United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 89th CONGRESS, FIRST SESSION

SENATE

WEDNESDAY, FEBRUARY 17, 1965

The Senate met at 12 o'clock meridian, and was called to order by Hon. DANIEL K. INOUYE, a Senator from the State of Hawaii.

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

Eternal God, in whose peace our restless spirits are quieted: From the flickering torches of our own understanding, we would lift the difficult decisions of the public service into Thy holy light.

In the brooding silence of this still moment, may the open windows of faith flood our darkness with the radiance of the eternal, that in Thy sunshine's blaze this day may brighter, fairer be.

In this troubled and uncertain day, when the seamless robe of our common humanity is rent by inner strife and fears and outward foes, teach us to be ministers of reconciliation, and to be anxious for nothing but to do the right and our best.

Grant us inner greatness of spirit and clearness of vision to meet and match the large design of this demanding, yet glorious, day, that we may keep step with the drumbeat of Thy truth, which is marching on to the coming kingdom for which we pray.

In the dear Redeemer's name we ask it. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 17, 1965.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. DANIEL K. INOUYE, a Senator from the State of Hawaii, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. INOUYE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. LONG of Louisiana, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 11, and Monday February 15, 1965, was dispensed with.

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of Thursday, February 11, 1965,

The Secretary of the Senate reported that on February 12, 1965, he received the following message from the House of Representatives:

That, pursuant to section 194 of title 14, United States Code, the chairman of the Committee on Merchant Marine and Fisheries had appointed the following members of said committee to serve as members on the part of the House of the Board of Visitors to the U.S. Coast Guard Academy for the year 1965: Mr. GARMATZ, of Maryland, Mr. LENNON, of North Carolina, and Mr. GROVER, of New York; and that Mr. BONNER, as chairman of the committee, was authorized to serve as an ex officio member of the Board.

The message also announced that, pursuant to the provisions of Public Law 101, 78th Congress, the chairman of the Committee on Merchant Marine and Fisheries had appointed the following members of said committee on the part of the House to serve as members of the Board of Visitors to the U.S. Merchant Marine Academy for the year 1965: Mr. DOWNING, of Virginia, Mr. MURPHY of New York, and Mr. MOSHER, of Ohio; and that Mr. BONNER, as chairman of the committee, was authorized to serve as an ex officio member of the Board.

MESSAGES FROM THE PRESIDENT

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

REPORT ON NATIONAL PROGRAM FOR DEVELOPMENT AND APPLICATION OF THE COMMUNICATIONS SATELLITE TECHNOLOGY TO THE SERVICES OF MANKIND—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 87)

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Aeronautical and Space Sciences:

To the Congress of the United States:

The past year has seen important advances in the program to develop a global communications satellite system. The first launch of a commercial satellite is to take place in the early months of this year.

Through the initiative of the United States, an international joint venture has been established. Under the law I have designated the Communications Satellite Corp. as the U.S. participant. The corporation is to be the manager on behalf of all participants.

The corporation has now been financed, has constituted its first board of directors to replace the original incorporators and has moved forward with its program. All agencies of the Government with responsibilities under the act have made important and faithful contributions with the sympathetic assistance of the congressional committees concerned.

The new and extraordinary satellite telecommunications medium bringing peoples around the globe into closer relationship is nearer to fulfillment, heralding a new day in world communications.

As required by section 404(a) of the Communications Satellite Act, I herewith transmit to the Congress a report on the national program for development and application of the communications satellite technology to the services of mankind.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 15, 1965.*

REPORT ON U.S. PARTICIPATION IN INTERNATIONAL ATOMIC ENERGY AGENCY—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 88)

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

To the Congress of the United States:

I transmit herewith, pursuant to the International Atomic Energy Agency Participation Act, the Seventh Annual Report covering U.S. participation in the International Atomic Energy Agency for the year 1963.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 15, 1965.*

REPORT OF NATIONAL SCIENCE FOUNDATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 89)

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United

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States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

I am pleased to transmit to the Congress the Annual Report for fiscal year 1964 of the National Science Foundation as required by the National Science Foundation Act of 1950.

At the end of the war the advance of science was a source of pervading pessimism in our land—and around the world. There were fears that the onrush of man's knowledge would outrun man's wisdom and speed humanity toward its own extinction. With the establishment of the NSF, we committed ourselves to the development of peaceful science, and now our times are marked and moved by an optimism and hopefulness rare in all the history of mankind.

At its source much of our optimism flows from the confidence which both the advance and application of scientific knowledge permits. As science has provided us with new insights into man's antecedents, so science also has unlocked for us new visions of man's possibilities. Science has given us new knowledge of matter and of living things, a better understanding of natural processes, new and unexpected glimpses into what we can achieve in the future. The power over nature which science is giving our generation permits us to look forward with hope toward the solution of many age-old problems, if we apply results of the scientific advance well and wisely.

In the gains and change of these postwar years, American science has played a central role. Science has flourished in America as never before. While human knowledge has never known—and must never know—national boundaries, it is a fact that our Nation's resources, stability, and political purposes have permitted American science to benefit the world to an extent unique in modern times.

A vital factor in our achievements has been our national effort toward understanding, anticipating and supporting the creative force and constructive ends of science dedicated to peace, not conquest—to elevating human life, not oppressing it. This responsible approach toward science has come broadly, throughout our society, but a key role has been taken by the Federal Government.

While possessed of no special gift of foresight, the Federal Government has taken a forward-looking role, exercising both desirable initiative and appropriate self-restraint. Support for science has come from the Government without thought of making science subservient to the Government. The virtually undisputed leadership held by America today in the realm of science and technology is a conspicuously visible testament to the greater compatibility a free society affords to the spirit of free inquiry.

If balance has been approached in our overall support of our free science, credit is abundantly due the unheralded and frequently underestimated role of the National Science Foundation. Under its first Director, Dr. Alan T. Waterman, and now under the outstanding leadership of Dr. Leland Haworth, whose first annual report I am transmitting, the Foundation has fulfilled many times over the intent and hopes of the Congress which established it at the beginning of the last decade.

Close and understanding accord between science and public affairs is an imperative for free societies today. As I am so acutely aware, no national policy or purpose of the United States is unaffected by the present state or prospective scope of our scientific knowledge.

We look to it—

For the technology and industry which will supply us with new products and new jobs to meet our needs.

For the health programs which will eventually conquer disease and disability.

For the purposeful and useful exploration of the seas around us and the space above us.

And, most especially, for the guidance that will permit us to proceed with greater security and greater confidence toward our goals of peace and justice in a free world.

As no other force has contributed more materially to our effective pursuit of happiness in America, so it is true that no other force is now requiring of us the more careful examination and reexamination of the workings, values, and aspirations of our society. Science is changing many of the very premises on which our greatly successful American society has been built over the past two centuries. If we are to strive toward our society's continuing success and further greatness, we must not merely commit ourselves to its support—we must involve ourselves in seeking to understand the profound changes which it promises.

For all that has been wrought in this land, we must understand that these are the infant years of a new age—not the aging days of an old era.

Our wisdom must be always the equal of our knowledge and information. For that reason, I commend to you this report from the National Science Foundation, created and supported by the Congress, and encourage your unchanging steadfastness in support of what is required to assure America's continuing leadership in the science and technology of our times.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 15, 1965.*

THE NATION'S CAPITAL—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 86)

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on the District of Columbia:

To the Congress of the United States:

The Nation's Capital should be a city in which every American can take justifiable pride, for the District of Columbia is more than a city—it is the seat of the Federal Government and the home of our most meaningful national shrines.

Our Founding Fathers not only planned a great nation but a great capital city for that nation. Their foresight and dedication—and the patient work of generations of Americans—have built a beautiful and inspiring National Capital. But for cities, as for men, there is no standing still. We progress or we fall back. This administration will not fail in the stewardship vested in it for the Nation's Capital. It is dedicated to enhancing and preserving the beauty and dignity of our Capital and to the improvement of the lives of its citizens.

There is much to be done. The programs that I propose envision immediate as well as long-range changes and improvements. We must continue and strengthen our efforts and more effectively marshal our resources to achieve the goals of an even better city. Every American must always be able to point to his Nation's Capital as a living expression of the highest ideals of democratic government.

I. HOME RULE

The most significant requirement, and one which can be accomplished immediately, is the restoration to the citizens of the District of Columbia of the direction and control of their own local affairs. I have already set out my recommendations in this respect in a message to the Congress proposing the necessary legislation.

II. MUNICIPAL SERVICES

The Federal Government, until home rule has been achieved, and the District government thereafter, must attack the deficiencies in programs which now exist. Those deficiencies which follow are only the most important and the most urgent.

A. Education: No more important responsibility rests on any local government than the provision of adequate educational facilities for its younger citizens. No need is more urgent than that of providing for all boys and girls the opportunity to secure the highest and best education of which they are capable.

1. The public school system of the District, which already has many achievements to its credit, must become one of the great school systems in the Nation.

Curriculums and teaching methods must reflect the best experience available in the United States, particularly as it is related to young people who come to the schools from disadvantaged circumstances at home. The most highly qualified teachers must be recruited, and teachers in temporary category reduced to a minimum. More supporting personnel, particularly counselors, are needed. No child should lack adequate textbooks and no school should lack either an adequate library or a trained librarian. Vocational education must be more closely related to the demands of the modern world, as well as to the opportunities for further training which will be afforded by the community college. Improvements can be made in the training of the physically and mentally handicapped which will enable many more to achieve full or partial self-sufficiency.

The physical plant, within a decade at most, should be made adequate. New buildings should continue the principles of modern school design now being pursued. More immediately, there must be adequate space for every child, including, needless to say, those whom improved facilities, improved educational measures, and improved economic conditions will prevent becoming dropouts. The capital of the richest nation on earth cannot tolerate part-time classes, classes in makeshift rooms, and classes so large that instruction becomes difficult or impossible.

2. A committee of nationally recognized educators, after careful examination of the District's situation, has recommended that the District should establish immediately a community college and a college of liberal arts and sciences, under a Board of Higher Education. The former institution would provide a 2-year program, including both the first 2 years of college work and advanced technical training in a variety of subprofessional skills. The latter, which would absorb the present District of Columbia Teachers College, would emphasize teacher training but would also provide instruction in the liberal arts and sciences, growing as the need developed. These two institutions should be brought into being without delay. I will shortly recommend to the Congress the necessary legislation.

3. The District should participate in the residential vocational school program authorized by the Vocational Education Act of 1963. Such a school can demonstrate the advantages of combining the most modern vocational education with the healthy and stimulating living environment now missing from the lives of many District children. It is my hope that plans for a school will be made immediately with the help of the Commissioner of Education.

B. Health and welfare: The public health effort in the District has been impressive in recent years, and the momentum must be continued. Health is essential to the productivity and financial independence of individuals, and to a sound economy. Adequate programs to prevent disease and disability, to combat mental retardation, to reduce preventable deaths, especially among infants, and to provide medical care and related services to those unable to pay for them, are essential District needs.

The reconstruction and enlargement of the District of Columbia General Hospital now underway will ease the congestion there, but urgent need exists for the establishment of community health centers in several parts of the city, to bring health services closer to the people for whom they are designed. These centers, by including the facilities needed for comprehensive community-based mental health services, will also bring the District to the forefront in carrying out both the present national mental health program and the additional programs which I have recently recommended.

Improvements in physical plant must be matched by increased availability of services. We know now that denial of preventive services, based on unrealistic standards of medical indigency, are not measures of economy, but rather guarantees of increasing costs of social services later on. The provision of prenatal care is a classic example. Children's Hospital, which by reason of its specialized facilities for the young is unique, and stands among the best in its field in the United States, must be put on a sound financial basis.

A proper welfare program must not only be tightly administered and free of cheating and fraud, but also must insure that those in actual need of aid are provided for in a manner and at a level consistent with decency and humanity. Not only is this in the American tradition, but it is also prudent. Inadequate programs inadequately staffed exact a price we cannot afford to pay, in delinquency, crime, disease, broken homes, and broken lives. Nor can we ignore the added costs of institutional care for the children and the elderly from families whose resources, tenuous at best in many cases, collapse and are lost in extremes of poverty. Further District participation in the programs made possible by the 1961 and 1962 amendments to the Social Security Act should no longer be delayed.

C. Public safety: The District has not been spared in the general increase in crime now being experienced throughout the United States. The impairment of the security of person and property, and the mounting rates of juvenile crime, are matters of major concern.

The problems run deep, and will not yield to quick and easy answers. We must not weaken our resolve to identify and eliminate the causes of criminal activity. This is the thrust of the District's program to combat juvenile delinquency in the Cardozo area—a program which must be extended as needed throughout the District as rapidly as its component parts can be evaluated. This is an important aspect of the program to combat poverty, and of the programs for improvement in education, health, welfare, housing, and recreation.

All these are vital, but they are not enough. Crime will not wait while we pull it up by the roots. We must have a fair and effective system of law enforcement to deal with those who break our laws. We have given too low a priority to our methods and institutions of law enforcement—our police, our criminal courts and our correctional agencies. This neglect must not continue, and the District should be the first to remedy it.

The police are our front line, both offensive and defensive, in the fight against crime. We ask the policeman to fit our principles to hard realities, to make our rules just in their operation, to apply our laws to an infinite variety of human situations. Because he represents the law to the great majority of our people, we ask him to impart respect for law in his every act. As the representative of government whom we send out in the streets, we impose on him a job of social aid and accommodation as many sided as government itself.

To do all of these things well, the policeman must be a man of high caliber, attracted to police work by sufficiently strong incentives, and trained beyond anything we have heretofore thought necessary. The police department must have a closer working relationship with the social agencies of the community, for their problems and objectives are so often connected or concurrent. There is a great need for all people to learn about, to understand, and to assist the policeman in his work.

The courts have traditionally been the symbol and the guardian of our cherished freedoms, but local criminal courts are so overloaded that their image is tarnished, their functioning impeded, and their effectiveness weakened. More courts and judges is one answer, but need not be the only one. Full-scale court proceedings might be eliminated for minor offenses which could be handled by administrative arrangements under close judicial supervision. Certain types of offenders might be referred directly to social agencies for nonjudicial treatment. Some conduct which we now label criminal might better be removed from the criminal system and dealt with more effectively and appropriately elsewhere. Every possibility must be explored.

Correctional agencies charged with responsibility for those who have been found guilty of a criminal offense face enormously complex problems. Some of the time-honored methods are proving to be inadequate. Many new ideas are being developed and applied, with still uncertain results. We cannot wait until they are certain. We should put to work in the District the most promising attempts to cure the maladjustments which lead to crime. We cannot tolerate an endless, self-defeating cycle of imprisonment, release and reimprisonment which fails to alter undesirable attitudes and behavior. We must especially find ways to help the first offender avoid a continuing career of crime.

These needs are urgent, and our responses in the District will aid and encourage efforts throughout the Nation. It will not do merely to attempt minor changes; the problem is too big and too important to the community. We must seek the broadest and most imaginative improvements in the entire legal and social structure of our criminal law and its administration. To do this, I shall establish a commission which will concern itself specifically with crime and law enforcement in the District. It will enlist the best advice and assistance available, both in and out of the Federal Government, and will work closely with the national panel to be created shortly. Our goal must be no less than the planning and establishment in the District of a model system which will best achieve fair and effective law enforcement.

There are, in addition, opportunities for immediate action. Some control of firearms within the District is urgently needed. Legislation providing for the registration of pistols, which is an appropriate first step, will shortly be transmitted to the Congress by the Commissioners. The Police Department should be enlarged, as I have recommended in the District's budget. Moreover, it should be afforded authority and funds to pay for overtime work, and to employ

clerical and other workers to permit officers to use their police training to full advantage. Both would increase its effective strength.

