uniform Small Loan Act but also in connection with the administration and supervision of Federal credit unions. Whether a charge is or is not incident to the making of a loan is a question that must be answered by Federal credit unions in connection with their loans under section 7(5) of the Federal Credit Union Act of 1934 (12 U.S.C. 1757). In any event, specific answers would depend in part on the regulations that the administering agency would issue under sections 4(a) and 5(a) of S. 750.

In connection with question 62, it may be noted that the policy of the bill, in effect, is to emphasize the cost of credit to the borrower. Where the emphasis should lie on this matter is, of course, for the decision of the Congress.

COMMENTS CONCERNING QUESTIONS 63 AND 64

These questions concern the requirement of section 4(a) of S. 750 that the creditor shall furnish to each person to whom credit is extended a clear statement in writing setting forth certain detailed information "prior to the consumption of the transaction."

The questions suggest that the bill does not make it at all clear when the transaction is consummated. It would seem that the transaction, for the purpose of the bill, would be consummated when the buyer or borrower became legally committed or obligated to pay for goods or services or repay a loan, for example. Just when this occurs would be a question to be determined by the rules applicable under the laws of the appropriate State. It may be of interest that section 197.2(a) of the Federal Trade Commission's regulation relating to the sale and financing of motor vehicles contains a similar requirement (16 CFR 197).

COMMENTS CONCERNING QUESTIONS 65 THROUGH 69

These questions relate to section 4(b)(1) and (2) and section 5(a) of S. 750. The first of these sections requires, in connection with a revolving or open-end credit plan, that the creditor, in accordance with the rules and regulations prescribed by the administering agency, furnish the customer, (1) prior to agreeing to extend such credit, "a clear statement in writing" setting forth the charge for the credit, and (2) at the end of each monthly period following the extension of credit, "a credit statement in writing" setting forth the outstanding balance of the account.

The second of the sections referred to above requires the administering agency, by rule or regulation, to require that certain information "be set forth with sufficient prominence to insure that it will not be overlooked by the person to whom credit is extended."

The questions ask how this can be "insured," for example, in the case of a blind person, and what would be "clear" to a borrower, for example, who could neither read nor write in the English language. This involves practical problems that are no doubt frequently faced under laws and regulations by many of the same classes of creditors who would be subject to S. 750. An example is the regulation of the Federal Trade Commission regarding the disclosure of certain information relating to instalment sales of automobiles (16 C.F.R. 197). Similar problems no doubt arise under such statutes as the 1958 Act of Congress requiring the disclosure of certain information concerning new automobiles, including prices (15 U.S.C. 1231, et seq.). Another example is the Wool Products Labeling Act (15 U.S.C. 68, et seq.). Thus, S. 750 presents no novel questions in this regard.

COMMENTS CONCERNING QUESTIONS 70 AND 71

These questions seem to refer principally to section 6(a) of S. 750, which provides that it "shall not be construed to annul, or to exempt any creditor from complying with, the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that such laws are directly inconsistent with the provisions of this act."

Under the holding of the court in *United States* v. *Mersky*, 361 U.S. 431 (1960), it can be argued that the language "the provisions of this act" would include the regulations issued thereunder by the administering agency. However, it might be preferable to amend the language "the provisions of this act" so as to include specifically the rules and regulations issued by the administering agency pursuant to the act. The penalty provisions in section 7 of the bill specifically refer not only to violations of the act and provisions of the act, but also to the regulations issued thereunder. Thus, a technical amendment to section 6(a), as just suggested, conforming that section in this respect to section 7 might seem desirable as a precautionary matter.

COMMENTS CONCERNING QUESTION 72

It seems clear, under section 6(a) of S. 750, that the bill would supersede a State law making it illegal to disclose any of the items required in a given case by S. 750 to be disclosed. The question, of course, would always be whether, as a legal matter, the State law was "directly inconsistent" with S. 750.

COMMENTS CONCERNING QUESTION 73

The fact that a State law required the disclosure of information in addition to that required to be disclosed by S. 750 would, of itself, seem to be unobjectionable under the bill.

COMMENTS CONCERNING QUESTIONS 74 THROUGH 77

The answers to the specific questions necessarily would depend on the facts and circumstances, including any applicable regulations of the administering Federal agency, and particularly its regulations under section 6(b) of the bill. Where the State law was more severe than the provisions of S. 750 by requiring the disclosure of more complete information, for example, a creditor might be in violation of the State law if he chose merely to follow the less severe provisions of S. 750.

COMMENTS CONCERNING QUESTIONS 78 THROUGH 80

These questions, which rest on a very literal reading of the bill, suggest that it might be desirable that the standards for civil penalties in section 7(a) and the standard for criminal liability in section 7(c) be reexamined in order to remove any possiblity of unintended hardship or undue severity. However, since the exemption from civil penalties for overstating percentages would exempt any creditor who erred on the high side to protect himself, he would seem clearly to be exempt also in such a case from criminal prosecution, because he would not be "willfully" violating the act.

COMMENTS CONCERNING QUESTIONS 81 AND 82

Like the definition of "person" in section 702(a) of the Defense Production Act of 1950 (64 Stat. 815), the definition of that term in section 3(5) of S. 750 includes "the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of" the foregoing. Thus, as was true in certain situations under the 1950 act, it would also be the case under S. 750 that the Federal Government, for example, would be a person for the purposes of the definition of "creditor" in the bill, and, therefore, depending on the circumstances, might be subject to the requirements of the bill in extending credit.

However, a civil or criminal penalty could not be enforced against the Federal Government because, under section 7(d) of S. 750, no punishment or penalty provided in the bill could be imposed against "the United

States, or any agency thereof * * *." Here again, the bill follows the principle of the Defense Production Act which, in section 702(a), specified that no punishment provided for violations of the act would apply against "the United States or any agency thereof."

COMMENTS CONCERNING QUESTION 83

Section 7(b) contains a provision that "nothing in this act or any regulation thereunder shall affect the validity or enforceability of any contract or transaction." Thus, it appears that a debtor would not be relieved of his obligation to the creditor simply because the creditor, in the case of a regulated transaction, failed to disclose the cost of the credit as required by the bill. Section 7(d) draws no distinction between whether the creditor is a private business or governmental agency.

FEBRUARY 17, 1964.

FEDERAL TRADE COMMISSION,
Washington, D.C., February 18, 1964.

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

DEAR MR. CHAIRMAN: On February 6, 1964, you submitted to this Commission a series of 83 questions concerning S. 750, 88th Congress, 1st session, a bill to assist in the promotion of economic stabilization by requiring the disclosure of financial charges with extensions of credit, with a request that our answer be supplied by February 18, 1964.

Before specific referral is made to the 83 questions posed, it is believed that some attention should be given to the general purpose of this proposed legislation and the procedure provided within the act for insuring the effective and efficient attainment of this purpose.

Section 2 of S. 750 provides that: "The Congress finds and declares that economic stabilization is threatened by the untimely use of credit for the acquisition of property and services. The untimely use of credit results frequently from a lack of awareness of the cost thereof to the user. It is the purpose of this Act to assure a full disclosure of such costs with a view to preventing the uniformed [sic] use of credit to the detriment of the national economy."

When introducing S. 750, Senator DOUGLAS stated: "The truth-in-lending bill is both a simple and effective measure. It requires that all lenders and credit sellers fully disclose to the consumer the costs of using credit in an accurate and uniform manner.

"Anyone engaged in the business of extending credit at the retail level would have to fully disclose in writing the costs of credit to the borrower before the credit transaction is signed."

In short, the purpose of this bill is to require that any creditor, as defined in the bill, furnish to each person to whom credit is to be extended, a clear written statement prior to the consummation of the transaction. This statement must apprise the prospective debtor of exactly how much more than, and what percentage of, the cash price of the property or services to be purchased will be the amount added as a result of any credit that is to be extended. Furthermore, it is required that such an amount be itemized in order that the prospective purchaser can ascertain exactly what he will be paying for.

It is believed that the draftsman of this legislation, recognizing the impossibility of specifically providing for every presently known and future means of extending credit, envisioned that the Board empowered to issue rules and regulations pursuant to section 5 of this act, would develop an expertise that would allow it to provide for adjustments and exceptions necessary or proper to effectuate the purposes of the act, prevent evasion of the act and facilitate its enforcement.

If the Federal Trade Commission, as suggested by President Kennedy, were to be the agency given the authority of prescribing such rules and regulations as may be necessary to carry out the provisions of the act, the Commission would be operating within a procedural area in which it has had considerable experience.

The Commission now exercises jurisdiction over acts authorizing it to issue substantive rules and regulations. The granting of such authority to the Commission by Congress has been expressly included in several laws. Among these special acts are the Wool Products Labeling Act of 1939, followed by the Fur Products Labeling Act of 1951, the Flammable Fabrics Act of 1953, and our latest, the Textile Fiber Products Identification Act of 1958. Under all of these labeling acts, the Commission has been authorized to, and has, issued rules and regulations, which, when adopted in accordance with the provisions of the respective acts, have the binding force and effect of law.

Before any rules or regulations are promulgated under these acts, the Commission notifies all interested parties of the nature of the proposed rules and regulations and invites comments from them. Other Government experts are also consulted in order that the benefit of their views can be obtained. Should Congress, in the proposed bill, authorize the Commission to prescribe rules and regulations provided therein, the same procedures will be followed before their adoption.

In addition to administering these fairly narrow statutes, the Commission has, of course, had much experience in giving specific definition to the broad provisions of section 5 of the Federal Trade Commission Act which, as amended, forbids "Unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce * * *." It is thought that the administration of legislation containing broad provisions and rulemaking powers such as are contained in S. 750 would similarly require the utilization of expertise in relating the provisions of such a bill in the light of its purpose to specific economic practices which may evolve.

Thus, in responding to the questions attached to your letter of February 6, 1964, the Commission feels that its answers, as set out below, are necessarily subject to qualifications that might be indicated as a result of further information that might come to its attention during the course of the procedures set out above.

In requiring that all lenders and credit sellers fully disclose to the consumer the costs of using credit, section 3 of S. 750 contains certain definitions indicating exactly what types of transactions are deemed to be of such a nature as to fall within the purview of the act.

First, there must be a transaction involving "credit" as defined in section 3(2). Second, a "finance charge" as defined in section 3(3) must be imposed in this transaction involving "credit" as defined in section 3(2). Third, only a "creditor" as defined in section 3(4) is required to make the disclosure required under this act.

It must be understood that "credit" as used in this bill is a term of art which encompasses many legal forms which can be employed in entirely cash transactions. However, each of these transactions has the potentiality for use in credit in the ordinary sense of that word. In order to determine whether any transaction which involves credit within the meaning of section 3(2) falls within the scope of the bill, it is necessary to inquire whether a "finance charge" is imposed, i.e., whether the borrower or credit purchaser is required to pay any amount which would not be incurred in a cash transaction.

Thus, based on a consideration of section 3 as a whole, it is believed that your questions 1 through 39 can be examined as a single entity. As you will recall, questions 1 through 39 contain a series of examples of typical financial transactions. As each example is set out, it is questioned as to whether such a transaction is a "credit" transaction, under the definition provided in section 3(2) of the act. Then, based on the assumption that said transactions are "credit" transactions within the meaning of section 3 in its entirety, it is further questioned as to whether these transactions are meant to fall within the scope of this act. For it is apparent that if this bill is construed to subject the exemplified transactions to the disclosure requirements and enforcement procedures set out in sections 4 and 7, respectively, serious difficulties will arise.

In construing section 3 in its entirety, the serious difficulties demonstrated in questions 1 through 39 become obviated as the hypothetical transactions do not fall within the coverage of this act. The reason for this is that none of the exemplified transactions involved a creditor as "creditor" is defined in section 3(4) of the act and only a "creditor" as defined under section 3(4) of the act is required to make a disclosure as set forth in section 4 of the act or is subject to a penalty as set forth in section 7 of the act.

To clarify and exemplify the theory set out above let us examine the specific transactions detailed in questions 1 through 39. Question 1 involves "a contract to purchase goods for cash on delivery if the goods aren't delivered until subsequent to making the contract." In this situation, although the transaction is a credit transaction within the meaning of section 3(2) in that payment is not required until subsequent to the making of the contract, no finance charge is required as an incident to the extension of credit. Without a finance charge there can be no creditor as defined in section 3(4) and without a creditor as defined in section 3(4) no duties of disclosure arise under this act.

The same reasoning applies to an agreement to buy a car where the car was not picked up and paid for until a week after the agreement (questions 2 and 3); an agreement with a neighbor's son wherein it is agreed that he undertakes to mow a lawn every Saturday and you agree to pay him 50 cents each time he completes the job (questions 4, 5, 6); a lease of property (questions 7 to 16), et cetera.

The fact that the examples set forth in questions 1 through 39 fall within the definition of "credit" in section 3(2) of the bill does not prove that there is something wrong with these definitions as the limiting provisions of the remainder of section 3, the definition of finance charge in section 3(3) and the definition of creditor in section 3(4), eliminate the possibility of considering the hypothetical transactions within the scope of this act.

With specific reference to questions 40 to 83:

QUESTION 40

No. Section 4(a) provides that the statement, "to the extent applicable," should contain the prescribed information. In the instance cited of a simple transaction of a bank lending $1,000 at a specified rate of interest, the only provisions of section 4(a) applicable would be—(5) the total amount to be financed; (6) the finance charge to be expressed in dollars and cents; (7) the percentage that the finance charge bears to the total amount to be financed expressed as a simple annual rate on the average unpaid balance of the obligation.

QUESTION 41

Yes. The language apparently is meant to include all types of mortgages.

QUESTION 42

Not necessarily. It is presumed that this question was meant to refer to "mortgagors"

rather than "mortgagees." From our understanding, it is certainly true that it is much more common in real estate mortgages than in personal property transactions to state the interest rate in terms of annual interest on the unpaid balance. But even here, the bill would serve a useful function by requiring a statement of the total amount of interest payments as well as the rate. Real estate transactions, wherein mortgagors usually pay interest only on the unpaid principal balance as it diminishes, are unlike the typical credit transaction involving personal property where monthly payments usually do not reduce the amount of interest, which has already been predetermined on an annual basis. Thus credit is usually given the borrower for the periodic diminution in his principal balance, in terms of interest, whereas the same is not usually true in the case of credit sales of personal property. The buyer is often unaware of this fact, which results in the true rate of interest being considerably greater than the rate stated to him.

QUESTION 43

The Commission is of the opinion that a guideline as to which charges or fees are incident to the extension of credit can be developed from the preliminary study reported by the Housing and Home Finance Agency on page 190 of the 1962 hearings.

QUESTION 44

Not necessarily. Such practices are dependent on the procedures utilized by individual lenders and the varied requirements imposed by State laws now in existence.

QUESTIONS 45 AND 46

No. It is believed that it would be more meaningful to the consumer if all charges defined as incident to the extension of credit would be disclosed in both chattel and real estate transactions in terms of interest percentages as well as specifically broken down by charge.

QUESTION 47

A "deed of trust" is a legal instrument conveying legal title to property to a trustee in order to provide security for the performance of some condition, such as the payment of a credit obligation incurred by the grantor of such deed, i.e., the buyer of such property.

QUESTION 48

No. By definition a deed of trust can be for a condition other than the extension of credit. (Black's Law Dictionary, 4th ed., 1957, p. 503.)

QUESTION 49

Not necessarily. It would depend on the purpose for which the charge is imposed; or, stated differently, it would depend on whether the charge comes within the definition of a finance charge.

QUESTION 50

An advance is the supplying, beforehand, of money or goods (or other thing of value) before an equivalent is received. (Black's Law Dictionary, 4th ed., 1957, p. 72.)

QUESTION 51

Yes. As noted by Senator DOUGLAS' memorandum appearing in the 1961 hearings, pages 1309–12, the charges which are incident to the extension of credit are determined by the following criteria:

1. Is the expense one which the debtor would not normally incur if he did not receive the particular extension of credit—if, for example, he purchased for cash?

2. Is it required by the creditor as a condition to extending credit?

3. Does it run for the same term as the credit?

4. Is the benefit of the charge primarily to the creditor and only secondarily to the debtor, or is the benefit of the charge primarily to the debtor and secondarily to the creditor?

5. Is the charge paid to the creditor or to a third party to purchase a service or protection for the debtor?

QUESTION 52

It would appear that a fee for a title search would not be incident to the extenison of credit, whereas a fee for a credit investigation may properly be so designated. There possibly may be an exception to the above where a title search is required by a lender as a condition for making a loan.

QUESTION 53

It would appear that a lawyer's fee in connection with the sale of property, particularly where he acts in lieu of a broker on behalf of a client, would not ordinarily be "incident to the extension of credit" unless the attorney also aids in the procurement of a loan in connection with such transaction, whereas a fee for recording a mortgage would more properly be within the scope of such term.

QUESTION 54

See the answer to question 51.

QUESTION 55

The answer is "yes," in view of Senator DOUGLAS' memorandum appearing in the report of the 1961 hearings at pages 1309–12, as set forth in answer to question 51.

QUESTION 56

Yes. If the insurance charges are incident to the granting of credit, they are included in the finance charges and must be included in the numerator in computing the percentage rate required by section 4(a)(7).

QUESTION 57

The inclusion of any charges incident to the granting of credit in addition to the nominal interest rate would naturally increase the percentage stated as required by section 4(a)(7).

QUESTION 58

No. It is true that people may carry insurance on outright purchases for cash, but the nature of the insurance and the extent of the insurance would vary with the circumstances and would be determined by the purchaser and not by the seller or, in the case of a credit transaction, not by the lender. The purchaser would also pay the premiums in such a case. In case of credit transactions, the premiums are often advanced by the creditor and charged to the purchaser as part of his loan.

QUESTION 59

Yes. Where merchandise is "bought on time" and the buyer is required as an incident to the extension of credit to purchase some type of insurance, it cannot be questioned that benefits from such insurance may inure to the buyer as well as the seller.

QUESTION 60

Not necessarily. In order to determine whether or not it is "unfair" to the seller to require him to state insurance charges in such a way that they appear to increase the interest rate to be paid by the buyer, the insurance being purchased would have to be tested under the standards set out in the answer to question 51. Since an insurance charge which is not incident to the extension of credit as determined by the standards set forth in answer to question 51 need not be included in computing the interest rate, it is not believed that there would be any unfairness.

QUESTION 61

No. It is not believed that the phrase "incident to the extension of credit" is too broad in relationship to the context of question 61. Not all insurance would fall within the category of being "incident to the extension of credit" and it is believed that the agency empowered to administer the act could, under the provisions of section 5(a), promulgate rules and regulations which would provide a framework for determining what types of insurance should be regarded as incident to the extension of credit under the terms of the act.

QUESTION 62

It appears that the answer to this question is covered in our answer to question 46.

QUESTION 63

The proposed legislation contemplates that the duty of disclosure would arise when the transaction is "consummated" that is, for the purpose of the bill, when the contract to purchase is signed.

QUESTION 64

The bill appears reasonably explicit in this regard. Delivery, in and of itself, is not ordinarily an incident preliminary to the existence of contractual obligations, and the purpose of the bill, quite clearly, is to require disclosure before the consumer enters into a binding contractual obligation.

QUESTION 65

Compliance with this section of the bill can be reasonably insured by the issuance of appropriate regulations prescribing the manner, details, and form which such compliance will take. There is no more of a problem here than in the case of any other commercial transaction in respect to which a particular statute, state or otherwise, requires a lucid presentation of pertinent information in connection therewith. The problems of blind persons are no more serious in this respect than in other commercial transactions where they must, of necessity, rely on the eyes of one whom they trust for enlightenment in this area.

QUESTION 66

The word "clear" in this connection would appear to mean a statement of the simple annual percentage rate which can be easily understood. Of course, it is recognized that it is essential that the writing in question be legible.

QUESTION 67

Ordinarily. It is presumed that the statement would ordinarily be required to be in the English language as parties to practically all commercial transactions within the United States, with some few inconsequential exceptions, are warranted in the use of this, our national language. The exigencies of the situation may, of course, dictate the seller's or creditor's use of another language, in order to effect a sale or credit transaction. This is a matter properly a subject for future regulations.

QUESTION 68

Of course the answer to this is "no."

QUESTION 69

In the absence of a person upon whom the prospective buyer or debtor can rely for an appropriate translation, the word "clear" may require that the statement be in the prospective buyer's (debtor's) native tongue. However, this is a matter to be more appropriately covered by future regulations, after due consideration of all the pertinent facts in connection with this problem.

QUESTIONS 70 AND 71

Questions 70 and 71 point out an inconsistency in the draftsmanship of this act. Although it is believed that section 6(a) would apply to the provisions of the act as well as any regulation issued thereunder, it is recommended that line 14 of section 6(a) should be amended to include the words "or any regulation issued thereunder" after the "Act." In this manner, any ambiguity that might now exist about this section could be removed.

QUESTION 72

Yes. Any State law making it illegal to disclose any of the items required by the act would be inconsistent with the act to the

extent that the State law made such disclosure illegal.

QUESTION 73

As the purpose of this statute is to assure a full disclosure of credit costs to the consumer without placing any undue burdens on creditors, the act imposes a minimum rather than a maximum disclosure requirement. If a State felt that it was necessary to pass legislation requiring a disclosure additional to that required under the act, such legislation would not ordinarily be inconsistent with the act.

QUESTION 74

Not necessarily. If a State law required the same information, "stated or computed somewhat differently" such a State law would not necessarily be inconsistent with this act. As long as the requirements of the act were met, additional information complying with the requirements of the State law could be given by the creditor.

QUESTIONS 75 AND 76

Although it is recognized that the possibility exists that the computation of interest on different bases could be confusing, and possibly inconsistent, it is believed that rules and regulations could be promulgated pursuant to section 5 that would provide for compliance with the Federal requirement even though a different type of computation may be required under State statutes.

QUESTION 77

"If the creditor merely followed the Federal form" he would not, by reason of that act alone, be in violation of any State law requiring a more detailed disclosure than that required under the act. However, as the bill only establishes a minimum standard, compliance with this bill would not satisfy a State law calling for a more detailed disclosure than that required pursuant to the provisions of the act. The resolution of such problems may be found in the exercise of discretionary powers provided under section 6(b).

QUESTION 78

It would appear so, but we do not envision that sellers or lenders will find it necessary to engage in such a practice in order to be assured of protecting themselves.

QUESTION 79

It is true that there is no such exception in the criminal penalty provision.

QUESTION 80

It does appear that a person may technically be in violation of the proposed criminal provisions of the legislation; however, a culpable intent would be patently lacking in such an instance, where no one would be injured by an intentional overstatement. An amendment to the bill would be desirable, to make sure that overstatement by the creditor would have at least the same exculpating effect which it now has under the civil penalty portion of the bill.

QUESTION 81

Yes.

QUESTION 82

No penalties at all. The provision provides that "No punishment or penalty provided by this Act shall apply to [these agencies] * * *."

QUESTION 83

Yes. Section 7(b) of the bill provides: "Except as specified in subsection (a) of this section, nothing contained in this Act or any regulation thereunder shall affect the validity or enforcibility of any contract or transaction." However, the problem is de minimis in respect to governmental agencies, as they are usually scrupulously careful to fully inform members of the public with whom they deal of all the pertinent facts in connection with financial transactions.

With the qualifications as expressed above, it is hoped that this information will be of guidance in your consideration of this bill.

By direction of the Commission, Commissioners Anderson and MacIntyre not participating.

PAUL RAND DIXON,
Chairman.

ADDRESS OF GEORGE HERON, PRESIDENT, SENECA NATION OF INDIANS

Mr. ERVIN. Mr. President, on February 7, the House of Representatives passed H.R. 1794, a bill to compensate the Seneca Indians for the taking of their property to construct Kinzua Dam. I am happy that the Senator from Idaho [Mr. CHURCH] has scheduled hearings before the Indian Affairs Subcommittee for March 2 on the House bill and a similar bill, S. 1836, of which I am a cosponsor.

Since the Kinzua Dam is being constructed at such a rapid pace, it is essential that the Federal Government move quickly to keep faith with the Senecas. Although completion of the dam is only 7 months away, because of inaction by the Congress, the Indians have not been able to make definite plans. Therefore, I hope that early action will be taken to bring this bill to the Senate floor.

Recently, President George Heron delivered a "state of the Seneca Nation message," to his people. In this address, he declared:

I hope that the Kinzua Dam will serve as a monumental reminder to the Government of the United States, the executive, legislative, and judicial bodies of this great country, to respect the solemn pledges made by their forebears, to live up to their word, keep their promises, and to cease, desist, and abstain from any further encroachments on Indian lands protected by solemn treaties.

Mr. President, I ask unanimous consent that excerpts from Mr. Heron's message be inserted at this point in the RECORD.

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

STATE OF THE SENECA NATION MESSAGE

I take this belated opportunity to extend to you all my wishes for a happy and prosperous New Year. The year 1964 will long be remembered as a crucial year for the Seneca people. For once again, we are being compelled to rehabilitate ourselves to a new way of life. Ahead of us lies the task of building new communities, adjusting to new neighbors, acquainting ourselves to new surroundings, and above all, the ordeal of leaving behind us a peaceful valley which we and our forefathers have been so much a part of for these many, many years.

The old Indian towns—Onoville, Quaker Bridge, Coldspring, Red House, Shongo—will be gone forever. Landmarks which we so fondly cherished will soon be just a memory. I know of the mental anguish being experienced by that old gentleman living in Coldspring. I know of that ache in the heart of that aging Seneca grandmother residing in Red House. I know, because I, too, experience that same anguish and that same ache in my own heart.

Sometime in the year 1964, the Kinzua Dam will be completed. Elaborate ceremonies will be held. People will come from miles around to marvel at the mechanics of the enormous structure. I sincerely hope that it will accomplish all of the purposes for which it was intended. I hope it will protect downstream cities against catastrophic flooding, provide ample water for industries during low water periods, provide a large recreation area for the local populace and tourists; but above all, I hope that the Kinzua Dam will serve as a monumental reminder to the Government of the United States, the executive, legislative, and judicial bodies of this great country, to respect solemn pledges made by their forebears, to live up to their word, keep their promises, and to cease, desist and abstain from any further encroachments on Indian lands protected by solemn treaties. If this dam were to serve no other purpose than that, I would consider $115 million well spent. I would likewise consider the time, effort and money expended by the Seneca Nation in opposition to this structure a wise investment.

ACCOMPLISHMENTS IN 1963

I should like to congratulate this council for its many achievements during the past year. You will be called upon to make many more important decisions in the year ahead. The year past has not been an ordinary year. None of us here have ever had any previous experience with the workings of governmental agencies. We may often wonder why we are required to act upon resolution after resolution, meet deadlines, fill out applications by the dozen, adopt workable programs, overall economic development programs, attend seemingly unending hearings, conferences, consultations with appraisers, engineers, architects, contractors, economists, statisticians, attorneys, and an endless stream of experts in every field passing through the nation's offices and through the reservation.

It seems almost impossible that so much could be absorbed in so short a time. Yet, this council has responded to the challenge magnificently. I ask for your continued indulgence and patience in dealing with the many problems yet confronting the Seneca Nation. I am grateful to the individual Seneca members who have so unselfishly given of their time and effort in laying the groundwork for our future programs. Many of you have served on the various committees whose responsibility has been to study our future needs with respect to education, industrial and recreational development, housing and relocation, and cemeteries.

Much of this painstaking work is now reflected in H.R. 1794, the Seneca rehabilitation bill, now pending before Congress. This legislation has been carefully studied by the House Subcommittee on Indian Affairs under the concerned chairmanship of Representative JAMES A. HALEY, of Florida. This subcommittee has unanimously approved a $20 million figure to provide for the socio-economic development of the Seneca Nation.

I should like to leave the year 1963 at this point and project into the future. A successful future for the Senecas depends much on H.R. 1794 and specifically on the rehabilitation portion of this bill which calls for a congressional appropriation of nearly $17 million. This money can be used for a number of purposes—agricultural, commercial, and recreational development on the Seneca reservations; industrial development on the reservations or within 50 miles of any exterior of said boundary of said reservations; relocation and resettlement, including the construction of roads, houses, utilities, community buildings, and other community facilities; an educational fund for scholarship grants, vocational training and counseling services; the acquisition of lands either within or contiguous to the Allegany Reservation. These are some of the uses for which this money can be spent.

I should like to point out here that no part of this rehabilitation fund may be used for per capita payments. Congress won't allow that and I, for one, concur with this policy wholeheartedly. We will therefore need to

establish certain legal entities outside of the political structure of the nation to carry out the plans and programs which now exist and to administer these funds accordingly.

For example, a board of trustees is required to put into operation the educational scholarship program so diligently and meticulously planned by our subcommittee on education. Fair-thinking, interested, responsible people must be asked to serve as directors and trustees. Petty differences must be set aside and a pooling of our best brains is essential.

Members of the Seneca Nation of Indians—both men and women—have worked hard these past 2 years with the help of many good friends and public agencies to prepare sound relocation and rehabilitation plans for congressional consideration. We hope that Congress will pass our legislation quickly so that we may have one full construction season to build homes before the deadline for our move in September. We have only a few months left.

When President Lyndon B. Johnson puts his signature on H.R. 1794, he will present a challenge to the Seneca Nation of Indians and to every individual Seneca—the young as well as the more mature—the women as well as the men.

From that time forward, the future of the Seneca Nation will depend on us. We shall then have a chance to prove what we Seneca Indians can do for our own people, troubled and disrupted as we have been by this Kinzua Dam crisis in our history. Even more we shall be challenged to show that we American Indians can still make a unique and important contribution to this whole country which we love as our ancestors did thousands of years before us.

To achieve this great purpose—to build a noble future for our children and their children—we have only to follow the old Iroquois precept: En gai wii yok deswadajadahgehhah deswaiyenhnonh—Let there be good will among us. Let us help one another and work together.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. CHURCH, and by unanimous consent, the Committee on Rules and Administration was authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

MILITARY PROCUREMENT AUTHORIZATION—1965

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which is H.R. 9637.

The Senate resumed the consideration of H.R. 9637, an act to authorize appropriations during fiscal year 1965 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluations, for the Armed Forces and for other purposes.

Mr. RUSSELL obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Georgia yield, without losing his right to the floor?

Mr. RUSSELL. I yield.

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. RUSSELL. 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. RUSSELL. Mr. President, the pending bill, H.R. 9637, would authorize appropriations for the procurement of aircraft, missiles, and naval vessels, and for research, development, test, and evaluation activities by and for the Armed Forces.

The total authorization is $17,040,140,000. Appropriations based on this authorization will constitute a little more than one-third of the Department of Defense appropriations request for fiscal year 1965, and a sizable percentage of the total budget.

The activities that are not subject to new and specific authorization annually are personnel, operations, and maintenance, and all of procurement other than aircraft, missiles, and naval vessels.

The requirement for the authorization contained in this bill exists in section 412(b) of Public Law 86–149, as amended by Public Law 87–436 and Public Law 88–174.

PROCUREMENT

The procurement part of this authorization bill totals $10,613,300,000 for the procurement of more than 2,700 aircraft and about 35,000 missiles for the 3 military departments, and 53 new ships and 7 ship conversions for the Navy.

The $10,613,300,000 in authorization is considerably less than the $11,915,200,000 authorized and $11,411,099,000 appropriated for the same procurement items in fiscal year 1964. The reduction should not be attributed to an arbitrary cutback in established force structures. This reduction is not a result of any conclusion that the threat this country faces has diminished in any degree since last year. Instead, I believe that at least three factors contribute to the smaller amount asked for procurement this year:

First, improved management and administration of the procurement programs have made some reductions possible.

Second, the requirements for our forces have been refined in an attempt to eliminate unnecessary purchases;

And third—in my opinion, the most significant—has been the relatively large procurement programs during the last several years, especially for missile procurement, which have caused us to approach the inventory objectives needed to support the forces in the planned military structure.

The principal procurement items to increase the power of our strategic retaliatory forces are the Minuteman II and the Polaris A–3 missiles.

In June of this year there will be 600 Minuteman I missiles deployed and by June of 1965 there will be 800. The fiscal year 1964 budget contained funding for the first increment of 150 Minuteman II's and this year's program concludes the procurement of additional Minuteman II missiles that will provide increased range or payload, a greater accuracy, and the ability to fire at any one of a greater number of predetermined targets.

The last 6 of the fleet of 41 Polaris submarines were funded in fiscal year 1964. The 1965 procurement request includes funds for A–3 missiles which will have a range of 2,500 nautical miles, as compared with the 1,500-nautical-mile range of the A–2 and the 1,200-nautical-mile range of the A–1, or the first Polaris missile. We have, therefore, more than doubled the range of the Polaris submarine missile, as well as having greatly increased its accuracy.

Eventually, 28 of the 41 Polaris submarines will be equipped with the A–3 missile and 13 with the A–2 missile.

The entire force of 41 submarines and 656 missiles will be deployed by the end of fiscal year 1967.

For the continental air missile defense forces the procurement authorization in this bill is principally for missiles that would be used by interceptors, such as Sparrow and Sidewinder.

The general-purpose forces are made up of most of the Army's combat support units, practically all Navy units, all Marine Corps units, and the tactical part of the Air Force. For these forces the bill would authorize a variety of procurement items, such as Pershing missiles to provide nuclear air support for a field army; Shillelagh, a new antitank weapon system; Redeye, a shoulder-fired missile to protect deployed ground forces from low flying aircraft; Chinook helicopters to lift Army troops and supplies in the combat zone; Iroquois helicopters for the assault transport of infantry squads; A–6A attack bombers; a new close air support type, now designated as VAL, for the Navy; more of the Phantom II all-weather fighters designated F–4B by the Navy and F–4D by the Air Force; a reconnaissance model of this aircraft for both services; helicopter transports for the Marine Corps; antisubmarine helicopters for the Navy; the F–111, formerly known as the TFX, the Navy model of which will be used largely as an interceptor and the Air Force version for close support of Army operations; and training aircraft for all the services.

The Navy shipbuilding program, which is described in some detail beginning on page 8 of the committee report, involves the construction of 53 new ships and the conversion of 7 others. Included are 6 nuclear-powered attack submarines, several new ships needed for balanced modern amphibious force that can proceed at speeds of 20 knots, 16 destroyer escorts, some new auxiliaries, tenders, and research ships.

For the airlift and sealift forces, the new procurement is for the C–141, a turbofan-powered jet transport, and a roll-on/roll-off ship for the sea transportation of vehicles.

The items I have mentioned are those that come to mind quickly as the more prominent weapons in the program.

The committee report contains additional and full information on other aircraft and missiles to be procured.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Turning now to the research, development, test, and evaluation authorization, the bill would provide a total of $6,426,840,000 for this activity. Last year only

the R.D.T. & E. programs relating to aircraft, missiles, and naval vessels required authorization and hence there is no direct basis for comparing this year's authorization with that of last year. However, appropriations in fiscal year 1964 for the same activities covered by this authorization bill totaled about $6,799,230,000. Thus it will be seen that the Department of Defense has also reduced its request for research and development funds, since the amount requested this year was $6,572 million.

The R.D.T. & E. program recommended by the committee is $145,160,000 less than the amount requested by the Department of Defense. Since the figure approved by the committee includes $52 million not sought by the Department of Defense for development of advanced manned strategic aircraft, this $52 million must be added to the $145,160,000 to get the true measure of the reductions in the R.D.T. & E. programs that the committee's recommendations represent.

Except in one instance that I shall explain later, the committee has not designated the programs to be reduced. The committee is keenly aware of the vital importance of imaginative research and development, and there is no inclination on our part to discourage creative thinking and the transformation of ideas into effective weapons by placing unreasonable limitations on the scope of research activities.

Some stages in the rather evolutionary progression from almost pure research to the fabrication of prototypes are by their very nature exceedingly difficult to evaluate. The committee believes that the relatively moderate reductions its authorization bill requires can be accomplished by continued careful administration and management of some of these programs, especially in the exploratory development category.

Beginning on page 10, the committee report outlines the general nature of the research and development effort funded under each of eight budget categories, beginning with the military sciences and ending with program management and support. I think it is unnecessary to attempt to list the projects involved; indeed this would be a very exhaustive and exhausting undertaking in the basic research and exploratory development areas. I shall, however, discuss some of the major programs involved.

In strategic missile developments, important improvements are being added to the A–3 Polaris missile and to the Minuteman II. I have referred to these in my remarks about procurement.

There is, moreover, a substantial program to improve the reentry systems for ballistic missiles and to assure that our missiles can penetrate enemy defenses. This program is being conducted by the Advance Research Projects Agency, the Air Force, and the Navy. This work which is designated by the acronym ABRES, is carried on in conjunction with the substantial program on ballistic missile defense conducted by ARPA under the project name of Defender.

In the continental defense field, the search for an effective defense against ballistic missiles is of transcendent importance. In addition to the Defender, work being conducted by ARPA, the Army is continuing work which involves adding a new multipurpose radar, called MAR, and a new fast-reacting missile, called Sprint, to the basic Nike-Zeus concept. For 1965 the development program on Nike X involves about $306 million and the continued testing of the Nike-Zeus system at Kwajalein will require almost $40 million. To these sums should be added the $128.7 million for the Defender program in 1965 to measure the financial consequences of antiballistic-missile development and the emphasis this effort is receiving.

In space, a substantial part of the 1965 effort will be applied to the continued development of the Titan III booster that will provide capability for launching payloads up to 25,000 pounds in a near-earth orbit. The principal role now foreseen for the Titan III is as a booster for the manned orbital laboratory—MOL—which will use a modified Gemini vehicle that will be coupled to a pressurized cylinder designed as an orbiting laboratory. The research officials in the Department anticipate that the thrust of the Titan III is likely to be useful in connection with the other military space roles when this booster becomes operational. Although the requirement for manned military operations in space is still not precisely defined, this definition may come about in the near future and we must be prepared to explore this new area.

It is difficult for me, even though I hear this testimony from year to year, really to contemplate a laboratory in space from which men will work and from which they can descend to the earth, and to which, after the laboratory has completed perhaps a month or more of revolutions in space, they can return, couple their vehicle to the space laboratory, and reenter to see the progress that has been made on the experiments they left when they departed from the laboratory in the first instance.

I am sure that Senators will be interested in the action that has been taken to discharge the commitments of the Department of Defense to the four specific safeguards prescribed by the Chiefs of Staff when the nuclear test ban treaty was under consideration. These were:

First, continued underground tests to add to our knowledge and to improve our weapons.

Second, maintenance of modern nuclear laboratories with programs to attract qualified persons to continue progress in nuclear technology.

Third, a standby capability to resume tests if resumption were essential to our security, or if the treaty should be abrogated.

Fourth, improvement of our ability to detect violations.

The 1965 program for carrying out these safeguards, much of it in the research and development area, involves the expenditure of more than $279 million by the Department of Defense in 1965.

Another research and development field receiving great emphasis and importance is antisubmarine warfare. Three hundred and eighty-six million dollars of the Navy's R.D.T. & E. budget—about 27 percent of the total—is directed toward the development of new weapons or systems and continuing improvements in performance, reliability, and maintainability of its offensive and defensive ASW weapons. This work includes programs to increase the ranges at which enemy submarines can be detected, a new ASW escort ship, improved sonars and radars, and more effective torpedoes and missiles to destroy enemy submarines.

In the field of general or limited war, both the Army and the Navy are continuing development of what was called the TFX and is now designated the F–111. All the services are participating in a coordinated effort to develop aircraft that can take off and land vertically or on very short runways. The Army is trying to perfect the Mauler missile and the Navy is trying to overcome the problems that have beset us with the so-called 3T missiles—the Tartar, Terrier, and Talos.

If there has been one consistency in the mistakes which have been made by the Department of Defense, it has been one of overoptimism about the performance of the missiles, in practically all categories while they were in the stage of research and development. Congress has contributed to that mistake by authorizing the procurement of very expensive missiles before they had been fully tested and had proved themselves.

The Army is now giving preliminary study to a new system to defend the field army against attack in the 1970's. The Navy, after having canceled the Typhon program, which was presented to us as a very promising possibility a few years ago, is now beginning the early stages of work on an advanced system to provide air defense for the fleet to replace the canceled Typhon program.

Joint development of a new main battle tank with the Federal Republic of Germany is being continued, and better infantry and artillery weapons of the conventional type are being sought.

Two committee actions in the field of research and development deserve specific treatment. First, the committee earmarked an additional $52 million for the development of advanced manned strategic aircraft, which has also been described as an advanced manned penetrator, and as a follow-on bomber. The Department of Defense had requested $5 million for this purpose.

Speaking in all candor, and judging by the experience of the past, it is unlikely that the Department will use all or any substantial part of the additional authorization. However, the committee has decided that this amount should be made available, although it is limited only to this purpose. Therefore, if it is not expended it cannot be transferred to other activities, but will remain in the Treasury.

By providing this sum, the committee is underlining its previously expressed concern that we have no new bomber under development. The committee continues to think that a combination of

missiles and bombers should be in inventory, to be used as our strategic deterrent, rather than to place sole reliance on missiles.

Manned strategic aircraft are no longer in production. No new planes have been produced for our strategic squadrons since October 1962.

The Air Force has been studying several new bomber concepts. It expects to receive the results of three contract studies on the subject this spring. The committee has added $52 million to the bill in order that the program definition phase and the procurement of long leadtime components could be initiated if these studies should result in a decision to accelerate the development of a new bomber. As I have stated, if no such decision is made, the money is not available for other purposes.

The second committee action on which I desire to comment is that of designating the MMRBM program as the one to which $70 million of the $96 million Air Force R.D.T. & E. reduction is to be applied. The MMRBM concept is that of a medium-range, highly accurate missile that would be mobile through installations on trucks, or perhaps surface ships. As a practical matter, the range of the missile is such that it would not be deployed in the United States, except perhaps in the State of Alaska. While the committee understands that such a missile system could have some utility in places such as the NATO area, the committee believes that the additional capability this missile provides is not at this time sufficient to justify the hundreds of millions of dollars required to develop and to deploy it as a supplement to our existing retaliatory systems. Consequently, the committee has indicated its view that not more than $40 million should be applied to this program in 1965, and that this $40 million should be used for the continued development of the guidance system for this MMRBM concept. The thought is that this guidance system can be adaptable to improvements in our current missile programs, or to new generations of missiles.

Mr. President, before yielding for questions, I should like to invite the attention of the Senate to the part of the statement by the Secretary of Defense on the cost reduction program that he is pressing throughout the Department. By encouraging purchases of only what is really needed, through refining requirements calculations, increased use of surplus material in lieu of new procurement, eliminating unnecessary quality or gold plating, by shifting to more competitive procurements, by using more fixed-price and incentive contracts to replace cost-plus-fixed-fee contracts, by terminating unnecessary operations, and by increasing operating efficiency, the Secretary estimates that throughout the Department, savings reflected in the fiscal year 1965 budget total $2.4 billion, and that by 1967 these practices will result in savings of $4 billion. Mr. President, let it be understood that the word "savings," when used in this context, may not be quite the precise word, but what is meant is that except for these practices, the 1965 budget would likely be $2.4 billion more, and that it is hoped these practices will keep the 1967 budget $4 billion below what it would have been without the application of these sound business principles.

Measuring savings or efficiency in some of these areas is not an easy undertaking, and it is not necessary to accept each detail of that presentation, for even with substantial allowances for uncertainties, the accomplishments in this field of Secretary McNamara and those associated with him in managing the affairs of the Department of Defense, the Military Departments, and all the Armed Forces are impressive. Indeed, the progress in some of these areas has been so encouraging and so rewarding that "impressive" is hardly an adequate descriptive adjective.

Secretary McNamara has been praised by many persons, from the two Presidents he has served so capably on down.

I have complimented him often before, and I am glad to do so again, and to restate my appreciation that a person of his ability and devotion to the welfare of his country is willing to undertake the arduous and frustrating task of heading the Department of Defense.

Mr. President, I think Secretary McNamara would be the first to say that there are others who deserve much credit for the manner in which the Department of Defense, the Military Departments, and the Armed Forces are now being operated. Certainly he has some first-rate civilian assistants, and the persons to whom I should like to pay a special compliment are the dedicated and talented military officers who direct and man our Armed Forces. I think no one could sit through hearings such as those that resulted in this bill without being very favorably impressed by the competence of the military officials who are members of the Joint Chiefs of Staff and also those who have special responsibilities for our procurement and research and development programs.

I regret that in recent years there have been some attempts to portray many of the commissioned personnel, particularly those in the higher grades, as being indifferent to the financial consequences of their recommendations and requirements, as aspiring to power exercised under our system of government by civilians, and as being largely preoccupied by interest in "more pay, faster promotions, and earlier retirement."

My observations of persons who have followed a military life and who have risen to positions of high rank and responsibility cause me to reject all these insinuations, for I have a profound sense of appreciation for the leadership and the talented services of our military officers, many of whom could earn a great deal more in private life than they earn in the discharge of their military duties.

Having said this, I think I should also say that under our system it is necessarily a function of the legislative branch to question, to criticize, and to require full justification. I am sure Congress will continue to do all these things, but I do express the hope that Congress will continue to do them impersonally and with full appreciation of the fine qualities of those in the executive branch who are charged with administering our defense activities.

Mr. President, I think the executive branch—and this comment applies particularly in this instance to the Department of Defense, to Secretary McNamara, and to his subordinates throughout all areas of the Department and those of all grades and degrees—did a good job in trying to refine its requests this year. I believe that the House committee and the Senate committee have conscientiously reviewed the results of these efforts, and the requests that finally were cleared for presentation to Congress.

Mr. President, I urge the Senate to pass the bill.

Mr. DIRKSEN. Mr. President, will the Senator from Georgia yield briefly?

Mr. RUSSELL. I am glad to yield to the distinguished Senator from Illinois.

Mr. DIRKSEN. There is in the bill an earmarking, for the Air Force, of $52 million for the development of advanced manned strategic aircraft—which is another way of saying $52 million for advanced bombers.

The distinguished senior Senator from Massachusetts [Mr. SALTONSTALL], the ranking minority member of the Armed Services Committee, is confined to his home with a severe cold. However, this morning he telephoned me, and asked that I state, for him, that he is very much in sympathy with, and unequivocally supports, this item in the bill.

In addition, only this morning I had occasion to talk with some of the members of the House Committee on Armed Services; and they concur in what the Senate committee has done in connection with the bill, in earmarking $52 million for that purpose; and, of course, they do so on the basis of the rather extended testimony which was taken on this item.

Mr. RUSSELL. I thank the Senator from Illinois for making that statement.

I always miss the Senator from Massachusetts. I regret that he has been indisposed by a cold. A cold is sufficiently disagreeable by itself, without having it bring the added affliction of making one so hoarse that he cannot speak—which, of course, is a particularly annoying experience for Senators to undergo.

I regret very much the indisposition of the Senator. He is one of the best informed Senators on the military services of our country. In times past he has served as chairman of the committee. He has been the ranking member of the minority party on the Committee on Armed Services for a number of years. No one has given more dedicated and effective service to legislative work affecting legislation for our Armed Forces than has the distinguished Senator from Massachusetts. I appreciate the fact that he has called the Senator.

The House approved the item of $52 million to which the Senator referred. But under the House bill if the money were not used for the purpose intended, it could possibly be available for application to other activities. The Senate committee was of the opinion that if the money were not expended for accelerating bomber development, it should not

be expended. For that reason we included a limitation that this authorization would be available only for the development of manned strategic aircraft. If it is not used for that purpose, the money may not be expended for other purposes. I believe that was really the intent of all those who were interested in that item.

I thank the Senator for his statement.

Mr. DIRKSEN. Mr. President, I should like to speak in reference to one other item. I am in a slightly awkward position on it when I observe that if there are Senate amendments to a bill, logically and normally the bill will go to a conference of the two Houses. I realize there is an urgency about the authorization. But under the circumstances I did desire to insert what has been bandied about as the "Dirksen formula," which would insert on page 1, line 5, after the word "appropriated," the language "out of funds supplied by the Nation's taxpayers or out of funds borrowed on their credit."

That language has been written into other bills by agreement. But I would not wish to put the chairman of the committee in a difficult position if, as he has indicated, there is the expressed hope that the House may conceivably concur in the Senate figures, and that a conference and the delays that ensue as a result of a conference might be avoided. But I am confident also that the distinguished Senator from Georgia, with his long experience on the Appropriations Committee, knows that in terms of appropriations terminology we have operated under a peculiar fiction, and always recite that "there is appropriated out of funds in the Treasury not otherwise appropriated."

I do not for a moment wish to hamstring the bill if a conference can be avoided. But I believe the Senator will agree—and I want the RECORD so to show—that I have not been remiss in my duty with respect to that formula.

Mr. RUSSELL. Mr. President, the amendment suggested by the Senator would be more applicable to an appropriation bill which states specifically, "out of funds in the Treasury not otherwise appropriated," than it would be to an authorization bill which proposes to authorize an appropriation.

The Senator is, of course, correct. He is exposing a legislative and legal fiction that has existed almost since the time of President Jefferson. I believe at one time in the Jefferson administration, when the Nation had no public debt and there was a little excess in the Treasury, the excess was distributed among the States for various public works programs. With that exception, it has been purely a legal fiction to say, "appropriated out of any funds in the Treasury not otherwise appropriated," because there have been no surplus funds in the Treasury for a great many years.

The factual predicate of the Senator's amendment is absolutely unchallengeable. Of course, money is appropriated out of tax funds paid by the people or from borrowed funds. That is the only way in which we can meet appropriations.

I hope the Senator will not press his amendment to the bill now before the Senate, which is an authorization bill and not an appropriation bill. With all due deference, it would be more appropriate to present it when the appropriation bill comes before the Senate.

I also have high hopes that the changes made in the bill by the Senate committee will be accepted by the other body without the necessity for a conference and without the delays attendant thereon. In view of the reputation that I bear in some quarters for desiring dilatory opportunities, I suppose I should accept the Senator's amendment, go to conference, and have the conference report come to the Senate in the middle of the debate on the so-called civil rights bill. But there are some things that have a priority—and very properly so—and if there is any one item that should have priority, it is the maintenance of our Nation's defenses. I have always given it priority in my legislative work. For that reason, I hope the Senator will not press his amendment, in order that the bill may have an opportunity to become law at the earliest possible date, enabling the Committee on Appropriations of the other body that is now holding hearings on the appropriation bill to know the limits of the authority under which they are to appropriate.

Mr. DIRKSEN. Mr. President, I assure the Senator I shall not press it, but I believe it is applicable to an authorization bill no less than to an appropriation bill. It might conceivably happen that when the pertinent appropriation bill came to the floor of the Senate, some Senator might rise in his place when I offered the formula and say, "Where was the Senator from Illinois when the money was authorized in the first instance?" It might be alleged that I was remiss in my duty. But I appreciate fully——

Mr. RUSSELL. I hope the RECORD will show very clearly that I am pleading with the Senator from Illinois not to press the amendment on the bill, because the bill should become law at a very early date, and also for the reason that the Senator will have an opportunity at a later date to offer his amendment to the appropriation bill.

Mr. DIRKSEN. In conclusion, what I have been speaking about is in the nature of a one-man educational effort to alert the taxpayers of our country that as we deal in billions and billions of dollars, and they feel so remote from the seat of government, perhaps if we keep at it long enough, we shall become aware of the fact that it is the people's money and their credit that is being authorized and appropriated.

On other occasions I may have told the story about the young man who wrote an examination paper to become a rural mail carrier. One of the questions was, "How far is the sun from the earth?"

He had not the slightest idea. After chewing over the matter for awhile he wrote, "Far enough so it would not interfere with me in the duty of carrying the mail." [Laughter.]

There is a sense of remoteness. I believe that the educational point must be pressed constantly that it is the money that we extract from the people at home and the credit which we pledge—which is their credit—that is finally dealt with in both authorization and appropriation bills.

Mr. RUSSELL. Mr. President, the distinguished Senator is indeed an optimist as well as a man of rare courage if he undertakes to do combat with all the forces in our country that are consistently and daily telling the American people that they can get something for nothing. That has become one of the popular obsessions of the times. Some sources are holding out to the people the hope and the belief that the mirage which has haunted, pursued, and damaged mankind throughout history was not really an illusion, and that they could get something for nothing. By his amendment the Senator reminds them that they will not get something for nothing. In fact, the Treasury does not contain inexhaustible funds that may be appropriated.

I commend the Senator on his effort. I salute him for his courage. He is one man in public life who is undertaking to dispel a dangerous illusion that is being created by many, not only those who are in public office, but also practically all of those who are trying to attain public office.

Mr. DIRKSEN. Mr. President, I conclude by repeating for the RECORD one of the favorite quotations of William Jennings Bryan, who was born in the State of Illinois. On a number of occasions I heard him say—and the statement was taken from the Great Book—

> One man armed in righteousness is a match for all the hosts of error.

So in that spirit I shall persist in this educational effort. I am glad that I have the cooperation and concurrence of my distinguished friend, the Senator from Georgia.

Mr. RUSSELL. I thank the Senator.

Mr. STENNIS. Mr. President, will the Senator yield to me briefly?

Mr. RUSSELL. I yield to the Senator from Mississippi.

Mr. STENNIS. First, I commend the Senator from Georgia for the fine way he handled the bill in the hearings. Today is only the 27th of February, and this colossal bill—and it is colossal in amount—has already had hearings completed on it and is being presented on the floor with very little, if any, controversy about any items in it. Only the skill and fine knowledge of the subject matter of the Senator from Georgia made that possible.

I also commend Mr. McNamara for the very fine business principles of his cost-reduction program. He made an extraordinary showing of what can be done. I am glad the Senator from Georgia brought into the RECORD the figures and calculations of savings in fiscal year 1965 and those in prospect for future years.

It may be that one of the most important decisions the Senate makes this year—certainly on the military program—will be on the question of what to do with the proposed additional funds for at least some modest acceleration of

the feasibility studies and planning for advanced bombers.

The Senator from Georgia has already expressed himself as being in favor of funds of $52 million, instead of the $5 million that was recommended by Secretary McNamara.

At the same time, if I correctly understand the position of the Senator from Georgia, he intends no reflection upon any bombers or missile systems in existence, but merely urges that plans for new bombers for future use be prepared. The Senator from Georgia is looking forward to the day when the present bombers will be out of the inventory because they are obsolete and worn out.

Mr. RUSSELL. Mr. President, there has never been a time of such revolutionary development in the art of weaponry as there has been in the past 20 years. We have made great strides technically—and I undertook to touch on some of them in my statement—in our missile systems and aircraft, but it is an inescapable fact that we have not been procuring a single new manned bomber for our bomber squadrons. It is a matter of which any court would take judicial cognizance, or any citizen would know, that the bombers in our Air Force are being worn out. We are phasing out the B–47, which, when it went into procurement, was the most modern manned aircraft. We are phasing it out very rapidly. We will soon be down to what is left of the B–52's and the B–58's. They are magnificent bombers for their period, but we all know that those planes are, or soon will be, obsolescent. They are not obsolete; they are the best we have; and we hope and believe they are as good as any other nation has. But other nations are working on improved manned aircraft. That activity is not confined to the Soviet Union.

The French and British have a joint venture on a large manned aircraft that is now designed primarily as a commercial transport plane—but which could be subject to an adaptation to military purposes.

I would dislike very much to see the manned bomber completely eliminated from our arsenal and to have our strategic striking force limited solely to the missile. I think it would be a mistake. I do not think we would be measuring up to our responsibility to defend what we are defending in this country—the American way of life, the greatest civilization that has ever existed on this earth, in which our people enjoy more good things than have ever been enjoyed by any people. We have more to lose by having an inadequate defense than any nation ever had.

I do not believe we should stop all effort to provide an adequate manned bomber. I have said before that its psychological value alone could justify its development. For a long time we have had such an ascendancy in manned aircraft that the world looks to us as the leaders. Senators will remember how shocked the nations associated with us were when Russia first developed the Sputnik, before we had put any satellites into orbit or into space.

If we now ceased to make a substantial effort in an area where we have had unquestioned predominance since the bomber came into being, I think it would shake the confidence of the world in us. We can tell them that we have missiles. We may say to them, "Come up into Montana and South Dakota and we will show you where we have missiles buried in concrete and earth." But the manned bomber on an airfield in foreign countries is tangible evidence of this country's strength and its military striking power; and it would be a great loss to our defense system, when the manned bomber is phased out, as it may be in the 1970's, if we do not take steps to develop a new, more effective, and efficient strategic aircraft.

Mr. STENNIS. I thank the Senator.

I have one other brief question. The bill as presented by the Defense Department recognized the need for some study of the need for an additional bomber. The only question is over the amount that should be devoted to that purpose. The committee amendment would make it possible to push the program further and faster, and perhaps save a year or a year and a half. Is that correct?

Mr. RUSSELL. To be perfectly candid, the purpose is to encourage the Secretary of Defense to take that step. The Secretary of Defense apparently has modified his views somewhat with respect to the manned bomber. This is evidenced by the fact that he put $5 million in his budget for the study of a manned bomber. Two years ago he seemed completely committed to the missile as our strategic deterrent.

This provision is to encourage the Secretary. He does not have to spend the money. I have already said that I doubt that he will spend all of it. But it is hoped that he will be encouraged to study the subject more closely and review this proposal if the Congress of the United States—and, after all, we have the constitutional responsibility for national defense—is urging him to devote his great capabilities to the development of an effective and efficient manned bomber. If he is not satisfied with its design and proposed use, and he has been justified in his opposition to the B–70, or the RS–70, or whatever the last letter used on the 70 is, that does not necessarily mean that we should completely eliminate the manned bomber from our arsenal and from our weapons system.

I hope this will encourage the Secretary of Defense, working in cooperation with the Congress—and the Congress has shown every desire to cooperate with him and to laud him for the magnificent work he has done—to lend his great talents to advise us in the development of a new manned bomber to replace those that will soon be exhausted.

There are a number of reasons for that. Some of the bombers have been used in a manner for which they were not originally designed, but whatever may be the cause, the life expectancy of our manned bomber fleets has been reduced. We should move forward now, I believe, to assure a proper balance in our military arsenal, and to encourage the Secretary to cooperate with the view of Congress that this manned bomber should be developed.

It is rather unfortunate that on prior occasions it was made to appear that the manned bomber controversy was limited to a difference in views between the Secretary of Defense and the Chief of Staff of the Air Force. I hope no Senator will vote on the bill under any such assumption, because that would be a poor way to make a decision on a matter of such vital importance to over 185 million Americans. This is no popularity contest with me. I am a great admirer of both the Secretary of Defense in his area, and of General LeMay in his area as a fighting man, prepared to direct the activities of all of the Air Force in the event of war. I support the revival of the idea of maintaining a proper mix in our arsenal, based upon my own views and convictions. I desire to measure up to my responsibilities under the oath of office which I took as a Senator of the United States. I regard it as unfortunate that in the other body it was suggested that the issue was as to whom one voted for and in whom one had faith.

I hope the Senate will approve this item. In times past the Senate has, after prolonged debate, manifested its belief in maintaining a proper mix in our strategic weapons and not relying wholly, solely, and exclusively on missiles, as effective as they are sure to be.

Mr. STENNIS. I thank the Senator. I agree wholeheartedly with the sentiments of the Senator from Georgia that we do not wish to deal in personalities, but should prepare to vote on the most important bill the Senate will consider in a long time.

Mr. LONG of Louisiana. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. LONG of Louisiana. Mr. President, in 1949 a minority of the Senate insisted on voting for a larger Air Force than the then President, President Truman, believed in good conscience he could recommend. Subsequently that year a majority of the Senate voted to increase funds for aircraft procurement by about $500 million. Congress insisted on appropriating the money, but the Executive felt it was inexpedient to spend it, even though Congress forced the funds upon him.

Immediately after the beginning of the Korean war—which no one had anticipated—I visited bases overseas and came across the latest type of American planes which had been produced. Some of them were the most modern fighter jet bombers we had. They numbered approximately 45. They were, at that time, the latest and fastest plane available to attack the Soviet Union in the event the Korean war should develop into a war between the United States and the Soviet Union.

Our pilots were so courageous that they were willing to go only one way, if need be, in order to reach the heart of the Soviet Union. Unfortunately, the Nation had only approximately 45 fighter bombers at that time, each of which was capable of carrying an atomic weapon, with sufficient speed to outrace any interceptor and reach the targets.

The testimony, as the Senator well recalls, that was later given before the committee investigating the dismissal of General MacArthur, headed by the distinguished Senator from Georgia [Mr. RUSSELL] was to the effect that we should be extremely cautious in any move we might make in the Korean war, because we were not adequately prepared. Much of the lack of preparation was due to the fact that the will of Congress had not been carried out, that the Executive had not gone far enough with implementing the appropriations which Congress had voted, to make sure that the Air Force was second to none and in an advanced state of readiness in the event such an emergency should overtake us.

Mr. RUSSELL. The Senator from Louisiana is undoubtedly correct. Of course, we had our heads in the sand. We were amazed when we got to Korea and ran into the Mig fighters, which performed far beyond what intelligence had ever estimated. We have been mistaken time and again in estimating the ingenuity and capability of the Soviets to produce weapons. In the Korean war, although we were not engaged directly with the Soviets, we were engaged with people to whom the Soviets were supplying weapons. We found, to our amazement, that the latest type Mig encountered over there had a capability we had never believed the Russians could incorporate in that airplane at that time. Its performance was superior to that of our own planes. The only reason we prevailed over them was that our pilots were better trained and had more experience than the pilots flying the Migs.

Mr. LONG of Louisiana. We can find many examples where the military was less optimistic than the facts established in the use of the many weapons and fighting machines that we produced.

During World War II I served as an officer on a tank landing craft. I believe, if one had available an estimate of the fitness of that type of craft, it would show that it was anticipated that, by the time it had been used two or three times, the enemy would have destroyed it. I served in the Mediterranean theater of operations. Of the LCT's numbering approximately 100 American craft of which I had knowledge, we did not lose a single LCT in four different invasions, although the estimate was that we would lose in excess of 25 percent in each invasion. I do not believe we lost a single LCT by gunfire, although we may have lost one or two because the sea tore some of them up; but as I recall, all of them survived such enemy gunfire as they received. Perhaps, because some of them were not sufficiently seaworthy, we have lost a few of them in storms but not as the direct result of enemy action.

Mr. RUSSELL. That is amazing. I did not know that we did not lose a single LST——

Mr. LONG of Louisiana. LCT—landing craft tank.

Mr. RUSSELL. I mean LCT—in an invasion of southern Europe. A number of them were under rather vigorous attack.

Mr. LONG of Louisiana. We may have lost a few as a result of storms breaking them in two, or perhaps due to poor seamanship or lack of experience in handling that type of craft. I am speaking, of course, of my service in the Mediterranean, where hardly a one was lost as a result of enemy action.

Mr. RUSSELL. If we avoided losing one at Anzio, that was rather remarkable.

Mr. LONG of Louisiana. My recollection is that not one was lost due to enemy gunfire. That was, of course, in the Mediterannean. The record at Normandy may have been less favorable, but neither there nor in the Pacific was the attrition more than nominal for that type of craft.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the Senate amendments may be agreed to en bloc, and that the bill as amended be considered as original text for the purpose of amendment.

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

Mr. STENNIS. Mr. President, as I have said, this could be the most important vote of the entire year. I believe that perhaps it will be the most important vote. Certainly it will be the most important vote on the authorization of money for our military program.

What the Senator from Georgia has said about the need for accelerating our plans for manned bombers has covered the subject adequately. Perhaps nothing more needs to be said.

Our Preparedness Investigating Subcommittee has gone into this matter thoroughly. It held its first hearings some 3 years ago, and it has kept up with the status of our strategic striking power since that time.

The recommended additional funds are entirely in keeping and in line with what most of us who are intimately connected with this problem have thought for several years.

Let us remember that there are no manned bombers coming off the production line to replace those that are being lost and worn out. There have not been any manned bombers coming off the production line for almost 2 years, and none will be produced under this amendment, which would accelerate the program substantially for 6 or 8 years more.

Let us remember, too, that these planes will wear out. They are consuming themselves, so to speak, through use, to the extent that we will have no effective bomber force after the early seventies, unless something is done to develop and produce another manned bomber.

That means that by that time, the early seventies, we will be relying entirely on our missiles. Missiles certainly have their place now, and they doubtless will be of increasing importance. However, it certainly has not yet been proven that we can rely on them entirely, and that they will fill all our needs. It is clear that a balanced program of manned and unmanned systems is the only program we can safely rely on. It is also clear as a bell to me that we will need this program for the foreseeable future.

I wholeheartedly support the recommendation of the Senate Armed Services Committee that $52 million be authorized for the accelerated and more rapid development of a follow-on manned bomber.

For years I have been concerned and disturbed by the fact that we have had no follow-on manned bomber in development to replace our present fleet of B–52's and B–58's when they become obsolete. The last B–52 and the last B–58 came off the production line in the fall of 1962. They cannot last forever. Sometime in the early 1970's at the latest they will be worn out and obsolete and, unless action is taken now, we will then have no bomber fleet worthy of the name.

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

Mr. STENNIS. I yield.

Mr. JAVITS. I am not deeply involved in these particular matters, but I have great respect for the Senator's views in this particular area. I should like to ask the Senator a question which ties in with what he said. Can the Senator give us his own concept—that is, if he feels free to do so—on the phasing out of these bombers? I might point out to him that on previous occasions I voted to sustain the committee's position on this subject. Therefore, I am not at all unsympathetic in this matter. Could he give us some concept with respect to phasing out of the existing bombers and phasing in of the new program, taking into consideration the need for bombers and missiles, and with the understanding that, with progress in modern weapons, we may eventually phase out all manned bombers. Therefore, can the Senator give us some idea of the phasing out plans; where we stand now, where the Senator would like to see us fit this manned bomber program which is under discussion, and what his thoughts are on the whole manned bomber concept?

Mr. STENNIS. The manned bomber force that we have now, with no new bombers coming off the line, will be obsolete by the early 1970's. That seems to be generally agreed by those who are knowledgeable in this field. The proposed new bomber will take from 6 to 8 years at least from its present status until we have them in the operational inventory.

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

Mr. STENNIS. I yield.

Mr. JAVITS. I believe this is rather important. We would be out of bombers in the early 1970's. Then this development program gets phased in. For how many years does the Senator contemplate, will there be a strategic requirement for manned bombers? From 1970 until when?

Mr. STENNIS. That is highly uncertain. However, I believe we will need a manned bomber for the foreseeable future. There is certainly no proof yet that we can take the risk of placing our entire reliance on missiles. It may be that this will be established in the 1970's but it has certainly not been established at this time. In fact, without deprecating the missiles in the least, the proof

at this time is to the contrary, in my opinion. There is recognition of the need for manned bombers in the bill as presented, of course.

Mr. JAVITS. In other words, the stakes are so high that, unless we can meet them, we have no business in the game; and we must stay in the game. Is that about the essence of it?

Mr. STENNIS. Yes. There are tables which reflect how these bombers will be phased out; but, generally speaking, it is in the early 1970's. Also, generally speaking, if we push this matter, we might have a follow-on manned bomber. If we do not push it, the time will come when we will be relying exclusively on missiles.

Mr. JAVITS. I thank the Senator.

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

Mr. STENNIS. I yield.

Mr. CARLSON. I appreciate very much the statement that is being made by the distinguished Senator from Mississippi and the statement by the chairman of the committee with regard to the need for continuing in the field of producing new bombers. It is a very interesting background as we look back on the production of bombers, how one bomber was phased out after another. I happen to come from a State which is quite familiar with the production of bombers. We had the B–17, B–29, B–36, B–52, and B–58.

If we do not get a bomber on the line, we will certainly be phased out and in that way we will be endangering our national defense. It is essential that we keep these bombers in production. I live in an area where we are surrounded by missiles. I am not revealing any secret. Everyone knows about that. In the interest of national security, we must get these bombers on the line.

Mr. STENNIS. I thank the Senator. I said that we would be phasing out our present bombers in the early seventies. Prior to making that statement I checked to see if that information was classified. I thought it might be. It is not classified. However, the tables showing the precise information are classified. Therefore we cannot put them in the RECORD.

We are losing B–52's right along. They are being put to uses for which they were not designed. That makes for a higher attrition rate. They are wearing themselves out. These are the facts of life.

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

Mr. STENNIS. I yield.

Mr. GORE. The Senator from Tennessee has listened with a great deal of interest and attention to the distinguished junior Senator from Mississippi. He made a statement about reliability of our missiles. I understood him to say that the record indicated some question about whether reliability had been proven. I may not be correctly stating his position. Will he restate his position?

Mr. STENNIS. The Senator from Mississippi was not trying to pass judgment on the reliability of our missiles in his previous remarks. That will be covered in a different way. A special study of it is being made now by the Preparedness Subcommittee. The reliability of our missiles has not yet been proven to the extent that we can put all our eggs in that basket, and rely entirely upon missiles. The concept for years to come has to be one of a balanced and flexible force. Our strategic striking power must be balanced between missiles and bombers. Bombers can complete their mission and return and be recycled for further use. There are human brains in their cockpit. In many cases, they carry their own missiles with them.

To eliminate altogether the manned bomber with its flexibility, its ability to assess damage, and its ability to return and be used again, and rely entirely upon electronic and mechanical missiles is a risk that we cannot take.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. STENNIS. I am glad to yield.

Mr. GORE. I am listening to the debate, hoping to obtain sufficient information to reach a decision on this question. It seems to me that the date when we can safely rely upon missiles goes to the heart of the question as to whether the manned bomber should be phased out. It was for that reason that I asked the distinguished Senator from Mississippi to elucidate the point upon which he had touched.

Mr. STENNIS. It is purely a matter of judgment as to exactly when that will be. We may reach that point by the early 1970's. It is theoretically possible that a bomber could be built, but that missiles would have advanced so far that the bomber would not be used. But we cannot now afford to take that chance. To the Senator from Mississippi, that is as clear as a bell.

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

Mr. STENNIS. I yield.

Mr. RUSSELL. With respect to the basic question asked by the Senator from Tennessee, the reliability of missiles is improving every day and is measuring up to the estimates that were made 2 years ago concerning their proficiency. But that does not necessarily mean that we can dispose of the manned bomber. That is so for a number of reasons. Both we and the Russians—the degree may be secret, but not the fact—are spending large sums in undertaking to prepare defensive systems for both these weapons. If we eliminate the bomber and let the Russians devote all their resources to defense against missiles, they are sure to develop such a defense more rapidly than they would if they had to prepare two defensive systems.

We are in exactly the same position, but I insist that we have more things of greater value to defend than do the Russians. We can afford to undertake to develop the two weapon systems and, at the same time, work on defenses against theirs.

There are some things that a bomber can do that a missile cannot in any circumstances do. Certain missions require pinpoint accuracy as when the bomber would go into an area after missiles have been fired, to see whether the estimate of the targets was correct, and even to finish them off.

Mr. STENNIS. If I may interpose, such action would include finding hidden or mobile targets.

Mr. RUSSELL. That is correct. It is not revealing any secret to say that our potential enemy has infinitely more information about the location of our military targets than we have with respect to his. Therefore, it matters not how many missiles we might have; some of the targets might be overlooked or not found because the missile could not locate them; whereas the manned bomber, if the original missile firing has been successful and has impaired the enemy's defensive system, can go into the area, pinpoint the remaining essential targets, and knock them out.

Mr. GORE. Mr. President, will the Senator from Mississippi further yield, so that I may ask the Senator from Georgia a question?

Mr. STENNIS. I yield for that purpose.

Mr. GORE. Do I correctly understand the view of the distinguished Senator from Georgia to be that, first, the accuracy and dependability of missile development are, as of now, attaining the schedule which had been anticipated?

Mr. RUSSELL. That is correct.

Mr. GORE. Second, even though the accuracy, dependability, and proficiency of missilery, if I may use that word, continue to develop satisfactorily, the Senator views the situation as requiring a supplementary system, even though the missilery produced satisfactory results?

Mr. RUSSELL. That is exactly my position. A mix is needed, because however much missiles may be perfected, there will be some targets that missiles will not find, that can be found only through the eyes of men. No device that can be attached to a missile will enable the missile to seek out and destroy such targets.

I believe our missiles would wreak untold havoc on any enemy. But the enemy, likewise, has such capacity. If there is a war of extermination, I hope that such seed as is left will be in the United States, not in some opposing country. We cannot be assured of that if we do not maintain a flexible, strategic offensive system that can be adapted to any circumstances that might arise.

Mr. GORE. Mr. President, will the Senator from Mississippi further yield?

Mr. STENNIS. I am glad to yield.

Mr. GORE. The distinguished senior Senator from Georgia [Mr. RUSSELL], like the senior Senator from Tennessee, will recall the photographs of atomic launching cellars and missile launching cellars, made by the renowned V–2 planes, which he and I and other Senators viewed.

Mr. RUSSELL. The U–2.

Mr. GORE. The U–2. As I recall those photographs, many launching sites were in isolated areas which could be reached only by a missile having pinpoint accuracy. Is this type of specialized target one of the types to which the Senator refers?

Mr. RUSSELL. That is one of them, but in addition, there may be secret targets that will not be located by any ordinary intelligence.

Some of our airplanes are kept in the air at all times today, even in a relatively cool period of the cold war, so that they will not be vulnerable. If all these planes are phased out in the early 1970's—frankly, I fear they may not be operational that long in view of some of the defects that have shown up as a result of their being used for purposes for which they were never intended—we could be denied a very valuable weapon. I believe that is an ultraconservative statement.

I do not believe that a country as rich and as powerful as ours can afford to depend on one punch for its salvation and defense when two are available at a not inordinate expense. When we talk about a billion dollars, it is expensive, but a billion dollars in this area, when measured against the total value of the United States and our emergence as the remainder of civilization in a nuclear war, is a very small amount.

Mr. GORE. I thank both distinguished Senators.

Mr. STENNIS. I may say to the senior Senator from Tennessee [Mr. GORE] that the ability to survive an enemy attack is something that is presently unknown. It will probably continue to be unknown to a great degree in the 1970's and even the 1980's perhaps. To have bombers available for that eventuality alone justifies, in my opinion, the development and procurement of an advanced bomber.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. STENNIS. I yield.

Mr. GORE. The statement which the Senator has just made is challenging. Would a part of the ability of the U.S. missile capacity to survive attack be involved in something other than direct destruction, such as electronic disturbance and advanced scientific instruments?

Mr. STENNIS. The Senator is correct. It would not have to be physical destruction. The system could be rendered ineffective by having its capacity for guidance and other fragile parts of the system incapacitated.

Mr. COOPER. Mr. President, will the Senator from Mississippi yield for a question?

The PRESIDING OFFICER (Mr. MCINTYRE in the chair). Does the Senator from Mississippi yield to the Senator from Kentucky?

Mr. STENNIS. I am glad to yield.

Mr. COOPER. The Senator from Mississippi knows that often when appropriations are proposed for new weapons of defense, the experience is that before the new weapons are available, they are found to be obsolete.

Mr. STENNIS. Yes.

Mr. COOPER. I remember that last year, in connection with the appropriation for the Nike-Zeus, at our closed session we decided, by majority vote, that the appropriation requested for the Nike-Zeus would not be made, but that instead the appropriation requested for it would be extended and applied to a new type of weapon.

Mr. STENNIS. Yes.

Mr. COOPER. I think it was argued at that time that a continued appropriation for the Nike-Zeus would be wasteful, because by the time that weapon would be developed, it would not meet the need.

I wholly support the position of the Senator from Mississippi and the position of the Senator from Georgia [Mr. RUSSELL], the chairman of the committee.

Mr. STENNIS. I thank the Senator from Kentucky.

Mr. COOPER. Let me ask whether the design of this bomber is capable of modification as time passes, in order to meet any new needs.

Mr. STENNIS. Yes; for this bomber is not yet in the design stage.

Mr. COOPER. I realize that.

Mr. STENNIS. This is a feasibility study; and then will come the question of defining the major requirements and characteristics of the aircraft—its capabilities at high and low altitudes, its speed, range, and payload.

This decision is to push forward that part of the program; but it is adaptable.

Mr. COOPER. It is adaptable?

Mr. STENNIS. Yes. It is now in only the first stage, and it can be modified to any necessary extent.

Mr. COOPER. I thank the Senator from Mississippi. He and the Senator from Georgia [Mr. RUSSELL] are always most persuasive.

Mr. STENNIS. I thank the Senator from Kentucky.

Mr. President, to continue my statement, I was saying that it is unthinkable that we should be left without a bomber fleet. If that were to occur, we would be forced to place our entire strategic reliance upon long-range missiles. That is an eventuality which I hope will not come to pass.

In saying this, let me make clear that I am not downgrading the importance or destructiveness of our intercontinental ballistic missiles. They are an essential and important part of our deterrent and striking power. However, I am firmly convinced that the security of this Nation now requires—and will require for the foreseeable future—a mixed and balanced force of strategic missiles and manned, long-range aircraft. Only with such a force can we achieve and maintain the operational flexibility which is so essential.

For the follow-on manned bomber, the recommendation of the committee is that $52 million be authorized in the fiscal year 1965 for the program definition phase. This compares with the $5 million requested by the Secretary of Defense—an amount which I consider entirely inadequate.

I am completely persuaded by the testimony of Gen. Curtis E. LeMay, Chief of Staff of the Air Force, who told the committee positively and flatly that it is of the utmost urgency that action be commenced now for the orderly and expeditious development and ultimate procurement of a new bomber. The logic behind this is apparent. To get a new aircraft of this nature from the drawing board into the operational inventory will take from 6 to 8 years. If, as we are told, our present aircraft will not be capable of doing the necessary job 6 to 8 years from now, there is no sound argument for delay in getting the development started, unless one believes, which I do not, that manned aircraft are completely out of the future military picture.

The proposed follow-on manned bomber would have greatly enhanced operational capabilities. It would be able to penetrate enemy defenses at very low levels—or "on the deck"—at the speed of sound. At high levels, its speed would be more than twice the speed of sound. It would have sufficient range to be able to penetrate to many enemy targets and return to its home base without refueling. That is a point which the Senator from Tennessee [Mr. GORE] might consider. It would carry a wide variety of improved armament, including versatile and accurate air-launched missiles.

The funds which would be authorized under the bill as reported would be used to make a start on the components and subsystems which have the longest leadtime for development and production. An early start on such long leadtime components is essential and vital to the timely completion of the entire aircraft system. All of us know that the development and production of such components sets the pace for the completion of the overall weapon system.

To assure that all of the technical barriers are surmounted in accordance with the development and production schedule, contracts will have to be let to a number of contractors who will submit design proposals on a competitive basis. All of this takes valuable time.

Therefore, I believe that the provision of the amount recommended by the committee will buy precious time for us. A lesser sum would limit our activities in the fiscal year 1965 to feasibility studies only, which would delay getting the operational aircraft into the inventory. In recent years there seems to have been a growing tendency to limit to such studies the work on major weapon systems which are essential to our national defense; and, in many cases, such systems have literally been studied to death. The B–70 is a prime example of what happens to weapon systems development when it is subjected to repeated stops and starts and when there is not a strong, orderly, and continuous program to bring it to completion.

General LeMay has told us that the proposed follow-on bomber has already been studied for the past 1½ years. He also told us that the development and production of it are well within the present state of the art and the current capabilities of our aerospace industry. He also said, without any reservation whatsoever, that there is a clear, present, and urgent need for designing and developing a follow-on bomber as expeditiously as possible. I cannot help being persuaded by this firm and positive testimony from a man who is rightly considered to be the greatest expert in the world on strategic airpower.

Mr. SYMINGTON. Mr. President, will the able Senator from Mississippi yield?

Mr. STENNIS. I am glad to yield to the distinguished Senator from Missouri.

Mr. SYMINGTON. Mr. President, we are now listening to one of the great authorities in this body and in the country on problems incident to our military strength. I am much impressed with his excellent presentation. And also with that made by the Senior Senator from Georgia [Mr. RUSSELL], chairman of the committee. They are most experienced authorities in this body on this subject.

Mr. STENNIS. Mr. President, I am flattered, indeed, by the kind words of the Senator from Missouri; but I point out that most of what I have learned on this subject, I have learned from the Senator from Missouri. It is my good fortune to sit beside him in this Chamber.

Mr. SYMINGTON. Mr. President, the Senator from Mississippi is very kind.

Is it not true that world history often shows when people begin to dig into the ground as the basic way to defend themselves—whether it be by means of a Maginot line or otherwise—eventually they find they have dug themselves into deep trouble?

Mr. STENNIS. The Senator from Missouri is indeed correct, for history shows that such a course results only in defeat, rather than in victory.

Mr. SYMINGTON. Does not the Senator from Mississippi also agree that, whereas the outbreak of a strategic war in which missiles are utilized appears more improbable today than a few years ago there are now actually going on in the world many conflicts in which conventional weapons are being used, and, therefore in which manned aircraft are being used heavily?

Mr. STENNIS. That is true.

Mr. SYMINGTON. If in the future a war of that character were to break out—although all of us hope and pray it will not, would not such a war be more likely to be of the conventional type, including the use of manned planes, rather than one in which missile equipment would be used? Does the Senator from Mississippi believe that to be true?

Mr. STENNIS. Yes, I heartily agree. The Senator from Missouri has set forth correctly the situation with which we are faced.

Mr. SYMINGTON. Finally, I would ask my able and distinguished friend from Mississippi the following: If all the targets in our country which have to be considered by a possible aggressor, are limited in effect to our fixed missile bases, which can be clearly targeted, would not the problems of those who might wish to attack our country be very much simplified as contrasted with the problems an enemy would face if we had bomber dispersion and the aggressor did not know where all our retaliatory weaponry was located?

Mr. STENNIS. That is an excellent point. The Senator from Missouri is the first to bring out that point clearly. If we limit our striking force to missiles alone, a potential enemy would know exactly where the missile sites were located. All the enemy would have to do to render us defenseless would be to develop a system which would render our missiles inoperative. He would not have to destroy the missiles, but merely make them inoperative. The versatility and resourcefulness of the manned bomber could not possibly be overcome in any such simple way.

Mr. SYMINGTON. I thank the Senator. As the able Senator from Louisiana brought out, there was a time when the Congress did not agree with the administration and, therefore, appropriated approximately $800 million more for manned aircraft. The money was not used at that time. Everyone later wished it had been used, because when we were forced into the Korean war a few months later, we found ourselves inadequate in either quantity or quality of aircraft. This cost many American lives. I remember something about that subject, because during that year I was Secretary of the Air Force. Does not the Senator agree that if we appropriate this money, we are expressing the considered opinion of the Congress that this Nation should not abandon further development of offensive combat aircraft in favor of missiles exclusively? Nevertheless we are not requiring the Secretary of Defense to spend the money if he still believes it not to be necessary.

Mr. STENNIS. The Senator is correct. After all, it is a question of judgment. The Secretary of Defense is as honest, upright, and sincere as it is possible for a man to be. The Secretary must make thousands of decisions, major decisions, on our far-reaching military program each year.

It is rather striking to me that those of us who sit at the committee table and hear testimony on these subjects year after year—including the Senator from Missouri, who has been involved in these questions since 1947 or before—are unanimous in the opinion that we ought not to take a chance, but ought to push the proposed new bomber. That decision is underscored by the fact that, as has been mentioned earlier today, our B–52's are being used for purposes for which they were not primarily designed. That use puts additional strain on them. They are not cracking up, but they are wearing out much faster than had been anticipated. That fact shows that they will become obsolete earlier than expected. We shall not have them as long as we once thought we would.

Mr. SYMINGTON. Mr. President, there are many other questions I should like to ask the Senator from Mississippi, but at least from my standpoint, and I am sure that of a large majority of Senators, in view of the fact this money would be spent only as a result of a decision on the part of the Commander in Chief and the Secretary of Defense, and in view of the fact that its authorization would merely be an expression on the part of the Congress that we should not abandon offensive manned aircraft, in favor of missilery, I shall not take any more time, since the Senator from Mississippi has made his point so well.

I would say at this point in this discussion, however, that no one in this body has more respect for Secretary McNamara than have I. We here, however, have the duty to offer our best thinking through our advice.

I express my complete agreement with the Senator from Mississippi and present to the Senate that what he has said is in my opinion sound and correct. After listening to the testimony for many years, the committee has become convinced that it is important for the United States to preserve offensive aircraft, manned by people, instead of concentrating entirely on electronics and underground developments as the only strategic method of defending the United States. I thank the Senator, and congratulate him on his remarks.