D. Recreation: The District has not yet caught up with the needs of its citizens—either young or old—for facilities which permit them to relax and to play. Some areas of the city lack these facilities, particularly areas where incomes are low, and where residents are generally lacking in the resources to enable them to take advantage of recreational facilities elsewhere. The goal must be an adequate system of recreational facilities throughout the District within the next decade.

The John F. Kennedy Playground, largely equipped by private citizens, demonstrates not only the possibilities but also the enthusiastic response of the community to adequate play space. Equally desirable facilities should be provided in other parts of the District, particularly in areas now inadequately served.

E. Housing and urban renewal: The District, in common with other American cities, suffers badly from a major shortage of housing adequate for its lower income groups. Public housing is being supplied for low-income families displaced by public projects; but nonpriority families and large families even with priority are afforded little relief. More public housing is an urgent necessity. Devices such as the housing of large families in individual houses by means of rent subsidies must be continued and expanded. New solutions must be developed and applied.

Equally important are measures to secure decent housing for the families whose incomes are high enough to make them ineligible for public housing, but who cannot find decent, safe, and sanitary private accommodations at prices or rents they can afford. There must be more vigorous efforts in the District, both public and private, to take advantage of all the programs now available under the national housing laws.

The District's urban renewal program must make a major effort in the years ahead to provide decent housing for low- and moderate-income families. The rehabilitation and renewal project now underway in Northwest urban renewal area project No. 1 may well offer an approach which can provide experience for similar projects elsewhere. There must be vigorous and prompt enforcement of the housing code, particularly in those areas where continuing deterioration may escalate into irrecoverable slums. Too little effort has been exerted to assure that violations are detected and corrected promptly. Both tenants and landlords must be made aware of their responsibilities as well as their rights.

Urban renewal powers must be made available to the District, as they are to other cities, to aid in the development of blighted commercial areas. They are particularly needed in the central city, where the demonstrated interest of the business community insures a fruitful cooperation between public and private efforts.

There is need, too, for a reorganization of the urban renewal and public housing machinery of the District, in order that it may be more responsive to the District's multiple needs. Immediate attention must be given to changes which will focus appropriate responsibility, and commensurate authority, in the District's Board of Commissioners. Some delays are inherent in major urban projects, and no doubt this has been particularly true during the early years of the urban renewal program, but we can no longer afford or tolerate such delays.

F. Poverty: The District can and should be a leader and an example to the Nation in the attack on poverty. Already there is a bold beginning, coordinated by the United Planning Organization, and using the combined resources of the Federal and District Governments and generous aid from both the Ford and the Eugene & Agnes E. Meyer Foundations. But the war on poverty is not to be won in one cataclysmic battle. It is more a war of attrition—in which there must be no letup of effort. The District must continue to provide training, counseling, employment services, and other aid on a coordinated and more intensive basis to those who are now unemployed or so underemployed that they cannot provide support for their families. It must have a minimum-wage law expanded to cover men, as well as women and children. It must provide the educational help and other aids which will insure that the next generation—the potential welfare clients of the 1970's and 1980's—meet the challenge of our new technology and becomes self-supporting. We must break the cycle of poverty and dependency. It can be done. It will, in the long run, be far less expensive than any other course.

III. THE DISTRICT AND THE NATIONAL CAPITAL REGION

The District of Columbia is no longer the largest element of the Washington metropolitan region, either in number of residents or in area. Increasingly, the problems of the District blend into and become a part of regional problems. Transportation, water, air pollution, sewage and waste disposal, fire and police protection, recreation, employment, and economic development are only a partial list of matters in which neither the District nor any other part of the area can proceed behind its own jurisdictional curtains.

A. Transportation: The most critical of the regional development needs is transportation. Washington is now the only major capital in the Western World lacking a rail rapid transit system. There is urgent need to begin the construction of such a system—largely within the District at the beginning, but eventually extending into the suburbs of Maryland and Virginia. I have already transmitted to the Congress proposed authorizing legislation.

The highway program, both within and without the District, must likewise not be allowed to lag. The cooperative efforts of District and Federal agencies through the Policy Advisory Committee to review some elements of the program should be continued. Construction should proceed as rapidly as funds can be made available.

B. Regional development: I have already indicated my hopes that the Potomac River will become a model of beauty and usefulness for the Capital and the Nation. There are, however, many other problems of the Washington metropolitan area for which long-range metropolitan solutions are necessary. The interest of the Federal Government in the best development of the region is manifest, and its cooperation in resolving regional problems is essential. We must encourage and facilitate local efforts to create effective organs of regional cooperation. In addition, the Federal Government must utilize its own policies and programs to assist the region to develop in a way which will maximize the efficiency and economy of Federal Government operations, and which will permit this region to exemplify to the United States and to the world the best in regional cooperation and metropolitan growth.

IV. WASHINGTON AS A NATIONAL CAPITAL

The District, as the Nation's Capital, must meet the special requirements imposed on the capital city of a great nation. We are committed to preserving and enhancing the great avenues, the great museums and galleries, the great sweep of the Mall.

Legislation is being prepared in connection with the proposals to transform Pennsylvania Avenue from its present shabby state to a new dignity and grandeur. As long as blight and ugliness disfigure any part of this historic link between the Capitol and the White House, it cannot suitably serve as the main ceremonial avenue of the Nation, either to American citizens or to visitors from abroad. The proposal need not be undertaken at once in all of its aspects, but every aid and encouragement should be given to further study and refinement of its details and to the establishment of the creative partnership of Government and private enterprise needed to convert the avenue into a thoroughfare worthy of the Nation's pride.

There are other areas where needed improvements can also be accelerated. The Washington Monument can be given the setting it deserves as soon as the development of the freeway from the Roosevelt Bridge to the 14th Street Bridge, and the 9th and 14th Street underpasses of the Mall permit the elimination of the 15th Street traffic from near the base of the monument. The temporary buildings which huddled at its base are already gone, and the plans to improve its immediate surroundings must be pushed forward.

The Lincoln Memorial, long throttled by a circle of heavy automobile traffic, can be freed of its noose as soon as the freeway running beneath its grounds permits the area facing the reflecting pool and the monument to be reserved for the visitor on foot. The memorial will not achieve its proper setting, however, until the remaining obsolete and temporary buildings on Constitution Avenue are eliminated.

There are many other projects. Temporary buildings on public space

throughout the monumental area must be removed. There is need to carry forward the plans to develop the potential of the Mall, so that it may be a place of life and beauty, of pleasure and relaxation. There is need for a vistors' center which will provide perspective and understanding regarding the Federal Government to the myriad students and tourists who come to Washington to see and learn.

There is also urgent need to proceed with the improvement of the central business district in a way which permits full coordination with the progress on Pennsylvania Avenue. The full potential of Pennsylvania Avenue from the Capitol to the Anacostia River as a major entranceway to the city has not been realized. There is the development of Washington's waterfront in connection with the new aquarium. There is the need to identify landmark buildings and places, and to work out means by which to encourage their preservation.

The District presents both a challenge and an opportunity. Here we have natural beauty as well as buildings of historic and architectural value. The great sweep of the Potomac River, Rock Creek Park, and the ring of parks where the old Civil War forts stood make the District a city in a park. In its heart the grandeur of the Mall, the many circles and squares and the great street trees carry natural beauty to everyone.

Today there is new awareness of our urban environment. We can, if we will, make the District the symbol of the best of our aspirations. We can make it a city in which our citizens will live in comfort and safety, and with pride, and in which commerce and industry will flourish. We can make it a capital which its millions of visitors will admire. All this we must do. I am sure the Congress will join me in accepting the challenge.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 15, 1965.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

LIMITATION OF STATEMENTS DURING MORNING HOUR

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that statements made during the morning hour be limited to 3 minutes.

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

COMMITTEE MEETING DURING SENATE SESSION

On request by Mr. DOMINICK, and by unanimous consent, the Committee on Post Office and Civil Service was authorized to meet during the session of the Senate today.

SUBCOMMITTEE MEETING DURING SENATE SESSION TOMORROW

On request of Mr. SMATHERS, and by unanimous consent, the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary was authorized to meet tomorrow while the Senate is in session.

LEGISLATIVE PROGRAM

Mr. LONG of Louisiana. Mr. President, I believe it would be well to state what the plans are for legislative business.

After the morning hour it is planned to lay before the Senate the unfinished business, Calendar Order No. 61, the bill (H.R. 3818) to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities.

It is my understanding that that bill was unanimously reported by the Committee on Banking and Currency. I hope that the bill can be disposed of today, perhaps even without a yea-and-nay vote, in view of the fact that there is very strong support for the measure and, I believe, very little opposition.

In addition, the leadership would like to consider Senate Joint Resolution 1, Calendar Order No. 62, proposing an amendment to the Constitution of the United States relating to succession to the Presidency and Vice-Presidency and to cases where the President is unable to discharge the powers and duties of his office. That measure will be the legislative business for Thursday, February 18, when it is hoped it can be disposed of.

On the following day, Friday, February 19, we hope to take up Calendar Order No. 63, a bill (S. 805) to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank.

It is planned to recess at the close of business today.

Mr. DIRKSEN. Mr. President, will the acting majority leader yield?

Mr. LONG of Louisiana. I yield.

Mr. DIRKSEN. I believe it has been agreed that tomorrow the question of the reference of the so-called labeling and packaging bill—which, is expected, will be referred to the Committee on Commerce—will be placed on the calendar. Probably it will be the first order of business. Consideration of that question will not take very long, but I feel that the record ought to be made in view of what has happened in the past 2 years in respect to that measure.

Mr. LONG of Louisiana. I believe commitments have been made on the subject. Though I am not aware of them, I shall try to find out what they are and convey them to the minority leader.

Mr. DIRKSEN. I thank the Senator.

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

Mr. LONG of Louisiana. I yield.

Mr. HOLLAND. I believe the leadership knows that the senior Senator from Louisiana [Mr. ELLENDER], the junior Senator from California [Mr. MURPHY], and I desire to discuss on the floor of the Senate tomorrow questions related to the agricultural labor situation in our country. I do not wish to describe them in greater detail now. Rather than have our appearances injected into the discussion of whatever the pending business may be, I hope that the leader will bring the Senate in early tomorrow morning with the understanding that we shall proceed with all expedition so that our business can be transacted, and then the pending question before the Senate can be disposed of without interruption, at least from the group I have mentioned. I hope that that course may be followed.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that when the Senate finishes its business today, it stand in recess until 10 a.m. tomorrow.

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

WAIVER OF GERMANENESS RULE FOR TOMORROW

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the germaneness rule be waived for tomorrow.

The ACTING PRESIDENT pro tempore. Is there objection?

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

Mr. LONG of Louisiana. I yield.

Mr. DIRKSEN. The Senator from Louisiana is not requesting that the rule be waived today?

Mr. LONG of Louisiana. No.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

NATIONAL CAPITAL TRANSPORTATION ACT OF 1965

A communication from the President of the United States, transmitting, for the information of the Senate, a report entitled "Rail Rapid Transit for the Nation's Capital," dated January 1965, together with a report entitled "Engineering Plans and Cost Estimates, Engineering Supplemental, Transit Development Program 1965," dated January 1965, and a draft of proposed legislation to authorize the prosecution of a transit development program for the National Capital region, and to further the objectives of the act of July 14, 1960 (with accompanying papers); to the Committee on the District of Columbia.

REPORTS OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator, National Aeronautics and Space Administration,

Washington, D.C., reporting, pursuant to law, on the transfer of research and development funds to the construction of facilities appropriation for the installation of an FPQ–6 radar at the Bermuda Station of the Manned Space Flight Network; to the Committee on Aeronautical and Space Sciences.

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the transfer of research and development funds to the construction of facilities appropriation to be used for the purchase of the electric power substation at Goddard Space Flight Center, Greenbelt, Md.; to the Committee on Aeronautical and Space Sciences.

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., transmitting, pursuant to law, a report on contracts negotiated for experiment, development, or research work, for the 6-month period ended June 30, 1964 (with an accompanying report); to the Committee on Aeronautical and Space Sciences.

MILITARY CONSTRUCTION AUTHORIZATION ACT, 1966

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF SECTION 2575(a) OF TITLE 10, UNITED STATES CODE, RELATING TO DISPOSITION OF CERTAIN PERSONAL PROPERTY

A letter from the Acting General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 2575(a) of title 10, United States Code, to authorize the disposition of lost, abandoned, or unclaimed personal property under certain conditions (with an accompanying paper); to the Committee on Armed Services.

CONTINUATION OF AUTHORITY OF DOMESTIC BANKS TO PAY INTEREST ON CERTAIN DEPOSITS OF FOREIGN GOVERNMENTS

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to continue the authority of domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors (with accompanying papers); to the Committee on Banking and Currency.

AMENDMENT OF INLAND, GREAT LAKES, AND WESTERN RIVERS RULES RELATING TO CERTAIN VESSELS

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend the inland, Great Lakes, and western rivers rules concerning sailing vessels and vessels under 65 feet in length (with accompanying papers); to the Committee on Commerce.

REPORT OF CIVIL AERONAUTICS BOARD

A letter from the Vice Chairman, Civil Aeronautics Board, Washington, D.C., transmitting, pursuant to law, a report of that Board, for the fiscal year 1964 (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION RELATING TO DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to authorize the establishment of a school of nursing within the District of Columbia General Hospital, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend section 13 of the District of Columbia Redevelopment Act of 1945, as amended (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to authorize the Chief of Police to expend funds for the prevention and detection of crime under his certificate, approved by the Board of Commissioners of the District of Columbia (with an accompanying paper); to the Committee on the District of Columbia.

REPORT ON POTENTIAL SAVINGS THROUGH PROCUREMENT OF CERTAIN SUPPLIES FROM GENERAL SERVICES ADMINISTRATION SOURCES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on potential savings through procurement of operating supplies from General Services Administration sources by Martin-Marietta Corp., Denver Division, Denver, Colo., Department of the Air Force, dated February 1965 (with an accompanying report); to the Committee on Government Operations.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

A letter from the Acting Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the Administrator of General Services to enter into contracts for the inspection, maintenance, and repair of fixed equipment in federally owned buildings for periods not to exceed 5 years, and for other purposes (with accompanying papers); to the Committee on Government Operations.

AUTHORIZATION FOR SECRETARY OF THE INTERIOR TO EMPLOY CERTAIN ALIENS

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to employ aliens in a scientific or technical capacity (with an accompanying paper); to the Committee on Interior and Insular Affairs.

RESTORATION TO HEIRS OF THE INDIAN GRANTOR CERTAIN TRIBAL LAND

A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation to restore to the heirs of the Indian grantor certain tribal lands of the Iowa Tribe of Oklahoma (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

A resolution of the Senate of the State of Washington; to the Committee on Appropriations:

"SENATE RESOLUTION 16

"Whereas the federally financed Columbia River fishery development program operated jointly with the States has proven the most effective beneficial means of rebuilding the waning Columbia River fish runs; and

"Whereas the installation of the Willamette Falls fishways is the most important development under this program; and

"Whereas new Willamette Falls fishways at Oregon City, Oreg., would improve the economy of the States of Washington and Oregon by increasing the annual production of salmon and steelhead trout by some 320,000 fish valued at $4 million; and

"Whereas this project is now designed and federally licensed, with construction scheduled to begin with funds made available in fiscal year 1966; and

"Whereas the required funds of $1,600,000 are not now provided in the fiscal year budget of 1966; and

"Whereas it is the consensus of the Senate of the State of Washington, in which the Legislature of the State of Oregon concurs, that it is essential that these funds be provided in fiscal year 1966 to obtain the maximum benefits of this long planned improvement to the fishery economy of these States; and

"Whereas large numbers of juvenile salmon already have been transplanted above this obstruction from which adult fish will return in 1966, requiring efficient passage at Willamette Falls, Oreg.: Now, therefore, be it

"Resolved, by the Senate of the State of Washington, That we do respectfully petition the Congress of the United States, and those committees thereof concerned with appropriations, to consider this joint request for restoration of these funds in the Department of the Interior's budget for the Columbia River fishery development program; and be it further

"Resolved, That copies of this resolution be sent to the Honorable Lyndon B. Johnson, President of the United States, to the President of the Senate and Speaker of the House of Representatives of the United States, to each Member of Congress from the State of Washington, and to the Secretary of the Department of the Interior.

"WARD BOWDEN,
"Secretary of the Senate."

A joint resolution of the Legislature of the State of Nevada; to the Committee on the Judiciary:

"JOINT RESOLUTION 2

"Whereas the Supreme Court of the United States has ruled that membership in both houses of a bicameral State legislature must be apportioned according to population and has thus asserted Federal judicial authority over the basic structure of government in the various States; and

"Whereas this rule denies to the people of the respective States the right to establish their legislatures upon the same pattern of representation deemed advantageous for the Congress of the United States and provided by the Federal Constitution; and

"Whereas this action of the Supreme Court goes so far as to restrict the ability of the citizens of the respective States to designate the manner in which they shall be represented in their respective legislatures thereby depriving the people of their right to determine how they shall be governed; and

"Whereas the implications of this action by the Supreme Court has raised serious doubts as to the legality of the present form of the governing bodies of many subordinate units of government within the States: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of Nevada (jointly), That this legislature respectfully requests the Congress of the United States to propose an amendment to the U.S. Constitution which would provide:

"ARTICLE —

"SECTION 1. Nothing in this Constitution shall prohibit any State which shall have a bicameral legislature from apportioning the membership of one house of such legislature on factors other than population, provided that the plan of such apportionment shall have been submitted to and approved by a vote of the electorate of that State.

"SEC. 2. Nothing in this Constitution shall restrict or limit a State in its determination of how membership of governing bodies of its subordinate units shall be apportioned.

"SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission to the States by the Congress.

"And be it further resolved, That certified copies of this resolution be immediately transmitted by the secretary of state to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States and to each Member of the Congress from this State."

A joint resolution of the Legislature of the State of Montana; to the Committee on the Judiciary:

"A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA MAKING APPLICATION TO THE CONGRESS OF THE UNITED STATES TO CALL A CONVENTION FOR THE PURPOSE OF AMENDING THE CONSTITUTION OF THE UNITED STATES SO AS TO PROVIDE THAT A STATE HAVING A BICAMERAL LEGISLATURE MAY APPORTION MEMBERSHIP IN ONE HOUSE OF ITS LEGISLATURE ON OTHER THAN A POPULATION BASIS

"Whereas the Supreme Court of the United States has ruled that States having a bicameral legislature may not apportion membership in either house thereof on other than a population basis without violating the Constitution of the United States; and

"Whereas the Constitution of Montana provides for the apportionment of the Senate on other than a population basis: Now, therefore, be it

"Resolved by the Senate and the House of Representatives of the State of Montana, That the 39th Legislative Assembly of the State of Montana respectfully applies to the Congress of the United States to call a convention for the purpose of proposing the following article as an amendment to the Constitution of the United States.

" 'ARTICLE —

" 'SECTION 1. Nothing in this Constitution shall prohibit any State which shall have a bicameral legislature from apportioning the membership of one house of such legislature on factors other than population, provided that the plan of such apportionment shall have been submitted to and approved by a vote of the electorate of that State.

" 'SEC. 2. Nothing in this Constitution shall restrict or limit a State in its determination of how membership of governing bodies of its subordinate units shall be apportioned.

" 'SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission to the States by the Congress'; be it further

"Resolved, That if Congress shall have proposed an amendment to the Constitution identical with that contained in this resolution prior to June 1, 1965, this application for a convention shall no longer be of any force or effect; be it further

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

A joint resolution of the Legislature of the State of Alaska; to the Committee on Labor and Public Welfare:

"SENATE JOINT RESOLUTION 7

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

"Whereas the Administrator of the Veterans' Affairs has announced the closure of the Alaska regional office and the transfer of its functions to the Seattle, Wash., office; and

"Whereas the services to which the veterans in Alaska are legally entitled cannot be efficiently and fairly administered from the State of Washington because of the time lapses caused by distance, the chances of interrupted mail service, the expense of long-distance communication, the lack of knowledge of the problems and conditions peculiar to Alaska, the inherent insufficiency of written communication in regard to continuing problems, and the isolation of the beneficiaries of the veteran's programs from their advisers; be it

"Resolved, That the Administrator of Veterans' Affairs is requested to rescind the decision to close the Alaska regional office; and be it further

"Resolved, That copies of this resolution be sent to the Honorable HUBERT H. HUMPHREY, Vice President of the United States and President of the Senate; the Honorable CARL HAYDEN, President pro tempore of the Senate; the Honorable JOHN W. MCCORMACK, Speaker of the House; the Honorable LISTER HILL, chairman, Senate Labor and Public Welfare Committee; the Honorable OLIN E. TEAGUE, chairman, House Committee on Veterans' Affairs; the Honorable Stewart L. Udall, Secretary of the Interior; the Honorable W. J. Driver, Administrator of Veterans' Affairs; and the members of the Alaska delegation in Congress."

A joint resolution of the Legislature of the State of Idaho; to the Committee on Post Office and Civil Service:

"SENATE JOINT MEMORIAL 4

"A joint memorial to the Honorable President of the United States, the Honorable Senate and House of Representatives of the United States in Congress assembled and to the Honorable Postmaster General of the United States

"We, your memorialists, the members of the Senate and House of Representatives of the State of Idaho, assembled in the 38th session thereof, do respectfully represent that:

"Whereas the late Senator William E. Borah, now deceased, is illustrious for his historic renown, distinguished civic services and lasting contributions to the State of Idaho, the United States of America, and to the people of the world; and

"Whereas Senator William E. Borah was the State of Idaho's most famous and widely acclaimed statesman for his contributions to the welfare of our Nation; and

"Whereas the contributions and accomplishments of Senator William E. Borah, during his lifetime and the high esteem in which his name is now held by the people of this State and Nation, do give rise to the merit of a commemorative postage stamp bearing his likeness, to be issued in honor of the late Senator William E. Borah: Now, therefore, be it

"Resolved, by the Senate, State of Idaho (the House of Representatives concurring), That we most respectfully urge the President of the United States, the Congress of the United States and the Postmaster General to take appropriate action, that a commemorative stamp be issued to honor the late Senator William E. Borah; and be it further

"Resolved, That the secretary of state of the State of Idaho is hereby authorized and he is hereby directed to immediately forward certified copies of this memorial to the President of the United States, the Senate and House of Representatives of the United States, to the Postmaster General, and to the Senators and Representatives in Congress from this State.

"W. E. DREVLOW,
"President of the Senate.
"PETE T. CENARRUSA,
"Speaker of the House of Representatives.
"ARTHUR WILSON,
"Secretary of the Senate."

PRESIDENT'S MESSAGE ON BEAUTIFICATION OF AMERICA

Mr. MONRONEY. Mr. President, the proposals recently made in a special message to the Congress by the President of the United States looking toward the beautification of America have been brought to the attention of the Oklahoma State Legislature now in session. They have by appropriate concurrent resolution memorialized the President for his efforts in behalf of beautification of our country and development of its natural resources, particularly outdoor recreational resources of the Nation.

I send to the desk for appropriate referral a concurrent resolution properly enrolled and adopted by the senate and the house of representatives of the Oklahoma State Legislature and ask that it be printed in the body of the RECORD at this point.

There being no objection, the concurrent resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

SENATE CONCURRENT RESOLUTION 14

A concurrent resolution relating to the new era of conservation proposed by President Lyndon B. Johnson in November of 1964; commending President Johnson for his perceptive and progressive policy regarding the conservation and development of our natural resources, particularly the outdoor recreation resources of the Nation; directing that copies of this resolution be transmitted to President Lyndon B. Johnson, to Mr. John T. Koen, and to each member of the Oklahoma delegation

Whereas President Lyndon B. Johnson in his policy paper last November dealing with major domestic problems drew attention to fundamental conservation problems; and

Whereas the President pointed out that a growing population is a challenge of our era in that "increasing pressure will take our resources and increasing leisure will tax our recreation"; and

Whereas the President lauded the 88th Congress as the "greatest conservation Congress in our entire history," with the passage of more than 30 important conservation bills including the Land and Water Conservation Fund Act and the Wilderness Act, as well as the inception of a new Bureau of Outdoor Recreation; and

Whereas said statement further pointed out that "We must act boldly or our future will be barren. We will move vigorously under our recent laws to acquire and develop new areas for recreation. We will expand our programs to meet developing needs. A national program of scenic highways and riverways is on the horizon."; and

Whereas the President's position on these matters, as on other conservation matters, is designed to benefit our Nation's heritage; and

Whereas the President's program regarding conservation and outdoor recreation is of special significance to Oklahoma, particularly as regards the responsibility of the Ouachita National Forest to administer and develop multiple resources and such projects as the Scenic Highway on Winding Stair Mountain, the Job Corps Conservation Centers, and other special projects as related to outdoor recreation: Now, therefore, be it

Resolved by the Senate of the 30th Legislature of the State of Oklahoma (the House of Representatives concurring therein):

SECTION 1. That President Lyndon B. Johnson be and is hereby commended for his perceptive and progressive policy regarding the conservation and development of our natural resources, particularly the outdoor recreation resources of the Nation.

SEC. 2. That a duly authenticated copy of this resolution be transmitted to President Lyndon B. Johnson, to Mr. John T. Koen, supervisor, Ouachita National Forest, and

to each member of the Oklahoma congressional delegation.

LEO WINTERS,
President of the Senate.
REX PRIVETT,
Speaker pro tempore of the House of Representatives.

RESOLUTIONS OF HOUSE AND SENATE OF THE STATE OF IDAHO

Mr. CHURCH. Mr. President, the Senate and House of the Idaho State Legislature have each sent to this body two joint resolutions which I would like to present for appropriate reference at this time. They spotlight two subjects of the greatest importance to the Gem State: An adequate forest road system and proper development of the water resources of the State.

The first memorial from the house of representatives recites the fact that an adequate road system is fundamental to harvesting the natural resources of the State, and that, at the present rate, it will take 100 years to develop a completely adequate forest highway transportation system. It asks that adequate funds be made available to the several Federal agencies involved, to expand the road network. This is unquestionably a matter of high priority, and I commend it to the attention of the Senate.

The second memorial calls for the early budgeting and appropriation of sufficient funds to build the Fremont Dam in southeastern Idaho. I worked hard to get this project authorized last year, and want to see it built at the earliest possible moment.

Until it is built, the threat of loss of property and life from flooding will hang over the valley below the dam site. That is why I intend to ask the Senate Appropriations Committee for funds to start the project this year.

I concur heartily in these memorials of the Idaho Legislature, and ask for their inclusion at this point in the RECORD.

There being no objection, the joint resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Public Works:

"HOUSE JOINT MEMORIAL 1

"We, your memorialists, the Legislature of the State of Idaho, respectfully represent that:

"Whereas an adequate transportation system is necessary in the proper harvest and use of our natural resources; and

"Whereas the lack of an adequate transportation system is the greatest deterrent to the full use of our natural resources in the State of Idaho; and

"Whereas under the present rate of road construction, it will take 100 years to complete an adequate forest highway transportation system: Now, therefore, be it

"Resolved, by the 38th session of the Legislature of the State of Idaho, now in session (the Senate and House of Representatives concurring), That we most respectfully urge the Congress of the United States of America, to proceed at the earliest possible date to enact legislation requiring all Government agencies involved to make sufficient funds available to expedite completion of an adequate transportation system on the main roads of national forests and public domain; be it further

"Resolved, That the secretary of state of the State of Idaho be, and he hereby is, authorized and directed to forward certified copies of this memorial to the President and Vice President of the United States, the Speaker of the House of Representatives of the Congress, and to the Senators and Representatives representing this State in the Congress of the United States.

"PETE T. CENARRUSA,
"Speaker of the House of Representatives.
"JACK M. MURPHY,
"President of the Senate."

To the Committee on Interior and Insular Affairs:

"SENATE JOINT MEMORIAL 5

"We, your memorialists, the members of the Senate and House of Representatives of the Legislature of the State of Idaho, assembled in the 38th Session thereof, do respectfully represent that:

"Whereas the 88th Congress of the United States of America, by an act, approved September 7, 1964, entitled 'Teton Basin Reclamation Project, Idaho,' and known as Public Law 88–583; 78 Stat. 925, authorized to be appropriated for the construction of the Fremont Dam and other facilities of the lower division of the Teton Basin Federal reclamation project, the sum of $52,000,000 plus or minus justifiable amounts for ordinary fluctuations in construction costs and for operation and maintenance costs; and

"Whereas said project received the overwhelming support of Congress and all persons in the affected areas, of both political faiths, as being necessary and within the public interest to arrest the flooding waters of the Teton River and its tributaries by the construction of a dam and reservoir to use the impounded water, most of which in high run-off periods in the past has gone rushing down through the lower valleys eroding valuable farmlands and damaging and destroying homes and other properties; for the irrigation of arid and semiarid lands, the development of river power opportunities, the providing for recreation facilities and the conservation of fish and wildlife: Now, therefore, be it

"Resolved by the 38th session of the Legislature of the State of Idaho, now in session (the senate and house of representatives concurring), That the Congress and its respective committees and subcommittees and the President of the United States in this session of Congress be respectfully petitioned to give the very earliest consideration, approval and authorization to the making of the appropriation of the funds necessary to commence construction of the Fremont Dam, reservoir and other facilities of the Teton Basin reclamation project, Idaho; be it further

"Resolved, That the secretary of state of the State of Idaho be, and he hereby is, authorized and directed to immediately forward certified copies of this memorial to the Senate and House of Representatives and the President of the United States of America, and to the Senators and Representatives in Congress from this State.

"W. E. DREVLOW,
"President of the Senate.
"PETE T. CENARRUSA,
"Speaker of the House of Representatives."

The ACTING PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Idaho, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.

CONDEMNATION OF SOVIET ANTI-SEMITISM

Mr. SCOTT. Mr. President, I have been presented with a resolution adopted by the House of Representatives of Pennsylvania condemning Soviet anti-Semitism. This comes at a time when there is increasing awareness throughout the free world of the plight of persons of the Jewish faith who reside in the Soviet Union.

As Elehie Skoczylas wrote recently in a paper, "The Realities of Soviet Anti-Semitism" for the Foreign Policy Research Institute of the University of Pennsylvania:

Today more sophisticated forms of coercion have replaced the terror of the Stalin era, which threatened the physical existence of the individual. The reply of Tass to the American Senators' charges of anti-Semitism in the U.S.S.R. attempts to cloud the issue but only accentuates the new subtlety of discrimination. Of the Soviet Jews Tass says: "Are they attacked by police dogs?" "Are they being lynched?" Repressive measures of course are not that obvious; they are adopted after an extensive press campaign in which the population "demands" that the Government take steps to eliminate undesirable elements in Soviet society. These demands are written and presented by government officials but the signatures are those of the man-in-the-street. The Soviet Government, although seemingly absolute and unchallenged in its domestic powers, prefers to present itself as the champion of the will of the people rather than as the oppressor of the Soviet citizen.