Mr. STENNIS. I thank the Senator again. He has made many fine points.

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

Mr. STENNIS. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Does the Senator from Mississippi agree that the Secretary of Defense, the President of the United States, and all the members of the Joint Chiefs of Staff except General LeMay, and so far as I know, all members of the Senate committee, agree that we should go ahead with the study of a manned bomber? There is no doubt about that, is there?

Mr. STENNIS. Yes; we all agree.

Mr. PROXMIRE. Did the Senator imply in the course of his remarks that in the event we should not begin to produce a manned bomber within the next couple of years, by 1970 there would be such an attrition of B–52's that we would be virtually out of an effective manned bomber force?

Mr. STENNIS. The testimony on that particular point is that we would be out of them by the early 1970's.

Mr. PROXMIRE. Is it not correct that in 1961, when Secretary of Defense McNamara opposed the continuation of the B–52's, and said that they should be ended in October 1962, he wrote the Senator from Wisconsin a letter in which he said that the assembly lines could be restarted in a matter of a few months; and that he personally had made a careful study. The Secretary of Defense is, of course, an expert on assembly line production. Did he not indicate that within a short time, if it became apparent that we needed additional production of B–52 bombers, though recognizing that the design is old and subsonic, we could have them? Is that correct?

Mr. STENNIS. That is correct. That could be done now. But many other things have developed since then. He does not recommend it now.

Mr. PROXMIRE. Is it not true that although the Senator from Missouri [Mr. SYMINGTON], the Senator from Georgia [Mr. RUSSELL], and the Senator from Mississippi [Mr. STENNIS] are the experts of the Senate on these questions——

Mr. STENNIS. The Senator from Mississippi is not.

Mr. PROXMIRE. The Senator from Mississippi is an expert so far as I am concerned. General LeMay is almost

alone in insisting on the authorization of $52 million. The Secretary of Defense, all members of the Joint Chiefs of Staff except for General LeMay, and the President of the United States agree that $5 million is adequate, and all that can be used until the study has been made, and that it might be wasteful to proceed with the expenditure of an additional $52 million. Is that correct?

Mr. STENNIS. I shall not compare personalities; I merely compare the opportunities to know of the man who is the most knowledgeable on the subject of strategic striking power. This is General LeMay. He thinks that it would be a grave error to defer this matter. As the Senator from Georgia has pointed out, it is not a contest now between Mr. McNamara and General LeMay. But on the question of strategic striking power, I do not believe there is any higher authority in the world than General LeMay and those who have been through this question with him. He is the father of the project. He is not given to extreme emotionalism.

With all deference to other members of the Joint Chiefs of Staff, I do not think they oppose the item. They may have priorities of their own. It is a matter of judgment. We all start with the fact that we need additional bombers, as the Senator has said. But the mere fact that the Chief of Naval Operations may not agree to the proposal does not detract one bit from General LeMay's position.

Mr. PROXMIRE. Does not the Senator agree, however, that if Congress should adopt a policy of giving the Navy Chief of Staff all that he feels is necessary, the Army Chief all it wants, as well as giving General LeMay what he desires, without the Secretary of Defense deciding what the resources of our Nation can stand, we would end with a budget of $65 billion or even more for the armed services?

Mr. STENNIS. The Senator from Mississippi has never recommended that we follow that course. It is not a matter of giving one branch of the service something because it wants it. It is a matter of including an item because we are convinced there is a real requirement for it.

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

Mr. STENNIS. I am glad to yield to the Senator from Missouri.

Mr. SYMINGTON. Is it not true that one of the chief leaders, if not the leader, in pushing through the $300 million congressional request for additional manned aircraft, just prior to the Korean war, was the then Senator Lyndon B. Johnson?

Mr. STENNIS. The Senator is correct. I remember that debate on the floor of the Senate in 1948.

Mr. SYMINGTON. It turned out to be one of the wisest suggestions Congress ever made. Is it not also true that the question as to whether the $5 million or the $52 million, or any part of either, will be spent, will ultimately depend on the same citizen with the advice of the Secretary of Defense and the Chiefs of Staff?

Mr. STENNIS. The Senator is correct—the President, the Chiefs of Staff, and the Secretary of Defense.

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

Mr. STENNIS. I yield.

Mr. PROXMIRE. Have not the President of the United States and the Secretary of Defense both indicated that they wanted $5 million instead of $52 million?

Mr. STENNIS. As of November, or December, or early January, yes. The Senator is saying there is money in the bill that could perhaps be transferred to this purpose if need be; but, as the Senator from Georgia pointed out, this proposal requires legislative expression as to importance and priority. The ultimate decision will be made by the President, the Joint Chiefs, and the Secretary of Defense.

Mr. PROXMIRE. I thank the Senator from Mississippi. He has been very patient.

Mr. STENNIS. I appreciate that. I desire to yield the floor as soon as possible.

Mr. PROXMIRE. Is it not true that we need to know how this bomber is going to be employed, how it is going to stand up against enemy fire, how it will be able to penetrate, and so forth? The expenditure of this additional amount of money could very likely be wasted, as was true on the Mariner, the Skybolt, the Dyna-Soar, the B–70, and others. Some $3 billion that Congress has appropriated in the past and that has been spent has, in the judgment of officials in the Defense Department and elsewhere, been largely wasted because there were not sufficiently sharp conceptions.

Mr. STENNIS. With all due respect, the Senator from Wisconsin has been misinformed about the stage of the proposed bomber. It is in such an early stage that there is very little on paper. In the budget there was a provision of $5 million for a feasibility study. This proposal would push a little further the study of the type of plane we need most and its speed, range, payload, capabilities at high and low altitudes, and other characteristics. The study would be designed to answer the questions the Senator has raised. No prototype is contemplated at this time.

Mr. PROXMIRE. The Secretary of Defense says they need $5 million for it, and the committee says the amount should be $52 million. That is the issue.

Mr. STENNIS. That is correct.

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

Mr. STENNIS. I yield.

Mr. RUSSELL. I should like to suggest that if we had to know in advance every one of the things that the Senator from Wisconsin has enumerated, we would not have built the first airplane. We would not have had any. Nobody can tell in advance exactly how a weapon or aircraft will perform. We may have designs and very good estimates, but very often they turn out to be only estimates. If we had to have all that information, we would not have had a plane at all. It has to be tried out.

Mr. STENNIS. That is true. We have had some that did not "pan out." I think the Senator from Wisconsin has been misinformed as to how the additional money will be used.

Mr. PROXMIRE. Perhaps what I said was misunderstood. I was referring to what the plane was to be employed for. Of course, there must be a prototype, but it would be well if we knew where we were going and had some general study of the subject. It will take a year or so, and will take $5 million; and we do not have to have additional money.

Mr. STENNIS. The additional money will save 12 to 18 months in the same program.

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

Mr. STENNIS. I yield.

Mr. GOLDWATER. In reply to what the Senator from Wisconsin has been saying, we are not talking about a new concept; we are talking about a bomber, one that will go a little faster and higher, or lower and faster. I believe the Air Force knows the techniques involved. I think the Secretary of Defense will live to regret the day when they eliminated the Skybolt, because it gives a flexibility which a missile system does not have. We are talking about a weapon system that has been tried and proved in four wars. We are not talking about a system that has never been tried under conditions approaching combat.

I think if we put off the design of a manned bomber 1 more year, we are going to get into the danger of an inadequate defense, because if we take the word of the Secretary that 75 percent of our nuclear power is carried in the bomb bays of the SAC bombers, by 1972 or 1973 we will only have 25 to 35 percent of our nuclear weight left.

I back up the request of the Senator from Georgia for this money. I think it should be made clear to the Secretary that it is the consensus of the Congress that our defenses are inadequate and that we had better start spending this money to make it adequate, and that we do not want to put all our eggs in the missile basket, because there are a lot of holes in it.

Mr. STENNIS. I thank the Senator. We have used up a great amount of time already on the B–70 or the RS–70. There is nothing now on the drawing boards. There are no old ones or new ones coming off the supply lines.

I wish to conclude my statement, Mr. President.

I hope, Mr. President, that the Senate will adopt the committee's recommendation and make the $52 million available for this vital purpose. If we do so, it will save a year or a year and a half in the time when this weapon system is placed in the hands of our operational forces. With these additional funds, according to General LeMay, the new manned bomber could become operational in late 1971 or early 1972. I fear that any delay in providing funds for these purposes will seriously jeopardize our security and vital national interests.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the McGovern-Nelson-Proxmire amendment

is offered, there be a time limitation of 1 hour; 30 minutes to be under the control of the distinguished Senator from South Dakota [Mr. McGOVERN] and 30 minutes under the control of the chairman of the committee, the distinguished Senator from Georgia [Mr. RUSSELL].

Mr. SYMINGTON. Mr. President, reserving the right to object, is a yea-and-nay vote planned on this amendment?

Mr. MANSFIELD. I understand that there will be a yea-and-nay vote.

Mr. SYMINGTON. My colleague and I have an important engagement in another Government agency uptown at 3 o'clock. Therefore, I hope the time can be either shortened or increased.

Mr. MANSFIELD. I would say we would not get to a vote until the full hour was completed. If the Senator will tell someone here where he is, we shall try to bring him back in a reasonable time.

Mr. TOWER. Mr. President, reserving the right to object—and I do not intend to object—would this agreement foreclose a request for additional time?

Mr. MANSFIELD. Not if needed.

Mr. TOWER. It appears that perhaps some more time may be needed. Therefore, time could be requested?

Mr. MANSFIELD. If more time is needed, it will be given.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Montana? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 2 (b), Public Law 88-271, the Speaker had appointed Mr. O'BRIEN of New York, and Mr. WESTLAND, of Washington, as members of the United States-Puerto Rico Commission on the status of Puerto Rico, on the part of the House.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9640) to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard.

REQUEST FOR REFERRAL OF CIVIL RIGHTS BILL (H.R. 7152) TO COMMITTEE

Mr. MANSFIELD. Mr. President, if I may have the attention of Senators, I am about to repeat the unanimous-consent request which I made last evening, which was objected to at that time. I hope that today it will not be objected to, and that, after Senators have had a night to think the matter over, it will be possible to have the request agreed to.

Mr. President, I ask unanimous consent that House bill 7152 be referred to the Judiciary Committee with instructions to report back without recommendations or amendments to the Senate not later than noon, Wednesday, March 4.

The PRESIDING OFFICER. Is there objection?

Mr. EASTLAND. Mr. President, reserving the right to object, we have a committee system in this body; and no self-respecting committee would consider a bill under such a procedure, under which we could not make a recommendation or amend the bill.

In 1960, a bill of this nature was sent to the Judiciary Committee with a time limit of 10 days, I believe. The committee made 20 amendments which the liberals of the Senate accepted. I do not believe that a self-respecting committee could accept or consider a bill under such a situation. With the exception of the chairman, there are able lawyers on the Judiciary Committee. With the exception of the chairman, the membership includes the best qualified minds in the Senate to deal with this subject.

Yesterday, the distinguished Senator from North Carolina [Mr. ERVIN] assured the Senate that he stood ready to expedite hearings in his Subcommittee on Constitutional Amendments. This is a bill on which there have been no hearings by a legislative committee. Yesterday, it was stated time and again on the floor that it came from the Rules Committee in the House, a nonlegislative committee, and that it had not had consideration by a single legislative committee.

I believe that a unanimous-consent request that the bill be referred to a committee and be reported back and that the committee shall have no power to make a recommendation or an amendment to the bill is an insult to every member of that committee.

Mr. MANSFIELD. Mr. President, if the Senator will withhold his objection, let me say that I thoroughly disagree with the distinguished Senator from Mississippi, because his committee has had months to consider much of this legislation, and the net result has been one witness and one questioner.

In view of the fact that the distinguished minority leader has expressed a desire that certain witnesses be called before the Judiciary Committee to give their views on section 7, I hope that neither the Senator from Mississippi nor any other Senator will object to this request, and will understand that, so far as the leadership is concerned, at least on this side, it—and I speak of "it" in a neuter gender—has to protect its rights insofar as possible, insofar as they mean anything. This is one way by means of which witnesses can be called and certain questions, such as those raised by the distinguished minority leader, might be answered through interrogation of witnesses.

Mr. EASTLAND. The net result would be that we would be handcuffed. That is what the meaning is. The only way the Judiciary Committee wishes to deal with a bill is in its normal course. I do not care about a time limitation, but I will not be a party to sending a bill to that committee when it cannot amend it and cannot make a recommendation.

It is true that 4 years ago there were 20 amendments added, and those amendments were adopted by the Senate. The leadership of the Senate stated that the committee had improved the bill as a result of those hearings.

Therefore, Mr. President, I object.

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

Mr. MANSFIELD. I yield.

Mr. JAVITS. The Senator understands that he notified me that this question would be raised. He did—although I was not personally aware of it. Be that as it may, may I ask the majority leader a question?

Mr. MANSFIELD. Certainly.

Mr. JAVITS. This is the second time the unanimous-consent request has been made. Yesterday I objected to it, and today I was preparing to object to it again, having thought about it overnight, believing that it should be objected to.

Mr. MANSFIELD. Other Senators were also prepared to object, but I thought that the issue should be laid before the Senate today, if possible.

Mr. JAVITS. May I ask the majority leader now whether we may assume that that is "it" and that we do not have to assume that the request will be presented to the Senate again, because if that is the situation, we shall have to post sentinels.

Mr. MANSFIELD. I believe the Senator from New York is raising hobgoblins, which is not his wont. I did send word—I forget through whom to notify both Senators from the State of New York, so there was no bad judgment involved, so far as I knew.

Mr. JAVITS. I would not charge that.

Mr. MANSFIELD. With the exception of the distinguished Senator from Oregon [Mr. MORSE], I tried to notify interested Senators. I must admit that it was near the last when I notified the distinguished minority leader, who has a vital interest in this question. I hope he was notified in time.

I do not intend to submit this request again today. Whether I shall present it in the days ahead, I believe is almost a moot question, because what I was trying to do, in effect, was to help Senators who are in favor of civil rights to obtain a few more votes if possible, and smooth down a few feelings, while the military procurement bill and the farm bill on wheat and cotton were under consideration. I believe it was a move which would have been in favor of the proponents of civil rights, and should have been accepted by the proponents, but on a unanimous-consent request every Senator can express his views. Two Senators have done so. And using only a little flexibility, so far as I am concerned, I should say that the question is dead.

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

Mr. MANSFIELD. I yield.

Mr. JAVITS. In view of the fact that the Senator said something about the civil rights proponents——

Mr. MANSFIELD. I did.

Mr. JAVITS. These matters are always questions of balance as to whether they do more harm than good in terms of a given cause.

Two major sections of the civil rights bill, the section with regard to fair employment opportunity and the section

with regard to public accommodations, were fully considered, as separate bills, by two other committees of the Senate. The bills were reported and are on the calendar, and both are important parts of the proposed legislation.

Nonetheless, the majority leader's proposal was to send the House-passed civil rights bill to yet another committee, before which the entire bill as introduced in the Senate has been lying dormant, like all previous civil rights bills, since last summer.

With the best conscience in the world, I deeply feel that the balance, under this particular unanimous request, is against and not for the civil rights proponents.

I fully respect the majority leader. I know he would not do anything, in deepest conscience, which he felt would be improper. But there are different points of view. I believe that is the case in this instance. I thank the Senator from Montana, and give him that assurance.

Mr. RUSSELL obtained the floor.

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

Mr. RUSSELL. I have been recognized by the Presiding Officer, but I will defer to the Senator from New York.

Mr. KEATING. I wish to express my gratitude to the distinguished majority leader for notifying me, as I had informed him I would have objected. I find myself, curiously, in agreement with the chairman of the committee. I never thought I would reach the point, in this particular debate, where I would be in agreement with him on anything.

Mr. MANSFIELD. The Senator from New York is referring, of course, to the Senator from Mississippi [Mr. EASTLAND]?

Mr. KEATING. That is correct. The Senator from Mississippi says it is downgrading a committee to shackle it by sending it a bill with these directions—directions, which prevent the committee from doing anything at all. If a bill is to be sent to a committee, it should be sent with power in the committee to act. I object to the proposal, on all the grounds which my colleague, Senator JAVITS, has set forth plus those stated by the chairman. I am, therefore, doubly opposed to the request.

Mr. MANSFIELD. I thank the Senator from Georgia for yielding to the Senator from New York.

Mr. RUSSELL. Mr. President, I am certain the distinguished majority leader made this proposal in all sincerity. I did not understand why he thought it would cause a great uprising in the Senate, and that Senators who are opposed to the so-called civil rights bill would support his proposal. If there ever was any kind of shadowboxing, it would be to send a bill to committee and say to it, "You cannot make recommendations, and you cannot amend it. All you can do is to dip the bill in the Judiciary Committee and bring it back."

Something was said about the desire to hear witnesses. What kind of witnesses would come before a committee under circumstances of that kind? To oppose some changes in the bill? To point out some infirmities in the bill? To expose some hidden vices in the bill? He might as well get out in his backyard. Perhaps some Senators are not familiar with the expression "backyard." I am, because I am from the country. He might as well stick his head out the living room window as to come down here to testify before a committee which could not make any recommendation of any sort on a bill, and which would have to report it back automatically to the Senate. What witness would feel he was contributing anything to the welfare of the country, whether the witness was for or against the bill, by testifying, when he knew in advance that the committee could not do anything about the bill? He might as well talk with a doorkeeper, and air his views on the bill to him. He would at least get a more attentive hearing, because committee members would not be very attentive or diligent in their attendance under such circumstances.

I do not in any way desire to reflect on the Senator, but this is a suggestion which is not likely to meet with any great favor on either side. I was a little intrigued with the difference of opinion between the two Senators from New York. Yesterday, the senior Senator from New York objected on the ground that such a great and resounding victory had been won that nobody should be permitted to discuss it further in the Committee on the Judiciary. His junior colleague, a member of the committee, today very properly said that the committee would have been shackled with the bill before it.

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

Mr. RUSSELL. I yield to the Senator. I yield to both Senators from New York.

Mr. KEATING. Merely for clarification. To my own amazement I agree with the Senator and with the Senator from Mississippi on the objection. I also agree with my colleague from New York. This unanimous-consent request is objectionable on all grounds. The bill is on the calendar. Sending it to the Judiciary Committee would be a supreme act of supererogation. Nothing could be gained by it. We have had that experience before. So my grounds are those expressed by both the Senator from New York and the Senator from Mississippi. I wished to have the record clear on that point.

Mr. RUSSELL. The Senator from New York stands on both objections, the objection of his colleague from New York and that of the Senator from Mississippi.

Mr. KEATING. Yes.

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

Mr. RUSSELL. I yield.

Mr. DIRKSEN. I must applaud the majority leader for his generosity in his effort to try to compose the situation. There has been a hassle on this question today. I recognize the diversity of viewpoint. If it is not, in violation of the letter and spirit of the Supreme Court decision in the New York prayer case, all I wish to say is "Amen."

Mr. RUSSELL and Mr. ALLOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. RUSSELL. I suppose this proposal will resolve itself into a motion at the appropriate time. The Senator from Oregon has served notice that he would make a motion, after the discussion on whether the bill should be taken up. If and when the bill is made the unfinished business, the Senator from Oregon has stated, he would undertake to have it committed to the committee with instructions.

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

Mr. RUSSELL. I yield to the Senator. I looked for him, but the Senator had disappeared. I saw him rise earlier with his colleague.

Mr. JAVITS. There is no trapdoor in the Senate. I was very much present. Will the Senator yield so that I may address a parliamentary inquiry to the Chair?

Mr. RUSSELL. I yield for that purpose.

Mr. JAVITS. Is it a fact that a motion to refer a bill to a committee, with or without conditions, may not be made until the bill is actually the pending business, and may not be made during the consideration of a motion to make it the pending business?

Mr. RUSSELL. That is correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. I thank the Chair, and I thank the Senator.

Mr. RUSSELL. I had just said that. I said that when the bill was made the unfinished business, such a motion would be in order. I am sorry that the Senator did not do me the honor of listening to me. Perhaps he wanted to obtain the information from the real horse's mouth, the Parliamentarian.

Mr. JAVITS. Yes.

Mr. RUSSELL. That clears the matter. This is the parliamentary situation. This is another illustration of a great and kindly man, in an effort, as he says, to swell support for the civil rights movement, being rebuffed from both sides. I extend my sympathy to the Senator from Montana.

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

Mr. RUSSELL. I yield.

Mr. MANSFIELD. I am becoming accustomed to it.

Mr. RUSSELL. When the Senator has been in the Senate as long as I have been, he will develop a political hide that is thicker than that of a rhinoceros. If mine were not that thick, I would long since have succumbed.

Mr. JAVITS. I might submit the suggestion that if the bill could be made the pending business when the committee reported it to the Senate within a reasonable period of time, so that measurable progress might be made in the matter, some of us might feel differently.

Mr. RUSSELL. I will take that suggestion under advisement, and I will report to the Senate at some later date.

Mr. JAVITS. At length.

Mr. MANSFIELD. At this date, if such a proposal were made, I would be forced to object.

Mr. RUSSELL. I ask for the regular order.

MILITARY PROCUREMENT AUTHORIZATION—1965

The Senate resumed the consideration of H.R. 9637, an act to authorize appropriations during fiscal year 1965 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluations, for the Armed Forces and for other purposes.

Mr. McGOVERN. Mr. President, I call up my amendment No. 435, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On line 20, page 2, after the words "Air Force," it is proposed to strike out all words down through line 22, page 2, and insert in lieu thereof "$3,108,850,000".

Mr. MANSFIELD. Mr. President, am I correct in stating that on the amendment the Senate is operating on a limitation-of-time basis?

The PRESIDING OFFICER. That is correct; 30 minutes on each side.

Mr. McGOVERN. Mr. President, on the amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McGOVERN. Mr. President, I wish to take this opportunity, first of all, to express my personal appreciation and respect for the chairman of the Committee on Armed Services, the distinguished Senator from Georgia [Mr. RUSSELL]. His committee handles measures which involve more than half of the entire budget of the Federal Government. I believe that both the Senate and the people of the United States are extremely fortunate to have that committee headed by one so able as the Senator from Georgia. We know that he is supported on that committee by some of the ablest and wisest Members of the Senate.

Mr. RUSSELL. Mr. President, personally and on behalf of the committee, I thank the distinguished Senator.

Mr. McGOVERN. I also wish to pay my respects to the Secretary of Defense, Mr. McNamara, and to the military leaders of our country, who have given us a military defense system second to none, a defense system clearly superior to any system or combination of systems anywhere else in the world.

I want nothing that I say today to be interpreted in any way as a reflection on our defense leaders or on members of the Committee on Armed Services. However, it is somewhat regrettable that we are asked to make a judgment on an authorization of this size with as little time as we have had to study the report, and with no time at all to study the hearings and the evidence on which the report is based. It is interesting that several Senators held up the consideration of the farm bill for several days on the ground that they had not had sufficient time to study and properly appraise the committee report. That was done although we were acting on a measure—at least, so far as the wheat provisions are concerned—which has been a part of the basic law of the United States for some 2 years, and in spite of the fact that elaborate hearings were held, and that several days have elapsed since the report first became available to Members of the Senate.

There are a number of questions that Senators might raise about the measure now before the Senate.

Speaking for myself, I shall withhold all but one of the questions in my mind until such time as the appropriation bill comes before the Senate, for the simple reason that I have not had adequate time in which to make a proper appraisal.

The amendment now before the Senate relates to the so-called follow-on bomber that has been discussed for the past 2 hours or more. The amendment does not speak to the issue of whether our defense forces ought to have a manned bomber. That is not the issue that is raised by the proposal now pending. Frankly, I do not know whether there ought to be a new advanced bomber. If I have any sentimental predilections, they would be in support of such a development. I flew a bomber for some months during World War II, and I know something about the capability of that military weapon. But we are not discussing today the virtue of the manned bomber as compared with some other weapons system. It is entirely possible that we should proceed with a study of the conception, configuration, purpose, and cost of such a plane.

Only one question is at stake in the amendment: Should we add $52 million for advanced bomber studies, an amount which goes beyond the figure requested by the Secretary of Defense and beyond the amount requested by the President in his budget?

The Senator from Wisconsin [Mr. NELSON] will subsequently read a letter from the Secretary of Defense, in which the Secretary has clearly gone on record within the past few hours against the addition of some $52 million to this authorization bill because it goes beyond what the Department of Defense feels it needs or could spend on studies relating to the so-called follow-on bomber.

I agree with the chairman of the Committee on Armed Services that it is not possible in every case to foresee the success or failure of a proposed weapons system. One of the purposes of the studies that have been requested by the Department of Defense with reference to the new manned bomber is to determine whether it is wise to proceed with such a project. But one thing on which I think we can agree is that the best way to avoid the danger of waste or the danger of proceeding with a weapons system that will later prove to be impractical is not to move with undue haste.

We have learned some rather bitter lessons with reference to the so-called RS–70 bomber. As I understand it, over $1,500 million has been spent on that airplane, yet it now appears that that bomber may never become operational: that the Air Force has no real mission for it; and that in all probability the RS–70 will be abandoned, with little or nothing to show for the $1,500 million investment.

I believe we would all dislike to see that happen with reference to another advanced bomber. We are not appealing, in this amendment, for the elimination of studies concerning the possibility of another new advanced bomber. We are asking that the amount be held at the prudent and reasonable level requested by Secretary McNamara and included in President Johnson's budget. The first time, so far as I know, that the need for any additional funds was mentioned was during the appearance of General LeMay of the Air Force before the House Armed Services Committee. The general there stated that it might be useful to have funds that went beyond those requested by the Secretary of Defense and the administration. But as four distinguished members of the Armed Services Committee of the House of Representatives have put it:

> Frankly, it is not at all clear to us just what the $52 million is to be spent for, and there is nothing in either the committee report or the testimony to answer this question. Presumably the money is to be used to develop and acquire long leadtimes in avionics and engines. But we find it hard to see how funds could be wisely or economically spent on supporting equipment for an aircraft whose full configuration and mission have not yet been clearly defined.

It seems to me that this states the objection to the proposed increase in funds quite well. The same Members of the other body said:

> We must be especially careful to guard ourselves against the temptation of building new aircraft * * * before we know how a particular system will be used and precisely how it will be integrated with the ballistic missile force on which we are now concentrating so much of our effort and substance.

I have said that the issue is not whether we need a new manned bomber, but simply the speed with which we rush into that project. I would like to point out that, while we have had some references in the Senate to the fact that our B–52's and B–58's may be worn out by 1970, my information is that Boeing 707 jets now in operation for commercial purposes have already flown more than twice as many hours as any of our B–52's will have flown by the year 1970. I do not desire to enter into this argument as a major part of our contention for this amendment, because we are not questioning the need, the desirability, or any other aspect of the manned bomber. It is merely a question of whether we are going back to the amount which the Department of Defense says is adequate to make those studies which it can complete in the coming fiscal year, or whether we shall force $52 million on the Department of Defense which it says it does not want and cannot spend efficiently for studies on the new manned bomber. As I see it, that is the case for this amendment.

I yield now to the Senator from Wisconsin [Mr. NELSON], for such time as he may wish to proceed.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. NELSON. Mr. President, first, I wish to endorse the observation made by the Senator from South Dakota [Mr. MCGOVERN] concerning the effort and the work of the chairman of the Armed

Services Committee and its other members.

Yesterday, my remarks in some detail concerning this amendment and this bill were entered in the RECORD; so at this time I do not intend to repeat those arguments. However, I wish to make one or two points.

First. This is the largest authorization bill ever to come before the Congress—a bill authorizing the appropriation of $17 billion. The testimony in regard to the bill has not yet been printed. I understand that the classified testimony has not been separated from the unclassified testimony. There is no conceivable way, therefore, by which any Senator who is not a member of the Armed Services Committee can make an independent judgment of any kind in connection with any item in the bill, because he has not had an opportunity to read the testimony.

I am pleased to pay my respects to the quality of the work done by the members of the Armed Services Committee; it has had the opportunity—which no other Senator has had—to hear the testimony, to read it, and to discuss it. So the committee members have been able to make up their own minds and make their own independent judgments as to whether every authorization item in the bill is justified.

However, I cannot reach such an independent judgment, and neither can any other Senator who is not a member of the Armed Services Committee. I certainly am not prepared to delegate my right to form my own opinion to some other Senator, even though he may be more qualified in this field than I am.

I understand the desire to have the bill passed very quickly, because as we are told, the House cannot deal with the appropriation bill for the Department of Defense until the authorization bill is enacted. However, it seems strange to me that this rule and practice does not seem to apply to other authorization measures. When the foreign aid authorization bill was before us, the senior Senator from Oregon [Mr. MORSE] spent approximately 2½ or 3 weeks in proposing and debating reductions in various items contained in that bill. That authorization bill proposed an expenditure of about $4 billion—some $13 billion less than this bill. What is there about this $17 billion authorization bill for military procurement that is so special as to induce Senators to forgo the exercise of their independent judgment and their responsibility to evaluate the provisions of the bill?

As I have said, I have no way to make an independent judgment in regard to the bill. However, I did the best I could; I wrote to the Secretary of Defense, and asked him for his judgment about this particular authorization for a bomber. As the Senator from South Dakota [Mr. MCGOVERN] said, the President of the United States, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff are opposed to the proposed additional $52 million authorization. The Secretary of Defense wrote me a letter, which is dated yesterday. The pertinent paragraph of the letter has been duplicated, and has been placed on the desk of each Senator. In that paragraph, the Secretary of Defense wrote as follows:

> I believe the $5 million programed in the fiscal year 1965 budget submission presently before the Congress for follow-on bomber studies is all that is now justified and that funding of a new development program is premature at this time.

I ask Senators to note particularly the following sentence:

> Should the Air Force provide a satisfactory concept of operation and a convincing comparison of both their proposed aircraft with available alternatives, and should a specific plan for development be submitted (which has not been done), then I would be willing to consider reallocating funds for that purpose.

Mr. President, does not that answer every issue raised by the proponents of the proposed additional $52 million authorization? Once they prove, if they can, what they would use it for, and why, he will support a reallocation of the necessary funds if it is a feasible project.

I also wrote to the Chairman of the Joint Chiefs of Staff, Gen. Maxwell D. Taylor. He replied, under date of yesterday, as follows:

> I am replying to your letter of February 21, in which you present several questions regarding the recommendations of the Joint Chiefs of Staff concerning study and development of an advanced strategic manned system.
>
> Since Secretary McNamara is responding to these same questions, among others, I refer you to his reply which I read and in which I concur.

Mr. President, I have not been able to read the testimony before the Armed Services Committee in justification of the request; neither have I been able to read the testimony against it by Secretary McNamara. It is not yet printed and available. But based upon the information I have, and based upon the assurance by the Secretary of Defense that once the Air Force is able to tell him what it would do with the requested additional amount, and if it is justifiable, he will be willing to consider reallocating funds for that purpose, I shall vote for the amendment to strike out of the bill this authorization item.

Mr. MCGOVERN. Mr. President, I reserve the remainder of the time available to me.

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

The PRESIDING OFFICER. The Senator from Georgia is recognized for 2 minutes.

Mr. RUSSELL. Mr. President, I wish to respond to the implication and the innuendo that the Senator from Georgia was attempting to rush unduly the action of the Senate on the bill, or that the Senator from Georgia has made a practice of attempting to have the Senate pass bills of this sort without giving them adequate consideration.

If any Member of the Senate believes in free, full, and adequate debate, certainly that Member is the Senator from Georgia. So far as I am concerned, I am perfectly willing to have the present unanimous-consent agreement rescinded immediately, so as to give Senators all the time they may wish to present their views on the pending bill.

It is true that the bill was brought before the Senate before the hearings on the bill were printed. That is not a good practice, and I do not approve of it. However, that was done in order to enable the leadership to have the Senate consider this bill before the Senate began long debate on the so-called civil rights program.

However, I am willing to have the bill laid aside now. If I had been inclined to attempt to take advantage of this situation in connection with the so-called civil rights bill, I would have favored long delay. However, that is not my position.

On the other hand, if any Senator wishes to have further time for debate on this bill, I am perfectly willing to support such a request. If I am taken out of here in a box, or as a result of an uprising by the people of Georgia, I would like to be remembered as a Senator who favored the maintenance of the privileges that cause the Senate to be the last legislative body on earth in which free and unlimited debate is preserved.

Mr. MCGOVERN. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. MCGOVERN. Neither the Senator from Wisconsin [Mr. NELSON] nor I wish to cast any reflection on the Senator from Georgia, because we understand the parliamentary situation which brought this bill to the floor of the Senate ahead of the civil rights bill, and we also understand the necessity for quick action on the farm bill.

But we are suggesting that it is unfortunate that the parliamentary situation dictated the consideration of this bill today. A short time ago I stated that I wished o serve notice that I hope a similar procedure is not followed in connection with the appropriation bill, because we may have some amendments which we may wish to offer at that time.

Mr. RUSSELL. Mr. President, let me say to the Senator from South Dakota that however much I may disagree with his amendments or however much I may disapprove of his argument, nevertheless, when the appropriation bill for this function reaches the floor of the Senate, I shall stand ready and willing—as I do now, in connection with the pending authorization bill—to have the Senator from South Dakota have full opportunity to offer his amendments and to speak on them for as long as he may desire, because again I emphasize my conviction that whenever the opportunity to offer amendments in the Senate is curtailed, or whenever the opportunity for full and free debate in the Senate is curtailed, this body will no longer be the Senate of the United States.

When we curtail the right of amendment, and when we curtail the right of debate in the Senate, this body will no longer be the Senate of the United States. These are the two characteristics that differentiate this body from all others. First, there is freedom of amendment. A Senator may offer any amendment he desires to offer. Second, there is freedom of debate. A Senator may speak his piece. I do not wish to

have an implication left that I have done anything that could in any way be construed as impinging upon the right of any Senator to speak as long as he desires.

Mr. ALLOTT. Mr. President, will the Senator yield for a question or two?

Mr. RUSSELL. The Senate is operating under a time limitation now. I have already received requests by Senators for more time than I now have at my disposal. I yield 10 minutes to the Senator from Texas.

MISSILE DEPENDABILITY

Mr. TOWER. Mr. President, I would like to address myself to the question of missiles, and accuracy, and reliability, and dependability.

The debate on this question long has been joined by military scientists and disarmament enthusiasts. This matter has been thoroughly aired in this Chamber as recently as the exhaustive consideration of the Moscow test ban treaty. And, as everyone knows, the matter has been more recently raised by our colleague, the junior Senator from Arizona, and the Secretary of Defense.

So, Mr. President, this is not a new debate—even though some of the press has so interpreted it for its readers and viewers. The missile question is not worrying only one or two men—although some editorial cartoonists choose to convey that impression to their readers. The missile question is not a simple matter—although some commentators label the debaters as simple men.

In fact, Mr. President, the degree to which America depends upon its missiles is not simple, but crucial. The degree to which American survival is bound up in this debate makes this discussion one of the most vital—one of the most complex—issues in U.S. policy both foreign and domestic. This is a question to which Congressmen can well address their attention. This is a question about which every American should be concerned.

What are the particulars of the missile debate?

The facts of the case are that the current administration has apparently decided to depend entirely upon missiles to protect America. It has embraced a "uniweapon" concept that totally departs from all the lessons of military history. It acts as if Americans should accept such a radical plunge with obedience and with silence. Everyone with the audacity to challenge the administration's dependence on missiles alone has been duly chastized in public.

But the administration cannot expect silence from concerned Americans. The administration wants to depend solely upon missiles, and we have a right to question the wisdom of that dependency. We have a right to question it before our manned air force is completely phased out.

Let us address ourselves first to the characteristics of the missiles themselves. Are they as good as Americans have been led to believe? Perhaps. Are they alone sufficient to protect America? Absolutely not.

The missiles upon which Americans are asked to place total reliance offer nowhere near total reliance in return. At best, the reliability of missiles in getting from launching pad to wartime target is about 70 percent. For 100-percent dependence Americans would get from missiles a 30-percent shortchange.

There are several reasons for this shortchanging.

First, our missiles are largely unproven for emergency use in war. The United States never has fired any of its Minuteman intercontinental missiles bearing a nuclear warhead. Authority for such a firing has been requested by the military and refused by the administration.

It might be pointed out that the Moscow test ban treaty effectively "froze" the legal right of the United States in this regard. We now have signed away our chance to test our nuclear-tipped missiles. The Soviet Union, of course, has conducted such tests.

Mr. President, the fact is, that the only nuclear-armed missile the United States ever has fired is a Polaris submarine missile. That one worked fine under the careful test conditions involved.

Missile champions assure Americans that the missiles will work in a war emergency. But, they likewise ask Americans to depend upon unproven missiles.

A second and very serious question being raised about our missiles concerns the effects upon them and their sites by a Soviet first-strike attack.

Although the administration remains confident that the United States can accept a damaging attack and still retaliate, many experts heard during the test ban hearings are increasingly concerned over the massive overpressures and the electromagnetic pulse that could be created by the huge Soviet bombs.

It is possible that the overpressures would damage or destroy the hardened sites in which our missiles are poised. It is possible that the massive release of electric energy from the Soviet superbomb would fuse wires and circuits, thus crippling our retaliatory force. These things we don't know since under the test ban treaty we have given up the chance to test a superbomb. The Reds have tested one.

This same electromagnetic pulse could operate as a defense mechanism for the Soviets. A superbomb exploded in space amidst a flight of American missiles might effectively neutralize our missiles before they reached Red targets.

And this brings up the anti-missile-missile question. Suppose the Russians develop an effective ABM. How much then could Americans depend upon a one-weapon deterrent composed solely of missiles?

The matter boils down to this: Our missiles are untested with nuclear warheads; the warheads are untested in flight; our hardened missile sites are untested under the conditions they would face in war; failure of a single part can kill a missile since inflight repair is not possible; failure on the part of a single man can kill a missile since no human brain is along on the flight to correct errors; a missile once fired cannot be recalled.

That record does not justify reliance on one weapons system to secure the national defense.

Secretary of Defense McNamara has admitted that there are "uncertainties" in the design of our missile silos. Air Force Chief of Staff General LeMay has said of missiles:

> We are never going to know with the same degree of assurance we have on the manned systems what our reliability factor on the missiles actually is because * * * the actual number of firings that we will be able to make is going to be relatively small. In addition, when we do fire them, we are not really firing them under operational conditions because we cannot fire from the actual wartime position of the missiles.

Yes, Mr. President, there is considerable concern about the trend toward single dependence upon missiles. There are widespread questions about the wisdom of that policy—even though the press has ignored the width and depth of expressed concern.

And what next?

Well, already the United States has offered to freeze missiles where they are, if the Russians will do likewise. Even with the serious questions remaining about the dependability of missiles, we are proposing that we freeze them in the present state of underdeveloped obsolescence.

In other words, not only does the administration propose to make America utterly dependent upon a single, unproven weapons system, but it also proposes to halt improvement of that single, unproven system.

Surely, Americans have a right to question in public the wisdom of such policies.

However, Mr. President, even in the face of the questions about the ability and worth of American missiles, I feel that the real issue never has been stated in the public press.

The press has commented at length about missile accuracy, but accuracy is not the principal issue. And the press has preached at length about percentages of missile reliability, but reliability is not the principal issue.

Missiles never will be shot into pickle barrels and neither will 100 percent of them ever lift off, reach the target and explode. Perfection applies to nothing in this world—including missiles and planes.

Yet, the great hue and cry from the press recently has been predicated upon the impression that dependability is equal to and synonymous with accuracy and with reliability. In fact, accuracy and reliability are only parts of what makes up final dependability.

The administration says we can depend upon our missiles alone. It has no plans for continuing a manned strategic air force over the long pull.

I say we cannot depend upon missiles alone.

Missiles alone will not do what we want done.

In my view, those who would have the American people depend upon missiles to defend liberty and life are simply talking about the wrong problem. They, in their protestations about overkill, ignore the primary goal.

Mr. President, the primary task of the U.S. Armed Forces is not to destroy the Soviet Union. The primary task of U.S. armed might is to protect and to save American lives and liberties.

Static missiles cannot do that. If Americans depend upon missiles alone, then they invite defeat.

To provide us with necessary protection, we must target our weapons against the Soviet's aerospace weapons which have the capability of striking us. We must place our dependence only upon a strategic force that can meet our goal—protection and liberty.

I believe the strategic force must have several vital characteristics before we can depend upon it.

First. It must be adequate in quantity and in quality to execute its mission—even after sustaining an initial attack by the enemy. And we do not know whether our untested missiles are good enough.

Second. It must be accurate—that is, capable of striking a range of targets with precision. We never have tested the accuracy of missiles with nuclear warheads.

Third. Our deterrent force must be survivable to prevent its being destroyed in a surprise attack. Even the Secretary of Defense is uncertain about the survivability of our untested missile silos. And we know next to nothing about electromagnetic pulse.

Fourth. To be dependable, our strategic force must be flexible—that is, it must be capable of attacking all types of targets under varying conditions. Strategic missiles are of little use in attacking targets during limited wars. They are of no use at all in defending liberty in the current rash of guerrilla actions being mounted by the Communists.

Fifth. A strategic force must be controllable and responsive at all times to national policy decisions. Missiles are out of control the instant the button is pushed. They cannot be diverted or recalled. Nothing is more uncontrollable than missile warfare.

If we review these dependency characteristics, we quickly realize that no one system of weapons ever can provide—in the degree necessary—all of the characteristics required. Americans cannot depend upon one weapon to be finally adequate, accurate, survivable, flexible, and controllable.

To so depend would be folly.

There simply is not and never will be a single perfect weapons system that is utterly dependable to provide everything we need. Therefore, we must continue to mix our weapons systems.

I am in complete agreement with the need for modern, effective ballistic missile systems as a vital element of the mixed force. Missiles can provide quick time-to-target delivery capability which is essential to attack certain targets. Their accuracy, flexibility, and survivability can be improved in coming years—unless their development is frozen.

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

Mr. TOWER. Mr. President, I request 2 additional minutes.

Mr. RUSSELL. Mr. President, I yield 2 additional minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 2 minutes.