Its great capacity for subterfuge, however, makes it more difficult in modern times—unlike the period of tzars when the police openly connived in pogroms—to assess direct governmental involvement in anti-Semitism. The crucial matter to determine is whether the Soviet Government merely acquiesces in the numerous manifestations of personal anti-Semitism in the Soviet Union, or actually encourages them. Does the Soviet Government merely tolerate anti-Semitism as a vestige of the past, or does it engender it for its own purposes?

It is the conclusion of this study that the Soviet Government supports anti-Semitism in the Soviet Union.

It seems clear that anti-Semitism is a policy of the Soviet Union and it is incumbent upon people everywhere to condemn it and put whatever pressure is possible on the Soviet Union to change its policies.

I ask unanimous consent to insert into the RECORD and have appropriately referred, the resolution from the Pennsylvania House of Representatives.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

A resolution of considerations of humanity and justice compel the General Assembly of the Commonwealth of Pennsylvania to register this protest against the wrongs and sufferings of Soviet Jewry

We call upon the Soviet Union—

To declare its policy of eradicating anti-Semitism through government and party; to eliminate discrimination against Jews in all areas of Soviet public life; to end all propaganda campaigns which use anti-Semitic stereotypes, implied or overt; and to halt the discriminatory application of maximum penalties, including the death sentence, against Jews for alleged economic crimes.

To permit the practice of Judaism, synagogue worship, the training of rabbinical students in religious seminaries, the publication and distribution of prayer books, and the production and distribution of religious articles, kosher foods, and matzohs.

To permit the organization of a nationwide federation of synagogues and to sanction the association of such a federation with organizations of coreligionists abroad.

To permit Jews to make religious pilgrimages to the Holy places in Israel, and permit free emigration for those who wish to leave the U.S.S.R.

To end the suppression of Jewish culture in the Soviet Union by permitting writers and other Jewish intellectuals to express themselves in the Yiddish language through books, periodicals, newspapers, and the theater.

We also call upon the United States and the United Nations to exert every influence with the Soviet Union to bring about full equality and security for Soviet Jewry: Therefore be it

Resolved, That a copy of this resolution be forwarded to the U.S. Senators from Pennsylvania, the Honorable Adlai E. Stevenson, the U.S. Ambassador to the United Nations, the Honorable Dean Rusk, Secretary of State, and the Soviet Ambassador to the United States.

ROBERT K. HAMILTON,
Speaker.
ANTHONY J. PETROSKY,
Chief Clerk.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. CARLSON (for Mr. JOHNSTON), from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States, dated January 26, 1965, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. MONRONEY, from the Committee on Post Office and Civil Service:

John A. Gronouski, of Wisconsin, to be Postmaster General.

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. PROUTY (for himself and Mr. JORDAN of Idaho):

S. 1130. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to employers for the expenses of providing training programs for employees and prospective employees; to the Committee on Finance.

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

By Mr. YOUNG of North Dakota:

S. 1131. A bill to authorize the Secretary of the Treasury to allow late claims for payments for gasoline used on farms where there is good cause for failure to file timely claims; to the Committee on Finance.

By Mr. BOGGS:

S. 1132. A bill to amend title II of the Social Security Act to increase to $2,400 the annual amount individuals are permitted to earn without suffering deductions from the insurance benefits payable to them under such title; and

S. 1133. A bill to amend title II of the Social Security Act so as to permit child's insurance benefits to continue after age 18 in the case of certain children who are full-time students after attaining such age; to the Committee on Finance.

By Mr. RIBICOFF:

S. 1134. A bill to further amend section 5 of the Reorganization Act of 1949, as amended; to the Committee on Government Operations.

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

By Mr. MCCLELLAN:

S. 1135. A bill to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1967; to the Committee on Government Operations.

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

By Mr. MCCLELLAN (for himself, Mr. MUNDT, Mr. RIBICOFF, Mr. GRUENING, and Mr. YARBOROUGH):

S. 1136. A bill for the establishment of a Commission on Science and Technology; to the Committee on Government Operations.

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

By Mr. HOLLAND:

S. 1137. A bill for the relief of Dr. Rafael P. Martinez; to the Committee on the Judiciary.

By Mr. MONRONEY:

S. 1138. A bill for the relief of Lt. Robert C. Gibson; to the Committee on the Judiciary.

By Mr. RIBICOFF:

S. 1139. A bill to provide for the free entry of one multigap magnetic spectrograph for the use of Yale University; to the Committee on Finance.

By Mr. JAVITS (for himself, Mr. KENNEDY of New York, Mr. CLARK, Mr. HART, Mr. KENNEDY of Massachusetts, Mr. MUSKIE, Mr. MCINTYRE, and Mr. TOWER):

S. 1140. A bill to amend the Civil Service Retirement Act to authorize retirement without reduction in annuity of employees with 20 years of service involuntarily separated from the service by reason of the abolition or relocation of their employment; to the Committee on Post Office and Civil Service.

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

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 1141. A bill to conform the penalties of the Intercoastal Shipping Act, 1933, with the Shipping Act, 1916; to the Committee on Commerce.

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

By Mr. MAGNUSON (by request):

S. 1142. A bill to amend sections 20a and 214 of the Interstate Commerce Act;

S. 1143. A bill to amend part III of the Interstate Commerce Act to authorize the Interstate Commerce Commission to revoke, amend, or suspend water carrier certificates or permits under certain conditions;

S. 1144. A bill to repeal the Medals of Honor Act applicable to outstanding acts of heroism involving railroads and motor carriers;

S. 1145. A bill to amend section 1(22) of the Interstate Commerce Act so as expressly to include within the exemption provided therein, the construction, acquisition, operation, abandonment, and joint ownership or joint use of spur, industrial, team, switching or side tracks, and terminals incidental thereto, and for other purposes;

S. 1146. A bill to amend section 5(1) of the Interstate Commerce Act to eliminate the requirement for approval of pooling arrangements between motor common carriers of household goods, and for other purposes;

S. 1147. A bill to amend paragraph (10) of section 5 of the Interstate Commerce Act so as to change the basis for determining whether a proposed unification or acquisition of control comes within the exemption provided for by such paragraph;

S. 1148. A bill to amend the Interstate Commerce Act to enable the Interstate Commerce Commission to utilize its employees more effectively and to improve administrative efficiency;

S. 1149. A bill to amend section 19a of the Interstate Commerce Act to eliminate certain valuation requirements, and for other purposes;

S. 1150. A bill to amend section 20a(12) of the Interstate Commerce Act to eliminate the necessity for prior approval of the Commission for a person to hold the position of officer or director of more than one carrier when such carriers are in a single integrated system of carriers lawfully operated under common control, and for other purposes;

S. 1151. A bill to amend part II of the Interstate Commerce Act, as amended, so as to authorize exemption from the provisions of such part, of services and transportation of such nature, character, or quantity as not substantially to affect or impair uniform motor carrier regulation;

S. 1152. A bill relating to the use of Interstate Commerce Commission records and testimony of Commission personnel in regard to accidents involving motor carriers and railroads; and

S. 1153. A bill to amend the Interstate Commerce Act and certain supplementary and related acts with respect to the requirement of an oath for certain reports, applications, and complaints filed with the Interstate Commerce Commission; to the Committee on Commerce.

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

By Mr. DODD (for himself, Mr. CURTIS, Mr. AIKEN, Mr. ALLOTT, Mr. BAYH, Mr. BYRD of Virginia, Mr. CARLSON, Mr. CASE, Mr. DIRKSEN, Mr. DOMINICK, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HRUSKA, Mr. JAVITS, Mr. KUCHEL, Mr. LONG of Missouri, Mr. MILLER, Mr. MONRONEY, Mr. NELSON, Mr. PROUTY, Mr. PROXMIRE, Mr. RIBICOFF, Mrs. SMITH, Mr. SPARKMAN, Mr. THURMOND, and Mr. TOWER):

S. 1154. A bill to incorporate the American Academy of Actuaries; to the Committee on the Judiciary.

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

By Mr. FONG:

S. 1155. A bill authorizing certain beach erosion control at Haleiwa Beach, Oahu, Hawaii; and

S. 1156. A bill authorizing certain beach erosion control at Waikiki Beach, Oahu, Hawaii; to the Committee on Public Works.

By Mr. CARLSON:

S. 1157. A bill to provide for the disposition of judgment funds of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MUNDT (for himself and Mr. YOUNG of North Dakota):

S. 1158. A bill to provide additional Federal financial participation in State public assistance programs approved under titles I, IV, X, XIV, and XVI of the Social Security Act with respect to expenditures under such

programs which are attributable to providing benefits to Indians residing on reservations or on allotted or trust lands, and for other purposes; to the Committee on Finance.

By Mr. SMATHERS:

S. 1159. A bill to amend the Internal Revenue Code of 1954 with respect to the classification of cigars for purposes of determining the applicable tax; to the Committee on Finance.

By Mr. LONG of Missouri (for himself, Mr. BARTLETT, Mr. BAYH, Mr. BOGGS, Mr. BURDICK, Mr. CASE, Mr. DIRKSEN, Mr. ERVIN, Mr. FONG, Mr. HART, Mr. METCALF, Mr. MORSE, Mr. MOSS, Mr. NELSON, Mrs. NEUBERGER, Mr. PROXMIRE, Mr. RIBICOFF, Mr. SMATHERS, and Mr. SYMINGTON):

S. 1160. A bill to amend section 3 of the Administrative Procedure Act, chapter 324, of the act of June 11, 1946 (60 Stat. 238), to clarify and protect the right of the public to information, and for other purposes; to the Committee on the Judiciary.

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

By Mr. MCNAMARA:

S. 1161. A bill providing for the reduction of the basis of representation of States denying or abridging the right of its citizens to vote, and for other purposes; to the Committee on the Judiciary.

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

By Mr. WILLIAMS of New Jersey:

S. 1162. A bill for the relief of Mrs. Amor Llao McGuinness;

S. 1163. A bill for the relief of Matilda Berger; and

S. 1164. A bill for the relief of Cristina Franco; to the Committee on the Judiciary.

S. 1165. A bill to amend part II of the Interstate Commerce Act to require the installation of seat belts in motor vehicles used in the transportation of passengers by common carrier; to the Committee on Commerce.

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

By Mr. BYRD of West Virginia:

S. 1166. A bill to amend title II of the Social Security Act to lower from 62 to 60 the age at which benefits thereunder may be paid, with appropriate actuarial reductions made in the amounts of such benefits; to the Committee on Finance.

By Mr. HAYDEN:

S. 1167. A bill to authorize the construction, operation, and maintenance of the Buttes Dam and Reservoir, Middle Gila River project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FONG:

S. 1168. A bill for the relief of Timothy William O'Kane; and

S. 1169. A bill for the relief of Artemio D. Lacar; to the Committee on the Judiciary.

By Mr. HART:

S. 1170. A bill for the relief of Chung J. Clark and her daughter, Anna Maria Clark; to the Committee on the Judiciary.

By Mr. TOWER:

S. 1171. A bill to amend title 3 of the United States Code to provide for succession to the powers and duties of the office of President; to the Committee on Rules and Administration.

By Mr. NELSON (for himself and Mr. MCGOVERN):

S. 1172. A bill to establish a National Teacher Corps; to the Committee on Labor and Public Welfare.

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

By Mr. YOUNG of Ohio:

S.J. Res. 50. Joint resolution to require reasonable standards of fire prevention and protection in the institutional care of public assistance recipients; to the Committee on Labor and Public Welfare.

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

CONCURRENT RESOLUTION

MAINTENANCE OF DIPLOMATIC RELATIONS WITH LATVIA, LITHUANIA, AND ESTONIA

Mr. WILLIAMS of New Jersey submitted a concurrent resolution (S. Con. Res. 20) relative to maintaining diplomatic relations with Latvia, Lithuania, and Estonia, which was referred to the Committee on Foreign Relations.

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

HUMAN INVESTMENT ACT OF 1965

Mr. PROUTY. Mr. President, on behalf of myself and the junior Senator from Idaho [Mr. JORDAN], I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to employers for the expenses of providing training programs for employees and prospective employees. I ask unanimous consent that the bill remain at the desk for a period of 1 week in order that Senators who wish to do so may join as 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 Vermont.

The bill (S. 1130) to amend the Internal Revenue Code of 1954 to allow a credit against income tax to employers for the expenses of providing training programs for employees and prospective employees introduced by Mr. PROUTY (for himself and Mr. JORDAN of Idaho), was received, read twice by its title, and referred to the Committee on Finance.

Mr. PROUTY. Mr. President, 2½ years ago Congress passed the Revenue Act of 1962, a measure that I was happy to support.

In his testimony advocating the enactment of that measure, Secretary of the Treasury Douglas Dillon told the Senate Finance Committee:

> The central element in this bill is the tax credit for investment in depreciable machinery and equipment. This matter has top priority in the agenda for tax reform.

Mr. President, this bill is patterned after the central element of that Revenue Act of 1962, but with an important change of emphasis. Where the act of 1962 offered businesses a tax credit for their investment in machinery and equipment, this bill would offer them a tax credit for something even more important—their investment in human beings.

For some years now Congress has evidenced a genuine concern for the upgrading of the skills of America's labor force to meet the job demands of an increasingly technical, automated industrial economy. Results of that concern have been, most notably, the Vocational Education Act of 1963 and the Manpower Development and Training Act of 1962. These bills in particular were milestones in the history of congressional concern for education, and I am proud, as a member of the Senate Subcommittee on Education, to have had the opportunity to contribute to their drafting and to urge their adoption on the floor of the Senate.

But valuable as these programs are, they are not enough. The steady march of automation and advanced technology—made possible by the genius of the American system of free enterprise—is constantly lifting the levels of skills that the men and women in our labor force must acquire. Workers temporarily displaced by technological progress must learn new and urgently needed skills to continue their contributions to the progress of our Nation, and to provide themselves and their families with a decent and rising standard of living. Unskilled workers must become semiskilled; the semiskilled must become skilled. New entrants into the labor force—mainly youths in the process of learning productive skills—are increasing its size by about 1.2 million workers a year. By the end of this decade, when the full impact of the post-World War II baby boom is felt in the labor force, the net annual increase in new workers is expected to rise to over 1.4 million. Few national goals are more urgent than that of insuring that the skills of America's labor force rise to meet the challenge of our advancing technology.

To help us effectively meet the employment challenges of the sixties, I propose that, in addition to these programs we have already enacted, we enlist in the fight nothing less than the strength and vigor of America's free enterprise system itself.

My bill, entitled the Human Investment Act of 1965, would offer an incentive to American business and industry to invest in the improvement of our Nation's invaluable human resources. Basically, the Human Investment Act offers an employer a Federal tax credit of 7 percent of his expenditures for the training of his current or prospective employees. The act is in the form of an amendment to chapter 1 of the Internal Revenue Code.

The training expenses for which a tax credit would be granted include, but are not limited to, expenses for the purchase or lease of books, testing and training materials, and classroom equipment and related items, and expenses for instructors' fees and salaries. In addition, an employer could receive credit for a reasonable portion of the overhead expenses involved in training programs, determined by regulations prescribed by the Secretary of the Treasury.

Four other types of tax credits—those relating to foreign taxes paid, partially tax-exempt interest, retirement income, and investment in certain depreciable property—would continue unchanged as under existing law. Furthermore, amounts expended by an employer in these training programs would continue

to be 100 percent deductible from his gross income.

The basic amount of the tax credit would be, as I have said, 7 percent of the total training expenses incurred. The maximum amount of the credit, however, would not exceed $25,000 plus 25 percent of the tax liability in excess of $25,000.

To qualify for the credit, the employer must, in the case of trainees not initially employed with the firm, hire the trainees upon completion of their training and keep them on the payroll for at least 12 months thereafter. If the trainee is employed with the firm when his training begins, he must remain with the firm at least 12 more months for the employer to claim the tax credit. In case the trainee becomes disabled or dies, of course, this requirement does not apply. Only expenses which are tax deductible as trade or business expenses may be included in computing the amount of the credit.