Mr. TOWER. The United States has and can continue to develop a missile force second to none. But it is not a force upon which Americans can depend to solve all problems and meet all national goals.

Manned aircraft give our strategic aerospace force its highest measure of controllability and flexibility—the capability to respond to a wide variety of unforeseen and rapidly changing circumstances.

Manned aircraft can hunt out and destroy targets that cannot be located precisely in advance. They can be recycled in sustained operations. They can react immediately to redirection, exploit fleeting advantages, and execute a broad range of missions. They offer the vital power of human observations and evaluations.

And finally, the very presence of the manned aircraft in the overall force, side by side with ballistic missiles, compounds manyfold the offensive and defensive problems of the enemy.

The question is not which system is better—missiles or aircraft. The question is not upon which system to place dependence. The thing to be recognized is that they are complementary and lend dependability to each other.

Together missiles and manned aircraft can be depended upon by Americans to carry out our counterforce strategy.

To preserve acceptable dependability, we must reverse current one-weapon policy and develop and produce a new manned strategic aircraft.

The B–47's are now phasing out of our aircraft inventory. The B–52 has been with us for 10 years. The B–58 force is small and aging. The facts of life are that the aircraft presently on hand cannot adequately complement our missile force indefinitely.

I have urged the administration to get on with development of a new strategic aircraft. Without it we cannot depend on our strategic deterrent. With it we could.

Mr. President, it is obvious that many in the American press and American public have not realized that there has been a calculated shift in our basic defense policy. What we have done, in the face of increasing Soviet competence in the nuclear field, is to shift from a massive retaliation policy aimed at wiping out Soviet cities and deterring war by that threat. We have shifted to a counterforce strategy aimed at destroying first the enemy armed forces and thus rendering them incapable of destroying us.

Counterforce is a much more complex strategy, requiring much more sophisticated weapons systems to make our strategy dependable. Hitting military targets that are numerous and protected is far more difficult than hitting population centers that are relatively few and vulnerable.

Our counterforce strategy requires a complicated and continued effort to acquire and evaluate targets. It also requires a strategic aerospace force flexible enough to attack all selected targets under varying conditions.

Thus, our overall goal is protection of American life and liberty, and our carefully chosen strategy toward this goal is application of counterforce. What we want to do is to destroy enemy military forces.

If, then, our strategic force is to be dependable, it must be able to destroy enemy military force. We cannot depend upon missiles alone to do that. We need also manned aircraft of new and advanced design.

Therefore, I question the dependability of our missile force alone to do what we require be done in this decade for the defense of the free world.

There are technical questions about the missile force's survivability and capacity to reach the target. There are control questions about its flexibility and recall or retargeting. There are tactical questions about its inability to deter limited guerrilla war.

More important, there is serious question within the military community about the ability of missiles alone to implement American strategy in the space age.

Mr. President, the freedom of the world depends upon America. To defend and protect freedom, America must not depend upon missiles alone. The stakes are too high; the dependability too uncertain.

Let the American press, therefore, soberly consider this question instead of leaping to ridicule those who raise the question. Let administration spokesmen admit the gravity of the problem instead of piously claiming that reality does not exist.

Let Americans patiently examine the strategy of liberty.

Let us all reasonably decide just how much we can depend upon intercontinental missiles to do what we want done.

Let us depend upon discussion, not upon dictation.

The peace and security of the free world demand it.

I urge the defeat of the amendment.

Mr. RUSSELL. Mr. President, I yield 3 minutes to the distinguished Senator from Oklahoma, who is an expert in the field of aviation.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. MONRONEY. Mr. President, I thank the Senator from Georgia for his compliment.

Few people realize the tragic state of obsolescence of the manned bomber in our Air Force. If they could see the aircraft we now rely upon to carry out the massive raids with thermonuclear weapons, in the event it is necessary to use them, if they could see the old B–47, the gallant old plane being phased out most rapidly as it becomes too expensive to maintain, if they could see the B–52 with its wings drooping on various airfields of the Air Force, and the difficult fixes put on them to make them airworthy and to give them still a tenuous place in our first line of defense, if they could realize

that the B–58, our latest bomber, is out of production, if they realized that the B–47 and the B–52 were designed more than 12 years ago and that something massive must have been learned in the state of the art since then, and if they realized the competent use that could be made of aircraft designs to produce planes which can carry the weapons of our arsenal to the enemy, I think they would agree it is time, in 1964, to exercise the talents and the best brains of American aircraft designers to produce a weapon capable of being effectively used, whether in all-out nuclear war or in limited war, or almost any type of war we might have.

In devising the concept of the aircraft, time is of the essence. We are not asking for billions of dollars. After hearing the testimony taken in combined hearings before the Appropriations Subcommittee and the Armed Services Committee, certainly the amount requested to develop the airplane should be granted. Certainly, after all these years of not having designed a bomber, it is high time to see what American ingenuity can do to develop an offensive weapon. This is simple self-protection.

The Secretary of Defense, Mr. McNamara, is quoted as saying, "Should the Air Force provide a satisfactory concept of operation and a convincing comparison of both their proposed aircraft with available alternatives, and should a specific plan for development be submitted," then he would be willing to consider reallocating funds for that purpose.

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

Mr. RUSSELL. Mr. President, I yield 1 more minute to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 1 minute.

Mr. MONRONEY. The requirement of the Secretary cannot be met unless plans are first made, because there must be some paper with designs on it. We have seen the committee cut more than $190 million from research and development and engineering funds for the Department of Defense. Now, with the $52 million placed in the bill for the design of this aircraft, we will still be below the budget. Certainly we need flexibility in view of the threat we face.

Reliable as the missiles are—and they are reliable—they cannot and should not supplant the man in the aircraft, who will be most capable of controlling the airspace over land or sea.

Mr. RUSSELL. Mr. President, I yield 5 minutes to the Senator from Arizona [Mr. GOLDWATER].

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

Mr. GOLDWATER. Mr. President, I rise to oppose the amendment, for the following reasons, among others:

I have heard that the Secretary wrote a letter stating that if the Air Force would provide studies, he would be glad to consider them. About a year ago, the Air Force was requested to make studies and the studies have been provided to the Secretary of Defense, who has turned them down, as I understand. Further study has been requested.

The point I make is that the Strategic Air Command is constantly making studies and studying concepts. There is no force that we have that has exercised study more than has the Strategic Air Command. They are constantly studying new concepts, including takeoff, electronic countermeasures, and everything else.

What the Air Force is asking an opportunity to do is to have new, advanced design concepts that have been learned from the B–52.

I have been asked, as I have traveled around the country, whether the B–52 was tested under war conditions. The answer, obviously, is that it has not been. But we are not discussing something new. We are talking about a weapons system that has been tested in four wars. It has been the strongest weaponry that this or any other country has ever developed. All we are asking is that the Air Force be provided with funds for testing concepts which to some extent have been tested by the B–47, the B–52, and the B–58. These are high-level attack bombers. Now the emphasis is on low-level attack and, in fact, a combination called high-low.

In my judgment the greatest capability would have been provided by the Skybolt, which was destroyed by the Secretary of Defense. It would be capable, at high or low altitudes, at high speed, of launching a missile of adequate size at target and then taking evasive action before it hit the target. Added to that capability would have been the ability of man's eyes and brains to work together.

Our missiles are good, and I have no question about that, but I have very strong doubt about their reliability, and I doubt the Secretary's statement in that connection. But we do not know all we need to know about targets. I would rather rely upon a pair of eyes and on brains, once the plane got over the longitude and latitude, to enable the pilot to see a target and drop the weapon on it, because it does not make sense merely to blow a great big hole in Russian soil. The object is to hit something.

Even missiles with their accuracy are aimed at targets and they can get off. They can survive the nuclear effects which they are bound to have passed through. They will get to the target, but we are not too sure about the targeting with the inadequate knowledge we possess of Russia herself.

The B–47's are not only being phased out but it was suggested at Geneva that we burn them and in turn Russia would burn her Badgers. These Badgers cannot even bomb Russia herself, so we are given the offer to burn our B–47 fleet for the Badger fleet.

By 1967, the B–47's will be gone. By mid-1970—say 1972 or 1973, the B–52's will be gone also, as well as the B–58's.

If it is true, as the Secretary states, that we now have 75 to 80 percent of our nuclear load in the bomb bays of our bombers, then by 1972 or thereabouts, if we do not add more to our missile fleet, we shall have cut our retaliatory force, our total nuclear force, in my estimation, to the point where it would be about 25 to about 35 percent of what it is at present.

One more point was raised, the comparison of the 707 with the B–52. The 707 cannot go through the maneuvers that the B–52 can. The 707 is a nice old lady, built to fly along comfortably, carrying passengers. It is not built to take off with thousands of pounds of overweight, and many knots of additional speed. It is not designed to make bad weather landings or come down in icy fields or fly under conditions that a B–52 was designed to accomplish.

I hope that this amendment will be defeated.

Mr. RUSSELL. Mr. President, how stands the time?

The PRESIDING OFFICER (Mr. NELSON in the chair). The Senator from Georgia has 5 minutes remaining, and the Senator from South Dakota has 13 minutes remaining.

Mr. McGOVERN. Mr. President, I yield 3 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, this amendment involves $52 million and a rather important question of senatorial policy; yet, as I look around the Chamber, I see only seven Senators in their seats, besides the Presiding Officer. No committee of the Senate is now sitting. The only committee which had permission to sit, the Committee on Rules and Administration, has adjourned, so that no one can contend the failure to allow committees to sit while the Senate is in session is curtailing the attendance of Members of this body or their attention to an amendment involving $52 million and a serious question of policy.

I hope that this visual demonstration of the futility of the argument that we must keep committees from sitting because it brings Members to the floor will be noted by all who read the CONGRESSIONAL RECORD.

The reasons for support of the amendment have been so eloquently stated by the junior Senator from South Dakota and the junior Senator from Wisconsin that I shall not undertake to burden the RECORD any further. The Defense Department and the President of the United States do not wish this money. They are not going to spend it. I cite the example of the B–70 bomber in wasting millions of dollars, authorizing money for the production of a bomber which is neither needed or wanted, according to the best brains in this country in charge of that project.

I direct the attention of Senators to the able additional views on H.R. 9637 of four Members of the House of Representatives, headed by Representative STRATTON, of New York, as a most effective argument in opposition to the appropriation of this additional money which would be cut out if the pending amendment were to be defeated.

There is one more point which I believe I should raise for the first time. Without attempting to decide the question, there is a grave constitutional issue as to whether those holding commissions on active duty in the Armed Forces of the United States have any right, either to speak in a manner with respect to

which there is an obvious conflict of interest, or any right to serve as Senators of the United States under the Constitution.

I raise this question without deciding it today.

I hope that this amendment will be agreed to.

I return to the Senator from South Dakota the remainder of my time.

Mr. McGOVERN. Mr. President, I yield 8 minutes to the senior Senator from Wisconsin.

Mr. GOLDWATER. Mr. President, I rise to a point of personal privilege.

The PRESIDING OFFICER. Who yields time to the Senator from Arizona?

Mr. CLARK. Mr. President, I ask unanimous consent that the Senator from Arizona may be permitted to proceed on a matter of personal privilege without the time being charged to either side.

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

Mr. GOLDWATER. Mr. President, I shall not detain the Senate long, but the Senator from Pennsylvania has just raised the qustion of the constitutionality of Reserve officers serving as Senators.

I must remind him that I introduced a resolution at the first session of this Senate, to call upon the Judiciary Committee to determine this question; although I believe I have supplied abundant evidence in the RECORD to prove beyond any question of doubt that a Reserve officer is not considered to be holding two jobs until he is actually called to active duty. This does not mean a 2-week period of training. It means a period of active duty with the Armed Forces during an emergency.

I should like to remind the Senator from Pennsylvania that should such an emergency occur, I am scheduled to be in the Air Force within 10 days and would have to resign from the Senate. So there is no question about that. I would be happy to have this question brought up on the floor of the Senate. The law is clear on it, and the precedents are clear. I have done my best to have this question answered by the Senate.

Mr. CLARK. Mr. President, will the Senator from Arizona yield?

Mr. GOLDWATER. I am happy to yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I find myself in disagreement with the constitutional position taken by the Senator from Arizona, but I believe this is neither the time nor the place to discuss the issue. I hope we can find a more appropriate time at a later day, before we adjourn this year .

Mr. GOLDWATER. The Senator from Pennsylvania raised the point. I did not. The point has been raised before in this body, and I believe there is adequate proof in the law that a Reserve officer, regardless of what service he is in, or what grade he is in, is not considered to be holding two jobs when he is holding a job in the Congress and is also a Reserve officer.

I seriously resist the charge of conflict of interest. I see no conflict of interest at all.

Mr. THURMOND. Mr. President, will the Senator from Arizona yield?

Mr. GOLDWATER. I yield.

Mr. THURMOND. I am amazed that any Member of this body should continue to bring up this question. In 1930, Congress enacted a statute on this very subject, in which it was held that a Reserve officer is not an officer or an employee of the U.S. Government.

Mr. CLARK. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I should like to finish my statement, and then I shall be glad to yield to the Senator from Pennsylvania.

Not unless a Reserve officer goes on an extended period of active duty, which means he would have to give up his seat in the Congress, would he be considered an officer or an employee of the U.S. Government.

The statute specifically provides that if he is on active duty for training for a few days, or if he is doing inactive duty training, he is not considered an officer or an employee of the Government.

Mr. President, it is strange to me that some persons would raise this point, when every week Reserve officers are giving of their time, and long weekends, when others are sitting at home watching television, going to shows enjoying themselves, or relaxing, while Reserve officers are out working and training, trying to equip themselves to cope with any emergency that might develop which would threaten the safety of the United States.

I am amazed that any Member of Congress should try to impugn the motives of any Senator or Representative, because he is a Reserve officer volunteering his services to his country which he will be ready to serve at any time, even resigning his seat in Congress in order to do so—and that is what I shall be doing if an emergency occurs—by saying that he is holding two offices.

Congress has passed a statute and has made the situation very clear. There is an effort in this country to bring about a sentiment against the military. There is an effort being made to downgrade the military. I have commented today on a book, written by a man who is a confidant and an adviser of Cyrus Eaton, Khrushchev's capitalist friend who wants to see this country unilaterally disarmed. The book I am referring to is entitled "The Passion of the Hawks."

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

Mr. THURMOND. This man wants to downgrade the Military Establishment. He wants to downgrade the services. The whole effort is to work toward disarmament. That is the motive behind this effort. That is the background of it. Those who have been proposing the theory of downgrading the military and downgrading the Reserve officers and who are trying to impugn the motives of the Reserve officers are invariably, almost without exception, people who favor disarmament.

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

Mr. THURMOND. I shall be happy to yield if I have the time.

Mr. CLARK. Mr. President, will the Senator from Arizona permit me to respond to the Senator from South Carolina?

Mr. GOLDWATER. I am happy to yield.

Mr. CLARK. First, I impugn no Senator's motives. I have not done so, and I do not intend to do so. Secondly, in my view, the statute on which the Senator from South Carolina relies is unconstitutional.

Mr. McGOVERN. Mr. President, I yield 8 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I rise in support of the amendment. This kind of issue has been under debate before, both in 1961 and 1962, but in a slightly different form. In 1961, President Kennedy, on the recommendation of the Secretary of Defense and the Joint Chiefs of Staff, recommended the discontinuance of the production of B-52 bombers, by October of 1962. That year the Senate disagreed as it does now with the Secretary of Defense and the President. A few of us supported the President of the United States and the Secretary of Defense. We lost. The Secretary of Defense prevailed in the end by not spending the money.

In 1962 there was a similar controversy. That time over the B–70 bomber. Once again those who favored the committee point of view prevailed, and once again the Secretary of Defense and the President decided not to spend the money.

It is obvious, in my judgment and in the judgment of many others, in view of what has happened to the B–70 and now the RS–70, that those who supported the Secretary of Defense were right in this particular dispute. The Senator from South Dakota, the junior Senator from Wisconsin, and I, and all other Senators of like mind, agree that there is a clear desirability for a bomber, provided the Air Force can make a convincing case to the Secretary of Defense.

There is no relevance in arguing that production of the manned bomber should be continued, and that we should not rely completely on missiles. We agree, provided that a manned bomber can be designed which can do the job. This is not merely a matter of $52 million. That is only the appropriation we are being asked to authorize now. Ultimately the cost will be $5 billion. That will be the total estimated cost of the follow-on bomber. What we are being asked to provide is merely the downpayment on a $5 billion expenditure.

The Defense Department has indicated that before it will agree to spend an additional $52 million, of an ultimate $5 billion cost, it must have specifications and details as to how the bomber is to be employed. How is it to be used? That is the question the Department wants to have answered. Perhaps a follow-on procedure is not the best procedure. Perhaps the bomber should be used in some other way. We don't know the answer to that now.

I believe we all agree that the Secretary of Defense is developing within the Department of Defense a very useful

concept. He is trying to evaluate our weapons in terms of which can do the best work in the most efficient way, and which can bring the most force and greatest firepower to bear on the target, with the least cost. The Secretary of Defense has placed our entire weapons arsenal in competition. That is an excellent concept. Competition has always been the driving force in our private enterprise system. The Secretary is trying to bring about the kind of competition we have had in our business enterprises, and that is a desirable kind of competition to bring into our governmental departments. In the Defense Department it is working out very well indeed.

No one has gainsaid the Secretary when he has stated that in a couple of years he will be able to save the American taxpayers money in his Department at an annual rate of $4 billion. I am sure Senators would agree that the Secretary of Defense is not prejudiced against the manned bomber or against the Air Force, or is in favor of the Navy, or is for the Army; or for or against any of our armed services. He is trying to proceed as efficiently and as honestly as he can. But how in the world can he apply his money-saving, power-building criteria if Congress steps in with no criteria at all and second guesses him.

Every time this kind of controversy has arisen, and every time we have proceeded without having clear specifications drawn or clearly been shown where we were going, there has been great waste.

In my opinion, and in the opinion of many others, Secretary McNamara is the most brilliant Secretary of Defense we have had in many years. In addition, President Johnson has had as comprehensive and complete an indoctrination in these weapons and in this whole problem as any President has ever had.

My junior colleague [Mr. NELSON] received a letter from the Secretary of Defense, Mr. McNamara, and a copy of that letter is on the desk of every Senator. It has already been read by my junior colleague, but I wish to quote a part of the letter which the Secretary of Defense wrote to my colleague. The Secretary of Defense said:

> Should the Air Force provide a satisfactory concept of operation and a convincing comparison of both their proposed aircraft with available alternatives, and should a specific plan for development be submitted (which has not been done), then I would be willing to consider reallocating funds for that purpose.

Now what is wrong with that? Why in the world should not the Secretary require the Air Force to justify the need for $52 million before they spend it?

This problem arose in connection with the Mariner airplane. It existed in connection with the Skybolt. We had it with the RS–70. We had it with the Dyna-Soar program, and also with Big Dish. We had it with the Navaho missile. In all these systems we started without checking on engineering feasibility and without a clear understanding of values or purposes, and without assurances that they would fill a real need. In each case literally hundreds of millions of dollars were lost. The Defense Department has said that in these particular systems in aggregate there has been a loss of $3 billion. Now we are asked to follow the same waste-producing principle again.

Every Member of the Senate believes in economy. We all applaud President Johnson in his fight for economy. One part of this economy is in conserving money within the Defense Department. Senators who served with President Johnson when he was in the Senate know that very few Senators had the comprehensive or detailed knowledge of the Defense Establishment that he had. Certainly he has such knowledge now. No Senator has a more firm or complete commitment to make this country as strong militarily as possible. This amendment follows his decision, not only a decision arrived at by the Secretary of Defense.

The Air Force has not come forward with a plan. It has not met the very simple and necessary requirements which the Secretary of Defense has insisted upon. The Senator from Oklahoma properly said that in his judgment a substantial amount of money is needed to provide this kind of program. But I submit that in the judgment of the Secretary of Defense and in the judgment of every one of the Chiefs of Staff, except Curtis LeMay, and in the judgment of the President of the United States, this $5 million is ample for the Air Force to come forward with a concept of operation, to make comparisons, to offer alternatives, and to develop a plan which will meet the requirements the Secretary of Defense has laid down.

Those Senators who believe in economy, those who have voted for economy—and most Senators believe in it and have voted for it—have an excellent opportunity this afternoon to vote for economy by supporting the President, the Secretary of Defense, and the Chiefs of Staff, except the Chief of Staff of the Air Force, by voting for the amendment.

I yield back the remainder of my time to the Senator from South Dakota, and I yield the floor.

Mr. RUSSELL. Mr. President, has not the Senator from South Dakota consumed all of his time?

The PRESIDING OFFICER. The Senator from South Dakota has consumed all of his time.

Mr. RUSSELL. I yield 3 minutes to the distinguished Senator from Missouri [Mr. SYMINGTON].

Mr. SYMINGTON. Mr. President, I support the position of the committee and its experienced chairman. The distinguished Senator from Wisconsin [Mr. PROXMIRE] has spoken of Secretary McNamara. I have the greatest respect for the Secretary. He has been in the business of defense about 3 years and has done an unparalleled job. The Chief of Staff of the Air Force and the chairman of the Committee on Armed Services have been engaged in the business of defense for more than 30 years. I also have the highest respect for their opinions.

It is true that we have devoted large sums of money to weapons that were not successful. On the other hand, since the beginning of World War II, we have spent about $182 billion in foreign aid. I am certain that some of the proponents of this amendment, who are among the most ardent proponents of foreign aid, would agree that not all of that aid money was spent in the best interests of the United States.

We had the B–17's and B–24's, then the B–36. We had the B–47. Then came the B–52. Then we started with the F–108. We canceled the F–108 because it was said the B–70 could do everything the F–108 would do. Then we canceled the B–70 because it was said the RS–70 would do all the B–70 would do; and also because we still had the B–52 with the Skybolt.

During all these years billions were spent on airplanes that did not work out.

The fact is that now engineers and technicians have decided that holes should be dug all over America, and that the future of our country should be placed primarily in those holes. In effect, this amendment is the kernel of the theory of massive retaliation. We hope we shall never have to engage in another nuclear war. If there should be another nuclear war, these missiles will be used. If there should not be another nuclear war, these missiles will not be used.

I believe that if another war comes—and God forbid it ever does—the chances are that it will be a conventional struggle.

But on the floor of the Senate this afternoon adherents of the amendment are saying, in effect, "Let us go back to the theory of massive retaliation. Let us not prepare ourselves for conventional war." Now everyone knows that aircraft are used in all forms of hostilities, missiles only in one—nuclear war.

Some of the proponents of this amendment were perfectly willing to vote $60 million for a commercial transport plane which can fly people to Paris or London quickly for business or pleasure. At the same time, they oppose a development of this character necessary to protect the security of people of the United States.

It is for these reasons, based upon my slight experience in this field—that I hope the amendment will be rejected.

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

Mr. SYMINGTON. I ask for an additional 30 seconds.

Mr. RUSSELL. I yield an additional 30 seconds to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I emphasize that after the money has been appropriated—money which expresses the experience and wisdom of those most closely connected with the problem in the Congress—there is still no obligation whatever on the Secretary of Defense to spend it. We merely say to the Secretary, in effect, "We ask you not to put the entire future of the United States into a number of buttons that would be pressed in case of war. We ask you to consider also that the greatest machine ever built is the mind of man himself, and that he be given the right of discre-

tion as to where the weapons will be used."

Mr. RUSSELL. I thank the distinguished former Secretary of the Air Force.

Mr. President, I yield such time as remains to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, I oppose this amendment. Few bills passed on by Congress are as critical to the survival of the Nation as is that which authorizes the procurement of and research and development for weapon systems for the defense of the country. The total authorization of this bill is in excess of $17 billion, which is high as compared to other authorization bills, but which is certainly a minimum for this purpose.

Our strategic forces at this time are of such a quantity and quality as to give us an overwhelming superiority in strategic power. As formidable as are our present strategic forces, however, we cannot rest on our laurels. The rate of weapons obsolescence is high. One of the compelling facts of modern defense is that all too often a weapons system is obsolete before it can be deployed, despite our best efforts to hasten its development and production.

The problem of rapid obsolescence will not diminish in the years to come. On the contrary, it is a problem which will grow more serious and more troublesome as time passes.

The great pride which we take in the astoundingly efficient weapons which our modern technology has produced should never blind us to the fact that there is no such thing as an ultimate weapon. As long as nations and ideologies pursue or contemplate a course of military aggrandizement, expanding science and technology will provide weapons which are more efficient and more destructive and harder to defend against.

Currently, our operational manned bombers are rapidly becoming obsolete. Nevertheless, there is still a place in our strategic force for manned systems. They provide a flexibility that cannot be obtained from ballistic missiles. They provide a secondary target capability not present in the ICBM. In addition, they provide a tremendous carrying capacity which can be spread over preselected targets, targets of opportunity, and mobile targets.

It is imperative, therefore, to continue research and development of manned aircraft systems.

The committee has—and I believe very wisely—included in this authorization $52 million to accelerate the development of an advanced manned strategic aircraft. These funds provide the means to the Defense Department to start from scratch, as they must, initiating the definition phase of new bomber development. These funds were not requested in full by the Defense Department, but the Congress should be ready to provide the funds and in addition should use every means to persuade the Defense Department to effectively utilize them.

Mr. President, a recent news article in the Washington Evening Star reported that the United States has spotted a new anti-ballistic-missile system deployed around Moscow. If this article is correct, and there is no reason to assume to the contrary, it could well mean that the system around Moscow is a later generation ABM system than that which was earlier spotted around Leningrad.

Last year the decision was made for the United States not to deploy our improved first-generation ABM, the Nike-Zeus, but rather to attempt to develop a more efficient extension of the Nike system called the Nike X, which would embrace the Zeus, the sprint missile, and an advanced radar. Funds are authorized in this bill to be appropriated for continued design development, and tests of the Nike X system. By fall of this year, the progress on this system should be sufficient to permit a decision to be made requesting authorization in the 1966 authorization bill for money to begin production of component parts on the advanced ABM system. No decision has yet been made, but it is, in my opinion, imperative that an affirmative decision on this matter be made at the earliest possible time. I am convinced that it would add materially to our strategic superiority.

At first thought, it might appear to some that a ballistic missile system to our arsenal of defense systems would not be classified as a strategic system. In a narrow sense, this is true, for an anti-ballistic-missile system could not be used to strike the enemy. It could be used only defensively.

The deployment of a ballistic missile system, however, would greatly increase the requirements for any potential enemy. When faced with an effective missile defense, even one less than perfect, the enemy would have to greatly increase the number of missiles in his arsenal, for he would have to discount his missile force by the number of missiles which he estimated would be destroyed by the defensive system. This requirement would be destroyed by the defensive system. This requirement would be particularly difficult for the Soviet Union to meet, for its primary weakness is in production, rather than in research and development.

In addition, the enemy would have the added requirement of equipping his offensive missiles with penetration aids and decoys in order to increase the probability that his missiles would get to the target. This requirement would also be formidable for the Soviets to achieve, for a retrofit program would also put a severe strain on their already oxertaxed productive capacity.

Deployment of an antimissile system around as many as 25 population centers in the United States has been estimated to have the capability of saving 24 million American lives, and this, in itself, provides ample reason to exert every effort to perfect and deploy such a system. When the advantages of such a system to our strategic deterrent power are computed in addition, the early deployment of an antiballistic missile system acquires the highest priority.

Mr. President, since fiscal 1962, there has been a reduction in expenditures on strategic retaliatory forces, as classified by the Department of Defense, from $9.1 billion to $5.3 billion in the request for fiscal 1965. This is a drastic reduction. I do not believe that we can continue this pace of reduction of expenditures on strategic forces without severely impairing our strategic power. The funds authorized by this bill are, therefore, the very minimum and will require a very high degree of effectiveness and efficiency in utilization to prevent slippage in our relative strategic position. I believe that this situation deserves the attention and study of each Senator, and for that reason, I would commend to them the reading of the extensive hearings held jointly by the Armed Services Committee and the Defense Subcomittee of the Appropriations Committee during the last few weeks.

Mr. President, I hope the Senate will overwhelmingly defeat this amendment.

Mr. McGOVERN. Mr. President, I yield 1 minute to the Senator from Michigan.

Mr. RUSSELL. Mr. President, I did not understand that any time remained.

The PRESIDING OFFICER. Two minutes remain to the Senator from South Dakota.

Mr. RUSSELL. I do not wish to deprive any Senator of the right to speak. I did not understand that time remained. I shall be glad to hear what the Senator from Michigan has to say on this subject.

Mr. HART. Mr. President, in 1 minute it is impossible to describe the circumstances that affect our judgment on this vote. Operations, in my own case, is the position of President Johnson and the Secretary of Defense. We in Michigan are proud of Secretary McNamara and salute him as coming from our State. I recognize fully the loyalty and integrity of General LeMay, too.

I resolve this dilemma by saying that I do not want to put up an extra $50 million as a sort of kitty to persuade those who really do not want to effect economy in the Defense budget. I do not want to see that kitty made available as an encouragement to them to build a fire that would reverse the opinion of the President and the Secretary of Defense at this moment.

Mr. McGOVERN. Mr. President, the Senator from Michigan has drawn the issue clearly. What is at stake in the amendment is not whether we shall or shall not have a manned bomber. It is quite possible that this project should be moved ahead. The only question is whether we shall hold the funds in the bill to the amount requested by the Secretary of Defense and the President for a study of the possibility of a new manned bomber, or provide an additional $52 million for that study, which the Secretary of Defense, the administration, and the Joint Chiefs of Staff say they do not need, do not want, and cannot properly spend for the study.

If Senators want to stand with the President, with the Department of Defense, and with the Joint Chiefs of Staff, they should vote "yea" on the amendment. If they believe there are sufficient funds in the Treasury so that we can afford an additional $52 million that the Department of Defense does not want, then they should vote "nay."

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from South Dakota. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METCALF (when his name was called). On this vote, I have a live pair with the Senator from Washington [Mr. MAGNUSON]. If the Senator from Washington were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Connecticut [Mr. DODD], the Senator from Arizona [Mr. HAYDEN], the Senator from Florida [Mr. HOLLAND], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Utah [Mr. MOSS], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that the Senator from Indiana [Mr. HARTKE] is necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], the Senator from Florida [Mr. HOLLAND], the Senator from Utah [Mr. MOSS], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. COTTON], the Senator from New Mexico [Mr. MECHEM], the Senator from Kentucky [Mr. MORTON], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

If present and voting, the Senator from New Mexico [Mr. MECHEM], the Senator from Kentucky [Mr. MORTON], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "nay."

The result was announced—yeas 20, nays 64, as follows:

[No. 47 Leg.]

YEAS—20

Burdick	Humphrey	Neuberger
Clark	Kennedy	Pell
Douglas	McGee	Proxmire
Ellender	McGovern	Williams, Del.
Fulbright	McNamara	Yarborough
Gruening	Morse	Young, Ohio
Hart	Nelson	

NAYS—64

Aiken	Dominick	Long, Mo.
Allott	Eastland	Long, La.
Bartlett	Edmondson	Mansfield
Bayh	Ervin	McClellan
Beall	Fong	McIntyre
Bennett	Goldwater	Miller
Bible	Gore	Monroney
Boggs	Hickenlooper	Mundt
Brewster	Hill	Muskie
Byrd, Va.	Hruska	Pastore
Byrd, W. Va.	Inouye	Pearson
Cannon	Jackson	Prouty
Carlson	Javits	Randolph
Case	Johnston	Ribicoff
Church	Jordan, N.C.	Robertson
Cooper	Jordan, Idaho	Russell
Curtis	Keating	Scott
Dirksen	Kuchel	Simpson
Smith	Talmadge	Williams, N.J.
Sparkman	Thurmond	Young, N. Dak.
Stennis	Tower	
Symington	Walters	

NOT VOTING—16

Anderson	Holland	Morton
Cotton	Lausche	Moss
Dodd	Magnuson	Saltonstall
Engle	McCarthy	Smathers
Hartke	Mechem	
Hayden	Metcalf	

So Mr. MCGOVERN's amendment was rejected.

NEED FOR RESTORATION OF MMRBM FUNDS

Mr. BENNETT. Mr. President, as the Senate has under consideration the fiscal year 1965 military authorization bill, I think Senators should be made aware of a disturbing and potentially dangerous decision to reduce by some $70 million, research and development funds for the mobile midrange ballistic missile. The Defense Department had requested that $110 million be included in the proposed Defense budget for the fiscal year 1965. Mr. Harold Brown, Director of Defense Research and Engineering, informed me that the rate proposed—in his words—"appeared to be reasonable and prudent at this time in light of the overall international situation, our national objectives, and current military posture."

The House figure was $35 million below the Department of Defense figure and now the Senate figure is $35 million below the House figure. The reductions in H.R. 9637 are all in the research, development, test, and evaluation program. In that connection, the committee considered leaving only $40 million for the MMRBM in 1965, and those funds have been recommended for use for the stellar inertial guidance system.

In light of the uncertainties involved regarding the outcome of the nuclear test ban treaty between the Soviet Union and the United States, it does not seem sensible at this time to terminate a program such as MMRBM, which not only is the most advanced system considered up until this time but also could be utilized as a technological building block for other weapons systems.

We are putting all of our eggs in one basket; that being the already proved Minuteman program. The Minuteman, along with the Polaris missile, which has different targeting requirements, is really the only modern offensive weapon we now have.

The MMRBM was designed specifically to provide the United States with a flexible mobile medium range missile of approximately 2,000 miles to fill the gap between the 400-mile Pershing and the 5,000-plus miles of Minuteman missile.

In the opinion of the Joint Chiefs of Staff, this is one of the most desirable new military weapons in our arsenal of defense because of its mobility and the added advantage of being able to be launched either on land or sea. The MMRBM has received the wholehearted support of the Joint Chiefs of Staff. In fact, on May 21, 1963, the Joint Chiefs once again reaffirmed their support of this weapons system in testimony before congressional committees. And as members of this body will recall, Gen. Maxwell D. Taylor, Chairman of the Joint Chiefs of Staff, earlier made a personal appeal for restoration of the $100 million for the MMRBM which was cut by the House last year.

Last year Congress was willing to restore the total at $93.1 million after another large cutback. How then can we justify this cut in fiscal year 1965 if we agreed last year that it was so valuable?

Secretary McNamara, discussing the House Armed Services Committee slash of $35 million—mind you this is before the Senate cut—said:

> The effect of the $35 million reduction on the MMRBM program will be to eliminate all effort on a systems basis and continue only the Stellar acquisition feasibility flight program to demonstrate a stellar guidance command and control system. This in effect would cancel the MMRBM program, since it cannot be developed at this funding rate indicated by the House committee.

In addition, I would like to point out, Mr. President, that our NATO allies have expressed a keen interest in the acquisition of mobile medium range ballistic missiles as soon as they become operational.

General Taylor, in his appearance before the Senate Appropriations Subcommittee last year, said:

> Our NATO Allies are intensely interested in our treatment of this program. For several years, they have come to regard an MMRBM as essential to replace obsolescent aircraft and missiles now assigned to the attack of targets of prime interest to NATO. The proposed reduction of research and development funds in support of this missile (MMRBM) will be regarded with apprehension and will be interpreted by some as an indication of our reduced concern for the requirements of the defense of the NATO area. I hope that this committee will review this item of the budget in the light of its national and international importance.

I submit that statement still stands this year. Long and careful study has already been made both as the need for this weapon and its ability to perform the mission for which it is designed. Any further delay by this Congress pending further studies is unwise and unnecessary. Furthermore, the reductions may result in up to 2 years' delay in the operational readiness of this weapon.

In addition to my convictions that the MMRBM is necessary and vital to our defense, I would like to point out some of the practical problems which occur in the business community when Congress starts and stops programs of this magnitude. Major contractors have a hard time training and retaining skilled personnel to do the research and development on new programs. We are at the point in research and development on the MMRBM, that if the program is delayed, thousands of key personnel of major contractors will either be fired or will seek other employment where the future of a particular program is more secure.

Furthermore, I am particularly concerned about the progress that the Russians may be making in the ICBM field. What is this Nation to do if Russia perfects a missile or a system making our ICBM force inoperative?

The MMRBM project is a necessary backup. The development of this program should continue so that if the need for a secondary backup ever arises we shall have it. Nowhere in our arsenal today is there an effective intermediate ballistic missile with the characteristics of MMRBM. A weapon system with a high probability of survival is a requirement today. Survivability, together with a clear demonstration of the fact that our weapons are survivable, is, in fact, the keynote of a successful deterrent posture.

I would like at this time to introduce several system advantages:

First. Mobility ensuring survivability.

Second. Extreme accuracy gives a more extensive capability against hard targets than can be achieved with any other operational or planned weapons system.

Third. Air transportability guarantees an operational capability anywhere in the world within a few days.

Fourth. Capability readily to move system from country to country ensures the flexibility necessary to cope with the changing tactical and/or international situation.

Fifth. Cost/effectiveness ratio superior to other weapon systems in that previously developed technology is utilized to the fullest extent and nearness to the target significantly increases accuracy.

Sixth. Development of the MMRBM will provide valuable know-how should the requirement for a mobile ICBM become more urgent.

If this system were now terminated and at some later date reinstated, the overall program cost will be substantially more. Schedules will be slipped significantly; the weapons system will have a shorter useful life.

It is my hope that the Congress will reconsider the recommendations of the Joint Chiefs of Staff and that the Appropriations Committees will act to restore the funds for the MMRBM program which were imprudently cut by the House and Senate Armed Services Committees.

MILITARY PROCUREMENT AUTHORIZATION—1965

The Senate resumed the consideration of H.R. 9637, an act to authorize appropriations during fiscal year 1965 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluations, for the Armed Forces and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

If there are no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. RUSSELL. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished majority leader what the schedule will be for the remainder of today and the remainder of the week; and I wish particularly to query him with respect to the possibility of a Saturday session.

Mr. MANSFIELD. Mr. President, the question is most pertinent and, I am sure, one in which Senators are quite interested. If and when the pending proposed legislation is passed, it is anticipated that the Senate will move to consider Calendar No. 850, the bill H.R. 6196, the so-called cotton-wheat bill.

It is hoped that the Senate will be able to consider that bill within a reasonable length of time and that the Senate will work its will and allow it to come to a final conclusion.

After talking with a number of Senators, it has been decided that there will be no Saturday session this week, but beginning with next week I think the Senate should be put on notice that we may very likely be meeting not only from early in the morning until late at night, but on Saturdays as well. I hope that all Senators, both Republicans and Democrats, will aline their schedules, engagements, and "whatnots" accordingly, and be prepared for votes on any and all occasions thenceforward, as the lawyers would say.

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

Mr. MANSFIELD. I yield.

Mr. RUSSELL. Will the Senator tell us the occasion for this tremendous surge forward, requiring us to jump from ordinary sessions to sessions that will start early in the morning and continue late at night and on Saturdays as well?

Mr. MANSFIELD. The Senator from Georgia knows better than I.

Mr. RUSSELL. Does the Senator propose immediately to take up a certain type of proposed legislation and to change all procedures of the Senate in addition to all the rules?

Mr. MANSFIELD. Not exactly.

Mr. RUSSELL. Would he have an entirely different approach to the bill even at the outset, so that the cry of filibuster will rise above the very cogent arguments that some of us have to make with respect to an unconstitutional bill?

Mr. MANSFIELD. After seeing the distinguished Senators from New York [Mr. JAVITS and Mr. KEATING] and the Senator from Mississippi in the same company and on the same side today, I believe anything can happen. But so far as the leadership is concerned, we will do what must be done within the rules. We shall not be capricious. We shall try to give ample notice ahead of time. Again I assure the distinguished senior Senator from Georgia that all the cards will be as fully up on the table as we can place them.

Mr. RUSSELL. The Senator laid them out just now, but they did not appeal to the Senator from Georgia even when they were face up. It seemed at the outset that the Senator proposed to apply a different set of rules to the proposed legislation.

The Senator knows the difficulty that any Senator has in getting the reasons for his position reported adequately in the press, over the radio, and on the television. The minute this so-called civil rights legislation hits the floor of the Senate, some strange things begin to happen. Charges are made on the floor of the Senate. It matters not how valid one's position may be, he cannot get it superimposed upon, or squeezed into, or even wedged under the headlines of "Filibuster, Filibuster, Filibuster." I believe we were entitled to at least 2 or 3 days of normal proceedings on that bill in the hope, vain though it may be, that some few of the arguments that are made against the bill might get to the people in our country by means other than the CONGRESSIONAL RECORD, which does not have a large subscription list.

Mr. MANSFIELD. I am sure that when the distinguished minority leader raised his perfectly innocent question, he had no idea that a colloquy such as we have heard would occur.

Mr. RUSSELL. Could he have known what the answer to the question would be?

Mr. MANSFIELD. I assure the Senator from Georgia that, as always, he will receive the utmost consideration. I assure the Senate and the country that, so far as obtaining the views of Senators is concerned, they will be laid out in no uncertain terms so that everyone will understand. It is intended to move gradually into the proposal which was advanced by the Senator from Montana.

Mr. RUSSELL. I presume some of the procedure will be normal.

Mr. DIRKSEN. Mr. President, will my distinguished friend from Montana yield further?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. In connection with committee meetings, when we finally start plowing the long furrow which I call extended sessions rather than filibuster, which is a more acceptable term——

Mr. RUSSELL. I thank the Senator. "Educational campaign" is even more acceptable.

Mr. DIRKSEN. Mr. President, on those occasions chairmen of committees have come and solicited a dispensation from me. This time I shall be compelled, as long as there is any breath left in this rather feeble body of mine, and I have enough power of articulation to be able to say "I object," to insist upon the rule that there will be no committee meetings. So there will be no committee meetings. There may be one qualified dispensation, and that will be in relation to the Committee on Rules and Administration, which may wish to meet 2 days a week—I do not think they ought to ask for more—to pursue the business in hand.

But there are two minority members on the Committee on Rules and Administration whom I have designated as captains to help monitor the floor with respect to the civil rights bill. They are entitled to be present, and I shall insist that they be present. So if we are to summon witnesses from all over hell's

half acre to come to Washington, either at their own or Government expense, I must admonish Senators that no matter whether it is desired to call a witness from Australia, Yokohama, Oklahoma or some other places, objection will be raised. So Senators had better take that into account when they arrange to bring witnesses to appear before hearings.

Mr. MANSFIELD. Mr. President, will the Senator permit me to make one observation?

Mr. DIRKSEN. Certainly.

Mr. MANSFIELD. I am sorry to hear the announcement made by the distinguished minority leader because I had hoped at an appropriate time to seek unanimous consent for all committees to meet during the remainder of the session this year.

I shall not seek such an agreement now, because the Senate has been put on notice and, of course, we shall do the best we can within the rules of the Senate.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield, and if so, to whom?

Mr. MANSFIELD. Have I the floor?

The PRESIDING OFFICER. Yes.

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

Mr. DIRKSEN. Mr. President, the majority leader knows I mean no offense by taking a firm and hard attitude; but let it not be forgotten that if we must depend on 51 bodies on this floor to do business, that will not be an easy undertaking. I doubt whether Members can very efficiently divide their time between this Chamber and committee rooms scattered through the New and Old Office Buildings.

I shall be glad to sit down with the majority leader and discuss this matter, but at the present moment it is my intention to object, unless some more attractive and practical arrangement can be arrived at, because this is the place where these policies must find affirmation by this body, and this is where the work must be done.

Mr. MANSFIELD. The Senator is correct. What he has stated any Senator could also state and be within his rights. It is, of course, mandatory that 51 Senators be on hand at all times if we are to establish and maintain a quorum; and I have doubts as to whether calls for quorums will not be too frequent.

Mr. McCLELLAN. Mr. President, I wonder if the Senator from Montana will yield so I may ask whether I correctly understood the minority leader to say that he made an exception for the Committee on Rules and Administration.

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. I have not made it yet. I have discussed it with members of the Rules Committee on this side, and they have indicated to me, being so-called captains of the civil rights bill, they wish to be on the floor a substantial time. They cannot be in the caucus room under the klieg lights and be here following the vagaries and uncertain destinies of the civil rights bill, and they have a right to be here.

Mr. McCLELLAN. I was not objecting to their being here; I was wondering why the exception.

Mr. DIRKSEN. Because the committee is under the mandate of the Senate, the committee not only being authorized, but directed, to make the inquiry and report back at the earliest practicable date.

Mr. McCLELLAN. The Senator would not consider it to be practical if Senators needed to be on the floor? That would not bar the committee from acting.

Mr. DIRKSEN. I have tried to work it out as practicably as I can. I do not think my motives should be impugned, or that it should be said that I am trying to hold up the investigation. I know the popular interest in the matter, and I want the committee to expedite action.

Mr. McCLELLAN. If the Senate did not have such long sessions, it would not be necessary. The hearings could be held in the morning.

Mr. DIRKSEN. Yes, if the Senate convened at noon; but if there are to be long days, I shall have to take a stand.

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

Mr. MANSFIELD. I yield.

Mr. ELLENDER. I am a little confused. I thought the next order of business would be the farm bill.

Mr. MANSFIELD. Yes.

Mr. ELLENDER. Are we to apply the rigid rules that have been suggested on the farm bill?

Mr. MANSFIELD. Not tomorrow, but we are getting around to the idea of sitting longer hours.

Mr. ELLENDER. Does the Senator mean until the civil rights bill is reached?

Mr. MANSFIELD. Gradually, because we are up against a time limitation, under the statement of the Senator from Louisiana himself.

Mr. ELLENDER. Yes. I want to get rid of the bill, but I want to have an opportunity to have Senators hear about the farm bill.

Mr. MANSFIELD. I think the Senator will have that opportunity.

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

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

Mr. MORSE. I did not hear all the majority leader said in his announcement. I should like to ask him a question. Does the Senator expect to have several days taken up in debate on the farm bill, or the wheat-cotton bill?

Mr. MANSFIELD. That would be my anticipation, but exactly how many days, I do not know.

Mr. MORSE. If the majority leader will permit me, I should like to ask the minority leader a question, because I heard his announcement of his intention to object to committee hearings with the possible exception of the Rules Committee. I would be more inclined to giving an exception as to the Rules Committee if he gave us assurance that they would be interrogating as to the competency and qualifications of some of the witnesses, as to whether or not they would have a standing in court once a lawyer got through cross-examining on their competence to testify. Be that as it may, I wonder if the Senator from Illinois would change his position if the civil rights bill could be sent to committee for 10 days or 2 weeks.

Mr. DIRKSEN. That might affect the exception, because I share the view of the distinguished majority leader that one title, other than the one I talked about, ought to be the object of some testimony that we cannot get on the Senate floor. So far as the Rules Committee is concerned, the minority leader is no expert on the subject of charm, competence, fifth amendment, or what not. He claims no competence in that field.

In response to the subcommittee chairman who asked me the question with respect to the committees, my statement would apply also to committees that have set hearings away from Washington, because there will be no variation of the rule unless I can be persuaded that I am in error.

Mr. ELLENDER. Mr. President, would the Senator object to committee meetings during the filibuster, if there is one—and I am sure there will be—on the civil rights bill, or would he also feel that that matter should be taken into consideration in making exceptions?

Mr. DIRKSEN. I am not going to apply it to the farm bill, because I feel there is no reason for making it in that case, since the committees can meet in the morning, under the rule.

Mr. ELLENDER. There will be a very important meeting of the Committee on Agriculture and Forestry on March 4 to consider several important measures. I would like to know ahead of time if we will be able to meet, because a number of Senators are very interested in this legislation.

Mr. RUSSELL. Mr. President, may we have order? I cannot hear the Senator speaking, and I am near him. I insist that the Chair obtain order in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DIRKSEN. As I said before, this interdiction of mine will apply when we begin to plow the long furrow.

Mr. ELLENDER. That is the civil rights bill.

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

Mr. MANSFIELD. I yield.

Mr. JOHNSTON. Does not the Senator think it would be well to sit 2 days a week, at which time the Senate would meet at 12 o'clock?

Mr. DIRKSEN. I think that question should be addressed to the majority leader.

Mr. MANSFIELD. Once upon a time that may have been a good idea.

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

Mr. MANSFIELD. I yield to the Senator from Nebraska.

Mr. HRUSKA. The Senator from Illinois said he would not object to committee meetings while there was debate on the farm bill. Would that be his feeling if the Senate met at 9 o'clock in the morning?

Mr. DIRKSEN. If the Senate met that early, my opposition would go to it. The objection would apply if the Senate was in session. But I have the feeling, so far as the farm bill is concerned, that

committees could meet while it was under consideration. I am willing to make the concession in that respect. But I am doing this now so committees will be on notice, so committee chairmen will not come with entreaties and say, "I have a room full of witnesses that have come from Alaska, Australia, Western Europe, and elsewhere," and then put me in an embarrassing and awkward position. So this is notice well in advance before the witnesses start for Washington.

Mr. HRUSKA. I am hopeful that the majority leader will not insist on long sessions during the consideration of the farm bill, but I suggest to the minority leader that he might feel constrained to do so, but if the minority leader does not have the physical stamina to object to such committee hearings during that time, I shall supplement any inadequacies with my ejaculations on such a point.

Mr. DIRKSEN. I am delighted by that implementation.

MILITARY PROCUREMENT AUTHORIZATION, 1965

The Senate resumed the consideration of H.R. 9637, an act to authorize appropriations during fiscal year 1965 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluations, for the Armed Forces and for other purposes.

The PRESIDING OFFICER. All time on the bill has expired. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Idaho [Mr. CHURCH], the Senator from Connecticut [Mr. DODD], the Senator from Arizona [Mr. HAYDEN], the Senator from Florida [Mr. HOLLAND], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Utah [Mr. Moss], the Senator from Rhode Island [Mr. PELL], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Florida [Mr. SMATHERS] are absent because of official business.

I further announce that the Senator from Indiana [Mr. HARTKE] is necessarily absent.

I further announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Idaho [Mr. CHURCH], the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Florida [Mr. HOLLAND], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Utah [Mr. Moss], the Senator from Rhode Island [Mr. PELL], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Florida [Mr. SMATHERS] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. COTTON], the Senator from New Mexico [Mr. MECHEM], the Senator from Kentucky [Mr. MORTON], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

If present and voting, the Senator from New Mexico [Mr. MECHEM], the Senator from Kentucky [Mr. MORTON], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "yea."

The result was announced—yeas 80, nays 0, as follows:

[No. 48 Leg.]

YEAS—80

Aiken	Goldwater	Morse
Allott	Gore	Mundt
Bartlett	Gruening	Muskie
Bayh	Hart	Nelson
Beall	Hickenlooper	Neuberger
Bennett	Hill	Pastore
Bible	Hruska	Pearson
Boggs	Humphrey	Prouty
Brewster	Inouye	Proxmire
Burdick	Jackson	Randolph
Byrd, Va.	Javits	Russell
Byrd, W. Va.	Johnston	Scott
Cannon	Jordan, N.C.	Simpson
Carlson	Jordan, Idaho	Smith
Case	Keating	Sparkman
Clark	Kennedy	Stennis
Cooper	Kuchel	Symington
Curtis	Long, Mo.	Talmadge
Dirksen	Long, La.	Thurmond
Dominick	Mansfield	Tower
Douglas	McClellan	Walters
Eastland	McGee	Williams, N.J.
Edmondson	McGovern	Williams, Del.
Ellender	McNamara	Yarborough
Ervin	Metcalf	Young, N. Dak.
Fong	Miller	Young, Ohio
Fulbright	Monroney	

NAYS—0

NOT VOTING—20

Anderson	Holland	Moss
Church	Lausche	Pell
Cotton	Magnuson	Ribicoff
Dodd	McCarthy	Robertson
Engle	McIntyre	Saltonstall
Hartke	Mechem	Smathers
Hayden	Morton	

So the bill (H.R. 9637) was passed.

Mr. MANSFIELD. Mr. President, the distinguished Senator from Rhode Island [Mr. PELL] and the distinguished Senator from New Hampshire [Mr. MCINTYRE] came into the door of the Chamber just as the Chair was making the announcement on the vote. The Senate should know also that they were delayed in coming to the Chamber because of circumstances over which they had no control. I believe this statement should be made by the majority leader at this time, because he is aware of all the facts and circumstances.

Mr. MCINTYRE subsequently said: Mr. President, I should like the RECORD to show that if I had been present and voting I would have voted "yea" on the passage of the military procurement authorization bill.

Mr. PELL subsequently said: Mr. President, I thank the majority leader for his earlier statement. If I had been present and voting on the passage of the military procurement authorization bill, I would have voted "yea."

THE MYTH OF OVERKILL

Mr. RUSSELL. Mr. President, I ask unanimcus consent to have printed in the body of the RECORD at this point a very interesting article that was published in the Air Force and Space Digest magazine of February 1964. It is entitled "The Myth of Overkill," and was written by Mr. Amrom H. Katz.

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

[From Air Force, Feb. 1964]

"Economy is a distributive virtue, and consists not in saving but in selection. Parsimony requires no providence, no sagacity, no powers of combination, no comparison, no judgment."—EDMUND BURKE, "Letter to a Noble Lord (1796)."

THE MYTH OF OVERKILL—A CRITIQUE OF "A STRATEGY FOR AMERICAN SECURITY"

(By Amrom H. Katz)

(EDITOR'S NOTE.—This magazine rarely devotes its limited space to detailed refutation of theories and proposals of a single individual. In the case of Prof. Seymour Melman, of Columbia University, we are making an exception. This is not solely because we believe his theories to be specious, but because we believe them to be dangerously so in that they are capturing the fancy of certain Members of Congress and also that of other policymakers and policymolders. The author of the following study possesses unimpeachable credentials. Mr. Katz is a physicist and an outstanding expert on aerial and space reconnaissance, first with the Air Force and now with the Rand Corp. More importantly, he has a long record of activity and interest in the problems of peace as well as war. He is a long-time member of United World Federalists and has served on its national executive council. He was an original member of the Committee on Security Through Arms Control of the National Planning Association. He is on the board of sponsors of the magazine War/Peace Report, the board of the magazine Disarmament and Arms Control, and the advisory board of the Journal on Arms Control. He has actively participated in most of the major arms-control and disarmament conferences in this country and abroad, including the Pugwash Conferences in Moscow and London, the Arden House Strategy for Peace Conferences, several meetings of the American Assembly, the Stowe (Vt.) Conference of Scientists on World Affairs, and the Accra Assembly in Ghana. He was a professor in residence of political science and senior fellow in the national security studies program at UCLA in 1963 and is a consultant to the U.S. Arms Control and Disarmament Agency. We are proud to count him among our authors. (The views expressed in this paper are those of the author. They should not be interpreted as reflecting the views of the Rand Corp. or the official opinion or policy of any of its governmental or private research sponsors.))

1. THE ROAD TO MELTOWN—WHAT DOES MELTOWN SAY?

The prophet of overkill has risen in the East, and his preaching is sweet to the ears: "We (the United States) have stockpiled bombs enough to kill the Soviets hundreds of times over, but killing them more than once is costly, stupid, and wasteful; we can kill them only once, so we should stop wasting money. We should cut the defense budget by at least $22 billion. Here is a list

of the things to do with the $22 billion you save."

And who wouldn't like such news? Especially when delivered with conviction and without equivocation by the leader of a group of professors. When large sums are spent there is often a strong suspicion that much is wasted. And when complex problems of strategy, politics, and procurement swirl around our heads like nebulae—who would not like to have all this reduced to plain talk and simple arithmetic?

Answers are what we want—the simpler and neater the better. That's what Seymour Melman gives us.

Professor Melman and six associates have prepared a booklet entitled "A Strategy for American Security."[1] The following quotation from the Wall Street Journal, January 24, 1963, appears on the inside cover of the booklet:

"It's impossible to buy a perfect defense; nothing can always deter somebody else's irrational act, nor is there any technical formula guaranteed to tell how much should be spent, or for what, to assure the best of always imperfect protection. But many people here think the whole process could be improved by more informed consideration of the strategies, instead of just the hardware, that dictate all the spending."

It would seem that we're off to a fast start. An informed discussion of strategies is always in order. But this premise is supported only by the title of the booklet; one vainly turns the pages looking for any further discussion of strategy. There is none.

Let us then briefly examine Melman's statements and proposals. The booklet consists of 11 chapters. "Chapter I: How Much Military Power Is Enough?" and "Chapter II: The Military Budget, Is There a Choice?" are by Melman. The rest of the booklet contains chapters by Melman and his colleagues which deal largely with how defense money could be better spent.

This paper will concern itself primarily with the first two chapters, which are the heart of the booklet. They have attracted considerable attention by their statement of Melman's thesis. Let's see if we can discover what the thesis is. Melman quotes Secretary McNamara's judgment that "we calculate that our forces today could still destroy the Soviet Union without any help from the deployed, tactical air units, or carrier task forces or Thor or Jupiter intermediate-range ballistic missiles." Melman then asserts: "Never before could one think of military power sufficient to kill a population more than once," and describes how the assumed American and Soviet available megatonnage could be used against cities of more than 100,000 population.

Back to the meager details of his analysis shortly. But first, his conclusion. On what he labels a "conservative" assumption, in which he allowed a 50-percent attrition of carriers, he asserts that for the 140 major cities of the Soviet Union the United States "overkill capacity" is 78 times. In his terms this means that we have 78 times as much as is necessary to kill the 140 largest cities in the Soviet Union. Melman also calculates that for the 370 major cities of the Sino-Soviet bloc, the United States has an overkill capacity of 41 times, allowing for 30-percent attrition of delivery systems.

Although strategic considerations are desperately needed here, they are completely missing. What are his attrition assumptions based upon? Who attacks first? The United States? The Soviet Union? Does he assume the United States is starting a preventive war or a preemptive war, or does he assume that the Soviet Union has struck the United States first, and that we are responding with an all-out countercity campaign? Is there any mention of alternative target systems—of a partial response? Any thought of damping out a war? Nary a word. We have no campaign analysis at hand—only conclusions.

But let's see what happens to his figures if we change certain of Melman's conservative assumptions. Suppose the United States suffered a surprise attack. It is improbable that the Soviets would attack our cities first, leaving alone our bombers and our missiles. The cities aren't going anywhere; they would be available for later attack, for use as hostages, for threat and bargaining purposes. Suppose 90 percent of our military forces were struck, and that the reliability of the remainder is 30 percent, and of that 30 percent, local defenses in the Soviet Union can knock down 70 percent—we are now down to a force over the Soviet Union of but 1 percent of everything we had. In terms of our Melman unit (the overkill statistic) we are down to but two times and, if the entire Sino-Soviet bloc is considered, by Melman's own statistics, we have no overkill at all. And even this result assumes adequate retargeting, good communications, reallocation of weapons, etc.

What's wrong then? He assumes that deterrence has failed. He then assumes a countercity target system, and he arbitrarily assumes very low attrition figures (that is, he assumes that a high percentage of the weapon carriers we start with will survive, prove reliable, and get to their targets). However, the purposes of our forces are to deter, not to tempt, and, if war comes, to terminate it quickly with minimum loss of life. Melman apparently assumes that even if the Soviets strike first, this first strike is instantaneous, and would use the entire Soviet capability. He also assumes that all of the United States response must come later in time than all of the Soviet's first move. Melman needs this assumption, for otherwise counterforce operations (that is, the U.S. forces responding with an attack on as yet unused Soviet forces) make sense. It is Melman's clear purpose to have this concept make no sense, and to make our present posture appear exclusively dependent on this concept.

Melman asserts: "Until recently the counterforce concept of national security has appeared to have the full endorsement of the Secretary of Defense." He says: "The counterforce perspective has been rendered implausible by the development on the Soviet side of the same sort of hard missile locations and submarine carriers for missile launching as developed by the United States. Under these circumstances, the counterforce perspective reflected in the administrative budget has no military reality."

He seems to believe that a hard missile site is absolutely invulnerable. But in truth, hardness certainly does not confer or connote absolute invulnerability. A hard missile site is simply more difficult to attack than if it were soft. This problem is part of the reason for the extra forces that Melman talks about. But the main needs for what Melman calls extra forces stem from uncertainty and the need for insurance. We want to be far away from that threshold which might tempt the Soviets. And this has little to do with a counterforce strategy.

It is truly amazing that certainty comes easily, if without grace, to those most removed from the realities and complexities of military hardware and responsibilities. It would be difficult to explain to the American public that our only position in the event of war is to murder the Soviet population, smash their cities, and not even attempt to touch those forces which if left alone would succeed in killing Americans. Strangely enough, it is the military and hardheaded civilian analysts who are against a strategy whose sole content is mutual and complete annihilation of cities. It is Melman's so-called strategy that can be properly termed senseless, inhumane, and mechanical.

It is infinitely better not to have nuclear war, and it is the fundamental purpose of our forces to discourage any opponent from adventurism and from miscalculation of the kind Melman makes. We hope that we have deterred and will continue to deter the Soviets from deliberately planning a surprise attack on the United States. Are we wasting money if we achieve this?

Melman's answer is that we have the wrong strategy, and we can do it cheaper. But can we? The only strategy he considers is the countercity strategy, and this, he asserts, we can do cheaper. But as noted above, this assumption depends upon some nonexplicit assumptions about who starts the war, about the potential damage than can be dealt our forces in the event of war, about the reliability of the remaining forces, about the attrition on the way to and in the target area. His calculations are extraordinarily sensitive to these assumptions, but neither the fact of the sensitivity nor any of the assumptions are mentioned.

Let us look at an excerpt from Melman's chapter I, which illustrates the problem of sensitivity to assumptions. On page 2 of his booklet he calculates:

"The destructive capability of Soviet forces is estimated by the same reasoning applied to U.S. forces with some modifications. On the same basis of our first set of calculations, the Soviet Union has the following capabilities:

"For the 2,000 cities in the world of 100,000 or more population no overkill capacity if a 30-percent attrition is applied to delivery systems. This is so because of about 2,500 delivery vehicles, 30-percent losses would leave less than 1 vehicle per target. However, if one figures, arbitrarily, an attrition rate of 20 percent, then U.S.S.R. delivery would be 3.2 megatons per 100,000 persons in major cities or an overkill of 160 times."

This is remarkable: By changing his assumption from 30-percent to 20-percent attrition, Melman goes from a no-overkill capacity to an overkill of 160 times. And he demonstrates no preference for either assumption, nor a basis for his assumptions, calling them arbitrary. This arithmetical flimflam doesn't even catch Melman's eye. We saw earlier how, by introducing other assumptions on attrition (perhaps not as arbitrary as Melman's) the U.S. force can be reduced to less than 1 percent of our total force. Even these calculations illustrate the sensitivity of the analysis to preliminary assumptions.

From these examples, and from further perusal of the booklet, one can understand how frustrating it is for military and civilian analysts to answer Melman's formulation. It is frustrating for these simple reasons:

There is no analysis.

The presentation is not of a strategy but of a reaction to some unstated level of Soviet attack. (On whom? The United States? NATO?)

This assumed strategy is not compared with any other strategy.

The particular single-response strategy (assumed by Melman) is not U.S. strategy as described by military or civilian officials.

Figures on military force levels and deployments are not handed down from Mount Sinai. They are arrived at by answering the threat and considering what the other fellow

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[1] "A Strategy for American Security: An Alternative to the 1964 Military Budget," Prof. S. Melman, Ed., Columbia University; and the following contributors: T. McCarthy, Basic Economic Appraisals, Inc.; Prof. O. Feinstein, Wayne State University; Prof. E. Lieuwen, University of New Mexico; Prof. J. E. Ullman, Hofstra College; Prof. W. Vickrey, Columbia University; Benjamin Spock, M.D., Western Reserve University; published by Lee Service, Inc., New York, April 1963. Also condensed in the Saturday Review, May 4, 1963.

is doing, and by allocating forces and funds among several missions: conventional war (nonnuclear), nuclear war, counterinsurgency, military aid, etc. No, the defense budget is not sacrosanct. Of course it can be modified, and I am not arguing against any form of military cuts. This huge budget and its allocations are subject to continuous reexamination. But we are certainly not going to base force reduction or major budget changes on the kind of arithmetic and argument in Melman's booklet.

Suppose we were to accept Melman's strategy, described in chapter II of his booklet. He does not and cannot describe which forces he is cutting, because the elements of his budget are research and development, operation and maintenance, military personnel, etc., instead of being expressed in terms of forces, aircraft, missiles, conventional forces, and armament or the like. It would have been interesting to see which forces are cut and how much.

What does he say about conventional forces? And of the requirement of responding when we have to, at some level short of an all-out automatic commitment to destroy all the major cities of the Soviet Union? There is not one solitary word on any of these questions. What does he say about the cost of controlling our forces—of protecting them so they do not have to respond in a hurry, so they can, in fact, survive and pause while an attack—or an accident—is being evaluated? There is nothing on this either.

Melman does sweeten the pie. He presents an administration defense budget of $56 billion. In his first approximation to cutting this budget, he cuts out $22 billion, calling what is left a maintenance of present forces budget. This $22 billion is taken from procurement, from research and development, from military construction, from military assistance, and from the atomic energy program. What, then, replaces the B–47's which are phasing out—the B–52's which are aging? Where then do we get the forces with which to fight counterinsurgency or conventional warfare when needed? Not a word about these things.

Nevertheless, Melman's proposed slash of $22 billion looks minor indeed compared to an alternative he calls the "finite deterrent" budget. This budget weighs in at $9 billion—a slash of $47 billion. Using a subtle form of budget by association Melman bases his $9 billion budget on conclusions drawn from some remarks made by Dr. Jerome Wiesner in 1960. Quoting from the Wiesner paper, Melman says: "Studies made independently by the U.S. Army and Navy have indicated that even in the absence of agreements limiting force size and permitting inspection, 200 relatively secure missiles would provide an adequate deterrent."

Oh, to have been President. And to be confronted by Cuba or Berlin with only this particular hand showing. What range of responses, what options, what choices does Melman leave us? He offers no response, no option short of the destruction of 140 Soviet cities. There is, of course, considerable doubt that Melman is in favor of such a murderous option, and there is some doubt that the United States could or would carry out this idea. It is doubtful that this solitary threat—the U.S. massive response—could be called out for any Soviet provocation or military action short of large-scale attack on the United States. And the Soviets may suspect this, as well.

There is no objection to an inexpensive strategy; there is only one requirement which this strategy has failed to meet—that it be workable. The problem the United States faces is not solely to save money; we should spend what we must, and do it sensibly. We could save a lot of money by being isolationists, and we could cure the gold-flow problem at one and the same time. But this is not our main objective. We have assigned American isolationism to the history books.

Comparing the current administration defense posture, attitudes, and strategy with Melman's, we might as well ask: Which strategy is more likely to get us into a war, and if a war were to start, which is guaranteed to kill more people? Lo and behold, it is Melman's.

II. GIRF—THE GUARANTEED INVULNERABLE RETALIATORY FORCE—WHO'S IN CHARGE?

We live in a world of uncertainty. Not at peace, we are not at war. Our principal military threat comes from the Soviet empire. The Soviet Union practices secrecy and maintains a closed society with great skill and determination. Thus we find, from time to time, that in building our defenses, we had have had to pay heavy and excessive insurance premiums against evaluated risks, some of which may later turn out to be smaller than we thought or even imaginary. In doing this, we must bend all our efforts to protect ourselves against real risks and dangers. But the consequences of error are not symmetric: In the one case we may waste money; in the other we may spill large amounts of blood. We have more money than blood; the choice between errors is obvious.

What do we mean by security? I suggest that what we mean by security is freedom from both the fear and danger of violent war. These are quite different—the fear and the danger—and not at all redundant. We might well be confronted with the danger of violent war and for whatever reason—stupidity, blindness, bravado, or a large national dose of tranquilizers—we might have no fear. Similarly, we might have fear and not be in any real danger. And, of course, we might well have real fear in the presence of real danger.

Somehow we imply by security not only the absence of war, but the presence of some kind of freedom, and not only anarchic freedom but freedom and opportunity to pursue the peaceful activities of society.[2]

Part of our system of military deterrence against central war is the GIRF—the Guaranteed Invulnerable Retaliatory Force. What is meant by this is simple in concept, although difficult and expensive to achieve and maintain.

To deter thermonuclear war we try to procure and arrange forces whose magnitude and disposition discourage a Soviet first strike. We hope that the Soviets will conclude that they are unable to destroy enough of this force on a first strike to prevent destruction of the Soviet Union by the remainder. Thus, making this calculation, the Soviet Union will presumably be deterred from launching an attack.

Let's look briefly at the words used in describing the GIRF. Clearly, the United States has much to do with buying and building and maintaining such a force. But the Soviet Union has much to do with, and is in partial charge of at least two of these words: "guaranteed" and "invulnerable." This is not always recognized by those who discuss these matters.

What we think is invulnerable may not be. Invulnerability depends not only on what we do, but on what the Soviet Union does. There is no absolute invulnerability. A hardened missile base may be so well protected that it would take several missiles to knock it out. Its alleged invulnerability may rest on this calculation and an assumption that this price is too high for an opponent to pay. But it may not be; it is a choice. The opponent may have a different way of calculating. Invulnerability is not an absolute, to be certified and forgotten. Our opponent may find a way to make cheaper warheads, or more of them—or, indeed, may package many warheads on one of his large missiles. Whether retaliation is guaranteed depends first on its passing the test of invulnerability. Assuming it passes that test, it then must be capable of getting through Soviet defenses. Remember that Melman's calculations include the B–47 force, now phasing out, and the B–52's whose life is probably limited to this decade. These systems, as well as a large number of ICBM's, are vulnerable, yet in Melman's tabulation, they are assigned, together with B–58's, Navy A–3D's, and A–4D's—21,150 megatons out of a total of the 21,970 megatons Melman claims for our 1963 strategic forces. Thus, Melman assigns the aircraft systems more than 96 percent of our strategic firepower, and he neglects vulnerability.

In addition, these aircraft have to get through a Soviet defense system—a fact unmentioned by Melman, but one which has engaged both our planners and the Soviets' as well. Clearly, the fundamental theorem of air defense—that the defense can exact a bigger price, in proportion, from small numbers of intruding aircraft than it can from larger numbers—though important, is too subtle to be reflected in Melman's static assertions.

We have customarily said, and believed, that the anti-ICBM problem is insoluble. The Soviets claim to have solved it. We can't assume that we have a guaranteed force without assuming that an effective anti-ICBM system is impossible.

Stability is not static, it is not automatic, it is not guaranteed, and, above all, it cannot be left untended.

III. SAVING MONEY AND WHAT TO DO WITH IT

The cornerstone of Melman's structure is the idea that he can slash our defense budget without decreasing our security.

Unfortunately for logic, clarity, and progress, many discussions of arms control and disarmament often get hung up on a discussion of conflicting goals—the saving of money and the enhancement of security.

Simultaneous achievement of these two goals would certainly be nice. But in the event that they conflict (and I suggest that they may)—there should be little question of priority.

Both Professor Melman and I attended the 1962 Accra ("World Without the Bomb") Assembly in Ghana. Most of the representatives at this conference were from the smaller states—the neutrals, the nonalined, or the not-yet-fully alined. Many of them seemed to have this attitude toward disarmament: "The United States is now spending about $50 billion a year on arms. If we could achieve disarmament, there would be no need to spend this, and the United States could give it to us."

Admittedly, this is an oversimplification of the problem, but certainly not of the sentiments which yielded this expression. These same groups, by and large, trace all of the problems of the world back to the bomb. The answer to these two points was straightforward:

"The bomb appeared in the world in 1945, didn't it? Well, now let's see what's happened. Since 1945, about 50 new nations have been created; about a billion people have secured their freedom. Now, about a billion were already free, and about a billion people are in the Sino-Soviet bloc, and this adds up to the 3 billion people in the world. Further, more money has been spent on foreign aid by the United States since 1945 than in all human history by all the nations of the world up to that point. From the standpoint of the smaller groups represented here, how good could it possibly get?"

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[2] Katz, A. H., "Good Disarmament—and Bad," Air Force/Space Digest, May 1961; also "Some Things To Do and Some To Think," Bulletin of the Atomic Scientists, vol. 17, No. 4, April 1961, pp. 139–143.

It is naive to believe that, in the event of total disarmament, the $50 billion per year now spent by the United States for defense would be given out in the form of foreign aid to underdeveloped countries, the neutrals, and nonaligned states. Foreign aid is conducted to support our foreign policy, and is, in part, a response to competition, to threat, and to tension. This does not mean that were the Soviet Union to disappear, all foreign aid would cease. (It should be remembered that the Soviet Union and the other Communist bloc countries were invited to participate in the Marshall plan.) But it is not a priori obvious that with such competition removed, foreign aid would necessarily go on as it has, nor is it likely that resources which the American taxpayer has been willing to pay for defense are resources which he would just as willingly supply in the form of greatly expanded foreign aid. The more sophisticated representatives at Accra knew this full well. It is questionable whether massive and sudden increases in foreign aid to underdeveloped areas can accomplish any good without the prerequisites of a middle class, of an educated population, and some industrialization.

Belief in the importance of adequate defense and military security measures does not conflict with simultaneous belief in a strengthened Peace Corps, in aid to education, in expanded medical services and research, in civil rights, in massive action on the unemployment problem, and on poverty, in foreign aid, and in related measures. The goals of these latter activities and the programs are not competitive with defense, nor have they ever been, despite the vigorous attempts of some groups to make us think so. This is especially true when there are unused and available resources in the United States. Complementary, yes; competitive, no.

Ours is a big country, and we will continue to have the resources to do many things. If we have failed to support medical research adequately, to aid education, to work on many legitimate problems before Sputnik, failure to do so now, while regrettable, sad (and hopefully reversible), can hardly be charged to the size of either the space or the defense budget.

It was appropriate, not long ago, to suggest that we cannot take a defensive position and say what we want is everyone else to leave us alone. Nor are statements of national purpose much besides compass directions. We need purposeful thrust, equal in its domain to the thrust of our giant rockets, with consistent long-term national and international goals. It has been true for sometime that "although waging war is deadly, it is intensely simple and direct, consisting principally of many people getting positive orders. Unfortunately, there isn't any corresponding set of positive orders, any prescription, that can be written for peace.

"We need some kind of gigantic moral equivalent of war, some activity on which we can focus and spend our energies and resources—the conquest of space, disease, hunger, the problem of world education, the development of resources, the problems of population. Clearly we don't have to invent problems." (See footnote 2.)

But we cannot embark in conscience on long-range projects whose success requires an environment of peace and security, without simultaneously working equally hard on maintaining security and attempting to secure peace.

IV. THE ECONOMIC ARGUMENT—CAN WE SURVIVE A CUT IN DEFENSE SPENDING?

A common argument encountered in discussions, debates, and literature on disarmament is that the opposition to disarmament in the United States is firmly based on the need for the arms industry as a central part of our economy. This argument is part of the working intellectual capital of that fairly large and extremely vocal group who, after either disregarding or denigrating almost everything President Eisenhower said in his first 7.99 years of office, have seized on and proclaimed as gospel Eisenhower's farewell remarks about the military-industrial complex.

Accompanying this argument is an implicit assumption that any disarmament process would be wholesale, swift, abrupt, and economically catastrophic. The fact is that in all the postwar years of negotiating on disarmament we have achieved only a partial test ban and a hot line agreement, neither of which directly affects either our budgets or those of the Soviet Union one iota. This sobering statistic should, but does not, impress those who see disarmament as imminent and opposition to it as based mainly on economic considerations. Such studies as have been performed [3] [4] tend to show that adjustments can be made if planned for in plenty of time.

The Soviet Union, which used to argue that the United States needed heavy military expenditures to prevent economic collapse, reversed its position several years ago when it found that (1) this argument was not true, and (2) its advocacy, while the Soviets were simultaneously pressing for disarmament negotiations, made for obvious and embarrassing internal contradictions in policy.

What also seems to be forgotten in this worry about the economic problem is that we went through a much greater problem at the end of World War II, easily and successfully. In a speech some time ago Arthur Schlesinger, Jr., said: [5]

"Let us first consider the economic arguments. From 1945 to 1946, the total Government purchases of goods and services in the United States declined, with the end of World War II, from $82.9 billion to $30.8 billion. This was a drop of over $50 billion at a time when the total gross national product was only a little over $200 billion. The decline in Government spending then was, in short, about 25 percent of the gross national product—and our economy rose to take up the slack.

"An equivalent decline today would be over $130 billion—which is almost three times the size of our defense budget and half again as large as our total Federal budget. The American economy would thus in no circumstances have to meet a decline in public spending comparable to that which it survived in 1945–46.

"And if all present defense spending should cease tomorrow the American economy, which survived a decline in public spending amounting to one-quarter of the gross national product in 1946, could certainly survive a drop in public spending amounting to one-eleventh of our gross national product today. The argument that our economy requires the cold war is, in short, a phony."

The conditions following World War II were different from those which might follow some future significant amount of disarmament.[6] But the statistics cited above bear pondering, and offer reassurance to those who fear economic effects of disarmament. (These points are well recognized by Professor Vickrey, in his interesting contribution to the Melman pamphlet. But Vickrey's contribution seems almost independent of the other contributions.)

It is, and has been, U.S. policy to work for the establishment of some form of disarmament and arms control, and for relaxation of tensions. We ought to be able to use our economic strength to force the Soviet Union to be more serious about disarmament than they have been. Were we able to persuade them by demonstration that they cannot possibly win the arms race this might provide the incentive for more meaningful and productive negotiations than have taken place to date. As Schlesinger says in the same speech (footnote 5):

"The only lasting hope for a relaxation of tensions lies in the establishment of a system of general and complete disarmament. One great issue confronting us today is how we may best negotiate an effective disarmament agreement. Those who object to our defense budget evidently assume that, if we were to permit the Soviet Union to achieve a decisive margin of military advantage, the Soviet Union would reward us by suddenly accepting a program of effective world disarmanent.

"As a historian, I find it hard to understand how—in view of a sequence of international actions from the Stalin-Hitler pact of 1939 to the resumption of nuclear testing in 1961—anyone can suppose that the Soviet Union is animated by anything but an aggressive conception of its own interests. There is only one way in which we can persuade the Soviet Union that it must submit to a program of international arms inspection and control—that is by persuading the Soviet leaders that we can stay in the arms race as long as they can."

V. BEHIND MELMAN—A BASIS FOR HIS BELIEFS AND ACTIONS

Melman's booklet (see footnote 1) is important and curious at the same time—important for its appeal, curious for its omissions. It is important because this oversimplified, erroneous, off-the-track collection of prescriptions and proscriptions seems to have appealed to some responsible, serious Members of Congress, and to other concerned groups of citizens.

Certainly, the most important provocative statements in this booklet are in the sections written by Melman. Focusing on overkill and on our defense budget, they contain some reflections and assertions on our military posture, and presumably, our strategy. However, as noted earlier, there is nothing in these sections about the uses of military power, political objectives, the military threat from the Soviet Union, limited war, our alliances, or related topics. Were this not curious enough, I find nowhere in this booklet any discussion of disarmament or arms control. Neither word seems to appear even once.

The implicit assumption which seems to underlie Melman's thesis is that we have far too much military power (but he doesn't say for what). His only criterion for evaluating a force is that required to destroy the major Soviet cities and his only concern is with obtaining the cheapest countercity force.

The booklet is slim. Perhaps he should have enlarged it and included either references to or excerpts from his previous writings on disarmament and arms control. As one might suspect, his well-publicized views on these subjects are not independent of his conclusions on strategy. For that reason let us see what he has said about arms control.

Melman's views may be found in several places. His book, "The Peace Race," [7] con-

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[3] United Nations Consultative Group Study on Economic and Social Consequences of Disarmament, U.N. document E/3593, United Nations, New York, Feb. 26, 1962.

[4] "The Economic and Social Consequences of Disarmament," U.S. Arms Control and Disarmament Agency Publication No. 6, Washington, D.C., 1962.

[5] Schlesinger, A., Jr., in Air Force/Space Digest, March 1962, p. 32.

[6] "Documents on Disarmament," 1962, U.S. Arms Control and Disarmament Agency Publication No. 19, November 1963, pp. 228–229.

[7] Melman, S., "The Peace Race," Ballantine Books, New York, 1961.

tains several chapters in part 1: "Road to Defeat," entitled "The Importance of Military Power, Dangers of War From Failures of People and Machines, Can Military Deterrence Be Stabilized?" His introduction to "No Place to Hide"[8] sets forth his views on deterrence and strategy in adequate detail. But perhaps the most succinct reference to what Melman thinks is in a short paper which appeared in the Nation.[9]

In that article Melman see the emergence of the doctrine of arms control as a competitor to and a substitute for disarmament.

Melman stated that the fathers of the idea of arms control constitute a diverse group of people who have adopted this notion for varying reasons. For some, he said, "Arms control reflects the price of conscience." He saw another group: "A second trend favoring arms control can be recognized in certain military and political theorists together with munitions-makers who found in the doctrine a method for heading off the growing public pressures for disarmament. This group finds the dual appeal of arms control entrancing: It can be presented to the public as disarmament, yet in some views of arms control requirements it need not close down a single major military establishment or put any obstacle in the way of the Pentagon's war games and strategy planning."

The cold inference here—and it is hardly an inference—is that arms control is a Machiavellian conspiracy. In order to make the last quoted point of Melman's, one must feel that a subtle job of deception is being practiced by arms controllers.

Another group of people who are in favor of arms control, Melman believed, is "a group of men, many of them in Government service, who tried repeatedly to implement disarmament measures and found themselves stymied by the opposition of the Pentagon and the AEC. Wearily, this group has now decided it is futile to buck the military any longer and has turned to arms control." The last group whom he associated with the fathers of the new doctrine are "those who fear disarmament because it would leave the United States naked. For these men, who have no explicit theory of society which they are prepared to match against Bolshevik doctrine, the sword is their only shield." I willingly leave amateur and mass psychoanalysis to Melman, without further comment.

Melman doubted that arms control can help to achieve military stability. He argued that in order to do so, "it is necessary to agree not only on the numbers of weapons in being but to freeze (a) the ability and (b) the will, to make new ones. The only way to freeze the ability to develop new weapons is to disband major research-and-development facilities and to put the personnel under appropriate inspection and control. No arms control scheme yet put forward contemplates any such step."

But disbanding military research and development is prescisely one of the steps which Melman urges in his currently proposed budget reductions (see footnote 1, pp. 3–4). Thus the step Melman advocates is a unilateral step; it is not a negotiated, not an inspected, step. He would effectively discontinue all military research and development, and because this is a unilateral step it really accelerates instability.

He continues, "The only way to freeze or to destroy the will to make new weapons is to achieve a relaxation of the present fear-ridden mentality engendered by distrust, which grips the world. This distrust, which is basically a political factor, will not be dispersed by agreements that are designed to regulate, but not to terminate, the arms race."

It is superfluous to point out what could be documented in detail: That the U.S. proposals, debated at length, presented to the 18-Nation Disarmament Conference, discussed on many college campuses, at many meetings, do envision massive and wholesale reduction in arms, given proper conditions. These conditions have not been met, and likely will not be met by the Soviets, and the appearance of an environment of trust seems to be deferred. (Melman's article in the Nation appeared early in 1961. Considering his later works, referenced in this paper, the views here quoted are fairly representative of his continuing viewpoints.)

Melman asserts: "Arms control, therefore, will not achieve military stability. Military technologies will continue to be developed in the customary way with first one side and then the other seeming to have the advantage."

He questions that arms control will work, saying: "What exactly will arms control deter?" Presumably a major missile attack by one of the great powers upon the other, but equality in missiles, for example, i.e., arms control (this is his definition) will not necessarily deter a first strike, if that promises advantage to one side or the other (assuming the will to strike is there). He continues: "Obviously, the more nearly equal the opposing forces are, the greater role surprise and evasive maneuvers can play in the outcome of the conflict. In this sense, arms control might well increase rather than decrease the danger of surprise attack." Now the quetsion is, how does this statement jibe with his proposed plan which ignores the factors set forth above?

In fact, what is he selling? Setting these statements side by side with those in his booklet leaves one not only confused but also wondering.

Melman's 1961 article reflects considerable concern over the problem of accidents in the precipitation of catastrophe, and then, in a complete misunderstanding of the nature of arms control and the efforts being made (which were talked about well before the date of his article) to lessen such dangers, Melman asserts that arms control would not perceptibly lessen this danger.