As in the existing personal property investment credit provisions, the Human Investment Act of 1965 contains a carryback and carryover feature. If the computed credit under the act for a given year exceeds the allowable amount for that year, the excess may be applied to the earliest of the 8 years beginning with the third previous year. That is, a 3-year carryback and a 5-year carryover are permitted. An unused credit carried back or ahead may not be applied in excess of the allowable maximum credit amount for the other year.

In cases where such unused credit may not be fully used in the year to which it has been carried, the excess remaining may be carried to successive specified years until it has been completely applied. Language is also included to provide that, where a net operating loss carryback is involved, credits carried back under this act shall not result in a tax amendment for any year more than 3 years in the past. In all these carryback and carryover provisions my bill is almost identical to the investment credit plan enacted into law by the Revenue Act of 1962.

Where the employer is not a corporation but a sole proprietorship, a partnership, or an affiliated group, my bill provides that such entity shall get no more than the credit allowed single business entities. A small business corporation may elect to apportion its training expenses pro rata among its shareholders for tax credit purposes. Similar provisions apply to estates and trusts.

The cost of this bill, in the form of reduced Federal revenues, is modest. Labor Secretary Wirtz has estimated that under the Manpower Development and Training Act it costs from $1,000 to $1,250 to train one trainee. Since on-the-job training is known to cost substantially less than the specialized programs under Manpower Development and Training Act, I have based my cost calculations on the lower figure in the range, $1,000 per trainee. Under my bill, the employer who provides the training would thus be allowed to claim a tax credit of about $70 per trainee. If 2 million workers were trained under the Human Investment Act provisions, the revenue loss would be in the neighborhood of $140 million—surely not an excessive amount in view of the substantial and widespread benefits to employers, employees, and the Nation as a whole.

The merits of this bill, it seems to me, are substantial and apparent.

It would help to upgrade the skills of America's labor force.

It would train workers for jobs that needed to be filled—and it would go far to guarantee their actual employment after training.

It would encourage training right on the job, supervised by the employer with a constant attention to his own specific needs.

It would insure that the new trainee would not have to move to accept a job after the training period—he would take a job in the same community with the same employer.

It would require no elaborate public training centers and no new Government office buildings.

It would cost practically nothing to administer; an employer's eligibility for credit would be determined as a part of the existing tax administration procedure.

It would minimize redtape, staffs, counsels, advisory committees, and all the other accessories of a burgeoning bureaucracy.

And rather than creating a new, publicly administered, specialized program, my bill would harness the might of American free enterprise to the service of American workers seeking a more productive and rewarding life for themselves and their families.

Mr. President, I earnestly hope that full hearings will be held on the Human Investment Act of 1965, and that before this session of Congress adjourns it will be voted into law.

TECHNICAL EXPLANATION

This measure is patterned after the investment credit provisions added to the tax law by the Revenue Act of 1962. It is analogous to that provision in almost every respect.

The Revenue Act of 1962 provided a credit against taxes for investment in certain depreciable property. The credit amounted to 7 percent of the qualified investment. There were, however, top limits of the credit measured by so much of the tax liability as does not exceed $25,000, plus 25 percent of the tax liability in excess of $25,000. Tax liability in this frame of reference meant the tax imposed without reference to personal holding company or accumulated earnings increments less credits against tax already provided for by law—foreign tax credit, dividend credit, tax exempt interest and retirement income credit.

In the case of a husband or wife filing a separate return the top limit is measured in terms of $12,500 of tax liability instead of $25,000 except where the spouse of the taxpayer has no qualified investment for or no unused carryback or carryover credit credits for such earlier investment to that tax year. The effect of this limitation is to put the same limit on sole proprietorships and partnerships as would be imposed on corporations.

Affiliated groups must reduce the top limit available to them individually by apportioning the top limit among the members of the group. Once again, this provision provides that related corporations or business groups shall get no more than the credit allowed single business entities.

A carryback and carryover are provided for any year in which the credit exceeds the limitations imposed. The excess is carried back to each of the 3 taxable years preceding the unused credit year and carried over to the 5 taxable years following the unused credit year. However, the top limit applies to the amounts allowable for credit for those carryback and carryover years. For example, if the tax credit for 1969 exceeded the limitation for 1969 by $10,000 then that $10,000 could be carried back to 1966. If, in 1966 the credit allowed amounted to $25,000 and the top limit for that year was $30,000 only $5,000 of the $10,000 carryback could be applied to the tax year 1966. The remaining $5,000 of unused credit could be applied to the 1967 tax year if there was any leverage between the credit for that year and the top limitation.

Where a net operating loss carryback causes an excess of credit over the top limitation the carryback provisions on the excess for that year are not available. In other words, where a net operating loss carryback to 1968 from 1965 wiped out or reduced taxable income for that year and a credit for investment in qualified property had been allowed for that year, 1965, the loss of the credit for that year because of its excess over the top limit—which was reduced by the application of the net operating loss carryback—cannot be recouped by a carryback to the 3 tax years preceding 1965, but can only be applied as a carryover to the succeeding 5 tax years. This restriction eliminates the possibility that tax returns would be subject to amendment for a full 6 prior years—3 carryback years for net operating loss plus 3 carryback years for unused investment credit.

To this point the Prouty plan and the investment credit plan of the Revenue Act of 1962 for investment in certain depreciable property are almost identical. Under the Prouty plan credit against taxes of 7 percent is allowed instead for investment in training programs for employees and prospective employees. Otherwise, the top limitation is computed in the same way. The same treatment is accorded married persons and affiliated groups. The same carryback and carryover provisions are made and the impact of net operating loss carrybacks which reduce or eliminate the credit allowable is the same. Unlike the provisions for phasing in the credit for investment in property over the first year of the plan, however, a full credit is allowed for training expenses incurred in 1965.

The sole difference of substance between the Prouty plan and the credit for investment in property is in the nature of the investment or expenditure for which the credit applies training expenses.

Under the Prouty plan training expenses on which the credit is based includes expenses incurred for training any unemployed individual for employment with the taxpayer in a job requiring skills which the individual does not possess and expenses incurred for retraining a person already employed so that he can upgrade his skills and maintain the level of competence necessary for his continued employment with the taxpayer. In other words, it includes sums spent for training an employee so that he will not be displaced by automation.

Also included within the expenditures on which the credit is computed is a reasonable allowance for expenses of overhead, incurred by the taxpayer, which can be attributed to training programs. Under rules prescribed by the Secretary of the Treasury a credit shall be allowed for expenses for the purchase or lease of books, testing and training materials, classroom equipment, instructor's fees, and salaries and related items.

A credit will not be allowed on expenses which do not qualify as ordinary and necessary business expenses; nor will it be available where the trainee fails to acquire employment status with the taxpayer for at least a 12-month period or, if already employed, leaves the taxpayer's employment within a 12-month period immediately following completion of his training, except, in each instance, where the failure to employ or the termination of employment results from the death or disability of the trainee involved.

Finally, similar in spirit to the amendment of the investment credit provisions which appeared in the Revenue Act of 1964 and which eliminated a section requiring a reduction in the value of the property, when computing depreciation to the extent of the credit taken, the Prouty plan in no way reduces or limits the deductibility of expenses of training incurred merely because a credit is also available based on those expenses. Such qualified expenses remain 100 percent deductible while at the same time a credit against tax in the amount of 7 percent of these expenses is fully allowed.

PROPOSED EXTENSION OF REORGANIZATION ACT OF 1949

Mr. RIBICOFF. Mr. President, I introduce, for appropriate reference, a bill to further amend section 5 of the Reorganization Act of 1949, as amended.

President Johnson has clearly indicated his intention to reshape much of the organizational structure of the executive branch in order to more effectively carry out the programs and policies of his administration. To a large extent the goals of the Great Society are dependent on proper organization of the various Federal agencies responsible for translating the President's proposals into action. As the President pointed out in the state of the Union message:

> For Government to serve these goals it must be modern in structure, efficient in action, and ready for any emergency. I am currently reviewing the structure of the executive branch. I hope to reshape and reorganize it to meet more effectively the tasks of today.

On February 8 the President submitted to the Senate his first reorganization legislative request in which he seeks permanent authority to transmit reorganization plans to effect changes in the Government's structure. The bill I introduce today would provide the President with the permanent reorganization authority he seeks. Any reorganization plan submitted to Congress under this authority would become law if not disapproved within 60 days by either the House or Senate.

In the past, Congress has limited the President's authority to submit reorganization plans to specified periods. The President's current authority was renewed last year but expires this coming June 1. It is necessary, therefore, to expedite consideration of the administration's request. As chairman of the Subcommittee on Executive Reorganization, I will begin public hearings on the subject soon. I have consulted with the chairman of the Committee on Government Operations, the Senator from Arkansas [Mr. MCCLELLAN], who has given this question much thought and personal attention over the years. We are agreed that on so crucial a question, involving the basic relationships between the executive and legislative branches of our Government, serious consideration should be given not only the President's request, but also to the point of view of those who would limit this grant of authority to a specified period of time.

I ask unanimous consent to have printed at this point in the RECORD a copy of the President's letter transmitting his proposal.

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

The bill (S. 1134) to further amend section 5 of the Reorganization Act of 1949, as amended, introduced by Mr. RIBICOFF, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. RIBICOFF is, as follows:

LETTER FROM PRESIDENT JOHNSON TO VICE PRESIDENT HUBERT HUMPHREY AND SPEAKER MCCORMACK

DEAR MR. PRESIDENT (DEAR MR. SPEAKER): In my recent budget message I stated that "I will ask that permanent reorganization authority be granted to the President to initiate improvements in Government organization, subject to the disapproval of the Congress."

Accordingly, there is forwarded herewith a draft of legislation "to further amend section 5 of the Reorganization Act of 1949." The bill would eliminate the expiration date for the authority to transmit reorganization plans to the Congress under the act.

Under section 2(a) of the Reorganization Act of 1949, the President has a duty to "examine and from time to time reexamine the organization of all agencies of the Government and * * * determine what changes therein are necessary. * * *" This responsibility under the statute is permanent. However, the authority to transmit reorganization plans to effect changes in the Government's structure has been limited to specified periods. The Congress has periodically extended that authority and last year renewed it until June 1, 1965.

With only a few lapses since 1932, authority generally similar to that conferred by the present Reorganization Act has been available to the Presidents then in office. The usefulness of the authority to transmit reorganization plans to the Congress and the continuing need for such authority to carry out fully the purposes of the Reorganization Act have been clearly demonstrated. The time has now come, therefore, to eliminate any expiration date with respect to that authority; the authority should be made commensurate with the responsibility of the President under the same statute.

From this authority will come benefits for the people whose government this is.

The people expect and deserve a government that is lean and fit, organized to take up new challenges and able to surmount them. Reorganization can mean a streamlined leadership, ready to do more in less time for the best interests of all the people.

Reorganization authority is not a whim or a fancy. It is the modern approach to the hard, sticky problems of the present and the future. Government has a responsibility to its citizens to administer their business with dispatch, enthusiasm, and effectiveness.

The Congress itself recognizes these ideals, and has many times approved the ideas and hopes of this request. It is in that spirit of the Congress I respectfully urge the Congress to an early and favorable consideration of the proposed legislation.

Sincerely,

LYNDON B. JOHNSON.

PROPOSED FURTHER AMENDMENT OF SECTION 5 OF THE REORGANIZATION ACT OF 1949

Mr. MCCLELLAN. Mr. President, on February 8, 1965, the President of the United States submitted a communication to the U.S. Senate with which he enclosed a draft of proposed legislation to further amend section 5 of the Reorganization Act of 1949. This proposed legislation would grant authority to the President to submit reorganization plans to the Congress, which would become law, if not disapproved by a majority of the Members of either House of the Congress, within 60 days after submission thereof. Under existing law, the President's authority will expire on June 1, 1965. Senator ABRAHAM A. RIBICOFF, who has been designated as chairman of the Subcommittee on Executive Reorganization of the Committee on Government Operations, has introduced the bill in the Senate to accord with the President's recommendations.

I desire to call the attention of this body to the fact that, with the exception of the initial Reorganization Act of 1932, every subsequent act has granted reorganization authority to the President for a limited period of time, varying from 1 to 4 years. Although the 1932 act granted permanent authority, some 9 months later it was amended and superseded by the acts of March 3, 1933 and March 20, 1933, which limited the President's authority to a period of 2 years.

Except for the 83d Congress, I have served as chairman of both the Committee on Government Operations and its predecessor, the Committee on Expendi-

tures in the Executive Departments, since 1949, when the present act was approved. I also served on both Commissions on the Reorganization of the Executive Branch of the Government known as the first and second Hoover Commissions.

In 1949, the then-President requested permanent authority and submitted a draft bill to that effect. Extensive hearings were held by the committee and, after careful consideration, recommended that temporary, rather than permanent, authority should be granted. This recommendation, which was approved by the Congress, was based upon two considerations: First, that the granting of permanent authority would amount to an abdication of the legislative authority and responsibility vested by the Constitution in the Congress, and second, that the Congress should retain some control which would permit periodic examinations of the authority. Approval of the latter restriction afforded the Congress an opportunity to examine effectiveness of the act through reports from the President relative to reorganizations effected thereunder and savings and efficiency attained through such reorganization. By limiting the extensions to 2 years, each succeeding Congress was afforded an opportunity to determine whether the basic authority should be further extended or restricted as required to meet the then-existing circumstances.

In the initial enactment, however, the committee recommended that the Congress grant the authority for a period of 4 years, rather than limiting its life to the 81st Congress, because the committee then took the view that the 2-year period would not afford sufficient time for the President to prepare reorganization plans for submission to the Congress to fully implement the recommendations of the first Hoover Commission.

In the first 5 years following the approval of the Reorganization Act of 1949, there was a total of 51 reorganization plans transmitted to the Congress under authority of the act, of which 40 were permitted to become law by the Congress, or were incorporated in other acts. In the past 10 years, although the act was extended three times for periods of 2 years each, and the last for 1 year, 17 plans were submitted, of which 7 were rejected. This reflects a total of 50 plans which have become law since the approval of the act of 1949. In some instances the plans were disapproved because the House of Representatives or the Senate held that they were not in accord with the basic purposes of the act, going beyond reorganizations into areas of policy, which was in conflict with the intent of the Congress in approving the act in 1949.

Since the 81st Congress, the Committee on Government Operations has taken the position that the Congress shall neither surrender nor abdicate its constitutional legislative authority over matters of such significance on a permanent basis. This decision was further emphasized by the committee in its report on the bill which extended the President's authority for 2 additional years in the 86th Congress, following President Eisenhower's request for permanent reorganization authority. After noting the committee's earlier position, that the Congress should not surrender its authority over such important matters on a permanent basis, the report stated:

> In reaffirming its position at the present time, it is the consensus of the committee that the present Congress should not commit succeeding Congresses to the provisions of the Reorganization Act, but that each Congress should have the right to extend this authority to the President or to withdraw it as the necessity dictates at the time.

Mr. President, nothing that has occurred since the committee first took this position has altered the situation in any manner, and I know of no compelling reason why this policy should be changed at this time. Accordingly, I introduce for appropriate reference a bill to extend the President's authority to submit reorganization proposals from its present expiration date, June 1, 1965, to June 1, 1967, for a period of 2 years.

Mr. President, in the committee's report on the last extension of the Reorganization Act approved in the 88th Congress—H.R. 3496—the report on the bill submitted to the Senate —Senate Report No. 1057, 88th Congress—contained, first, a comprehensive legislative history of reorganization acts approved from 1932 through 1963; second, the executive reorganizations attempted or accomplished under the authority of these statutes; third, reorganizations and reorganization proposals which occurred from the 80th through the 88th Congresses; fourth, action taken on reorganization plans under the authority of the Reorganization Act of 1949; and, fifth, such additional information relative to reorganizations, proposed or accomplished, from the 80th through the 88th Congresses.

Finally, in order to shed additional light on the constitutional validity of the procedures provided for in the Reorganization Act of 1949, as amended, I directed the staff of the Committee on Government Operations to prepare a comprehensive analysis dealing with constitutional and legal aspects of that statute and of the procedures provided therein, which was issued as staff memorandum No. 89–1–6, on February 9, 1965. Mr. President, I ask unanimous consent that this study, which I believe will prove of interest to all Members of Congress, be printed at this point in the body of the RECORD.

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

The bill (S. 1135) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1967, introduced by Mr. MCCLELLAN, was received, read twice by its title, and referred to the Committee on Government Operations.

The material presented by Mr. MCCLELLAN is as follows:

STAFF MEMORANDUM No. 89–1–6, SENATE COMMITTEE ON GOVERNMENT OPERATIONS, FEBRUARY 9, 1965

Subject: Constitutional and legal aspects of Reorganization Act procedures, pursuant to the Reorganization Act of 1949, as amended

INTRODUCTION

The Reorganization Act of 1949, as amended, authorizes the President to submit reorganization plans to the Congress in order to accomplish certain stated purposes. Section 2 sets forth these purposes; section 3 lists the types of reorganizations which are authorized; section 4 specifies certain provisions which a reorganization plan may or must contain; section 5 contains limitations with respect to the reorganizations which may be accomplished; and section 6 provides that such plans shall become law unless they are disapproved by either House of the Congress by a majority of those present and voting, within 60 days of continuous session of the Congress, following the date of their submission.

From time to time, it has been contended that this act and some of its predecessor acts are unconstitutional because (1) the procedures provided therein constitute an unlawful delegation of its legislative powers by the Congress to the President; and (2) the Congress, in disapproving a reorganization plan, is exercising a legislative function in a manner not authorized by the Constitution. Although there have been no determinations by the courts of these questions, as they relate to the Reorganization Act of 1949, as amended, the underlying principle of unconstitutional delegations, as well as the so-called congressional veto, have been passed upon by the U.S. Supreme Court in a long line of cases, and the precise question, with respect to delegations, as it relates to earlier reorganization acts, has been dealt with in two lower court cases. It has also been discussed in a 1933 opinion of the Attorney General, and commented on in a 1949 memorandum prepared by the Department of Justice.

It is the purpose of this memorandum to examine briefly the cases referred to with a view to determining the constitutionality of the Reorganization Act of 1949, as amended.

BACKGROUND

The development of the doctrine of valid delegations of legislative authority

Article I, section 1 of the Constitution provides that "all legislative powers herein granted shall be vested in the Congress of the United States." Those who contend that the Reorganization Act procedures are unconstitutional argue that when the President submits plans which ultimately became law, unless disapproved in the manner required by the statute, he is legislating; therefore, the action of the Congress in authorizing such procedures contravenes article I, section 1 of the Constitution, and is an unconstitutional delegation of legislative powers.

An analysis of the applicable cases reveals that it has long been established that the Congress cannot delegate its legislative power to another branch of the Government, and this principle is embodied in the ancient maxim "delegata potestas non potest delegari" (a delegate cannot delegate or transfer his powers). However, the Supreme Court of the United States has, since the earliest times, distinguished between valid and invalid delegations, and has interpreted this maxim to mean only that if the Congress attempts to abdicate its legislative authority by transferring it to another branch, such

a delegation would be held invalid.[1] On the other hand, where the Congress, having jurisdiction over the subject matter, has limited the delegation by a definite statement of congressional policy, defining the subject of the delegation and establishing definite standards and guides, leaving to other instrumentalities of the Government the exercise of judgment and discretion and, in the event of contingent legislation, the finding of the facts necessary to bring the stated congressional policy into operation, such action has uniformly been held to be valid.[2]

Thus, in a long line of cases, dating back to 1813, the Court has consistently upheld various broad delegations, authorizing the President or executive branch officers or agencies to promulgate regulations or to take whatever action they deem necessary, subject to specified limitations, to carry out the congressional policy established in the statute. In only three cases, during that entire period, has the Court declared invalid attempted delegations which, in its opinion, exceeded the bounds of proper delegation and constituted an abdication of its legislative authority.[3]

The development of this interpretation by the U.S. Supreme Court appears to be based upon a recognition of the ever-growing complexity of our National Government and the problems encountered by the Congress in attempting to cover, in detail, every possible situation and contingency which may occur. Thus, in *Panama Refining Co.* v. *Ryan*,[4] Mr. Chief Justice Hughes said:

"The Constitution provides that 'all legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives'. * * * And the Congress is empowered 'To make all laws which shall be necessary and proper for carrying into execution' its general powers. * * * The Congress manifestly is not permitted to abdicate, or transfer to others, the essential legislative functions with which it is * * * vested. Undoubtedly legislation must often be adopted to complex conditions involving a host of details with which the National Legislature cannot deal directly. The Constitution has never been regarded as denying to the Congress the necessary resources of flexibility and practicality, which will enable it to perform its functions in laying down policies and establishing standards, while leaving to selected instrumentalities the making of subordinate rules within prescribed limits and the determination of facts to which the policy as declared by the Legislature is to apply. Without capacity to give authorization of this sort we should have the anomaly of a legislative power which in many circumstances calling for its exertion would be but a futility. * * *"[5]

In another leading case, *Yakus* v. *United States*,[6] Mr. Chief Justice Stone, in upholding the constitutionality of a statute which delegated to an executive agency certain regulatory authority, said:

"The Constitution as a continuously operative charter of government does not demand the impossible or the impracticable. It does not require that Congress find for itself every fact upon which it desires to base legislative action or that it make for itself detailed determinations which it has declared to be prerequisite to the application of the legislative policy to particular facts and circumstances impossible for Congress itself properly to investigate. The essentials of the legislative function are the determination of the legislative policy and its formulation and promulgation as a defined and binding rule of conduct * * *. These essentials are preserved when Congress has specified the basic conditions of fact upon whose existence or occurrence, ascertained from relevant data by a designated administrative agency, it directs that its statutory command shall be effective. It is no objection that the determination of facts and the inferences to be drawn from them in the light of the statutory standards and declaration of policy call for the exercise of judgment, and for the formulation of subsidiary administrative policy within the prescribed framework.[7]

"Nor does the doctrine of separation of powers deny to Congress the power to direct that an administrative officer properly designated for that purpose have ample latitude within which he is to ascertain the conditions which Congress has made prerequisite to the operation of its legislative command. * * *

"[T]he only concern of courts is to ascertain whether the will of Congress has been obeyed. This depends not upon the breadth of the definition of the facts or conditions which the administrative officer is to find but upon the determination whether the definition sufficiently marks the field within which the Administrator is to act so that it may be known whether he has kept within it in compliance with the legislative will. * * *[8]

"Congress is not confined to that method of executing its policy which involves the least possible delegation of discretion to administrative officers. * * * It is free to avoid the rigidity of such a system, which might well result in serious hardship, and to choose instead the flexibility attainable by the use of less restrictive standards. * * *

"Only if we could say that there is an absence of standards for the guidance of the Administrator's action, so that it would be impossible in a proper proceeding to determine whether the will of Congress has been obeyed, would we be justified in overriding its choice of means for effecting its declared purpose * * *."[9]

In *Hampton* v. *United States*,[10] the Supreme Court sustained as constitutional a statute which authorized the President to increase or decrease tariff rates, following certain findings of fact and in accordance with specific criteria, holding that legislative action laying down an intelligible principle to which a person or body is to conform does not constitute a forbidden delegation of legislative power.

Mr. Chief Justice Taft, addressing himself to the argument that the statute constituted an unconstitutional delegation of legislative powers, said:

"The field of Congress involves all and many varieties of legislative action, and Congress has found it frequently necessary to use officers of the executive branch, within defined limits, to secure the exact effect intended by its acts of legislation, by vesting discretion in such officers to make public regulations interpreting a statute and directing the details of its execution, even to the extent of providing for penalizing a breach of such regulations. * * *[11]

"Congress may feel itself unable conveniently to determine exactly when its exercise of the legislative power should become effective, because dependent upon future conditions, and it may leave the determination of such time to the decision of the executive * * *."[12]

The foregoing cases all dealt with the question of a proper as against an improper delegation, and involved the validity of statutes by which the Congress delegated certain authority to the executive branch. In none of them was the question of the so-called congressional veto involved. This question was dealt with in *Sibbach* v. *Wilson, Inc.*,[13] a leading case in which the validity of a congressional delegation to the judicial branch was questioned. In this case, a statute, which authorized the Supreme Court of the United States to prescribe rules for the district courts of the United States, was challenged as an unconstitutional delegation of legislative power. The statute set forth congressional policy and provided that the rules prescribed were not to become effective until they had been submitted to the Congress "at the beginning of a regular session and until after the close of such session." Two of the rules were challenged as unauthorized on the ground that they exceeded the authority granted to the Supreme Court by the statute and failed to conform to the policy laid down by the Congress in the statute.

In holding these rules to be a valid exercise by the Supreme Court of its authority, the Court said (Mr. Justice Roberts):

"The new policy envisaged in the enabling act of 1934 was that the whole field of court procedure be regulated in the interest of speedy, fair, and exact determination of the truth. The challenged rules comport with this policy. Moreover, in accordance with the act, the rules were submitted to the Congress so that that body might examine them and veto their going into effect if contrary to the policy of the legislature.

"The value of the reservation of the powers to examine proposed rules, laws, and regulations before they become effective is well understood by Congress. It is frequently, as here, employed to make sure that the action under the delegation squares with the congressional purpose. * * *[14]

The doctrine of valid delegations of legislative power is applied to Reorganization Act procedures

As previously stated, the precise question of the constitutionality of delegation procedures established by reorganization acts was before the courts in two cases, both of which involved an interpretation of the Executive Department Reorganization Act of 1932, as amended.[15] The original 1932 act was substantially identical with the 1949 act, as amended, in that it set forth congressional policy and provided for a Presidential finding of facts, following which the President was authorized to reorganize executive agencies by issuing an Executive order which would become law unless disapproved, within 60 days after submission, by a resolution approved by a simple majority of either House of the Congress. A 1933 amendment to this act removed the congressional control and provided that such plans would become law upon the expiration of the 60-day period, unless the Congress provided by law for an earlier effective date.

In the first case, *Isbrandtsen-Moller Co., Inc.* v. *United States*,[16] acting pursuant to

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[1] The leading cases are reviewed in *Panama Refining Co.* v. *Ryan*, 293 U.S. 388 (1935).

[2] *The Brig "Aurora,"* 7 Cranch 832 (1813); *Field* v. *Clark*, 143 U.S. 649 (1892); *Buttfield* v. *Stranahan*, 192 U.S. 470 (1904); *Hampton & Co.* v. *United States*, 276 U.S. 394 (1928); *A.L.A. Schechter Poultry Corp.* v. *United States*, 295 U.S. 495 (1935); *Currin* v. *Wallace*, 306 U.S. 1 (1939); *Yakus* v. *United States*, 321 U.S. 414 (1944).

[3] *Panama Refining Co.* v. *Ryan*, 293 U.S. 388 (1935); *A.L.A. Schechter Poultry Corp.* v. *United States*, 295 U.S. 495 (1935); *Carter* v. *Carter Coal Co.*, 298 U.S. 283 (1936).

[4] 293 U.S. 388 (1935).

[5] Id., at 421.

[6] 321 U.S. 414 (1944).

[7] Id., at 424–5.

[8] Id., at 425.

[9] Id., at 425–6.

[10] 276 U.S. 394 (1928).

[11] Id., at 406.

[12] Id., at 409.

[13] 312 U.S. 1 (1940).

[14] Id., at 14–15.

[15] *Isbrandtsen-Moller Co., Inc.* v. *United States*, 14 F. Supp. 407 (S.D.N.Y., 1936), affirmed on other grounds, 300 U.S. 139 (1937); *Swayne & Hoyt, Limited* v. *United States*, 18 F. Supp. 25 (D.C. 1936), affirmed on other grounds, 300 U.S. 297 (1937).

[16] 14 F. Supp. 407 (S.D.N.Y., 1936).

the provisions of the act, the President issued an Executive order abolishing the U.S. Shipping Board and transferring its functions to the Department of Commerce. The order was transmitted to the Congress, as required by the act, and became law on April 10, 1933. In November 1935, the Secretary of Commerce issued an order directing the Isbrandtsen-Moller Co. to file with the appropriate bureau of the Department of Commerce, a list of the actual rates charged by it during a specified period. Under the Shipping Act of 1916, failure to comply was punishable for a fine of $100 per day for each day of noncompliance. The company thereupon brought an action for an injunction to prevent the Secretary of Commerce from enforcing the order, on several grounds, among them that the Congress could not constitutionally authorize the President to transfer to the Department of Commerce functions which had been conferred by statute on the Shipping Board, and that, therefore, the Executive Department Reorganization Act of 1932, as amended, under which the President acted, constituted an unconstitutional delegation to the President of legislative power. The Court found that the Reorganization Act was constitutional, denied the injunction and dismissed the case.

In discussing the question of whether the Congress had authority to delegate reorganization authority to the President, the Court said:

"There remains only the question of the power of Congress to do that. On this point we are concerned with power regardless of the wisdom or effect of its exercise as a matter of good public policy. Much of the complainant's argument has been directed to the public benefit which would flow from keeping the functions formerly of the Shipping Board independent and free from the direct control an Executive can exert over the Department of Commerce. Perhaps that is so, but that is for Congress to decide in the performance of its duty to legislate in the public interest, and so long as it acts within the scope of its power as the National Legislature its choice of means and methods is to be given effect.

"It is not, nor could it successfully be disputed that Congress had the power to delegate to the Shipping Board in the manner it did so, the powers and duties that Board possessed before Executive Order No. 6166 was promulgated. The change which has been made clothes an executive department with the same powers and duties to be exercised in the same way as before. We think that the same powers and duties which were properly delegated to the Shipping Board could be so delegated to any other person or body to which Congress should see fit to cause them to be transferred. It elected to have the President investigate and see what should be done in this regard in the furtherance of efficiency and economy and then adopted his decision. The result was to abolish the Board whose existence was dependent upon the will of Congress and to delegate to the Department of Commerce the same powers and duties the Board had possessed. This seems in accord with correct standards as to delegation of authority to act within proper limits prescribed by Congress. * * * Whether the delegation, assuredly proper in subject-matter and lawfully defined in scope, purpose, and manner of exercise, should have been to an executive department, was within the sound discretion of Congress. As it did not confer upon anyone functions it was bound to keep and exercise for itself, there was no failure to preserve the required separation of governmental powers. * * *" [17]

In the second case, Swayne & Hoyt, Limited, [18] the authority of the Secretary of Commerce to regulate shipping under the Shipping Act of 1916 was again challenged on the ground, among others, that the transfer of these functions from the Shipping Board to the Secretary of Commerce by Executive Order was unlawful. In sustaining the validity of the 1932 Reorganization Act, as amended, the Court said:

"The transfer of the former functions of the U.S. Shipping Board by Executive order to the Department of Commerce was, in our opinion, in all respects legal and effective to confer on the Secretary all the regulatory powers of the statute. The question is not new. Precisely the same point was urged in *Isbrandtsen-Moller Company, Inc.* v. *United States et al.* (D.C.) 14 F. Supp. 407; and the opinion of Judge Chase so fully and, as we think, satisfactorily answers it that nothing more need be said, except to refer to that case and adopt its reasoning which we do." [19]

Reference was made earlier to a discussion of the constitutionality of Reorganization Act procedures in a 1933 opinion of the Attorney General. In January 1933, Attorney General Mitchell, responding to a request from President Hoover for an opinion, held that a proviso in an appropriation act, awaiting the President's signature, was unconstitutional. The act provided, among other things, for the appropriation of funds to refund taxes illegally or erroneously collected. The proviso provided that no tax refunds in excess of $20,000 could be made until the Joint Committee on Internal Revenue Taxation had examined, approved, and fixed the amount of the proposed refund and so notified the Commissioner of Internal Revenue. The Attorney General held that a proviso authorizing a joint committee of the Congress to make the final decision as to whether such refunds of taxes shall be made and to fix the amount thereof, was obnoxious to the Constitution because it attempted to entrust to members of the legislative branch executive functions in the execution of the law, and it further attempted to give a committee of the legislative branch power to approve or disapprove Executive acts.[20]

In the course of his discussion and analysis, and by way of example of alleged congressional encroachment upon executive functions, the Attorney General discussed the provisions of the Executive Reorganization Act of 1932, enacted as title IV of the Legislative Appropriation Act for fiscal year 1933, and concluded that there was grave doubt as to its constitutionality.[21] As noted earlier, that act authorized the President, by Executive order, to consolidate, redistribute, and transfer various Government agencies and functions. It provided further for the transmittal of the President's reorganization orders to the Congress to become effective after 60 days, unless either branch of Congress, "within such 60 calendar days shall pass a resolution disapproving of such Executive order or any part thereof," in which event it "shall become null and void to the extent of such disapproval." Mr. Mitchell appeared to be particularly concerned over that portion of the act which authorized nullification of the order by resolution of either House of Congress.