In discussing the spread of nuclear weapons—the N-country problem—Melman states a preference for and underscores the importance of a test-ban agreement which would limit the number of nuclear powers, and again, in an egregious misunderstanding and misstatement of what arms controllers are and have been for, states that "this inference is not generally made by supporters of the arms control doctrine." This is nonsense.

What is he for? He states a preference for "inspected disarmament." But this has been our policy for many years. The reasons that we have no inspected disarmament remain clear.

Melman concluded this article by crystallizing the distinctions (as he saw them) between those in favor of disarmament versus those in favor of arms control. He said: "For each person in a free society, the choice of where to take one's chances is determined by one's values. If these values include a high regard for human life, a desire to develop man's potential for peaceful living, and the will to extend the boundaries of freedom, then the strategy of disarmament with its allied political and economic goals is the preferred course. But if one's values place human life at low worth and include a preference for man's destructive potential, and for authoritarian relations in political life, then some variant of conservative military theory, such as arms control, is preferable."

It is well to keep these comments in mind when reading Melman's proposals on allocation of the defense budget. One of the most revealing of Melman's statements is the last quoted, which attempts to preempt universally accepted values for the disarmers, and while denying these good values to the arms controllers, imputes to them lowly and despicable values.

As Melman says: "The pity is that so many of us make our choices without awareness of the ends, or values, that are being served." Well, here we can all certainly agree with Melman.

VI. AFTER CRITICISM, WHAT?—A POSITIVE PROGRAM

Analysis of other's propositions is both necessary and important, but analysis alone is insufficient and dissatisfying. Melman's concept of what the United States is up to is in error. His proposed posture and structure of our military forces would increase instability, not stability. Were we to do what he suggests, the danger we may be in would increase, not decrease. Were we to do what he suggests, our chances for securing a meaningful disarmament agreement would be greatly reduced. But it is not enough to say that Melman is wrong. Analysis is necessary, but synthesis, and a positive program, must follow.

We are not necessarily doing all we can or should do, nor is everything we are doing perfectly right and sufficient. We must have a positive program at all times, and be working at it. Here are several elements of such a program:

1. Make the world safe for disarmament

At the Accra Assembly in Ghana it was appropriate to suggest that:[10]

"The impasse is real. We found no room for compromise on fundamental issues; a useful analogy is to consider making a compromise when we come to a fork in the road. A compromise might well be to go between the two roads where there is no road at all.

"It seems, therefore, incumbent upon all of us * * * to prepare, sadly but realistically, for a period of no meaningful disarmament—as the period since World War II has already been.

"We must make and keep the world safe for disarmament.

"As for the role of the nongiant powers—whether we call them small, neutral, nonalined—or whatever word you prefer: Progress for these smaller powers depends above all upon stability in the world, meaning no war, no heightened tension.

"The neutrals, the small countries, as well as citizens of the larger powers, can make their voices effective, and they will be listened to, if, and only if: (1) They have a good understanding of the real problems between the big powers, so that these smaller countries do not go off on byways, up blind alleys, or on trivial projects. (2) Their role as intermediaries is an informed one, which embodies an appreciation of technical problems. Only upon such an appreciation can good questions be based; only thus can the discussion be objective, realistic, and elevated.

"The concern of the smaller countries will be respected, they will be listened to, and their role will be a historical, important, and useful one when they demonstrate: (a) responsibility, (b) accuracy, (c) understanding, and (d) responsiveness.

"Let us work for that stability which will permit a solution, if found, to be acceptable and accepted. I repeat: We must make and keep the world safe for disarmament.

"We must accept the agonizing and all-too-likely protracted effort which will be required to reach agreement on disarmament, and on building such world institutions of law and justice as are necessary complements and components of a disarmed world."

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[8] "No Place to Hide," S. Melman, Ed., Grove Press, 1962.

[9] Melman, S., "The Arms Control Doctrine," the Nation, February 11, 1961, pp. 114–116.

[10] Katz, A. H., "Make the World Safe for Disarmament," War/Peace Report, September 1962.

These same requirements pertain to internal criticism in the United States: responsibility, accuracy, understanding, and responsiveness. Alas, too often, these characteristics are absent in domestic discussions. The reader may try these criteria on Melman's treatment of our problems.

2. Fight secrecy

Secrecy is the major obstacle standing in the road of progress toward disarmament.[11] (See also footnote 2.)

The partial test ban treaty of 1963 has been widely hailed. What is being ignored and forgotten are the reasons that it is a partial test ban: Soviet obsession with secrecy and charges of espionage prevented the inclusion of underground tests in the treaty. Such tests would have required inspection on the territory of the Soviet Union. The inspection would have been strictly regulated; there would have been perhaps less than 10 inspections per year, and the area would be strictly circumscribed. Still the Soviets objected to such inspection, and termed it "espionage." They still do.

This has been the thread that has run through all the disarmament discussions since World War II. Several years ago it appeared that:

"As long as the Soviet Union stands firm on this rock of secrecy, we aren't going to have any disarmament. For if they insist on their form of secrecy, we aren't going to have inspection, we aren't going to have any arms control, and if we aren't going to have any arms control, we never are going to have any disarmament—unless it's a nonpreferred variety, yielding not security, but insecurity.

"The Russians are continually asking us to trust them. To me this situation is like having a neighbor in the community who decides to build not the standard 6-foot fence, but a fence about 400 feet high. This should arouse some suspicion. And then when you hear odd noises going on behind this high fence and strange odors coming out and you see flashes of light and hear occasional loud arguments and curses, in which your name is featured, I'm not saying you have anything definite to go on, but you should get a clue that maybe something unpleasant and potentially dangerous is going on in there. Now, when you get curious and worried, and drill a small peephole in the fence, and he attempts to knock your head off for this, you are liable to treat his requests for trust with some suspicion. The Soviet rock of secrecy must go. If this rock isn't removed, I submit that there will be no progress toward disarmament." (See footnote 2.)

Unfortunately, the situation has changed not at all. The single, most succinct, informative, and official exchange on this problem of secrecy, and its implications for possible disarmament agreements, is the important, although almost universally ignored, exchange between John McCloy and Valerian Zorin on the American reservation to the joint statement of principles on disarmament.[12]

It is time, and in fact, long overdue, that we fully inform the American people of the significance of secrecy as practiced by the Soviet Union, and its implications for arms control and disarmament. Hopefully, we might educate some critics of American defense policy at the same time.

It is time we launch an unremitting campaign against secrecy. Not only does secrecy prevent disarmament, but it forces the arms race into higher and ever-increasing spirals. The U.S. budget which Melman is so critical of is, in part, a direct consequence of Soviet secrecy. Further, and much more important, secrecy is not as valuable to the Soviets as they think it is. Secrecy can evaporate without leaving a trace, and it is illusory to count on secrecy for protection. For this reason, counting on secrecy is destabilizing. There are many other technical arguments against secrecy, but so long as it is difficult to have open discussion with the Soviets, and so long as they have very little internal open discussion on these matters, it is difficult to expect them to change their opinions on these matters (see footnote 11).

3. Harder work for next steps in arms control and disarmament

The United States is the only nation in the world which has an agency like the Arms Control and Disarmament Agency, whose job it is to work hard and at a high level on the problems subsumed in its title. The hopes and the aspirations of the world are tied up with far-reaching general and complete disarmament. But GCD has not been attained, and it is not more likely now than previously.

We should focus more of our energies on the important problem of first steps—which might indeed get us moving toward the goal which is too hard to get to in one jump. Doing something about reducing the chances of surprise attack, taking further measures to reduce the spread of nuclear powers, extending the test ban to all environments—certainly these are logical next steps. These steps aim in the right direction, and are necessary precursors to bigger steps.

4. Decouple accidents from consequences

Both the Soviet Union and the United States have large stockpiles of atomic weapons and delivery systems, and neither has used them in combat. There seems to be a general appreciation and understanding of the magnitude of destruction which would result from nuclear war. The likelihood of deliberate nuclear war in the near future seems low. These statements seem to have been transmuted by some critics of American defense policy into a statement that this situation is automatic, stable, assured, easy, and enduring. These critics then go on to suggest enormous reductions in the forces whose existence helped achieve this desirable condition. Realizing that what might be loosely called rational war seems to be out of the question, they proceed to turn all their worries to accidents, unintended war, and variations thereof. This concern is certainly legitimate.

About 15 years ago, I started using the phrase catalytic war to describe a process, an extreme, but not the only, form of which would be country C starting a war between countries A and B either by malevolence, miscalculation, or other means. (See footnote 2.) Above all, we must be alert to the possibility of accidents and we must not react automatically. In the unlikely event of an accident, whether or not we respond by getting into a big war depends on whether or not we have anticipated and thought about this possibility ahead of time.

Speculation and thought on this problem is not new:

"What would we do if such an event happened? This process does not lend itself to standard police investigative procedures, like taking fingerprints and interrogating witnesses. It is not that kind of an affair. Unless we had thought about this possibility (which we are now doing) there is some kind of chance that we might go to war. But, because we have thought about this, and because the consequences of war are even more serious, we would now pause and ask the question. 'Where did it come from, and whose was it?' This suggests an interesting task, purpose, and value for mutual inspection systems." (See footnote 2.)

In fact, publicizing these considerations is itself an important deterrent to third-party mischief and adventurism.

The hot line between Washington and Moscow will do part of the job called for by this suggestion.

By all odds, the mightiest blow struck in years against science, sanity, and sense in the discussion of the problem of accidents was given by C. P. Snow:[13]

"We know with the certainty of statistical truth, that if enough of these weapons are made—by enough different States—some of them are going to blow up through accident, or folly, or madness—but the motives don't matter. What does matter is the nature of the statistical fact. For we genuinely know the risks. We are faced with an 'either-or,' and we haven't much time. Either we accept a restriction of nuclear armaments. That is the 'either.' The 'or' is not a risk, but a certainty. The nuclear arms race between the United States and the U.S.S.R. not only continues but accelerates. Other countries join in. Within, at the most, 10 years, some of these bombs are going off. I am saying this as responsibly as I can. That is the certainty. On the one side, therefore, we have a finite risk. On the other side, we have a certainty of disaster. Between a risk or a certainty, a sane man does not hesitate."

Snow infers, but does not state explicitly that some of these bombs going off will result in general, full-scale nuclear war. Perhaps it is obvious to him, for he refers to the certainty of disaster. What Snow and others have failed to realize is that we have gone a long time without a single accident and large numbers of nuclear weapons have been in possession of both the Soviet Union and the United States for more than 10 years. This does not mean, of course, that therefore we will go a similar length of time in the future without an accident. This statistic does, however, argue against the inevitability of an accident over a corresponding length of time in the future. If anything, it suggests that the probability of an accident is extremely low. This, of course, is insufficient.

It must be our position to see that accidents are prevented as far as possible, but that if they do occur they do not yield or lead to automatic inexorable consequences. We must de-couple accidents and alleged automatic consequences.[14] [15] It is far too simple to assert that probabilities are cumulative. In fact, we are not dealing with coins, but with experience, and probabilities are continually modified by experience.

The likelihood of accidents may be low but, as long as there are weapons in the world, we cannot count on their being no accidents. What we should count on, and can insist on, is that kind of a pause in the event of an accident which would let us determine whether it was indeed an accident, or a provocation, or the beginning of a war. This is an important point, made in a Senate resolution by Senator HUMPHREY who, stating in detail what the United States is doing to maintain control over its weapons and to

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[11] Katz, A. H., "The Stumbling Block of Soviet Secrecy," War/Peace Report, October 1962.

[12] Letter from Presidential Adviser McCloy to Deputy Foreign Minister Zorin: Verification of Retained Forces and Armaments, September 20, 1961; United Nations Document A/4880, September 20, 1961, and letter from Zorin to McCloy, September 20, 1961, United Nations Document A/4887, September 25, 1961. These letters are reprinted in Documents on Disarmament, 1961, U.S. Arms Control and Disarmament Agency Publication No. 5, Washington, D.C., August 1962, pp. 442–444, and also rep inted in War/Peace Report, October 1962, pp. 9–10.

[13] Snow, C. P., "Address to the AAAS," New York Times, December 28, 1960.

[14] Katz, A. H., "Clichés, Complexes and Contingencies," War/Peace Report, October 1962.

[15] Katz, A. H., "Psychologist's Cure for Arms Race Questioned," War/Peace Report, January 1962.

reduce the probability of accidental unauthorized use of weapons, called upon the Soviet Union to let the world know what they were doing about these same problems. The Soviet Union has not responded.

Important too are the consequences of the accident problem to the kind of strategy we need. The kind of strategy that we have and the forces we are building, the thinking upon which forces and strategy are based, are clearly responsive to this problem. This is what was called for several years ago (see footnote 2):

"There is serious thought about removing or desensitizing the retaliatory hair trigger, the instant-response strategy that we seem to prefer. One way that has been suggested is to slow down the required response time of our retaliation, to back off from the kind of instant response or preemptive strategy that used to be fashionable—to convert our strategy into what I have been calling a metastable strategy. This concept implies not perfect but relative stability. The idea I'm suggesting is simple. A successful strategy of this type would take us from an unstable situation to a relatively stable one. It would enable us to respond in some measure but without ultimate disaster and ultimate commitment—it would be a strategic boat that can stand a little rocking without being swamped.

"What are the elements of such a strategy? It seems easier to describe than to attain. This strategy may take more money, for example. The elements that would enter into a stabilized deterrent strategy are those things which involve insuring that we don't have to strike first or preempt (anticipatory retaliation), building a capability of being quiet while we are being hit, or absorbing a first blow, not having to respond instantaneously, not having to get our airplanes and missiles off at once. This strategy might involve, for example, building missile sites that are hardened, numerous, dispersed, or perhaps mobile—that are able to absorb the first hit. This is expensive.

"Such a strategy would require having adequate mutual inspection—adequate information exchange with all possible opponents to convince each other that it neither pays nor is there occasion to strike first. I'm assuming we're in an era when we haven't got perfect disarmament, and that there are still some things to worry about. In the event of an accident, or a third-party attempt to catalyze a war, an adequate mutual inspection system would enable the Russians to tell us and us to tell the Russians, 'Now, look, that bomb didn't come from us, and we can prove it. It came from somewhere else. Don't start a war.'"

This list of things to do is not meant to be complete, nor inclusive. It ignores large blocks of important activity—our activities in support of the U.N. and specialized agencies, medical, food problems, problems of world trade, etc., etc. An equal list of domestic problems can and should be compiled and acted on. Despite Melman's stating it, it is not true that people interested in defense problems and in maintaining our security by military means are not interested or active in enhancing security by other methods or are indifferent to and uninterested in domestic and human problems. Military security is only one facet of the problems we face.

It was once appropriate to argue that "what is wrong with deterrence as we have come to talk about it is not deterrence itself, but an overwhelming preoccupation with deterrence alone to the exclusion of complementary and concurrent efforts (see footnote 2). Well, we are now engaged in complementary and concurrent efforts; the fact that they don't always succeed according to our expectations is not entirely our fault, for we are not in complete and sole charge. When the Department of the Interior or the Army's Corps of Engineers fails to complete a dam in the United States, you know exactly where blame lies and where to assign responsibility. When the Arms Control and Disarmament Agency fails to secure an arms-control agreement, it is senseless and erroneous to complain to them alone. Some of the frustration and disappointment should be siphoned off and directed toward the Soviets.

Hope for a more peaceful world, and more important, positive actions, must take off from a secure foundation. Surely it is in order to give some credit to the forces that have fulfilled their mission of deterrence. It is no advance toward negotiated disarmament, toward greater stability, toward a more peaceful world to enter the door marked "unilateral disarmament."

We can hope boldly, but we had better judge cautiously.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

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

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

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

Thomas J. Kenney, of Maryland, to be U.S. attorney for the district of Maryland; and

Roy Lee Call, of Alabama, to be U.S. marshal for the northern district of Alabama.

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

Edward V. Hanrahan, of Illinois, to be U.S. attorney for the northern district of Illinois.

The PRESIDING OFFICER. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

DEPARTMENT OF THE ARMY

The legislative clerk read the nomination of Paul R. Ignatius to be Under Secretary of the Army.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. ARMY

The legislative clerk proceeded to read sundry nominations in the U.S. Army.

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

The PRESIDING OFFICER. Without objection, the nominations are considered and agreed to en bloc.

NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Navy nominations may be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and agreed to en bloc.

AIR FORCE

The legislative clerk proceeded to read sundry nominations in the Air Force.

Mr. MANSFIELD. Mr. President, I make the same request.

The PRESIDING OFFICER. Without objection, the nominations are considered and agreed to en bloc.

FEDERAL DEPOSIT INSURANCE CORPORATION

The legislative clerk read the nomination of Kenneth A. Randall to be a member of the Board of Directors of the Federal Deposit Insurance Corporation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COMPTROLLER OF CUSTOMS

The legislative clerk read the nomination of William Rummel to be Comptroller of Customs.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The PRESIDING OFFICER. Without objection, the nominations placed on the Secretary's desk in the Air Force, in the Army, and in the Navy and Marine Corps are considered and agreed to en bloc.

ADDITIONAL NOMINATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that three nominations, reported favorably today by the Committee on the Judiciary, be considered at this time.

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

U.S. ATTORNEYS

The legislative clerk read the nomination of Edward V. Hanrahan to be U.S. attorney for the northern district of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Thomas J. Kenney to be U.S. attorney for the district of Maryland.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. MARSHAL

The legislative clerk read the nomination of Roy Lee Call to be U.S. marshal for the northern district of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

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

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

COMMITTEE MEETINGS DURING THE SESSION OF THE SENATE TOMORROW

Mr. MANSFIELD. Mr. President, on behalf of the distinguished majority whip, the Senator from Minnesota [Mr. HUMPHREY], I ask unanimous consent that the Committee on Commerce may meet tomorrow during the session of the Senate.

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

On request of Mr. MCCLELLAN, and by unanimous consent, the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, was authorized to meet during the session of the Senate tomorrow.

COMMITTEE MEETING DURING SENATE SESSION ON MONDAY NEXT

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Special Committee on Aging be permitted to sit on Monday next during the session of the Senate.

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

LEAVE OF ABSENCE

Mr. MORSE. Mr. President, I ask unanimous consent that I may be excused from attendance in the Senate tomorrow.

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

AGRICULTURAL ACT OF 1964—THE COTTON AND WHEAT PROGRAM

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 850, H.R. 6196, and that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 6196) to encourage increased consumption of cotton, to maintain the income of cotton producers, to provide a special research program designed to lower costs of production, and for other purposes.

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

Mr. KEATING. Mr. President, it is my intention to oppose the motion. While Senators are present in the Chamber, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KEATING. Mr. President, I shall be brief. There is now on the calendar the civil rights bill, H.R. 7152, and the cotton-wheat bill. I oppose the strategy selected by the majority leader in bringing up the farm bill now and thus supplanting the civil rights bill with the farm bill.

The first reason is this: It is no secret that many Senators who are pressing for action on the cotton bill are the same Senators who have frequently in the past been among the filibustering Senators on the issue of civil rights. Perhaps it is a forlorn hope, but it seems to me that if we are desirous of passing a meaningful civil rights bill, there would be some hope that action on the bill would be expedited if the farm bill were not brought up until the civil rights bill was passed. Thus, Senators who have so vigorously and at such length opposed the civil rights bill might be persuaded, since they have a deep interest in the cotton bill, to help to reach a final determination of the civil rights bill, in order to move on to the farm bill.

Any such lever, if that is a proper word to use, would be completely surrendered now by first taking up the farm bill, and then, after it had been disposed of some days, or probably weeks, hence, turning to a consideration of the civil rights bill.

We have heard strong protestation that the tax bill and the civil rights bill were the two major bills to be acted upon at this session. It had been said that the civil rights bill should not be taken up until the tax bill had been disposed of. This argument was made in spite of the fact that the tax conference report was privileged and could have been called up at any time during the debate on any subject, including the debate on the civil rights bill. We could have started the debate on the civil rights bill as soon as the bill reached the Senate. It passed the House on February 10, more than 2 weeks ago. It could have been taken up at that time, and any Senator seeking recognition could, during the debate on the civil rights bill, have obtained recognition to seek approval of the conference report on the tax bill.

The tax bill had very little to do with the delay in the consideration of the civil rights bill. The delay was sought in order to take up this so-called farm bill. It is not my intention to discuss the merits of the farm bill. I have never opposed the taking up of a bill because I did not like its contents. I find much lacking in the cotton-wheat proposal, but my remarks now are not addressed to the merits of the farm bill itself. I know, and we should all be aware, that it is a complicated measure. Dozens of amendments will be offered. The bill is favored or opposed by numerous organizations and individuals. It is the subject of much lobbying activity both pro and con. We all know that it cannot be disposed of in 2 or 3 days. The bill will be the subject of considerable debate. Many substitutes will be offered for both the wheat and the cotton proposals. They will be offered in good faith. Senators who offer amendments will be entitled to be heard fully, on their proposals. I can envision a prolonged debate on the farm bill, a debate which will push into the outer darkness, for the time being at least, the civil rights proposal.

My feeling is that it is imperative that a meaningful civil rights bill be enacted without delay. I do not like to see the grave problems of human rights pushed into the background and supplanted by a proposal relating to cotton and wheat, which, even if it were a sound proposal, has not as much import to many of us as do human rights.

We are asked to put the subsidy program for cotton and wheat, which is a doubtful proposal, ahead of an important bill. That is contrary to what I had understood to be the intention of the leadership. I regret that this is being done. It will only mean further delay, and will unnecessarily postpone the enactment of a civil rights bill. We all know that the passage of a civil rights bill will be a difficult and long-drawn-out process in and of itself.

In my judgment, the way to enact a meaningful civil rights bill is to begin work on it tonight and to stay at work on it. Under the ruling of the Chair, it is not possible for Senators who want, as I do, to substitute a motion to take up the civil rights bill; nor is it possible to offer an amendment to the motion made by the distinguished majority leader. Our only recourse is to move to table his motion or to oppose the motion on its merits. It is my judgment that the motion should be opposed on its merits. It will be opposed by some Senators, undoubtedly, on the ground that the bill is not sound, and by others on the basis that this is a mistaken strategy, if our desire and intention is to enact a meaningful civil rights bill. It is on the latter ground that I oppose the taking up of the farm bill.

Mr. JAVITS. Mr. President, I feel some things must be said, and this is as good a framework as any in which to say them, rather than during those delightful periods of badinage in which we engage, because we are human and have to have a bit of relief from strain.

In the civil rights struggle, the Nation is confronted with a deep moral and constitutional issue upon which the future of 18 million Americans is staked, and in which, as I have said time and again, public order and tranquillity are deeply involved.

It will be difficult in the days ahead, when spring is succeeded by summer, to deal with some of the demonstrations that will undoubtedly take place in the country unless we can supply responsible answer to those who are demonstrating, to the effect that we in Congress have done our utmost to provide them avenues of law which will enable them to give tongue and redress to their just grievances—and we all recognize that they are just.

Unless we have that responsible answer, we may find ourselves in grave trouble in many big cities in the country—not only in the South. I believe this whole problem has now moved into the North and into the Midwest in a very significant way. So the arguments which my colleague from New York [Mr. KEATING] made so eloquently are valid, and I identify myself with them.

I make this additional point: It is a question of climate with which we are now dealing. What, after all, will influence the minds of millions of Americans who are deeply concerned with whether we are really trying to act in a conscien-

tious way to redress their grievances, which the country now recognizes as being just? Whatever the surveys and the columnists may say about the situation, the fact is that many people are irritated and annoyed with the civil rights struggle. I think there is much to that contention. It is a fact. Nonetheless, we now know that the Negro in the United States has not been treated properly, and that much must be done in order to repair the delay in his development in comparison with the development of the rest of the country.

So we are dealing with a climactic situation affecting the minds and temperaments of millions and millions of Americans; and it seems to me to be a very grave mistake under these circumstances, when we can take up the bill which deals with their grievances, to lay it aside, and to take up, instead, another bill—which is exactly what we are doing now.

Mr. President, if the objection to the referral of the civil rights bill to the Judiciary Committee did nothing else, at least it kept the civil rights bill on the calendar of the Senate, from which it can be brought up by motion at any time, if there is a desire to do so, in preference to having the Senate consider any other proposed legislation; and certainly the civil rights bill deserves to have preference over all other measures. Let us remember that those who will keep the civil rights bill before the Senate for weeks, and even perhaps months, although that need not be done, for there is no reason why the civil rights bill, like any other complex bill, cannot be considered and disposed of in the same length of time that is required for the disposition of the farm bill, in other words, in a week or two—but those who will keep the civil rights bill before the Senate for weeks and months are the very beneficiaries of the farm bill which now is under discussion. In short, it is clear that the Senate learns nothing from history, and thus is depriving itself of the benefit of the famous carrot and stick principle, for this procedure is for them, all carrot and no stick. Therefore, Mr. President, the Senate will reap exactly what it is sowing, and there will be an absolutely free ride for Senators who wish to take whatever time suits them in bringing about delay in the enactment of the civil rights bill.

Mr. President, I think it rather interesting that the two Senators from the State of New York are speaking to this issue; and I say this with some feeling that the Senate should understand exactly how this situation comes to be—almost sociologically, in fact. The two Senators from New York show their sensitivity to what is happening in the country, by speaking to this issue and by opposing the attempt to have the Senate take up another bill which is on the calendar; and of course I shall join my colleague, the Senator from New York [Mr. KEATING], in opposing that attempt.

Mr. SCOTT. Mr. President, at this point will the Senator from New York yield for a question?

Mr. JAVITS. I yield.

Mr. SCOTT. I wish to say that I agree with the Senator from New York; I feel, as does he, that the delay in the taking of action by the Senate on the civil rights bill is wholly the responsibility of the Senate's majority leadership, and that notwithstanding all the pious protestations which may be heard and all the statements to the effect that the farm bill has priority and is more important, and all the oratory to the effect that the farm bill can be disposed of in 2 or 3 days, all that only serves to cloud, and perhaps to conceal, the same kind of tactics which were used here for 2½ years, beginning in 1961, when we were constantly told that other measures had higher priority than the civil rights bill, and that the civil rights bill would be reached in due time. The "due time" came and went many times, but always we were told that some other bill was more important.

Now we are told, first, that the Senate's consideration of the farm bill will not take a very long time; yet we are told that if the farm bill is not taken up now, those of us who are demanding that the civil rights bill be acted upon now by the Senate will really be the ones who will be delaying the Senate. Certainly that is not correct—as I am sure the Senator from New York agrees.

What we are trying to point out, for the umpteenth time, is that we are ready and prepared to have the Senate consider and act on the civil rights bill, and we want the Senate to act on it, and we want the Senate to dispose of it. So it is the sheerest oratorical joggery-poggery to seek to imply that the minority is doing anything except say, "Let us get on with the work of the Senate; let us get on with the long-delayed civil rights bill"—for which the Republican Members of the House voted on the basis of 4 to 1, and for which the Democratic Members of the House of Representatives voted on the basis of 2 to 1.

I am sure the Senator from New York knows, as I do, that the farm bill will not be disposed of by the Senate in 2 or 3 days. Instead, once the majority works its will on that bill, it may be found that the result of deferring, in that way, the action of the Senate on the civil rights bill will be that Senators will speak on the farm bill for an indeterminate number of days, each one addressing his remarks to his constituents—as indeed he should do and can do—and each one explaining his views on the farm bill, either for or against the position taken by the farmers of the country—and each Senator speaking in regard to the attempt to do for cotton and also to do for wheat what could not be done for either of them standing alone, and throughout that procedure certain Senators will be seeking to postpone the taking of action by the Senate on the civil rights bill, while piously protesting that what they desire more than anything else in the world is to have the Senate act on the civil rights bill.

So, Mr. President, as I have said, I agree with the Senator from New York that this kind of legislative mummery-jummery is simply an attempt to mask the nervous unwillingness of the majority to help the Senate face up one more time to its responsibility, after the Senate has so long failed to do so, and has been so long on promises, but so short on performance.

Therefore, I point out that my one speech on this matter is not taking very much time, and has not very long postponed the taking of action by the Senate. I hope it has served to expose the old, old tactics used in this body in the attempt to prevent the taking of action by the Senate on a civil rights bill and to continue as long as possible to prevent the taking of action by the Senate, on the civil rights bill, under the guise that some other measure is more important.

In that connection, Mr. President, I state that it is my belief, as well as my hope, that, generally speaking, the Senator from New York agrees with me.

Mr. JAVITS. I do agree, and I am delighted to have had this most helpful intercession by the Senator from Pennsylvania, for as a result of what he has said, the effect of the statement I am making will be just that much greater.

Mr. President, I began to say that it is interesting to observe that the two Senators who represent the largest city in the United States, and probably the largest city in the world—namely, New York City and its environs—should be joined on this issue by a Senator who represents another very great State—Pennsylvania—which includes another very great city—Philadelphia.

Why do we from New York and Pennsylvania speak, and what are our credentials for speaking, and why should what we say be listened to? The reason, Mr. President, is that New York City has probably the largest Negro population of any city in the world; its Negro population is approximately 1 million. So who would know better than we do what is in the hearts of those Negroes and how their feelings will be affected by this situation; namely, that when there is a possibility of Senate action on a bill dealing with the grievances which they have so deeply held for decades, instead the Senate proceeds to consider another bill—in this case, a farm bill.

Some Republicans are, at times, accused of preferring dollars to people. Certainly that is not true, for it is absolutely refuted by the history of the Republican Party. However, Mr. President, it is proper to point out that with power goes responsibility; and I emphasize my determination to exercise all the responsibility I have in favor of urging immediate consideration by the Senate of the civil rights bill.

The responsibility rests upon the majority in having chosen to take up an economic bill in preference to a human bill. That is no idle matter, for with the power to choose what bill will be called up goes the responsibility to account to the country as to why this as against any other.

I conclude upon the following note. A great opportunity is being lost. Quite apart from the fact that many who will be filibustering the civil rights bill have a great interest in seeing the so-called farm bill passed, quite apart from that realistic—"pragmatic" is probably the best word—concept, and looking at the thing in rather different terms, is it not true that if we called up the civil rights

bill now, we would make crystal clear to all the world that those who filibuster the civil rights bill do not have to do it. They are doing it, not because it requires elucidation beyond the reasonable compass of debate on a bill no more complex than many, but because they are utilizing the procedures of the Senate, which are archaic in that regard, either to prevent the Senate from acting at all or to emasculate what the Senate does in relation to so profound a social question as the one before us.

I am not without hope about this. I believe that we will vote a meaningful civil rights bill. Indeed, I am one of those who believe we will even vote cloture. But I make the following prediction: The force and the impact of the public feeling upon this measure will communicate itself to the Senate, though we now get into a phase of laying aside civil rights in order to consider the farm bill. There is a great deal of talk about the fact that we will gradually work into longer sessions, as if there was something wrong with extending the sessions—yes, even to around-the-clock sessions—where the obvious design is clear to prevent the Senate from executing its constitutional right—indeed, its constitutional duty—to vote. I do not think such action needs apologies. I do not think we have to lay on with a feather duster. I believe events will catch up with the Senate, and this is the beginning of the kind of thing that will produce the reaction that will compel events to catch up with the Senate. We are not living in a dream world. There are millions of people who are so deeply aggrieved that they will go out on the streets and demonstrate in such a way as to be very dangerous for our Nation unless we have the foresight here to do something about it. We are not removed from the world; we are not merely talking to each other. I deeply feel that we are making a great mistake. We are beginning it now. We will aggravate that mistake if in the civil rights debate there will be the leisure, the comfort, the convenience, and the amplitude of mind to let it drift along as gentlemen, come what may, for weeks and weeks and months and months on end. Events will catch up with us. I think this is exactly the moment for my colleague from New York, the Senator from Pennsylvania, and me, who understand the lives of big cities where 70 percent of the American people live, to give the Senate this note of warning of what is written on the wall, for the purpose and with the hope that as we and the people themselves emphasize the facts, the Senate will come to a realization of the profundity of the matter with which it is dealing, and give it its due.

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

Mr. JAVITS. I yield.

Mr. KEATING. I commend the Senator for his forceful statement. I wish to add that we have been told by the Senator from Oregon that when the civil rights bill is brought up, he will move to send it to the Committee on the Judiciary.

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

Mr. JAVITS. I yield.

Mr. MANSFIELD. In the meantime, the two Senators from New York refused to send it to the Judiciary Committee. What they are doing, in effect, is to delay civil rights legislation themselves, no matter what they may say on the floor of the Senate.

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

Mr. JAVITS. I yield.

Mr. KEATING. I withdrew any remarks about anyone's motives, and I do not intend to have my motives challenged here.

Mr. MANSFIELD. If what I have said affects the feelings of the Senator, I would be most happy to withdraw it.

Mr. KEATING. Mr. President, to send a bill to a committee without any power to act on it is a ridiculous procedure. It has been condemned on all sides here in this body today. To the extent that the majority leader has given the statement that he is not going to try such a thing again——

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

Mr. JAVITS. I yield.

Mr. MANSFIELD. I would not say that has been condemned on all sides. I would say it has been condemned on two sides and by very few Members of this body.

Mr. KEATING. The selection of the farm bill over and above the civil rights bill at this stage of the game is objectionable and bad strategy for an additional reason. We have been warned by the Senator from Oregon that, when the bill came up, he would move to refer it to the Committee on the Judiciary. Therefore——

Mr. MANSFIELD. Mr. President——

Mr. KEATING. The Senator has yielded to me, and I should like to complete my statement.

Mr. MANSFIELD. The Senator has questioned my motives as to strategy involved. I do not want to be questioned any more than the Senator from New York does.

Mr. KEATING. I have been very careful to preface my remarks here by saying that I do not question the motives of anyone, including, of course, the distinguished majority leader. I have questioned his judgment. If the desire is to get a strong and meaningful civil rights bill, in my judgment the procedure adopted is not the way to go about doing so—unless we are going to try to get it next Christmas instead of in the next few weeks. If the civil rights bill were now motioned up, the Senator from Oregon could make his motion after that bill was before us.

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

Mr. KEATING. He might be successful. I hope he would not, and I do not believe he will be successful in a move to send the bill to the Committee on the Judiciary. Of course, I shall oppose that. But he might be successful in that endeavor. He might be successful after we have disposed of the farm bill some weeks hence. He might be successful then, in which case we shall have lost all of this time in between. We shall then be in a position of being no farther along the road than we are now, and the only way that we shall get a meaningful civil rights measure is to get at it and not to delay it. Therefore, that seems to me another reason for the position taken by the Senator from New York.

Mr. JAVITS. I thank my colleague. Speaking for myself, I should like to say that yesterday, after I had objected to the unanimous-consent request, I said that I would sleep on it. I did. I believe it was the only thing which could be done by anyone who feels, as I do, that this matter should be pressed. It was not my choice that the farm bill should precede the civil rights bill. It was my choice that the civil rights bill should precede the farm bill.

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

Mr. JAVITS. Not yet. I shall in a moment. Therefore, as I had the power to make that objection, I also have the responsibility to do everything I can to see that the bill which I thought ought to have priority was not delayed.

May I point out one other thing, and then I will yield. Even if the Senator from Oregon [Mr. MORSE] should make his motion, and even if it should be successful, we will still save time, because he cannot make it until the first stage of the consideration of the bill is completed. In short, when the bill is before the Senate for consideration, and the phase of the motion to take up has been completed, then, and then only, can he make his motion.

I respectfully submit that knowing what we can anticipate in this regard, we shall still be saving a great deal of time even without the proposed reference and with the objection I made. I yield.

Mr. MANSFIELD. Mr. President, so far as both Senators from New York are concerned, there is no question, nor should there be any question in anyone's mind, to the effect that their desire, not for the past several weeks, but for the past several months, has been to bring up a civil rights bill. But as I listened to the distinguished Senator from New York [Mr. KEATING], frankly, I do not know where he stands on the question of referring the civil rights measure to the Judiciary Committee. He is for it; he is against it; he is somewhere in between. I do not know just where he stands nor do I understand. The Senator from New York [Mr. JAVITS], who now has the floor, can make the statement that if the bill is referred to the committee and changes are made after the civil rights bill is made the pending business, it will save time.

The only way I see that we could have saved time and have the kind of bill which I think both Senators from New York wanted was to have agreed to the proposal made by the Senator from Montana last night and today, to refer the civil rights bill which is on the calendar to the committee, to have it report back by March 4, with no recommendations and no amendments thereto. That

way we would have had time. That way the procedural policy of the Senate would have been observed, at least in part. During the interim, ample notice was given that it was the intention of the majority leader, who has the responsibility, to take up, following the military procurement bill, the bill we are now attempting to take up, but which is being opposed at this time.

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

Mr. JAVITS. I yield.

Mr. KEATING. The distinguished Senator from Montana must not have been listening to my statement. If he can point out any place where I said I would favor sending the bill to the Judiciary Committee, I will be glad to have him do so. I have stated twice today, that I oppose sending it to the Judiciary Committee under the ridiculous conditions proposed by the majority leader, but I also object to sending it to the Judiciary Committee under any procedure, because I have served on the Judiciary Committee, and I know it is meaningless to send the bill to that committee. I have stated before that it would be an extreme example of supererogation, and I stand on that statement. I have never stated that I favor sending the bill to the Judiciary Committee at this stage of the proceedings.

Mr. MANSFIELD. I accept the statement of the Senator.

Mr. JAVITS. Mr. President, may I point out that the power of the majority leader——

Mr. MANSFIELD. The power of the majority leader is the power that any Senator has.

Mr. JAVITS. I do not think the Senator anticipated me correctly. I say this with all good will, but I would like the RECORD to be clear. Rule XIV was invoked to allow the bill to go to the calendar. There was no concept, in any way, shape, or form, in any Senator's mind that it would be referred to the committee, or any opportunity to consider what that would mean, and so the Senate voted yesterday, by a vote of 54 to 37, in good faith, believing it would result in putting the matter on the calendar, which was the only question before the Senate.

Let us contrast that with 1960.

Mr. MANSFIELD. Mr. President, before he goes to that, I think the Senator should yield to me at that point.

Mr. JAVITS. I yield.

Mr. MANSFIELD. I am looking for the place in the RECORD of yesterday which explains in part the position of the majority leader at that time. I shall find it in a moment.

If I may read my remarks prior to the defeat of the motion of the Senator from Georgia, I said——

Mr. JAVITS. May we know the page?

Mr. MANSFIELD. Page 3718 in yesterday's RECORD.

Mr. JAVITS. Yes.

Mr. MANSFIELD. I said:

> Mr. President, shortly, among other things, I intend to move to table the motion of the distinguished Senator from Georgia [Mr. RUSSELL]. Before doing so, I believe I should reiterate what I have said previously, that while this procedure is not orderly procedure under the rules, it is a procedure which is based on precedent. It is a procedure which we can carry out under the rules, and the rules give a Senator the privilege to act in this manner. It is a precedent which, in my opinion, has not been unduly abused. I do not have to bring to the attention of Members of this body the realities of the situation affecting civil rights, because there have been hearings before three committees, there have been 8 or 9 days of hearings before the Judiciary Committee, and if my memory serves me correctly, one witness was present, and by and large that one witness was questioned by one member.
>
> I listened with interest to what the distinguished Senator from Tennessee had to say—
>
> I was referring, of course, to the gentleman from Tennessee [Mr. GORE]—
>
> and I also listened with interest to what other Senators, such as the distinguished senior Senator from Oklahoma [Mr. MONRONEY] had to say, and what the distinguished Senator from Oregon [Mr. MORSE] had to say. Depending on the outcome of this vote, it is my intention to give serious consideration—very serious consideration—to the worthwhile suggestions which have been made by those three Senators mentioned—and other Senators as well.
>
> But at this moment, the Senate is faced with a choice between upholding a ruling made by the Presiding Officer and a motion to overrule that ruling—

And so forth and so on. So I did not want to say what I intended to do before the vote was taken, as I did not want to influence a vote on that basis, but I tried to give a hint as to what my intention would be if the vote turned out a certain way, and that was the overruling of the question at the conclusion of the vote and its announcement.

Mr. JAVITS. May I say to my beloved colleague, the majority leader, that this whole colloquy puts people like me in a very difficult light. I have great respect for the majority leader as a modest man. I do not believe there is a hair on his head—and he has far more than I do—that would permit him to survive anything he did which was against his conscience or was in any way calculated to deceive or mislead. I believe he is just as devoted, just as honorable, in his desire to get a meaningful civil rights bill as anyone here is, and yet he is under a great many responsibilities, both as a Senator and as majority leader. He has his own views and ideas as to what is right. He has his own feelings, coming from the section he does, of what the right kind of legislation would be. He has not always been successful in what he has tried to pilot through the Senate. So he is not infallible. Therefore, I hope we can cast these discussions, which become a trifle exacerbated with feeling that really is not what it may seem, in the proper light.

Not for a moment would I question the greatest good faith and bona fides and great dedication of the Senator from Montana to the same cause I have. I must say that. I regret that any note of any other kind creeps into the discussion, but it must because we are strong-minded. So the discussion is put in the light of sound and fury, but I do not feel that way.

Mr. MANSFIELD. Mr. President, it is very seldom that I let fury get the better of me—very, very seldom. Of course, there is nothing personal in what I have to say, because when explanations are in order they are made in an unbiased manner and for the purpose of keeping the record straight.

For the two Senators from New York [Mr. KEATING and Mr. JAVITS], with both of whom I have served in the House, I have nothing but the highest admiration and respect. Certainly, so far as their motives are concerned, I have no question whatsoever.

Mr. KEATING. Mr. President, will the Senator yield in order for me to get in on this?

Mr. JAVITS. I yield.

Mr. KEATING. I want to tell the majority leader what he knows and does not need to be told by me, but in order to have it made a part of the RECORD, I wish to say that of all the Members of this body, I would never question his motives in any way, and if there was anything in my remarks which tended to do that, I shall certainly remove them from my remarks, because all of us have the greatest respect and affection for this fine man.

Mr. JAVITS. Mr. President, I did want to make a point with respect to that fact that the Senate voted yesterday not to do precisely what the unanimous-consent request would have us do.