In arriving at his conclusion, Attorney General Mitchell stated:

"It must be assumed that the functions of the President under this act were executive in their nature or they could not have been constitutionally conferred upon him, and so there was set up a method by which one House of Congress might disapprove Executive action. No one would question the power of Congress to provide for delay in the execution of such an administrative order, or its power to withdraw the authority to make the order, provided the withdrawal takes the form of legislation. The attempt to give to either House of Congress, by action which is not legislation, power to disapprove administrative acts, raises a grave question as to the validity of the entire provision in the act of June 30, 1932, for Executive reorganization of governmental functions." [22]

It is apparent that Attorney General Mitchell's observations concerning the validity of the Executive Reorganization Act of 1932 (title IV of the act of June 30, 1932) were nothing more than obiter dictum, since they were entirely collateral or incidental to the issue before him. His official opinion was concerned only with the constitutionality of proposed legislation dealing with tax refunds, and his objection to the reorganization provisions of the act of June 30, 1932, were stated by him merely as an example, that act having become law some 6 months prior to the issuance of his opinion. Accordingly, those remarks are in no way controlling and did not constitute either an official opinion, a precedent, or even a guide. This is further borne out by the fact that this opinion was neither cited nor referred to in the two cases referred to above, which dealt specifically with the validity of the Executive Reorganization Act of 1932, as amended by the act of March 3, 1933.

Attorney General Mitchell's remarks concerning the validity of the reorganization procedures prescribed in the 1932 act have been referred to and discussed in this memorandum, not because they are considered authoritative, but because they have been relied upon, from time to time, to support the position of those who contend that these and similar procedures provided for in subsequent reorganization acts are either unconstitutional or of doubtful validity.[23] Furthermore, during hearings by this committee on S. 526, a companion bill to H.R. 2361, ultimately enacted as the Reorganization Act of 1949,[24] the Mitchell opinion was referred to on several occasions. In addition, the question of the constitutionality of a procedure by which the Congress would be authorized to disapprove a reorganization plan by either a simple resolution of one House of Congress or a concurrent resolution of both Houses was raised and discussed.[25]

Following the close of the hearings, in an effort to clarify this issue, the chairman of the committee addressed a letter to Attorney General Tom C. Clark, calling his attention to the Mitchell opinion, and requesting Mr. Clark's opinion as to the constitutionality of such procedures, in view of the language contained in the Mitchell opinion casting

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[17] Id., at 412–13.

[18] 18 F. Supp. 25 (D.C. 1936).

[19] Id., at 28.

[20] 37 Ops. Atty. Gen. 56 (Jan. 24, 1933).

[21] Id., at 63–4.

[22] Ibid.

[23] H. Rept. No. 187, 82d Cong., pp. 12–17; H. Rept. No. 6, 83d Cong., pp. 13–23; H. Rept. No. 657, 85th Cong., pp. 12–13; H. Rept. No. 195, 87th Cong., pp. 13–14.

[24] Public Law 109, 81st Cong.

[25] Hearings before the Committee on Expenditures in the Executive Departments, 81st Cong., 1st sess., on S. 526, pp. 15, 26–27, and 37.

In its report on S. 1120, 79th Cong., later enacted, with amendments, as the Reorganization Act of 1945, the Senate Committee on the Judiciary, referring to the provision for disapproval by either House, stated that "Such a delegation of legislative power does not operate to deprive either House of the Congress of its constitutional right to have no change made in the law relating to the organization of the Government without the assent of at least a majority of its numbers present and voting." S. Rept. 638, 79th Cong., p. 3.

See also, Ginnane, Robert W., "The Control of Federal Administration by Congressional Resolutions and Committees," 66 Harv. L. Rev. 569, 576–82 (1953).

doubt on the validity of that portion of the 1932 act which provided for disapproval of reorganization orders by simple resolution of either House. More specifically, Attorney General Clark was requested to submit his opinion on two questions: (1) Can congressional disapproval be effected constitutionally by a simple resolution of either House of the Congress? (2) Can such disapproval be effected constitutionally by a concurrent resolution of both Houses of the Congress?

The Department of Justice, after noting that the Attorney General was not authorized to furnish opinions to Members of Congress or committees thereof, submitted a memorandum, in lieu of testimony before the committee, which was incorporated in the committee's report on S. 526.[26] Following a review of the Mitchell opinion and a statement to the effect that his remarks concerning reorganization procedures were obiter dictum, the memorandum stated:

"Attorney General Mitchell's opinion, insofar as it intimated the unconstitutionality of the reorganization provisions of the act of June 30, 1932, was based upon an unsound premise; namely, that the Congress in disapproving a reorganization plan is exercising a legislative function in a nonlegislative manner. But the Congress exercises its full legislative power when it passes a statute authorizing the President to reorganize the executive branch of the Government by means of reorganization plans. At that point the Congress decides what the policy shall be and lays down the statutory standards and limitations which shall be the framework of Executive action under the Reorganization Act. If the legislation stops there, with no provision for future reference to the Congress, the President's authority to reorganize the Government is complete. Indeed, such authority was given in full to President Roosevelt in the Reorganization Act of 1933 (47 Stat. 1517).

"The question of the legality of the delegation by the Congress of the power to the President to reorganize the executive branch of the Government has been resolved not only by previous Congresses but also by the courts. Witness the Reorganization Acts of 1933, 1938, and 1945. (See also *Isbrandtsen-Moller Co.* v. *United States*, 14 F. Supp. 407 (3-Judge Dist. Ct., S.D. N.Y.), affirmed on other grounds, 300 U.S. 139; *Sayne & Hoyt* v. *United States*, 18 F. Supp. 25 (3-Judge Dist. Ct., D.C.), affirmed on other grounds, 300 U.S. 297; *Sibbach* v. *Wilson & Co.*, 312 U.S. 1, 15.)

"The pattern of the 1939 and 1945 Reorganization Acts has been to give the reorganization authority to the President, and then provide machinery whereby the Congress may approve or disapprove the plans proposed by the President. Such approval or disapproval by the Congress or either House thereof is not a legislative act. Nor is it, in the circumstances, an improper legislative encroachment upon the Executive in the performance of functions delegated to him by the Congress. As indicated above, the authority given to the President to reorganize the Government is legally and adequately vested in the President when the Congress takes the initial step of passing a reorganization act.

"The question here raised relates to the reservation by the Congress of the right to disapprove action taken by the President under the statutory grant of authority. Such reservations are not unprecedented. There have been a number of occasions on which the Congress has participated in similar fashion in the administration of the laws. An example is to be found in section 19 of the Immigration Act of 1917, as amended (8 U.S.C. 155(c); Public Law 863, 80th Cong.), which requires the Attorney General to report to the Congress cases of suspension of deportation of aliens and which provides further that 'if during the session of the Congress at which a case is reported * * * the Congress passes a concurrent resolution stating in substance that it favors the suspension of such deportation, the Attorney General shall cancel the deportation proceedings. * * * If prior to the close of the session of the Congress next following the session at which a case is reported, the Congress does not pass such a concurrent resolution, the Attorney General shall thereupon deport such alien * * *.' The Congress has thus reserved the opportunity to express approval or disapproval of executive actions in a described field.

"Still other examples may be found in the laws relating to the administration by the Secretary of the Navy of the naval petroleum reserves, which require consultation by him with the Armed Services Committees of the Congress before he takes certain types of action, such as entering into certain contracts relating to those reserves, starting condemnation proceedings, etc. (34 U.S.C. 524); and in the statute which requires the Joint Committee on Printing to give its approval before an executive agency may have certain types of printing work done outside of the Government Printing Office (44 U.S.C. 111).

"It cannot be questioned that the President in carrying out his executive functions may consult with whom he pleases. The President frequently consults with congressional leaders, for example, on matters of legislative interest—even on matters which may be considered to be strictly within the purview of the Executive, such as those relating to foreign policy. There would appear to be no reason why the Executive may not be given express statutory authority to communicate to the Congress his intention to perform a given executive function unless the Congress by some stated means indicates its disapproval. The Reorganization Acts of 1939 and 1945 gave recognition to this principle. The President, in asking the Congress to pass the instant reorganization bill, is following the pattern established by those acts, namely by taking the position that if the Congress will delegate to him authority to reorganize the Government, he will undertake to submit all reorganization plans to the Congress and to put no such plan into effect if the Congress indicates its disapproval thereof. In this procedure there is no question involved of the Congress taking legislative action beyond its initial passage of the Reorganization Act. Nor is there any question involved of abdication by the Executive of his Executive functions to the Congress. It is merely a case where the Executive and the Congress act in cooperation for the benefit of the entire Government and the Nation.

"For the foregoing reasons, it is not believed that there is constitutional objection to the provision in section 6 of the reorganization bills which permits the Congress by concurrent resolution to express its disapproval of reorganization plans."

Summary and conclusion

Summarizing the holdings of the leading cases discussed herein, it appears that a statute which delegates authority to the President or to an executive or judicial agency will be held to be constitutional if the following requirements are met: (1) Congress must itself have jurisdiction over the subject matter; (2) the delegation must be made to a public official or agency; (3) the statute must contain a definite statement of congressional policy, clearly defining the subject and extent of the delegation; and (4) if the legislation is to take effect in the future, there must be a statement of the facts which must be found to exist before the delegation can become operative. If these requirements are met, the delegation is valid, even though the statute gives the official or agency to whom authority is delegated considerable latitude in the exercise of judgment or discretion within which to ascertain the conditions which the Congress has made prerequisite to the delegation. However, such official or instrumentality must remain within the prescribed framework, and a reservation by the Congress, to review the action taken to determine if it is within the prescribed framework and policy of the delegation, is a further safeguard to insure compliance with the congressional mandate.

An analysis of the provisions of the Reorganization Act of 1949, as amended, reveals that it appears to meet all of the requirements for valid delegations developed by the courts during the past 150 years. Applying these tests to specific provisions of the act, it will be seen that (1) Congress has authority to prescribe the organization and structure of the executive branch departments and agencies and thus has jurisdiction over the subject matter; (2) the delegation made in the act is to the President and not to private individuals or groups; (3) specific congressional policy and the various objectives sought to be accomplished by the statute are clearly set forth in section 2, which, together with sections 3, 4, and 5, define the subject and extent of the delegation; and (4) section 3 requires the necessary findings of fact and certification thereof to the Congress, before the authority delegated to the President can become operative. Finally, section 5 limits the duration of the authority delegated, and, section 6 provides for a congressional review of the action contemplated by the President, prior to its becoming effective, and enables the Congress to make certain that the action contemplated is within the prescribed framework and policy of the delegation.

As indicated earlier, the contention that the Reorganization Act of 1949, as amended, and its predecessor acts, are of doubtful constitutional validity has been based upon the nature and extent of the congressional delegations, and the procedure by which the Congress may reject Presidential reorganization proposals. Concerning the nature and extent of delegations, it has been shown that the U.S. Supreme Court will sustain those which meet the requirements set forth above, provided they do not amount to an abdication of its powers by the Congress.[27] In this connection, it should be noted that most of the recent delegations sustained by the Court have involved either complex regulatory matters, or wartime or other emergency legislation, which could be handled effectively only by the President or other executive branch agencies, and in which, for these reasons, the Court showed a willingness to acquiesce.[28]

On the other hand, the delegations authorized by the reorganization acts are admittedly extremely broad in scope, delegating, as they do, to the President, a very substantial amount of authority which has

[26] S. Rept. No. 232, 81st Cong., pp. 18–20. This memorandum replied only to the question of congressional disapproval by concurrent resolution and not to the inquiry concerning simple resolutions, probably due to the fact that both the Senate and House bills as introduced, provided for disapproval by concurrent resolution.

[27] "The Congress manifestly is not permitted to abdicate or transfer to others, the essential legislative functions with which it is * * * vested." Hughes, C. J., *Panama Refining Co.* v. *Ryan*, 293 U.S. 388, 421 (1935).

[28] "Undoubtedly legislation must often be adopted to complex conditions involving a host of details with which the national legislature cannot deal directly." Hughes, C. J., *Panama Refining Co.* v. *Ryan*, *op. cit*, *supra*. See also, *Hampton* v. *United States*, *supra*; *Currin* v. *Wallace*, *supra*; *Yakus* v. *United States*, *supra*.

been vested by the Constitution in the Congress, and which the Congress is quite capable of handling through normal legislative procedures. Furthermore, the elements of emergency and wartime requirements are absent, and delegations of great breadth and scope, which the Court was willing to sustain during periods of great national stress, as valid legislative delegations, might well be considered as legislative abdication when they involve the organization, structure, and functions of the executive branch of the Government, in the absence of a national emergency.

In an effort to give the President adequate authority to accomplish the objectives of the legislation, without abdicating its legislative authority and responsibility, the Congress, in enacting the Reorganization Act of 1949, incorporated provisions which enabled it to exercise control over the delegated authority without the consent of the individual to whom it had been delegated. This was accomplished by providing first, that the authority delegated to the President was of limited duration and not permanent, and second, a procedure whereby the Congress could disapprove reorganization proposals submitted by the President.[29]

In connection with limiting the duration of the President's reorganization authority, the Senate Committee on Expenditures in the executive departments, predecessor of the Committee on Government Operations, at whose insistence this provision was added, explained its action in its report to the Senate, as follows:

"The House bill contained the administration's recommendation relative to eliminating time limitations included in previous acts; granting reorganization authority to the President on a permanent basis. The general consensus of witnesses appearing before this committee relative to this provision of the pending bills was that the 2-year limitation included in prior acts did not permit sufficient time for the President to prepare reorganization plans and submit them to Congress for action.

"This committee agreed with the latter point of view, but was of the opinion that Congress should retain some control which would permit periodical examinations of the authority, with a view to determining its effectiveness through reports from the President relative to reorganizations effected thereunder and savings and efficiency attained through such reorganizations, so that the basic authority might be either extended or restricted, as may be required to meet the then existing circumstances. To assure such review by Congress an amendment was adopted to provide for the expiration of the act as of April 1, 1953." [30]

It may be of interest to note, in connection with the above statement, that since the enactment of the Reorganization Act of 1949, the Committee on Government Operations, as well as its predecessor, the Committee on Expenditures in the Executive Departments, has taken the position that the Congress should neither surrender nor abdicate its legislative authority over matters of such significance, on a permanent basis.