On March 24, 1960, we had precisely the same basic issue before us in regard to the Civil Rights Act of that year. But at that time the motion which was made was, also pursuant to rule XIV, to send the bill to the Judiciary Committee for a specified period of time. Whatever may have been the strategic concept of the majority leader in moving this time, as he did, to see that the bill went directly to the calendar, the fact is that it was a different procedure from that which was followed on March 24, 1960.

Yesterday it was only after the vote, and after the Senate had expressed itself upon this issue, that the unanimous-consent request was made. That was the reason I said it was my judgment that it was voting this time—based upon this set of circumstances, whatever may have happened on previous occasions—to put the bill on the Senate Calendar.

As for myself, it was completely consistent with my belief to do everything that I could, appropriately and properly, to bring about the earliest possible consideration of the civil rights bill. If events beyond my control prevented it—and they did—at least I had done everything I could to bring it about.

So, Mr. President, to close—and I am sorry to have taken longer than anticipated, but some of the time can be attributed to the colloquy which ensued—I believe that the urgency of the civil rights bill is great, much as I understand and appreciate the desires of those interested in the wheat and cotton bill to have it considered; and inasmuch as the civil rights bill is on the calendar and ready for action, it should be acted on. So for all the reasons which my colleague from New York, the Senator

from Pennsylvania, and I have developed, I shall vote "nay" on the motion to take up the farm bill.

Mr. GORE. Mr. President, I rise to support the position taken by the distinguished majority leader. Yesterday, I opposed a motion of the distinguished majority leader. I favor early consideration of both the civil rights bill and the wheat-cotton bill. I believe both of these aims will be accomplished. There is some sense of urgency with respect to both. Insofar as the farm bill is concerned, farmers are planting cotton now in the Rio Grande Valley. The wheat farmers are in a state of uncertainty, as are the cotton farmers. Although several provisions of the farm bill are of doubtful advisability in my view, I believe it is in the interest of our entire agricultural economy to have a decision one way or another—and soon.

I have made inquiry of Senators, and I detect no intention on the part of any Senator to enter into discussion of the farm bill other than upon its merits, and at reasonable length.

I suggest to the two distinguished Senators from New York that only yesterday the Senate completed action on a bill which was readymade, so to speak, for a filibuster, if any Senator had chosen to use it for that purpose. The entire Revenue Code was before the Senate, but no one sought to prolong discussion on that bill to delay consideration of the civil rights bill.

I do not believe we shall see such action with respect to the farm bill. I interpret the move on the part of the majority leader as being a realistic one, not only with respect to the farm bill, but also with respect to the military authorization bill. As I interpret his action, which I support, it is to clear the decks, so to speak, for a hands-down battle and ultimate decision on the civil rights bill.

Mr. McGOVERN. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. McGOVERN. Does the Senator know that with respect to the wheat section of the bill farmers will be planting their spring wheat in a few days, and that unless we act on the bill within the next 10 days or 2 weeks, both in the House and in the Senate, it will be too late to be effective at all?

Mr. GORE. I am aware of that. I had not intended to make reference to the merits of the bill. I have serious doubts that we should enact a wheat bill, but the Senator feels that it is urgent that we do so. I certainly concur with him that it is urgent for a decision to be reached, and to be reached early.

Mr. McGOVERN. I thank the Senator from Tennessee.

Mr. GORE. Therefore, Mr. President, I urge approval of the motion of the distinguished majority leader.

Several Senators addressed the Chair.

Mr. RUSSELL. Mr. President, I was unable to hear all the debate. Was the position of the opposition to proceed to consideration of the farm bill based on what the Senator from New York called the "bread tax" or was it based on the statement that they believed the other legislation should have priority? I heard the distinguished Senator the other day denounce what he called a "bread tax," and I did not know whether the objection was to proceed with the bill at this time, or whether it was based on the "bread tax," or some other question. I was called from the Chamber and was unable to hear all of the debate.

Mr. GORE. Mr. President, I do not wish to misinterpret the position of the distinguished Senator from New York, therefore I yield to him to answer that question.

Mr. KEATING. I shall be glad to do so. I did characterize it as a "bread tax" bill. However, I said, in my opposition to the motion, that I was not basing it upon the merits of the bill—although I am opposed to the wheat portion of the bill, I am not basing it on that ground—but on the ground that it is not wise strategy to supplant the civil rights measure with the cotton and wheat bill.

Mr. RUSSELL. In other words, the Senator believes it would be preferable to put a "bread tax" upon his constituents rather than to deny them some of their imaginary civil rights?

Mr. KEATING. I am hopeful, let me say to the Senator, that the cotton and wheat bill will not be enacted, at least in its present form. I am also hopeful, and I express that hope, that if we can consider the civil rights measure now, and settle the question of whether it can be sent to the Judiciary Committee, or be debated on the floor, it might be helpful, with regard to some Senators who are anxious to have a cotton bill, in shortening debate on the civil rights measure. I said I was not sure that was not a forlorn hope, but at least we live in hope.

Mr. RUSSELL. Yes. I believe that if it were not for hope, some of us would have scant reason to exist. I rose only to clarify the point that the Senator is not so much opposed to a "bread tax" as he is to delaying the so-called civil rights bill, which he feels some of his people are being denied.

Mr. KEATING. The Senator is in opposition to both.

Mr. HART. Mr. President, I shall not detain the Senate long. The objective of those of us who support the civil rights bill is to enact the bill. The goal is not merely to take up a bill, but to pass it. In my judgment—I happen to differ with the Senator from New York—we advance the day of enactment of a civil rights bill by supporting the leadership of the Senator from Montana in taking up the wheat and cotton bill.

This happens to be a difference of opinion. It is a matter of tactics, if you will. I hope the majority leader's motion will be supported and will succeed.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana that the Senate proceed to the consideration of H.R. 6196, the farm bill.

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 New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Pennsylvania [Mr. CLARK], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. ELLENDER], the Senator from Florida [Mr. HOLLAND], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Utah [Mr. MOSS], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Florida [Mr. SMATHERS], and the Senator from Connecticut [Mr. RIBICOFF] are absent because of official business.

I further announce that the Senator from Indiana [Mr. HARTKE] and the Senator from California [Mr. ENGLE] are necessarily absent.

I further announce that if present and voting the Senator from Louisiana [Mr. ELLENDER], the Senator from Pennsylvania [Mr. CLARK], and the Senator from Florida [Mr. HOLLAND] would each vote "yea."

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from New Mexico [Mr. ANDERSON].

If present and voting, the Senator from Minnesota would vote "yea" and the Senator from New Mexico would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. COTTON], the Senator from New Mexico [Mr. MECHEM], the Senator from Iowa [Mr. MILLER], the Senator from Kentucky [Mr. MORTON], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kansas [Mr. PEARSON], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

If present and voting, the Senator from New Mexico [Mr. MECHEM] would vote "nay."

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

The result was announced—yeas 57, nays 19, as follows:

[No. 49 Leg.]

YEAS—57

Bartlett	Hayden	Mundt
Bayh	Hill	Muskie
Bible	Hruska	Nelson
Brewster	Humphrey	Pastore
Burdick	Inouye	Pell
Byrd, W. Va.	Jackson	Randolph
Cannon	Johnston	Robertson
Carlson	Jordan, N.C.	Russell
Case	Kuchel	Sparkman
Church	Long, Mo.	Stennis
Curtis	Long, La.	Symington
Douglas	Mansfield	Talmadge
Eastland	McGee	Thurmond
Edmondson	McGovern	Tower
Ervin	McIntyre	Walters
Fulbright	McNamara	Williams, N.J.
Gore	Metcalf	Yarborough
Gruening	Monroney	Young, N. Dak.
Hart	Morse	Young, Ohio

NAYS—19

Aiken	Dominick	Proxmire
Allott	Fong	Scott
Beall	Hickenlooper	Simpson
Bennett	Javits	Smith
Boggs	Jordan, Idaho	Williams, Del.
Cooper	Keating	
Dirksen	Prouty	

NOT VOTING—24

Anderson	Hartke	Miller
Byrd, Va.	Holland	Morton
Clark	Kennedy	Moss
Cotton	Lausche	Neuberger
Dodd	Magnuson	Pearson
Ellender	McCarthy	Ribicoff
Engle	McClellan	Saltonstall
Goldwater	Mechem	Smathers

So the motion was agreed to; and the Senate proceeded to consider the bill (H.R. 6196) to encourage increased consumption of cotton, to maintain the income of cotton producers, to provide a special research program designed to lower costs of production, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Agricultural Act of 1964".

TITLE I—COTTON

SEC. 101. The Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new section:

"SEC. 348. In order to maintain and expand domestic consumption of upland cotton produced in the United States and to prevent discrimination against the domestic users of such cotton, notwithstanding any other provision of law, the Commodity Credit Corporation, under such rules and regulations as the Secretary may prescribe, is authorized and directed for the period beginning with the date of enactment of this section and ending July 31, 1968, to make payments through the issuance of payment-in-kind certificates to persons other than producers in such amounts and subject to such terms and conditions as the Secretary determines will eliminate inequites due to differences in the cost of raw cotton between domestic and foreign users of such cotton, including such payments as may be necessary to make raw cotton in inventory on the date of enactment of this section available for consumption at prices consistent with the purposes of this section: *Provided*, That for the period beginning August 1 of the marketing year for the first crop for which price support is made available under section 103(b) of the Agricultural Act of 1949, as amended, and ending July 31, 1968, such payments shall be made in an amount which will make upland cotton produced in the United States available for domestic use at a price which is not in excess of the price at which such cotton is made available for export."

SEC. 102. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following: "This section also shall be applicable to payments provided for under section 348 of this title."

SEC. 103. (a) Section 104 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection:

"(c) The Secretary of Agriculture is hereby authorized and directed to conduct a special cotton research program designed to reduce the cost of producing upland cotton in the United States at the earliest practicable date. There are hereby authorized to be appropriated such sums, not to exceed $10,000,000 annually, as may be necessary for the Secretary to carry out this special research program. The Secretary shall report annually to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture and Forestry of the Senate with respect to the results of such research."

(b) Section 103 of the Agricultural Act of 1949, as amended, is amended (1) by inserting "(a)" before the first sentence thereof; (2) by changing the period at the end of the second sentence thereof to a colon and adding the following: *"Provided*, That the price support for the 1964 crop shall be a national average support price which reflects 30 cents per pound for Middling one-inch cotton."; and (3) by adding at the end of such section the following new subsections:

"(b) If producers have not disapproved marketing quotas, the Secretary shall provide additional price support on the 1964, 1965, 1966, and 1967 crops of upland cotton to cooperators on whose farms the acreage planted to upland cotton for harvest does not exceed the farm domestic allotment established under section 350 of the Agricultural Adjustment Act of 1938, as amended. Such additional support shall be at a level up to 15 per centum in excess of the basic level of support established under subsection (a) and shall be provided on the normal yield of the acreage planted for harvest within the farm domestic allotment.

"(c) In order to keep upland cotton to the maximum extent practicable in the normal channels of trade, any additional price support under subsection (b) of this section may be carried out through the simultaneous purchase of cotton at the support price therefor under subsection (b) and the sale of such cotton at the support price therefor under subsection (a) or similar operations, including loans under which the cotton would be redeemable by payment of the amount for which the cotton would be redeemable if the loan thereon had been made at the support price for such cotton under subsection (a), or payments-in-kind through the issuance of certificates which the Commodity Credit Corporation shall redeem for cotton under regulations issued by the Secretary. If such additional support is provided through the issuance of payment-in-kind certificates, such certificates shall have a value per pound of cotton equal to the difference between the level of support established under subsection (a) and the level of support established under subsection (b). The corporation may, under regulations prescribed by the Secretary, assist the producers and persons receiving payment-in-kind certificates under this section and section 348 of the Agricultural Adjustment Act of 1938, as amended, in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this section and such section 348. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges as determined by the Secretary for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate."

(c) Section 401(b) of the Agricultural Act of 1949, as amended, is amended by striking in the second sentence thereof before "(8)" the word "and", changing the period at the end thereof to a comma and adding the following: "and (9), in the case of upland cotton, changes in the cost of producing such cotton".

SEC. 104. Section 407 of the Agricultural Act of 1949, as amended, is amended by inserting after the first proviso in the third sentence thereof the following: *"Provided further*, That beginning August 1, 1964, the Commodity Credit Corporation may sell upland cotton for unrestricted use at not less than 105 per centum of the current loan rate for such cotton under section 103(a) plus reasonable carrying charges:"

SEC. 105. The Agricultural Adjustment Act of 1938, as amended, is amended by adding a new section as follows:

"SEC. 350. In order to provide producers with a choice program of reduced acreage and higher price support, the Secretary shall establish for each farm for the 1964, 1965, 1966, and 1967 crops of upland cotton a farm domestic allotment in acres. The farm domestic allotment shall be the percentage which the national domestic allotment is of the national acreage allotment established under section 344(a) applied as a percentage of the smaller of (1) the farm acreage allotment established under section 344, or (2) the higher average actually planted or regarded as planted on the farm (excluding acreage regarded as planted under sections 344(m)(2) and 377) in the two years preceding the year for which such allotment is established: *Provided*, That any farm planting 90 per centum or more of the allotment shall, for the purpose of (2) above, be considered as having planted the entire farm allotment: *Provided further*, That, except for farms the acreage allotments of which are reduced under section 344(m), the farm domestic allotment shall not be less than the smaller of 15 acres or the farm acreage allotment established under section 344, but this proviso shall be applicable to the 1964 crop without regard to the exception stated herein. The national domestic acreage allotment for any crop shall be that acreage, based upon the national average yield per acre of cotton for the four years immediately preceding the calendar year in which the national acreage allotment is proclaimed, required to make available from such crop an amount of upland cotton equal to the estimated domestic consumption for the marketing year for such crop. The Secretary shall proclaim the national domestic acreage allotment for the 1964 crop not later than April 1, 1964, and for each subsequent crop not later than December 15 of the calendar year preceding the year in which the crop is to be produced."

SEC. 106. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) The following new section is added to the Act:

"SEC. 349. (a) The acreage allotment established under the provisions of section 344 of this Act for each farm for the 1964 crop may be supplemented by the Secretary by an acreage equal to such percentage, but not more than 10 per centum, of such acreage allotment as he determines will not increase the carryover of upland cotton at the beginning of the marketing year for the next succeeding crop above one million bales less than the carryover on the same date one year earlier, if the carryover on such earlier date exceeds eight million bales. For the 1965, 1966, and 1967 crops, the Secretary may, after such hearing and investigation as he finds necessary, announce an export market acreage which he finds will not increase the carryover of upland cotton at the beginning of the marketing year for the next succeeding crop above one million bales less than the carryover on the same date one year earlier, if the carryover on such earlier date exceeds eight million bales. Such export market acreage shall be apportioned to the States on the basis of the State acreage allotments established under section 344 and apportioned by the States to farms receiving allotments under section 344, pursuant to regulations issued by the Secretary, after considering applications for such acreage filed with the county committee of the county in which the farm is located. The 'export market acreage' on any farm shall be the number of acres, not exceeding the maximum export market acreage for the farm established pursuant to this subsection, by which the acreage planted to cotton on the farm exceeds the farm acreage allotment. For purposes of sections 345 and 374 of this Act and the provisions of any law requiring compliance with a farm acreage allotment as a condition of eligibility for price support or payments under any farm program, the farm acreage allotment for farms with export market acreage shall be the sum of

the farm acreage allotment established under section 344 and the maximum export market acreage. Export market acreage shall be in addition to the county, State, and National acreage allotments and shall not be taken into account in establishing future State, county, and farm acreage allotments. The provisions of this section shall not apply to extra-long-staple cotton or to any farm which receives price support under section 103(b) of the Agricultural Act of 1949, as amended.

"(b) The producers on any farm on which there is export market acreage or the purchasers of cotton produced thereon shall, under regulations issued by the Secretary, furnish a bond or other undertaking prescribed by the Secretary providing for the exportation, without benefit of any Government cotton export subsidy and within such period of time as the Secretary may specify, of a quantity of cotton produced on the farm equal to the average yield for the farm multiplied by the export market acreage as determined pursuant to regulations issued by the Secretary. The bond or other undertaking given pursuant to this section shall provide that, upon failure to comply with the terms and conditions thereof, the person furnishing such bond or other undertaking shall be liable for liquidated damages in an amount which the Secretary determines and specifies in such undertaking will approximate the amount payable on excess cotton under section 346(a). The Secretary may, in lieu of the furnishing of a bond or other undertaking, provide for the payment of an amount equal to that which would be payable as liquidated damages under such bond or other undertaking. If such bond or other undertaking is not furnished, or if payment in lieu thereof is not made as provided herein, at such time and in the manner required by regulations of the Secretary, or if the acreage planted to cotton on the farm exceeds the farm acreage allotment established under the provisions of section 344 by more than the maximum export market acreage, the farm acreage allotment shall be the acreage so established under section 344. Amounts collected by the Secretary under this section shall be remitted to the Commodity Credit Corporation and used by the Corporation to defray costs of encouraging export sales of cotton under section 203 of the Agricultural Act of 1956, as amended."

(2) Section 376 of the Act is amended by adding at the end thereof the following: "This section also shall be applicable to liquidated damages provided for pursuant to section 349 of this title."

(3) Subsection (f)(8) of section 344 of the Act is amended by inserting after the language "75 per centum of the farm allotment for such year" the following: "or, in the case of a farm which qualified for price support on the crop produced in such year under section 103(b) of the Agricultural Act of 1949, as amended, 75 per centum of the farm domestic allotment established under section 350 for such year, whichever is smaller".

(4) Section 377 of the Act is amended by inserting in the first proviso after the language "75 per centum or more of the farm acreage allotment for such year" the following: "or, in the case of upland cotton on a farm which qualified for price support on the crop produced in any such year under section 103(b) of the Agricultural Act of 1949, as amended, 75 per centum of the farm domestic allotment established under section 350 for any such year, whichever is smaller".

(5) Subsection (b)(13)(B) of section 301 of the Act is amended by deleting the words "cotton or".

(6) Subsection (b)(13)(G) of section 301 of the Act is amended by deleting ", cotton," wherever it appears.

(7) Subsection (b)(13) of section 301 of the Act is amended by adding after subparagraph (G) new subparagraphs as follows:

"(H) 'Normal yield' for any county, for any crop of cotton, shall be the average yield per acre of cotton for the county, adjusted for abnormal weather conditions and any significant changes in production practices during the five calendar years immediately preceding the year in which the national marketing quota for such crop is proclaimed. If for any such year the data are not available, or there is no actual yield, an appraised yield for such year, determined in accordance with regulations issued by the Secretary, shall be used as the actual yield for such year.

"(I) 'Normal yield' for any farm, for any crop of cotton, shall be the average yield per acre of cotton for the farm, adjusted for abnormal weather conditions and any significant changes in production practices during the three calendar years immediately preceding the year in which such normal yield is determined. If for any such year the data are not available, or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations of the Secretary, taking into consideration abnormal weather conditions, the normal yield for the county, changes in production practices, and the yield in years for which data are available."

TITLE II—WHEAT

SEC. 201. Notwithstanding any other provision of law—

(1) the Secretary shall not proclaim a national marketing quota for the 1965 crop of wheat and farm marketing quotas shall not be in effect for such crop of wheat;

(2) the Secretary shall proclaim a national acreage allotment for the 1965 crop of wheat which shall be the number of acres which the Secretary determines will make available an adequate supply of wheat, but shall not be less than forty-nine million five hundred thousand acres.

SEC. 202. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 334 (a) is amended by inserting "and less the special acreage reserve provided for in this subsection" in the first sentence after "in this subsection"; by changing the period at the end of the first sentence to a colon and adding the following: *"Provided further,* That in establishing State acreage allotments, the acreage seeded for the production of wheat plus the acreage diverted for 1965 for any farm shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year."; and by adding at the end of the section the following:

"There shall also be made available, beginning with the 1965 crop, a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be used to make additional allotments to counties on the basis of the relative needs of counties, as determined by the Secretary, for additional allotment to make adjustments in the allotments on old wheat farms (i.e., farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year."

(2) Section 334(b) is amended by changing the period at the end thereof to a colon and adding the following: *"Provided further,* That in establishing county acreage allotments, the acreage seeded for the production of wheat plus the acreage diverted for 1965 for any farm shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary or determining farm wheat acreage allotments for such year."

(3) Section 334(c)(1) is amended by inserting "or 1965" in the third sentence, clauses (i) and (ii), after "1958" wherever it appears, and by inserting "except 1965" in the third sentence, clause (iii), after the language "any subsequent year".

(4) Section 334(g) is amended by inserting "except 1965" in the first sentence after the language "in 1958 or thereafter".

(5) Section 336 is amended by striking out "not later than sixty days after such proclamation is published in the Federal Register" and substituting "not later than August 1 of the calendar year in which such national marketing quota is proclaimed".

(6) Section 339(a)(1) is amended, effective only with respect to the crops planted for harvest in 1964 and 1965, to read as follows:

"(a)(1) As a condition of eligibility for wheat marketing certificates with respect to any farm, the producers on such farm shall be required to divert from the production of wheat to an approved conservation use an acreage of cropland on the farm equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor, and to participate in any program formulated under subsection (b) to the extent prescribed by the Secretary. Such diversion factor shall be determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment."

(7) Section 339(b) is amended (1) by inserting after the first sentence the following: "Any producer who complies with his 1964 farm acreage allotment for wheat and with the other requirements of the program shall be eligible to receive payments under the program for the 1964 crop of wheat."; and (2) by inserting in the first sentence "for wheat not accompanied by marketing certificates" after "basic county support rate".

(8) Section 339(h) is amended by striking out "June 30, 1963" and substituting "June 30, 1965".

(9) Section 379b is amended effective only with respect to the crops planted for harvest in 1964 and 1965 to read as follows:

"SEC. 379b. A wheat marketing allocation program as provided in this subtitle shall be in effect for the marketing years for the 1964 and 1965 crops. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat he estimates will be used during such year for food products for consumption in the United States and that portion of the amount of

wheat which he estimates will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage for such year which shall be the percentage which the national marketing allocation is of the national marketing quota proclaimed for the 1964 crop, less the expected production on the acreage allotments for farms which will not be in compliance with the requirements of the program. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage."

(10) The second sentence of section 379b, effective with respect to the crops planted for harvest in the calendar year 1966 and any subsequent year, is amended by striking out "human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat" and substituting "food products for consumption in the United States".

(11) Section 379c(a) is amended by inserting "under section 379c(b) or" after "stored" in the second sentence; by changing the period at the end of the second sentence to a comma and adding the following: "and if this limitation operates to reduce the amount of wheat marketing certificates which would otherwise be issued with respect to the farm, such reduction shall be made first from the amount of export certificates which would otherwise be issued."; and by adding at the end of the section the following: "The Secretary shall, in accordance with such regulation as he may prescribe, provide for the issuance of domestic marketing certificates for the portion of the wheat marketing allocation representing wheat used for food products for consumption in the United States and for the issuance of export marketing certificates for the portion of the wheat marketing allocation used for exports."

(12) Section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, is amended, effective only with respect to the crop planted for harvest in the calendar year 1965, by adding at the end thereof the following: "For purposes of this section, but not for purposes of diversion payments under subsection (b) of section 339, a producer shall be deemed not to have exceeded the farm acreage allotment for wheat if the acreage in excess of the farm acreage allotment does not exceed 50 per centum of the farm acreage allotment and the amount of wheat produced on the acreage in excess of the farm acreage allotment is stored in accordance with regulations issued by the Secretary. The amount of wheat required to be stored hereunder shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the amount of wheat required to be stored shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided however*, That the amount of wheat required to be stored shall not be larger than the amount by which the actual production so established exceeds the normal production of the farm wheat acreage allotment. At the time and to the extent of any depletion in the amount of wheat so stored, except depletion resulting from the release of wheat from storage on account of underplanting or underproduction, as provided below or depletion resulting from some cause beyond the control of the producer, the producer shall pay an amount to the Secretary equal to one and one-half times the value of the wheat marketing certificates issued with respect to the farm for the year in which the wheat on the acreage in excess of the allotment was produced. Whenever the planted acreage of the then current crop of wheat on the farm is less than the farm acreage allotment, the total amount of wheat from any previous crops stored hereunder or stored in order to avoid or postpone a marketing quota penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage, and whenever the actual production of the acreage of wheat is less than the normal production of the farm acreage allotment, the total amount of wheat from any previous crops stored hereunder or in order to avoid a marketing quota penalty shall be reduced by that amount which together with the actual production of the then current crop will equal the normal production of the farm acreage allotment."

(13) Section 379c(c) is amended to read as follows:

"(c) The Secretary shall determine and proclaim for each marketing year the face value per bushel of wheat marketing certificates. The face value per bushel of domestic certificates shall be the amount by which the level of price support for wheat accompanied by domestic certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat); and the face value per bushel of export certificates shall be the amount by which the level of price support for wheat accompanied by export certificates exceeds the level of price support for noncertificate wheat."

(14) Section 379d(a) is amended (1) by striking the first and last sentences therefrom, and (2) by striking from the second sentence remaining "by persons other than the producer to whom such certificates are issued" and substituting "by any person".

(15) Section 379d(b) is amended to read as follows:

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products shall, prior to marketing any such food product or removing such food product for sale or consumption, acquire domestic marketing certificates equivalent to the number of bushels of wheat contained in such product and (ii) all persons exporting wheat shall, prior to such export, acquire export marketing certificates equivalent to the number of bushels so exported. In order to expand international trade in wheat and wheat flour and promote equitable and stable prices therefor, the Commodity Credit Corporation shall, upon the exportation from the United States of any wheat or wheat flour, make a refund to the exporter or allow him a credit against the amount payable by him for marketing certificates, in such amount as the Secretary determines will make United States wheat and wheat flour generally competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the United States. The Secretary may exempt wheat exported for donation abroad and other noncommercial exports of wheat and wheat processed for use on the farm where grown from the requirements of this subsection. Marketing certificates shall be valid to cover only sales or removals for sale or consumption or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or removal for sale or consumption or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions hereof, the Secretary may require marketing certificates issued for any marketing year to be acquired to cover sales, removals, or exportations made on or after the date during the calendar year in which wheat harvested in such calendar year begins to be marketed as determined by the Secretary even though such wheat is marketed prior to the begininng of the marketing year, and marketing certificates for such marketing year shall be valid to cover sales, removals, or exportations made on or after the date so determined by the Secretary."

(16) Section 379d(d) is amended to read as follows:

"(d) As used in this subtitle, the term 'food products' means flour, semolina, farina, bulgur, beverage, and any other product composed wholly or partly of wheat which the Secretary may determine to be a food product."

SEC. 203. Section 107 of the Agricultural Act of 1949, as amended, is amended to read as follows:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop—

"(1) Price support for wheat accompanied by domestic certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b).

"(2) Price support for wheat accompanied by export certificates shall be at such level not more than 90 per centum of the parity price therefor as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b).

"(3) Price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

"(4) Price support shall be made available only to cooperators; and, if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area.

"(5) Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101.

"(6) A 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, if marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of

wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored."

SEC. 204. Section 407 of the Agricultural Act of 1949, as amended, is amended, effective only with respect to the marketing years beginning in the calendar years 1964 and 1965, by striking the second proviso from the third sentence, and substituting: *"Provided further,* That if a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat not accompanied by marketing certificates."

Mr. HUMPHREY. Mr. President, what is the pending question?

The PRESIDING OFFICER. The motion to proceed to the consideration of the farm bill has been agreed to.

NATURE AND ACTIVITIES OF BUSINESS-INDUSTRY POLITICAL ACTION COMMITTEE

Mr. DIRKSEN. Mr. President, I invite the attention of Senators to a series of questions and answers indicating the nature and activities of the Business Industry Political Action Committee, commonly referred to as BIPAC. This is a growing organization devoted to fundamental objectives, and I believe that in the interest of public information it merits wider currency. I therefore ask unanimous consent that the questions and answers be printed at this point in the RECORD.

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

QUESTIONS AND ANSWERS

(Businessmen—both management and employees—as well as the public generally are asking many questions about BIPAC. Here are the questions most often asked and the answers.)

Question. What is BIPAC?

Answer. The Business-Industry Political Action Committee is an independent nonpartisan organization. It is a voluntary, nonprofit, unincorporated committee of individual citizens who are interested in preserving and strengthening the principles of government embodied in the Constitution of the United States, protecting freedom under law and promoting our free, private and competitive enterprise system.

Question. Why was it formed?

Answer. BIPAC was established to serve as a political education and action arm of American business and industry: (1) to promote a system of government in which the individual liberties of all citizens would be of paramount concern; and (2) to encourage and assist individual citizens in organizing themselves for more effective political action.

Question. What are effective means by which the management of American business can create support for BIPAC?

Answer. BIPAC believes that it is the responsibility of the management of American business to make certain that their business associates be alerted to the objectives of the BIPAC movement. This can be done through management meetings at all levels, letters from management, distribution of BIPAC literature, and personal contact with management of other organizations.

Question. Isn't the BIPAC organization similar to AFL–CIO's Committee on Political Education (COPE)?

Answer. The organizational structure of BIPAC is similar to COPE. However, BIPAC's economic and political principles differ in that they reflect the views of the business community generally.

Question. What is its organizational structure?

Answer. BIPAC is an unincorporated political committee organized in compliance with the Federal Corrupt Practices Act.

Question. What is its relationship to party structure?

Answer. BIPAC is nonpartisan. It is not affiliated with any political party.

Question. Who directs the committee's activities?

Answer. All activities of BIPAC are governed by its board of directors and administered by an executive director. Its officers are a chairman, vice chairmen, and secretary-treasurer.

Question. How is the board of directors selected?

Answer. BIPAC's founders became its original board of directors. Various national business associations recommended individuals who were asked to serve on the board. This procedure will continue for additional new board members.

Question. What is its relationship to existing business organizations?

Answer. BIPAC is not a part of, or affiliated with any other organization. It seeks cooperation, however, from business associations and organizations.

Question. Will local and State units be established?

Answer. BIPAC will not have State and/or affiliated organizations. It will work in cooperation with existing associations and organizations.

Question. How is it supported?

Answer. BIPAC is supported by two sources of income—corporate and association contributions and individual membership dues.

Question. How are these funds used to support the committee?

Answer. Corporate and association funds can be used only for political education and related administrative activities of BIPAC but not for support of candidates. Only individual membership dues income will be spent in direct support of selected congressional candidates, and this money will be spent exclusively for that purpose.

Question. Will BIPAC participate in national and/or State elections?

Answer. BIPAC will provide financial support only to candidates for congressional office, both the House and Senate.

Question. How will candidates be selected?

Answer. The platform, voting record and electibility of the candidate—not the candidate's party affiliation will be the determining factors for BIPAC support. Furthermore, candidates will be supported only in districts and States where a close vote is anticipated.

Question. Who will select the candidates for BIPAC support?

Answer. A bipartisan review committee composed of members of the BIPAC board will, following a thorough review of the facts in each individual case, determine if a candidate is to be supported, and if so, to what extent.

Question. Why can't this job be done through the party system?

Answer. The party system must provide both manpower and financial assistance for all party operations and candidates and is concerned with party organization and strength. It cannot provide adequate funds in every race. BIPAC is concerned solely with the candidate's governmental and economic beliefs and augments the party effort in behalf of the selected candidates in critical races.

Question. Does a BIPAC individual membership duplicate other political contributions?

Answer. No. There are three areas of individual political contributions which are essential. Contributions to BIPAC cannot substitute for those to the party of choice and direct contribution to the candidate. Contributions to the national BIPAC movement augment the first two in critical races.

Question. What is the individual membership structure of BIPAC?

Answer. BIPAC has three classifications of individual memberships—sustaining members, $99 to $5,000 annually; supporting members, $25 to $98 annually; regular members, $10 to $24 annually. Under Federal law, although an individual can contribute up to $5,000 to a political committee or a candidate, if his contribution is in the amount of $100 or more, his name and the amount of his contribution must be reported by the recipient to the Clerk of the House of Representatives.

Question. What is the reason behind the three classifications of memberships?

Answer. BIPAC seeks the broadest possible support numerically. In order that all individuals within the business community can participate as BIPAC members, in accordance with their economic status, three categories of memberships are provided.

Question. Who can join BIPAC?

Answer. Anyone who believes in the principles for which BIPAC stands is eligible for membership.

Question. How are memberships being solicited?

Answer. Memberships in BIPAC are being solicited through cooperating business associations, national, State and local, and by BIPAC members, board of directors, and staff.

Question. What services and reports will be furnished to members?

Answer. BIPAC members will receive periodic progress reports and news bulletins. Through its political education activities, it will assist members in becoming more active and effective in governmental affairs.

Question. What type of staff is provided by BIPAC?

Answer. BIPAC will maintain a relatively small staff; the major portion of BIPAC's political education activities will be conducted in cooperation with other associations and organizations.

Question. Will one person's efforts be effective?

Answer. Definitely. BIPAC's success to date demonstrates that a great many of its memberships result from the efforts of individuals in encouraging their friends and business associates to join.

ADDRESS BY DR. EDWARD R. ANNIS, PRESIDENT, AMERICAN MEDICAL ASSOCIATION, ON THE SUBJECT "MEDICARE: A GIANT WELFARE PROGRAM"

Mr. DIRKSEN. Mr. President, on February 14, 1964, Dr. Edward R. Annis, president of the American Medical Association, addressed the Executives Club in Chicago on the subject: "Medicare: A Giant Welfare Program." This is indeed

a well-reasoned, well-documented address on the subject and deserves to be brought to the attention of the membership of Congress and the country.

Mr. President, I ask unanimous consent that the address by Dr. Annis be printed at this point in the RECORD.

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

ADDRESS BY DR. EDWARD R. ANNIS, PRESIDENT, AMERICAN MEDICAL ASSOCIATION, ON THE SUBJECT "MEDICARE: A GIANT WELFARE PROGRAM

President WALBERT. We welcome back to our platform today an old friend who appeared before us last season. At that time he gave us a powerful shot in the arm by forcefully and eloquently denouncing the Government's socialized medical program called medicare. He dissected this plan with such surgical skill and with such logic, it seemed to most of us present that surely this expensive, bureaucratic approach to the problem would be laid to rest with finality.

It was felt then if we were fortunate enough to have him return, we could hear him discuss some other important problem of the day, and one that came to mind was the subject of "planned parenthood." This was discarded as something less than appropriate when it was recalled he is the proud father of four sons and four daughters. Not bad planning at that.

Furthermore, this is the beginning of a new political season and ideas such as medicare seem to revive and thrive in such a time. We are obviously in need of another shot to bring us up to date on this important matter, and no one can do a better job on this than our guest today.

He was born in Detroit and graduated from the University of Detroit, receiving his M.D. from Marquette University, and since 1948 has resided in Miami, where he has been a surgeon and a tireles worker in all manner of civic affairs. He is now halfway through his year as president of the 200,000-member American Medical Association.

He combines his considerable talents and wisdom with a keen sense of humor and a warm personality, sometimes called a bedside manner. We can be thankful for a man such as this who speaks forth so effectively in defense of true American ideals.

It is a great honor and distinct pleasure to introduce Dr. Edward R. Annis, who speaks on "Here We Go Again—Medicare."

Dr. ANNIS. I do not believe the last time when I was here I told you about my daughter, Barbara. Barbara is 17. She accompanied me on a similar occasion some months ago, and I was being introduced, with many alleged accomplishments being outlined in the usual exaggerated manner. Barbara, not recognizing much of it, leaned over, nudged me and whispered, "Daddy, is he talking about you?"

I said, "Well, I think so."

And as only teenagers can do, she shrugged her shoulders, raised her hand, and said, "Big deal."

But it is a big deal to be back, and I am honored to have the opportunity to speak once again before this truly fine and representative club.

When I was here a year ago I talked at length about the cost of medical care, why doctors cost more than they used to, why hospitals cost more—because 70 percent of their cost goes into labor, men and women, who work there—why drugs are so costly, pointing out that some 70 to 75 percent of all the drugs prescribed by the doctors of this country today did not exist just 12 years ago. I pointed out that as a result of all of this—all of these doctors and hospitals and drugs and scientists and others who make it possible to bring to our patients that which they should have and that which we desire for them, the best of medical care—it carries with it a greater cost.

We have never denied the increasing cost of medical care; but we call attention to the fact as to why it is costly and remind the American people that they are buying a product which keeps people alive when they used to die, which prevents diseases that used to keep me busy as a young physician, and which makes it possible for people to live long and enjoy life.

The problem is not "Is it costly?" Of course it is. As an example, it costs a little more to ride a jet or to buy a jet than it did to ride or buy a horse and buggy. People no longer want horse-and-buggy transportation; they want jet-age transportation, and they want jet-age medicine.

VALUE OF INSURANCE

I think, too, I paid credit to the great insurance industry of this Nation, which makes it possible for most of us, through the mechansm of insurance, to provide for ourselves and our loved ones. I would like merely to give you the figures to bring you up to date on what this great industry is doing, because today they insure 144,000,000, or 75 percent of the American people. Today 36 of these millions are provided major medical coverage up to $10,000 and $15,000, and very recently some of the insurance companies of this Nation have announced policies of major medical coverage up to $25,000.

Today those over the age of 65, numbering just under 18 million, are also covered to a great extent by insurance. They number 10,400,000. In the last couple of years there has been more progress made in the selling and the purchasing of insurance in this age group than in any other age group in America, as more and more citizens say, "We are capable of providing for ourselves."

As the health insurance industry has made it possible for us to do so, we have availed ourselves of their policies, their basic coverage, the tremendous coverage of Blue Cross-Blue Shield, augmented in many instances by major medical care with many of the great companies making it available in this Nation of ours. So the record is still good.

Last year, too, I told you we were for something, that we are not really always against. We admitted that we have been against many things, because as doctors, we are trained to be against them. We are against pain, suffering, cancer, heart disease, diphtheria, whopping cough and polio. But because we are against those things, we are for the alleviation of suffering; we are for the immunization of children early in life so they do not get whooping cough and diphtheria and tetanus and smallpox and polio. We are for continued research, and we are for the education of our people so they know what is being accomplished so they and their loved ones may have it available to them.

We pointed out we are for taking care of people who need help and that the doctors of this Nation feel that anyone who needs medical care should have it, whether or not he can afford it. We indicated the doctors will work with anyone at any level of government—local, State, or Federal—to see that no one is denied medical care because of inability to pay. But we pointed out that it should be on the basis of need, not on the basis of a birthday.

THE KERR-MILLS LAW

So it was not because we are opposed to medical care for the elderly that we have opposed legislation, but because all of our elderly are not poor and many are self-sufficient. For this reason we have supported the basic principle of the Kerr-Mills law—a law to this day only just now beginning to be thoroughly understood across this Nation.

I will come back to it in a moment, because I want to bring you up to date on another matter I referred to last year. The first time we referred to it publicly was before this organization, when, in defending the great record of that pharmaceutical industry, I pointed out that there were those in another country—in Italy—who were producing drugs which had been pirated from an American firm, that the products and the manner in which they were processed and many of the raw materials from which they were derived, had been stolen from an American producer who had spent $10 million on its production of this particular product.

THIEVERY

Having been pirated from America, they had been purchased as stolen property by an Italian manufacturer; and this manufacturer, paying 20 cents for every dollar of wages paid in this country, reproduced from the raw material to the finished product, paying no local, State, or Federal taxes, and the pharmaceutical industry in 1 year paid $80 million into the U.S. Treasury; and then, to add insult to injury, the Armed Forces Procurement Division of the U.S. Government was buying drugs and shipping them to this country in Navy ships, and they did not even have to pay the cost of transportation.

I would like to bring you up to date on what has transpired since a year ago, because the record is there, and it is clear. On January 9 of this year—last month—Justice Thomas A. Rohrellio, of the New York Supreme Court, ruled in a civil suit that a former employee of Lederle Co. stole drug information and antibiotic cultures from Lederle and sold them to several Italian drug firms. The same individual, along with several others, is under Federal criminal indictment in the U.S. district court.

Coincidental with this, the vice president in charge of medical affairs of Lederle issued a statement. Because I have not seen the statement widely disseminated in the press and because I know that men in this room will be interested in what it says, and because it says so clearly and succinctly what should be said, I bring it to your attention now:

"The issues in this case involve not merely one company and one individual, but affect the future of U.S. industrial research, of jobs on the production lines, and even the rights of the physician and his patient to be sure of the source of the medicines used to fight disease.

"If the public permits a situation to continue wherein patent rights are eroded and where laws are not adequate for the protection of technical process secrets developed at the cost of millions of dollars, industry will be finally forced to give up its massive commitment to discovery and development which has transformed the world's economy.

"It is a fact U.S. labor costs are far above those in other countries in the world. We compete largely because of our research and our production ingenuity. Permit these to be stolen, and U.S. industry will no longer be able to afford U.S. labor.

"It is a fact that antibiotics and other drugs from companies using stolen cultures and secrets are finding their way into the United States and other parts of the world. The reliability of such companies to produce our medicines must be seriously questioned. We know in many cases it is extremely difficult, if not impossible, to trace the original source of some of this material which is being fed to sick people. We are committed to fight against such threats to research, to jobs, and to health."

CHEAPER

Today in this country there are others who are buying from the Italian manufacturers of stolen products, repackaging in this country, and they are being disseminated across the land. The thought may occur to you, as

it has been falsely presented by some politicians to the American people, that they are making these products available at a lower price, that they are cheaper. Well, the "cheaper" is a good word, because in many instances they are cheap.

In four of the defense installations of this country I have visited with doctors who have pointed out to me the inferior quality of the products which have been supplied to them from the Armed Forces Procurement Division of our Government. As of a few months ago they were still purchasing the results of stolen products, sending our money abroad to subsidize those who deal with thieves. We ask how long it will go on.

There are others today selling their products on the American market. To remind you that it makes a big difference from which source your drugs may come, you may recall that last year the Government Procurement Division of Canada in one of its Provinces, because they were interested in dollars and knew nothing of health or medicine or what it means to the prolongation of life, issued a directive that they had to buy certain pharmaceutical products from a certain industry, from a certain producer, or at least a certain packager, because they had the low price. Within a few weeks some of the doctors—the medical men there treating their patients with diabetes, were finding them going into coma, and some almost lost their lives. The doctors inquired were they getting tolbutamide, the drug which had been prescribed, the oral medicine you take by mouth instead of by injection of insulin, which works so well for many people with this disease.

They found they were taking the drug all right, but on examination it was found it would go completely through the body without being incorporated into the system. All the ingredients were there, but in the process of manufacture it was too tightly processed, and the agent that brought it into the body was not of the proper quality to have it incorporated in the body with the proper juices.

In other words, the patient might just as well not have taken the product.

This and hundreds of instances might be cited as to what happens to the health of patients that may be jeopardized when we buy products from a company that fails to package its reputation with its product.

This is an important consideration. It is not, as the gentleman from Lederle said, a concern to one company; it is a concern to the American people. It is a concern to honesty, and it is a concern to those interested in the quality of our medicine.

LITTLE UNDERSTOOD LAW

Secondly, I would like to remind you that though the Kerr-Mills law has been in effect now for 3 years, it is still little understood. I briefly outlined what is covered by Kerr-Mills when I was here; namely, that it is designed to take care of two classes of our senior citizens—first, those on old age assistance, for whom we provide food, clothing, and shelter.

Today this is overlooked by many of those who would use the health of the people for political purposes. Today this portion of Kerr-Mills operates in all 50 States and 4 territories, and last year provided $150 million in excess dollars specifically for the health care of people on relief.

The important part of Kerr-Mills is its second part, designed for people who provide for themselves the necessities of life, who may own their home with no mortgage, designed to see to it that if and when these people need help, they need not put a mortgage on their home or exhaust their life's savings or borrow against their automobile or personal belongings or borrow in the bank against an income so limited that they cannot pay it back.

This part of Kerr-Mills is operating today in 36 States and 4 territories and last year it did a remarkable job and spent in excess of $350 million specifically for people not on relief, providing for their health care.

But administration spokesmen, New Frontiersmen, men like MCNAMARA of Michigan, who was talking the same as he has for years—this man, the chairman of a subcommittee of the Senate, said in 1960, "It will never work." In 1961 he said, "It is only working in a handful of States." In 1962 he said, "It is only working in half the States." Now he says it must be criticized because it is not working in all of the States. At least he has been consistent.

I have been in many of these States. In two of our States the legislators have passed legislation to provide for the health care of their senior citizens who need it occasionally, who need it under medical assistance to the aged, only to have the two Governors in the States of Missouri and Indiana veto the legislation.

POLITICS VERSUS MEDICINE

We have talked to Governor after Governor and before legislature after legislature, and when they know and understand the aim and the intent of the Kerr-Mills law, it is doing an ever-increasingly fine job. Yet, the other day in the city of Spokane, before I arrived, the doctors there hired a couple of young ladies from the university to get on the telephone and just go through the phone book at random and call 100 people and ask them some questions. They asked them this question:

"Do you know that Congress has been talking about payments under social security of medical bills for all old people?"

Eighty-one out of the 100 people said yes, they knew of such a bill. This is a political bill. It is one which has been proposed in one way or another for 20 years. But significant is the reaction to the next question, which was:

"Have you heard of any other Federal assistance for people not on welfare, but who cannot afford expensive illnesses?" Two people out of 100 ever heard of such a bill. I have met members of State legislatures who do not even know what Kerr-Mills can do. Yet, this is the responsibility of the Department of Health, Education, and Welfare. This is the law of the land. It is their responsibility to see that the intent of the law is carried out. If the President of the United States would give a directive to the Department of Health, Education, and Welfare—Mr. Celebrezze in particular, to go out into the States and educate them as to what the Kerr-Mills law was designed to do—what it is doing in great numbers of our States, we would end up with a program that would provide for every one of our senior citizens who need help some of the time or all of the time.

We resent those in either party who ignore the law which exists and what it can do, because they are politically committed or devoted to a bill which would misuse the health of the people for purely political purposes.

Yesterday the Wall Street Journal had a most interesting article. I would like to quote from it. On the front page it says: "Consumers were promised increased Federal protection and a more sympathetic hearing from the Government for their complaints about goods and services." It goes on: "In a message to Congress, President Johnson urged adoption of pending bills aimed at obtaining these objectives. Among the measures endorsed by the President were proposals to require 'truth' in lending, packaging and over-the-counter security sales, and to bolster inspection authority over cosmetics and drugs."

I may have asked this question when I was here last year: Who performs the greater disservice to the American people—those who mislabel the quality of our cosmetics, those who mislabel securities, or those who mislabel the ideas under which we live and which form the foundation for the Declaration of Independence and the Constitution of the United States?

In the Courier-Journal of Louisville, Ky., on January 9, reporting on the previous day's presidential text, urging a war on poverty and joblessness, there is one paragraph in which I would raise the question: Should they not tell the truth when they present issues to the American people? Are not the President's speechwriters and his advisers bound by the truth, that they want to put on products sold to the American people?

WHY DON'T THEY TELL THE TRUTH?

They have been deliberately falsifying and they have deliberately falsified this record in an official presentation of the state of the Union message. One paragraph. It says: "We must provide hospital insurance for our older citizens, financed by every worker and his employer under social security, contributing no more than $1 a month during the employee's working career to protect him in his old age, without cost to the Treasury." Yet the law specifically allocates from the General Revenue Fund $500 million to blanket in the 2¾ million not covered under social security.

Why don't they tell the truth? For every one of your employees who make $5,200 a year or more, to the half of the American working people who are employed in industry whose wages are a hundred dollars a week or more, under this law the first year's tax is $27.50 for every employee, matched by every one of you as employers, for a total of $55. It is not a question of whether "$12" is correct, as was written in the President's speech, or whether $27.50 is a great deal as written in the bill. It is a question of fact.

When a writer for the President of the United States will deliberately lie to the American people and write in there that no worker will pay more than $1 a month during his working career, it becomes a question of "truth."

We ask the question: Why don't they tell the truth? If you have a good bill, sell it honestly, but don't sell it by deliberately misrepresenting the truth to the American people.

They say we must provide hospital insurance for our older citizens. Eighteen million people would be immediately covered and would be covered as long as they live; and at age 65 they have an average life expectancy of at least 15 more years. And you will live a lot longer than that if you will just fasten your seatbelts.

But let us look at this. Hospital insurance for our older citizens? You know, I have heard them talking about a tax reduction lately. Do you know what this bill would do, that is, the King-Anderson bill? It would immediately put a debt against those who work and their employers in excess of $35 billion. It would increase your taxes immediately $35 billion.

Where did I get this figure? The late Senator Kerr before he died asked the actuaries of the Congress how much it would cost today's workers and their employers to pay for the 17 million people at that time over the age of 65 who would be cared for as long as they live? How much will it cost today's workers and their employers, just to pay for these people as long as they live. The answer given to the Senator was $35 billion at that time.

Recently Senator LONG of Louisiana, looking at the increased number of people beyond the age of 65—numbering 18 million, has come up with a recapped estimated figure of $48 billion. This is what it would cost.

In the first year under this bill, they say, from the social security levies they will raise the amount of $1,100 million, and from general revenue, $500 million, for a total

cost the first year of $1,600 million. That is from the 70 million who are employed and their employers.

If you multiply this by 20 years and you took every nickel as presented for 20 years, you would have only $32 billion, some $3 billion short of what it would cost to take care of those who never paid a nickel. And they dare to mislabel this with a good term—"insurance." This is a giant welfare program, providing for rich and poor alike, because it had a birthday, to be paid for by those who work and their employers. Why, then, don't they tell the truth?

Because some of our people over 65 need help, must we establish Government medicine to provide for all when they go into a hospital or a medical institution? Is it right to tax a workingman's wages to pay the hospital bills for many who are well able to provide for themselves? Or should we not do a good job of helping through the insurance industry to make it possible for people who are able to do so to provide for themselves and for those unable to do so, make the Kerr-Mills understood, implement it so that it will work and so that it will work in such a way that no one is reduced to dependency or a state of pauperism because of the needs of medical care. Toward these ends we shall continue to work.

Our experience has been, as we have traveled the country, that as more and more people know and understand these two bills, more and more support is being given to Kerr-Mills. One of these bills, of course, is the law of the land. The greatest obstacle to its understanding is the administration and those of its proponents who have been trying to push this kind of legislation for a long period of time.

THE TOBACCO PROBLEM

One other question in view of its importance today is the relationship of the American Medical Association and tobacco. A couple of months ago—in fact 3 days before the Surgeon General's report came out—I addressed the Kentucky Legislature. Their number one cash crop is tobacco. Behind me the Governor and Lieutenant Governor and the Speaker of the House, and out before me were all of the legislature, and up in and around the balcony were the tobacco growers. Before I went in, I shook hands with at least 10 or 12 burley growers, and we talked about tobacco.

Speaking for the American medical profession, I was able to say a few things that are true. One was that in my opinion then as a clinician, the Surgeon General's report would show an overwhelming mountain of evidence linking the prolonged inhalation of cigarette smoke and the production of some diseases and the aggravation of others.

But, I said, doctors as doctors are not against smoking. We are not against tobacco, I said; we are against disease, and the evidence from the laboratories and from the clinical offices and the hospitals of the land, in my opinion, will show that the use of tobacco and particularly the inhalation of cigarette smoke over a long period of time is one of the greatest producers of preventable disease with which doctors have to deal.

So we have to be realists. This is the problem. There is no question about the extent nor the seriousness of the problem. However, as scientists we have to admit to you, we do not know what takes place. We do not know what happens in the cell.

You know, we become sick because of sick cells. We start, first of all, as cells from our mother and father, two units uniting into one; and then from that comes a complex mechanism known as our God-given body, but when we become sick, we start at the cellular level, whether it is from bacteria from toxin or viruses. And so it is with cancers. They start at the cellular level. We do not know what takes place.

Does the inhalation of cigarette smoke over a long period of time directly affect the cell and produce the cancer, or does it, for example, irritate the defense mechanism of the cell, reducing its resistance to allow the invasion of a virus as yet not isolated, if one exists, and that this causes the trouble? To the tobacco people—and I suggest to you, as well—there are many unanswered questions.

VALUE OF RESEARCH

Up until a few years ago we knew there was a disease affecting the transmitting apparatus between the brain and the muscles of the body, known as polio, or infantile paralysis, so named because it affected so many young people. We knew where the tract was affected. We knew the damage which was done. We did not know how it was accomplished nor what was the agent.

The researchers in the laboratories paid close attention and studied at many laboratories, many researchers, many clinicians together, to find out what it was. As time went on, they ruled out bacteria. As more time went on, they ruled out a toxin or poison-like chemical. Still further time, and they found it was an active agent so small it could not be seen by the most powerful microscopes, an agent to which we have given the name of viruses.

Still more research and the great names of Salk and Sabin and their coworkers from the laboratories isolated not one but several; and then we had the whole puzzle with all of its parts—the multiple viruses capable of producing the disease—the manner in which it could be transmitted—its point of invasion and what it can do to the cell and the ultimate effects.

As a result, because of an enlightened public, in the week of January 4 of this year, for the first time since we have kept vital statistics in the United States, not one new case of polio was reported in the entire United States. It is a tribute to the results of research. Through the results of research made available to the doctors and ultimately, through them and because of the great cooperation of the communications media, newspapers, radio and television, to an understanding people, we were able to make great inroads against just one more disease. Perhaps we can do this when we know more of the answers for tobacco.

CANCER CAUSES

In another example I recall in the city of Milwaukee, where I went to school some 30 years ago, I studied pathology, and our very fine pathologist, Dr. John Grill from Germany, pointed out to those of us in the postmortem room that something had happened to the lungs of some of the men who died. Men would be brought in who had died from a heart attack or accident; these were men who shoveled soft coal all day long. They inhaled the coal dust all day long. You were able to take a knife and cut through these lungs and hear the scraping against the grit of the coal dust. Yet this did not produce cancer or many of these other diseases which are indicted with cigarettes.

Even in those days, 30 years ago, Dr. Grill used to say that one of the reasons coal dust did not produce these serious diseases was that the particles were too big. When they were inhaled, they did not invade the interstices of the cell, they could not—like the cat that is too big to get in the mouse hole.

In contrast, they told us of a town in Bulgaria where half of all of the men who died, died of lung cancer—but the women did not. The reason was the men worked in the cobalt mines, and as they mined the cobalt, the dust particles of cobalt would be inhaled and they would be so small, measured in terms of one or two or three microns, that they could invade the cell and, either by mechanical or chemical irritation of the cobalt particles, set up dendrites of irritation that ultimately resulted in the cancer.

So we suggest filtering something out of a cigarette or perhaps the scientists will figure out a way to add something making it more like coal dust and less like cobalt.

There are many unanswered questions in many areas. This is the reason the American Medical Association, at its meeting in Portland, even before the Surgeon General's report was released, announced a new program of research to find what it is that takes place in people who use tobacco over a long period of time.

We know we may be able to dissuade some people—some teenagers from starting to smoke. We may be able to convince others that they should stop or switch from cigarettes to cigars and pipes and not inhale; but human nature being what it is, we know, of the 65 to 70 million who smoke daily, great numbers will continue to smoke, and our job as doctors is to find out what it is that produces the trouble. If we can answer these many unanswered questions, we may have a solution that will be most satisfactory to us as doctors, as physicians, and at the same time of great value to the tobacco industry and to this great Nation.

So we were happy to announce today that as a result of a research project now underway, the tobacco industry of this Nation, yesterday agreed to add to our research project $2 million a year for a 5-year period, for a total of $10 million, specifically to find out what it is that takes place when people inhale cigarette smoke, particularly over a long period of time.

AMA OBJECTIVE

When it was announced by the president of the American Medical Association's Research Foundation, Dr. Raymond Mcuen, a member of our board, we were cheered, because we will solicit support from every source of funds, every source of knowledge, every source of research which can help us to solve one more of the serious diseases which afflict our patients, the American people.

We are for taking care of people who are sick. We are preventing illnesses when it is possible. As an American medical profession, we resent those who have forced us into the realm of politics. We resent those who would misuse the health of our patients for political purposes. But we will tell you our own story, and we will not be misled by those false prophets who would disgrace and discredit and vilify the whole profession in their efforts to mislead the American people and to produce a change in the very system of medicine which has made American medicine preeminent in the world.

We came into being as an association in 1847 with two main purposes. To these purposes we are still dedicated. They are to advance the art and the science of medicine, and to protect the public health.

Thank you.

Chairman WALBERT. Thank you, Dr. Annis, for a most thought-provoking talk. We have time for just a few questions, Doctor, if you will join me.

Question. Since you are against socialized medicine, do you encourage a patient to price doctors' fees or druggists' charges, as a housewife regularly prices food costs? This would be in keeping with the free enterprise system of which you are an ardent advocate, would it not?

Dr. ANNIS. The question of doctors' fees, of course, is not involved in this legislation. Some of the politicians who are for King-Anderson say we should be for it, too, because if the Government pays the hospital bills, doctors will make more money.

We are not denying that some doctors overcharge and that some doctors take advantage of the patients or insurance companies; but we ask when they do, let their

conferees know it through their county medical societies and all the rest.

We encourage people to honestly, deliberately discuss with their doctors the question of fees. When it involves elective things, such as surgery and the rest, we urge the individual to do so before the services are performed.

If I had a doctor with whom I attempted to do this and he was reluctant to do so, I might look for another doctor.

Question. Do any of the official family of AMA smoke cigarettes? If so, why?

Dr. ANNIS. Seated over on my right is the assistant to the executive vice president of the AMA. When this question card came up, he was there puffing a cigarette. So I took it over and handed it to him, and he said, "Just tell them I'm addicted."

You see, these are reasons why we have to continue our research. There are a number of these fellows who are extremely important to us, and we want to preserve them, too.

President WALBERT. Dr. Annis, pay no attention to the fact that Dr. Karl Meyer is sitting next to you when you answer this question. Generally speaking, what do you think is the stature of the Cook County Hospital?

Dr. ANNIS. I must admit that I am prejudiced. I first visited Cook County Hospital when I was a young general practitioner in north Florida, working with 12 other general practitioners.

I heard of Cook County Graduate School, working in conjunction with its hospital. I heard that there doctors could go and learn anything they wanted to learn. So, as a young physician, I used to take turns with the other physicians in my area.

In those days it was known as perhaps the biggest hospital in the world. I found that it had some of the biggest doctors—biggest in their ability, biggest in their knowledge, biggest in their willingness to share what they knew.

I think the Cook County Hospital today deserves the reputation which is worldwide, because in its halls, in its operating rooms, in its clinics, and within its walls has been practiced some of the finest medicine practiced any place in the world.

Question. Do the newspapers, generally speaking, tend to twist, criticize or "back up" your public statements?

Dr. ANNIS. Two to 2½ years ago when a member of the Speaker's Bureau of the AMA, all of our interviews used to open with this question: "Why are you against the old people?" Or: "Why are doctors against medical care for the aged? It is only a question of who pays the bill? What do you care who pays the hospital bill?"

Many newspaper and radio and television people were misled during the earlier months of this campaign, first, by a vilification of the profession at large, and, second to give the impression that all you had to do was pass the bill they were for and everything would be rosy.

I find an increasing understanding, and I have found among the communications people generally what I found among the people of the United States—most are honest. And when they understand what you are talking about and when you give them a reasonable approach and when you give the background supporting the position you maintain, if it is reasonable and if it is one on which you can firmly stand, I find we are gaining more and more understanding friends and supporters, every day. I have no complaints against those who have been reporting what we have said across the Nation.

Question. Why does it seem that the field of medicine is being narrowed down to only specialists? For a beginning doctor, which would you advise—general practice or specialization?

Dr. ANNIS. This, of course, is difficult to answer, because the first question is what do you want to do? The second question is where do you want to live?

If a young man wants to be a brain surgeon or a heart surgeon, if he wants to specialize in many types of research in, say, cardiology or kidney disease, then he is going to have to live and work and practice in a big area, in a big community, not only where there are many people with diseases which may be rare, but also where there are many other of his colleagues with whom he can work—where there are laboratories, diagnostic facilities and all the rest.

But for Dr. Meyer and his associates to train a chest surgeon for 6 or 8 years and then send him out to a community of 5,000 people—well, the man would not be able to do any heart surgery. He would not have any patients. Yet, there are many I have seen in my recent trip through the West who are good general doctors and also especially trained in certain fields, whether surgery or obstetrics. When you get around Sun Valley, all of them become orthopedists.

If you are one who has been a skiing enthusiast and you have to see an orthopedic doctor, and he is the only one you know, he is the one to call when you need advice in other fields.

When you are just a shade older and your neurologist is your only friend, I am sure in addition to the fine plumbing that is available today, he will give you the advice you need.

There is room for all kinds of doctors in this vast country. What kind of training you take and where you take it pretty much depends on what you want to do and where you want to live.

Question. Three prominent doctors back the social security program. They are Spock of Cleveland, Clement of the National Medical Association, and Yerby of the New York Public Health Association. Why the difference in viewpoint from the AMA?

Dr. ANNIS. The American Medical Association today is made up of 200,000 physicians. Some 52 of these 200,000 have gone on record as disagreeing with the basic philosophy of the American Medical Association.

One of those who went on national television with the former President is a man that I debated three times before public gatherings; 6 months ago this man stopped me and said, "Ed, no more debates. I have had a chance to read the bills. I understand them thoroughly. You guys are right and I am with you. This is one out of 27, so we have one less than we had not long ago."

I have a statement that Dr. Spock presented the other day. It was about a page and a half of typewritten statement. I have it over at the hotel. This is a statement written by a man who I would be willing to wager even money, has never read either of the bills. He doesn't know what is incorporated in Kerr-Mills certainly, and I question whether he knows what King-Anderson will do. But like many other fine people who are busy in other fields, doing their work day in and day out, they can be misled by headlines. They, too, can be misled by those people who give good intentions to the label of a bill.

I am not too surprised when good men for one reason or another disagree with us. The only thing we hope they do, is come and bring their disagreement to the American Medical Association's meetings. We meet twice a year, where any physician in the country can express his point of view. If we are wrong, we hope we will be educated. If we are right, we hope to get more than just one out of the original 27.

President WALBERT. Dr. Annis, I am sorry we do not have time for more of these interesting questions. We certainly have enjoyed your visit. Thank you very much.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the acting majority leader whether any more business is expected to come before the Senate tonight.

Mr. HUMPHREY. It is not the intention of the leadership to have any more business considered tonight. When the Senate completes its business for today, I shall move that the Senate take a recess until 11 o'clock tomorrow morning. It is hoped that at that time Senators who are in charge of or who are deeply interested in the farm bill will be prepared to make their opening statements and presentations.

Mr. DIRKSEN. I ask further whether it is expected to have a morning hour tomorrow, in view of the recess to be taken tonight.

Mr. HUMPHREY. I would expect that the Senate would proceed to the consideration of the farm bill, and that Senators who wished to ask for a waiver of the rule of germaneness, for the introduction of extraneous material into the RECORD, might do so.

HUBLESS CAST IRON SANITARY SYSTEM

Mr. SPARKMAN. Mr. President, in my State of Alabama as much soil pipe is manufactured as is manufactured in all the rest of the country. In fact, Alabama is one of the leading soil pipe centers of the entire world.

Recently, there was developed a coupling from material that makes it possible to reduce the size of the coupling that is usually used for the installation of pipe inside house framing so that it may be placed behind a two-by-four. The product should prove helpful in the housing industry.

As chairman of the Subcommittee on Housing of the Committee on Banking and Currency, I am always anxious to take note of advances made in providing better homes for the American people. Therefore, I ask unanimous consent to have printed at this point in the RECORD the text of a statement which describes the housing advance to which I have just referred.

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

A SALUTE TO A NEW PRODUCT FOR HOMEOWNERS

One of the most impressive new products that has arrived on the American scene is the unique hubless cast iron sanitary system sponsored by the Cast Iron Soil Pipe Institute to bring time-tested cast iron pipe to the low-cost housing market.

The American homeowner, the man and his family who want to be assured of high quality and very dependable materials in the home, have the assurance of the durability of the cast iron soil pipe and fittings employed in this new hubless cast iron sanitary system.

This new system uses no-hub cast iron with a patented new method of joining the

soil pipe and fittings together. It provides dependable cast iron soil pipe in 2-inch, 3-inch, and 4-inch sizes. The 2-inch and 3-inch fit into the standard 2- by 4-inch partitions used in so many new homes today.

The new system is not a substitute for the time-honored and historic lead and oakum cast iron soil pipe joint which has been used by American plumbers over 100 years.

The new system, which was thoroughly tested by the Pittsburgh Testing Laboratory before the Cast Iron Soil Pipe Institute adopted it, uses a neoprene gasket which couple two pieces of cast iron pipe and the fittings together. A stainless steel shield fits tight over the neoprene gasket, and a stainless steel clamp fastened to the shield is tightened to compress the strip rings on the sleeve against the exterior of the pipe or fittings.

In this way an extremely durable, watertight, gastight joint is established. And, this can all be done with cast iron soil pipe and the new no-hub joint right within the wall of the average new American house.

The hubless cast iron sanitary system is a highly dependable plumbing drainage system installed from house sewer to roof vent in the house, but at a lower cost. Every piece of cast iron soil pipe that is cut can be used.

With cast iron soil pipe, a pipe that has a history of durability, the new system will outlast the ordinary life of every new home in which it is installed, according to the institute.

It provides homebuilders with a streamlined and permanent cast iron soil pipe sanitary system which they can give the buyers of the homes they construct.

Now, the organization of conscientious and industrious American manufacturers who sponsored the hubless cast iron sanitary system which provides so much to our homebuilders and our home buyers, certainly deserves credit for its accomplishments.

The Cast Iron Soil Pipe Institute, which has its headquarters in Chicago, represents about 95 percent of all of the manufacturing facilities in the United States for cast iron soil pipe and fittings.

It was formed in 1949 so that member companies could work together to improve their products and assist their industry and the plumbing industry.

The Cast Iron Soil Pipe Institute made many contributions in its industrywide standardization program. Also it has achieved significant successes in upgrading the manufacture of traditional products including:

(1) The no-hub joint for the hubless cast iron sanitary system and the new 10-foot lengths of cast iron soil pipe;

(2) Maintaining a vigorous promotional campaign to combat the infiltration of house sewers, infiltration which leads to greater expense to homeowners and to the cities and towns and villages in which they live; and

(3) Assisting apprentice training courses nationwide by helping provide materials and training in caulked joint projects.

The Cast Iron Soil Pipe Institute has, in short, conducted itself in the finest traditions of American manufacturing.

More than half of the tonnage in the soil pipe industry comes from Alabama.

RECESS UNTIL 11 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate at this time, I now move that the Senate stand in recess until 11 a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 1 minute p.m.) the Senate took a recess until tomorrow, Friday, February 28, 1964, at 11 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 27 (legislative day of February 26), 1964:

DEPARTMENT OF THE ARMY

Paul R. Ignatius, of Massachusetts, to be Under Secretary of the Army.

U.S. ARMY

Maj. Gen. Robert Hall McCaw [redacted], Judge Advocate General's Corps, U.S. Army, for appointment as indicated under the provisions of title 10, United States Code, section 3037, to be the Judge Advocate General, U.S. Army.

Brig Gen. Harry Jarvis Engel [redacted], Judge Advocate General's Corps, U.S. Army, for appointment as indicated under the provisions of title 10, United States Code, sections 3037, 3442, and 3447, to be the Assistant Judge Advocate General; major general, Judge Advocate General's Corps, in the Regular Army of the United States; and major general, Army of the United States.

The following-named officer to be placed on the retired list in grade indicated, under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Garrison Holt Davidson [redacted], Army of the United States (major general, U.S. Army).

The following-named officer, under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Edwin John Messinger [redacted], U.S. Army.

The following-named officers for temporary appointment in the Army of the United States to the grades indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major generals

Brig. Gen. William Charles Haneke, [redacted], U.S. Army.

Brig. Gen. Kenneth Gregory Wickham, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Hamilton Austin Twitchell, [redacted], U.S. Army.

Brig. Gen. John Hart Caughey, [redacted], U.S. Army.

Brig. Gen. Frederick James Clarke, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. James Edward Landrum, Jr., [redacted], U.S. Army.

Brig. Gen. Walter Thomas Kerwin, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Ferdinand Joseph Chesarek, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert Henry Schellman, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. George Henry Walker, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Joseph Rieber Russ, [redacted], U.S. Army.

Brig. Gen. Bruce Edward Kendall, [redacted], U.S. Army.

Brig. Gen. James Willoughby Totten, [redacted], U.S. Army.

Brig. Gen. Frederic William Boye, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Lloyd Elmer Fellenz, [redacted], U.S. Army.

Brig. Gen. Roy Lassetter, Jr., [redacted], U.S. Army.

Brig. Gen. Howard McCrum Snyder, Jr., [redacted], U.S. Army.

Brig. Gen. Robert Hawkins Adams, [redacted], U.S. Army.

Brig. Gen. Carl C. Turner, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Douglas Blair Kendrick, Jr., [redacted], Army of the United States (colonel U.S. Army).

To be brigadier generals

Col. Lawrence Joseph Fuller, [redacted], Army of the United States (lieutenant colonel, Judge Advocate General's Corps, U.S. Army).

Col. Victor Woodfin Hobson, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John MacNair Wright, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles Thompson Horner, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Elmer Hugo Almquist, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Paul Francis Smith, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Stephen Wheeler Downey, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Shelton E. Lollis, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Kenneth Wilson Collins, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Ellis Edmund Wilhoyt, Jr., [redacted], U.S. Army.

Col. Donald Ralph Pierce, [redacted], U.S. Army.

Col. Paul David Phillips, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Lawrence Harland Walker, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Melvin Zais, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Roger Merrill Lilly, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Edmund Louis Mueller, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Hal Dale McCown, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John Hancock Hay, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Howard Francis Schiltz, [redacted], U.S. Army.

Col. Robert Clyde Gildart, [redacted], U.S. Army.

Col. Charles Henderson Hollis, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. George Cicero Fogle, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. James Sykes Billups, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Glenn David Walker, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Walter Bernard Bess, [redacted], U.S. Army.

Col. William Henry Blakefield, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard Thomas Knowles, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Frank LeRoy Gunn, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas Brownbridge Simpson, xxxxxx, U.S. Army.
Col. Roy Tinsley Dodge, xxxxxx, Army of the United States (lieutenant colonel, U.S. Army).
Col. Charles Carroll Case, Jr., xxxxxx, Army of the United States (lieutenant colonel, U.S. Army).
Col. Jack Snead Blocker, xxxxxx, U.S. Army.
Col. Harley Lester Moore, Jr., xxxxxx, Army of the United States (lieutenant colonel, U.S. Army).
Col. Charles Harold Gingles, xxxxxx, Medical Corps, U.S. Army.
Col. Laurence Addison Potter, xxxxxx, Medical Corps, U.S. Army.

The officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3384:

To be major generals

Brig. Gen. Herbert Borden Brand, xxxxxxx.
Brig. Gen. Stanley Warren Connelly, xxxxxxxx.
Brig. Gen. James Eugene Frank, xxxxxxx.
Brig. Gen. Robert Harrie Travis, xxxxxxx.
Brig. Gen. John Wister Wurts, xxxxxxx.

To be brigadier generals

Col. Melvin Ira Bookman, xxxxxxx, Transportation Corps.
Col. Charles Vines Collier, Jr., xxxxxxx, Chemical Corps.
Col. Ernest Raiford Ellis, xxxxxxx, Signal Corps.
Col. Ray DuChene Free, xxxxxxx, Artillery.
Col. Horace Barber Hanson, Jr., xxxxxxx, Corps of Engineers.
Col. Louis Kaufman, xxxxxxxx, Artillery.
Col. Joseph Murray, Jr., xxxxxxxx, Infantry.
Col. Warren Earl Myers, xxxxxxx, Infantry.
Col. Paul Michael Nugent, xxxxxxx, Infantry.
Col. George Sutor Purple, xxxxxxx, Artillery.

The Army National Guard of the United States officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be major generals

Brig. Gen. Russell Boyt, xxxxxxx.
Brig. Gen. Lincoln Maupin, Cummings, xxxxxxx.
Brig. Gen. John Alvin Dunlap, xxxxxxx.
Brig. Gen. Martin Henry Foery, xxxxxxx.
Brig. Gen. Francis Patrick Kane, xxxxxxx.
Brig. Gen. Howard Samuel Wilcox, xxxxxxx.

To be brigadier generals

Col. William Francis Bachman, xxxxxxx, Infantry.
Col. Richard Thomas Dunn, xxxxxxx, Infantry.
Col. Michael Charles Galiano, xxxxxxx, Infantry.
Col. Leon Henry Hagen, xxxxxxx, Infantry.
Col. Kay Halsell II, xxxxxxx, Armor.
Col. James Taylor Hardin, xxxxxxx, Quartermaster Corps.
Col. William George Kreger, xxxxxxx, Infantry.
Col. Robert Grant Moorhead, xxxxxxx, Infantry.
Col. William Frederick Moor, xxxxxxx, Infantry.
Col. Leonard Edward Pauley, xxxxxxx, Infantry.
Col. Francis Shigeo Takemoto, xxxxxxxx, Infantry.

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be brigadier generals

Col. Daniel Preston Lee xxxxxxx, Adjutant General's Corps.
Col. Victor Lee McDearman, xxxxxxx, Adjutant General's Corps.
Col. John Perrill McKnight, xxxxxxx, Adjutant General's Corps.

U.S. NAVY

The following-named officers of the Naval Reserve for temporary promotion to the grade indicated subject to qualification therefor as provided by law:

LINE

To be rear admiral

George A. Weaver

MEDICAL CORPS

To be rear admiral

Howell E. Wiggins

CHAPLAIN CORPS

To be rear admiral

Roland D. Driscoll

Rear Adm. Benedict J. Semmes, Jr., U.S. Navy, for appointment as indicated, pursuant to title 10, United States Code, section 5141, to be Chief of Naval Personnel for a term of 4 years.

To be vice admiral

Rear Adm. Benedict J. Semmes, Jr., U.S. Navy, having been designated under the provisions of title 10, United States Code, section 5231, for commands and other duties determined by the President to be within the contemplation of said section, for appointment to the grade indicated while so serving.

The following-named officers of the Navy for appointment to the grade indicated on the retired list, in accordance with title 10, United States Code, section 5233:

To be vice admirals

Vice Adm. Herbert D. Riley, U.S. Navy.
Vice Adm. Rufus E. Rose, U.S. Navy.

Capt. Wilfred A. Hearn, U.S. Navy, to be Judge Advocate General of the Navy for a term of 4 years with the rank of rear admiral.

The following-named officers of the Navy for permanent promotion to the grade indicated:

LINE

To be rear admirals

Luther C. Heinz
Ralph L. Shifley
Paul Masterton
George P. Koch
George F. Pittard
William M. McCormick
Robert L. Townsend
Herman J. Kossler
Noel A. M. Gayler
Kenneth L. Veth
Draper L. Kauffman
Eugene B. Fluckey
Harry Hull
Robert H. Weeks
Thomas H. Morton
John S. Coye, Jr.
Joseph W. Williams, Jr.
Arnold F. Schade
Charles E. Loughlin
James O. Cobb
Thomas A. Christopher
Robert A. Macpherson
Carlton B. Jones
Paul D. Buie
James R. Reedy
Henry S. Monroe
Lester R. Schulz
Lester S. Chambers
John H. McQuilkin
William F. Petrovic
James A. Brown

MEDICAL CORPS

To be rear admiral

Walter Welham

SUPPLY CORPS

To be rear admirals

Emory D. Stanley, Jr.
Stephen Sherwood

CIVIL ENGINEER CORPS

To be rear admiral

Alexander C. Husband

The following-named Reserve officers for permanent promotion to the grade indicated:

LINE

To be rear admirals

James D. Hardy
Harry H. Hess
Eric C. Lambart
Thomas J. Killian
Leonard S. Bailey
William M. McCloy
Ralph G. Coburn, Jr.
Robert W. Copeland
Carl E. Watson
Leslie L. Reid
Robert H. Barnum
Charles E. Rieben, Jr.
Stephen E. Jones

MEDICAL CORPS

To be rear admiral

Moore Moore, Jr.

SUPPLY CORPS

To be rear admirals

Harold W. Torgerson
Edgar H. Reeder

CIVIL ENGINEER CORPS

To be rear admiral

Louis R. LaPorte

DENTAL CORPS

To be rear admiral

Alton K. Fisher

U.S. AIR FORCE

The following-named officers for appointment in the Regular Air Force, to the grades indicated, under the provisions of chapter 835, title 10, of the United States Code:

To be major generals

Maj. Gen. Kenneth O. Sanborn, 1363A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Dwight O. Montieth, 1205A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Nils O. Ohman, 1321A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Henry G. Thorne, Jr., 1514A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Paul S. Emrick, 1801A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Frederick R. Terrell, 1221A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Richard P. Klocko, 1327A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Paul W. Scheidecker, 1354A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. William B. Kieffer, 1409A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Clyde Box, 1535A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Robert G. Ruegg, 1620A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. John B. Bestic, 1682A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Perry M. Hoisington II, 1694A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Joseph H. Moore, 1836A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Jerry D. Page, 2052A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Charles H. Terhune, Jr., 3424A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Harold E. Humfeld, 3857A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. George S. Brown, 4090A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Seth J. McKee, 4279A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. John C. Meyer, 4496A (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Major S. White, 19056A (brigadier general, Regular Air Force, Medical), U.S. Air Force.
Maj. Gen. Theodore C. Bedwell, Jr., 19101A (brigadier general, Regular Air Force, Medical), U.S. Air Force.

To be brigadier generals

Brig. Gen. Jack E. Thomas, 1187A (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Bertram C. Harrison, 1425A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Douglas C. Polhamus, 1428A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Neil D. Van Sickle 1442A (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. J. Francis Taylor, Jr., 1583A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Harry E. Goldsworthy 1631A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. John S. Samuel 1638A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Henry C. Newcomer, 1641A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Joseph L. Dickman 1656A (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Joseph T. Kingsley, Jr., 1702A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. John L. McCoy 1705A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Lewis W. Stocking 1709A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Elbert Helton 1727A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. John A. Rouse 1807A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Walter B. Putnam 1825A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Charles G. Chandler, Jr., 1842A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Pinkham Smith 1859A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Vincent G. Huston, 1865A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. William B. Campbell, 2000A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Hubert S. Judy, 2032A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Thomas R. Ford, 2065A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Ariel W. Nielsen, 2067A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Lewis E. Lyle, 4115A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Robert W. Manss, 2713A (colonel, Regular Air Force), U.S. Air Force.
Brig Gen. John H. Bell, 4185A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Michael J. Ingelido, 4295A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Lawrence F. Loesch, 4300A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. John D. Lavelle, 4359A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Donald W. Graham, 4361A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Otto J. Glasser, 4368A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Harry L. Evans, 4619A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Paul T. Cooper, 4861A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. William W. Wisman, 4990A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Jay T. Robbins, 5029A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Joseph J. Cody, Jr., 5126A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Duward L. Crow, 18061A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. William J. Crumm, 8663A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. John W. Vogt, Jr., 9807A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Lucius D. Clay, Jr., 8956A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Raymond T. Jenkins, 19154A (colonel, Regular Air Force, Medical), U.S. Air Force.
Brig. Gen. James W. Humphreys, Jr., 19928A (colonel, Regular Air Force, Medical), U.S. Air Force.

The following-named officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10, of the United States Code:

To be major generals

Brig. Gen. John N. Ewbank, Jr., 1381A, Regular Air Force.
Brig. Gen. Milton B. Adams, 1712A, Regular Air Force.
Brig. Gen. William E. Elder, 1772A, Regular Air Force.
Brig. Gen. William W. Veal, 1902A, Regular Air Force.
Brig. Gen. Gilbert L. Meyers, 1958A, Regular Air Force.
Brig. Gen. John B. McPherson, 2068A, Regular Air Force.
Brig. Gen. Gerald F. Keeling, 3827A, Regular Air Force.
Brig. Gen. John W. O'Neill, 4155A, Regular Air Force.
Brig. Gen. Winton R. Close, 4343A, Regular Air Force.
Brig. Gen. James C. Sherrill, 4910A, Regular Air Force.
Brig. Gen. Samuel C. Phillips, 8981A, Regular Air Force.
Brig. Gen. Jack E. Thomas, 1187A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Neil D. Van Sickle, 1442A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. John S. Samuel, 1638A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Elbert Helton, 1727A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Walter B. Putnam, 1825A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Vincent G. Huston, 1865A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. William B. Campbell, 2000A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Ariel W. Nielsen, 2067A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Raymond T. Jenkins, 19154A (colonel, Regular Air Force, Medical), U.S. Air Force.
Brig. Gen. John H. Bell, 4185A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. William J. Crumm, 8663A (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Lucius D. Clay, Jr., 8956A (colonel, Regular Air Force), U.S. Air Force.

To be brigadier generals

Col. Martin Menter, 1249A, Regular Air Force.
Col. Hugh B. Manson, 1800A, Regular Air Force.
Col. Harry A. French, 1981A, Regular Air Force.
Col. William W. Wilcox, 1991A, Regular Air Force.
Col. Thomas S. Jeffry, Jr., 2057A, Regular Air Force.
Col. Ernest A. Pinson, 3117A, Regular Air Force.
Col. Everett W. Holstrom, 3986A, Regular Air Force.
Col. Richard N. Ellis, 4001A, Regular Air Force.
Col. Thomas H. Crouch, 19192A, Regular Air Force, Medical.
Col. Chester C. Cox, 3985A, Regular Air Force.
Col. John M. Talbot, 19171A, Regular Air Force, Medical.
Col. Kenneth C. Dempster, 4633A, Regular Air Force.
Col. Everett A. McDonald, 4654A, Regular Air Force.
Col. Frank B. Elliott, 4681A, Regular Air Force.
Col. Gordon F. Blood, 4766A, Regular Air Force.
Col. Edward H. Nigro, 4889A, Regular Air Force.
Col. Glen J. McClernon, 5217A, Regular Air Force.
Col. Thomas N. Wilson, 5255A, Regular Air Force.
Col. John B. Wallace, 4426A, Regular Air Force.
Col. Ralph G. Taylor, Jr., 8660A, Regular Air Force.
Col. Lee V. Gossick, 8679A, Regular Air Force.
Col. Richard D. Reinbold, 8927A, Regular Air Force.
Col. William C. Garland, 8934A, Regular Air Force.
Col. Howard E. Kreidler, 9177A, Regular Air Force.
Col. Norman S. Orwat, 9489A, Regular Air Force.
Col. William W. Berg, 9961A, Regular Air Force.
Col. Jammie M. Philpott, 13694A (lieutenant colonel, Regular Air Force), U.S. Air Force.

FEDERAL DEPOSIT INSURANCE CORPORATION

Kenneth A. Randall, of Utah, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years.

COMPTROLLER OF CUSTOMS

William Rummel, of Illinois, to be Comptroller of Customs with headquarters at Chicago, Ill.

IN THE AIR FORCE

The nominations beginning John H. Antonelli to be major, and ending Tommy F. Stone to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 22, 1964.

IN THE ARMY

The nominations beginning Robert G. Abarr to be lieutenant colonel, and ending Hugh F. Wynn to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 22, 1964.

IN THE NAVY AND MARINE CORPS

The nominations beginning Benjamin L. Aaron to be lieutenant commander, and ending Robert K. Zentmyer to be lieutenant (junior grade), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 29, 1964; and

The nominations beginning William H. Abel to be a lieutenant in the Navy, and ending Sammy R. Claxton to be a second lieutenant in the Marine Corps, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 18, 1964.

U.S. ATTORNEYS

Edward V. Hanrahan, of Illinois, to be U.S. attorney for the northern district of Illinois for the term of 4 years, vice James P. O'Brien, deceased.

Thomas J. Kenney, of Maryland, to be U.S. attorney for the district of Maryland for the term of 4 years, vice Joseph D. Tydings, resigned.

U.S. MARSHAL

Roy Lee Call, of Alabama, to be U.S. marshal for the northern district of Alabama for the term of 4 years, vice Peyton Norville, Jr., deceased.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 27, 1964

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 28: 7: *The Lord is my strength and shield; my heart trusted in Him and I am helped.*

O Thou God of all counsel and consolation, we are turning to Thee in prayer, united in our search and longing for Thy grace which is sufficient for all our needs.

Grant that in walking and working by faith we may find and experience that