In its report to the Senate in the 86th Congress the committee stated that it was "* * * the consensus of the committee that the present Congress should not commit succeeding Congresses to the provisions of the Reorganization Act, but that each Congress should have the right to extend this authority to the President or to withdraw it as the necessity dictates at the time." [31]

As a matter of further interest, it may be noted that the position of this committee, as adopted by the Congress, was completely in accord with prior congressional action and precedent, since, with the exception of the initial act, the act of June 30, 1932, every subsequent reorganization act has granted reorganization authority to the President for a limited period of time. Although the 1932 act granted permanent authority, it was amended and superseded by the acts of March 3, 1933, and March 20, 1933, which limited the President's authority under the act to a period of 2 years.

With respect to disapproval procedures provided for by the Reorganization Act, the contention that the procedure which authorizes disapproval of a reorganization plan by one House of the Congress is of doubtful constitutionality, because it authorizes the Congress to legislate in a maner not provided for in the Constitution, appears to be without merit. When the Congress enacts the statute which authorizes the President to reorganize the executive branch of the Government, it has exercised its full legislative powers and the legislative process is complete. The subsequent actions required by the statute, including Presidential findings of fact, certification and submission to the Congress, are simply part of a conditional delegation of authority, designed to enable the Congress to determine whether the President is exercising his delegated authority within the terms of the delegation and in conformity with the congressional purpose.[32]

In closing, it should be noted that the purpose of this memorandum was to determine the constitutionality of the Reorganization Act of 1949, as amended, in the light of existing cases. Since that act provides for a delegation of reorganization authority by the Congress to the President of limited duration and for a fixed term, the conclusions arrived at in the foregoing discussion are not necessarily determinative or applicable to legislation which would grant such authority on a permanent basis. Furthermore, in the only two Court decisions which dealt with the validity of delegations under a reorganization act and upheld such delegations, the authorizing legislation limited the President's authority to submit reorganization proposals to a period of 2 years.[33]

In view of the foregoing discussion, the delegation by the Congress to the President of the authority to reorganize departments and agencies of the Federal Government containing the safeguards now provided for in the Reorganization Act of 1949, as amended, is a valid delegation and does not violate the constitutional prohibitions against the delegation of legislative power.

ELI E. NOBLEMAN,
Professional Staff Member.

Approved:

WALTER L. REYNOLDS,
Chief Clerk and Staff Director.

PROPOSED COMMISSION ON SCIENCE AND TECHNOLOGY

Mr. McCLELLAN. Mr. President, on behalf of myself as chairman of the Committee on Government Operations and of Senators MUNDT, RIBICOFF, GRUENING, and YARBOROUGH, I introduce, for appropriate reference, a bill proposing the establishment of a Commission on Science and Technology.

This proposed legislation was perfected after 8 years of study by the committee and its subcommittees in an effort to strengthen Federal programs in the fields of science and technology, and to effect necessary Federal reorganizations to eliminate duplication and overlapping between Government departments and agencies engaged in scientific and technological research.

The bill is the result of three separate hearings before the committee, beginning in 1958. In 1959 a somewhat similar bill was reported to the Senate. Further hearings were held on a revised bill, S. 2771, in the 87th Congress, in May and July 1962. These hearings reflected that there has been a steady and relentless increase in the cost of research and development programs of the Federal departments and agencies, amounting to $10 billion in fiscal year 1962, exceeded $12 billion in fiscal year 1963, or more than the entire expenditures of the Federal Government prior to World War II, and in excess of $15 billion for fiscal year 1964.

Mr. President, this bill provides for the establishment of a Hoover-type commission composed of representatives from the legislative and executive branches of the Government and of persons from private life who are eminent in one or more fields of science or engineering, or who are qualified and experienced in policy determination and administration of industrial scientific research and technological activities.

The objectives of the proposed Commission, which are set forth in detail in the report filed in the 87th and 88th Congresses—Senate Reports Nos. 1828 and 16, respectively—provide for a study of all of the programs, methods, and procedures of the Federal departments and agencies which are operating, conducting, and financing scientific programs, with the objective of bringing about more economy and efficiency in the performance of these essential activities and functions. Deficiencies in some of these programs and the problems relating thereto have been outlined on numerous occasions before various committees of the Congress by informed authorities, who have stressed the urgent need for improvement in effecting necessary reorganizations and better coordination of existing programs. Emphasis has also been directed toward the need for developing a program for the elimination of duplication in science efforts, where one agency of Government works on programs which are underway in other agencies, or where research is being done on problems which have already been solved by other scientists. There is reason to believe that this occurs extensively, due primarily to serious deficiencies in the science information retrieval programs of the Federal Government.

The Commission, if established, would be specifically directed to study and recommend ways and means of meeting our scientific manpower needs, which President Kennedy described as one of the most critical problems facing our Nation. There are probably many other critical needs which need study and exploration, even beyond those included in the objectives of the proposed legislation.

In undertaking its studies the Commission would be vested with authority

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[29] Public Law 109, 81st Cong., secs. 5(b) and 6(a).

[30] S. Rept. No. 232, 81st Cong., p. 17.

[31] S. Rept. No. 239, 86th Cong., p. 2.

[32] See remarks of the Senate Committee on the Judiciary in S. Rept. No. 638, 79th Cong., quoted supra, note 25.

[33] See cases cited supra, note 15. See also act of June 30, 1932 (47 Stat. 413), as amended and superseded by the act of Mar. 3, 1933 (47 Stat. 1517), as amended by the act of Mar. 20, 1933 (48 Stat. 16).

to set up a Science Advisory Panel of outstanding science, engineering, and technological authorities from all sections of the Nation to assist it in the performance of the functions outlined in the bill. The Commission would be further directed to conduct a study of Federal scientific and technical activities, such as the deficiencies in scientific engineering, and technical information programs, including acquisition, processing, documentation, storage, retrieval, and distribution of scientific information, the promotion of programs for the economic and efficient operation and utilization of automatic data processing equipment by Federal departments and agencies and by defense, research, and development contractors; the urgency for accelerating scientific, engineering, and technical progress in a number of Federal agencies which perform some functions in these areas; and to recommend necessary reorganizations of scientific and technological activities of the Federal Government to improve their operations and to better coordinate their activities.

Witnesses at the hearings held in previous Congresses suggested that a panel of experts in the fields of science and technology should be set up to serve the committees of Congress which deal with those problems. The enactment of the pending bill, and the establishment of the Science Advisory Panel provided for therein would enable the Congress to continue to call upon the experts named to such a panel after the proposed Commission has completed its work and submitted its report and recommendations.

One of the basic objectives of the bill is to provide a medium through which individual Members and committees of the Congress can obtain information which is not now available to enable them to take appropriate legislative action to establish definite Federal policies in the field of science and technology. The reports and recommendations of the Commission will also provide a basis for an evaluation of programs which are presently in operation as well as those which are being proposed.

Evidence was also submitted at the hearings on S. 2771 in the 87th Congress which indicated that the Bureau of the Budget has reported that a detailed evaluation of existing science and technological operations of the numerous agencies operating in these fields has been found to be too difficult. The result has been that the agencies interested in procuring appropriated funds are not required to submit an evaluation of achievement under existing programs, but merely attempt to justify further appropriations of funds. Under this procedure, it was pointed out that Congress is required to appropriate funds on faith alone, since the appropriate committees and individual Members of Congress have no information which would permit them to evaluate the programs or to take the necessary action to eliminate excessive duplication and waste.

Should the Congress enact the bill into law, it will be provided with a means of obtaining information upon which it can develop facts, thus enabling it to perform its normal constitutional functions. The Committee on Government Operations is firmly convinced that there is a real need for a bipartisan Commission to study all of the science and technological programs of the Federal Government as proposed by this bill. It is further convinced that its enactment will insure maximum utilization of the resources of private industry and nonprofit research organizations, including universities and other educational or technological institutions, in the formulation of a properly coordinated program with the maximum utilization of the resources of private industry, nonprofit, and other technological institutions at a reduced cost.

The committee in recommending this legislation in past Congresses considered it to be an essential first step in achieving these objectives so that the Congress and the President may have the benefit of the recommendation of qualified experts in the fields of science, engineering, and technology upon which appropriate legislative action may be taken to promote more efficiency in the operation of these programs and to effect economies that are essential in conserving Federal funds and technological manpower. Further, the bill specifically provides that the Commission shall make an assessment of how the executive and legislative branches can more effectively achieve common objectives in the legislative process.

Dr. Jerome B. Wiesner, Director, Office of Science and Technology, appeared before the Military Operations Subcommittee of the House Committee on Government Operations on July 31, 1962, approximately 7 weeks after reorganization plan No. 2 of 1962, creating that Office became effective, in connection with the subcommittee's inquiry into Government contracting for research and development. The following are extracts from Dr. Wiesner's testimony:

> There has been concern, first as to whether a Department of Science was needed to centralize science programs and operations that are now integrated in various departments and agencies, perhaps by combining National Science Foundation, Atomic Energy Commission, National Aeronautics and Space Administration, National Bureau of Standards, and so forth; and second, concern expressed in these studies as to whether staff resources in the Office of the President were adequate to meet his needs.
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> As I have said many people believe that the present system is inevitably evolving toward a Department of Science. However, I don't believe that a single Department of Science with the responsibility for all of the scientific activities of the Federal Government would be a workable arrangement because most of the scientific activities of the individual agencies are carried out in support of their specific missions. If, as has been proposed, a less comprehensive Department of Science were created—by consolidation of the Atomic Energy Commission, National Science Foundation, National Bureau of Standards, and other agencies I talked about earlier—their operations might be made more effective. There would still be need, however, to coordinate and integrate their activities with that of the mission-oriented agencies having related scientific and technical programs. In other words, the OST is neither a substitute for nor in competition with a Federal Department of Science.

This statement by Dr. Weisner is in accord with the views expressed repeatedly by this committee, and conforms to the objectives set forth in the bill I am introducing today. The committee has always taken the view that a comprehensive study must be made by a commission composed of qualified persons who are familiar with the problems relating to the operation and support of science and technological programs by the Federal Government. The committee has also repeatedly pointed out that such a study is vital in order to determine whether there is a need for a Department of Science and Technology. Also that, if such a department is necessary, to recommend what Federal activities should be incorporated therein, and a determination made as to those which would better perform their allocated tasks as independent agencies or as components identified as an important function related to the mission of existing departments. These are among the major objectives of the proposal which I am submitting to the Senate today.

The continued safety and growth of our Nation is the prime concern of the committee in reporting S. 2771 and its passage in the Senate in the 87th Congress, and S. 816 in the 88th Congress, and of the sponsors of the subject bill in the 89th Congress. This bill is being introduced with the sincere hope that it will be enacted into law in the present Congress so that improved programs in science and technology may be developed which will assist us, as a nation, to meet the challenge of world communism.

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

The bill (S. 1136) for the establishment of a Commission on Science and Technology, introduced by Mr. McCLELLAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Government Operations.

AID TO CERTAIN GOVERNMENT EMPLOYEES AFFECTED BY CLOSING OF FEDERAL INSTALLATIONS

Mr. JAVITS. Mr. President, on behalf of myself and my colleague from New York [Mr. KENNEDY], and the Senator from Pennsylvania [Mr. CLARK], the Senator from Michigan [Mr. HART], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Maine [Mr. MUSKIE], the Senator from New Hampshire [Mr. McINTYRE], the Senator from Connecticut [Mr. RIBICOFF], and the Senator from Texas [Mr. Tower], I send to the desk a bill, for appropriate reference, to aid Government employees who may lose their jobs because of the closing of Federal installations.

The bill would permit Government employees, who have been involuntarily separated from Federal Government service by reason of the abolition or relocation of their jobs, to obtain their full

civil service retirement benefits after 20 years of service, without having to meet the existing 50-year age requirement.

The wave of closings which have occurred throughout the country, especially in defense installations, which have been hardest hit, involving the elimination of 149,000 job positions in the past 4 years, necessitates action of this character.

The legislation would ease the impact on thousand of Government employees affected by the administration's recent decisions to close Federal installations in many parts of the country. The need is urgent and deserves the highest priority attention of the Congress. Thousands of Federal employees who have given a substantial part of their lives to serving the people faithfully are now being compelled as a result of installations' closings, to move from their long-established homes in order to take other comparable Federal jobs, or to accept reductions in pay to fill other Federal jobs in order not to lose their service retirement benefits.

New York has been among those hit hard by these decisions. The closing of the New York Naval Shipyard in Brooklyn alone will have directly affected the jobs of 9,600 Federal employees. In addition, the closing or relocating of operations at the Brooklyn Army Terminal, DSA Medical Center in Brooklyn, 1st Army Headquarters at Governors Island, Navy Training Devices Center in Port Washington, the Rome Air Material Area in Rome, N.Y., the Schenectady Army Depot, and others, will have affected thousands of additional Federal workers.

Although some job opportunities have been offered by the Department of Defense, many of these opportunities will be outside the local community areas of the affected workers. The Civil Service Commission Regional Office in New York has advised that most likely only a small proportion of the employees at the Brooklyn Navy Yard will accept job offers outside of the local area. Many of those remaining will face separation through reductions in force.

The difficulty of effective placement at the Brooklyn Navy Yard, as in the case of many other similar installations, is that many of the employees have extremely specialized jobs in the construction trades for which there may be relatively little demand in the civil service and in the private sector. The average employee there has between 15 and 20 years of Federal service, is between 40 and 52 years of age and many have substantial leave accumulations. These workers should not be compelled to lose their jobs and part of their civil service retirement benefits, too.

I believe the Federal Government has a responsibility to assist workers affected by these closings, as well as those in other parts of the country, to insure that their lives are not irreparably disrupted and their opportunity for full retirement benefits impaired.

The present civil service retirement law provides an annuity payable upon an involuntary separation, if the employee has 25 years of service, regardles of age, or 20 years of service and has attained the age of 50. The annuity is reduced by one-half to 1 percent for each full month the age of the employee is less than 60, but not less than 55, plus one-sixth of 1 percent for each full month the age is less than 55. If neither of these conditions is met, the employee is entitled to a deferred annuity commencing at age 62, provided he does not elect a refund of his retirement deductions.

This bill, which would amend the Civil Service Retirement Act, would provide a full unreduced annuity to Federal employees who have been involuntarily separated from the civil service because of either the abolition or the relocation of their employment.

This bill has the support of the entire New York State congressional delegation. A parallel bill in the House of Representatives is sponsored by Congressman MULTER, of New York.

The least we can do with respect to these matters is to afford this elementary measure of justice to the workers concerned. I hope the Congress will give this legislation serious consideration.

Mr. President, I ask unanimous consent that this bill be held at the desk for additional cosponsors until February 19.

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

Mr. JAVITS. Mr. President, I also ask unanimous consent to have printed in the RECORD a Civil Service Commission memorandum which I requested, on cost to the Civil Service Retirement Fund which would be entailed under this bill.

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

The memorandum presented by Mr. JAVITS is as follows:

U.S. CIVIL SERVICE COMMISSION,
BUREAU OF RETIREMENT AND INSURANCE,
Washington, D.C., February 11, 1965.

Hon. JACOB K. JAVITS,
U.S. Senate.

DEAR SENATOR JAVITS: Present law provides an immediate annuity payable upon involuntary separation, not for misconduct or delinquency, if the employee has (a) 25 years of service, regardless of age; or (b) 20 years of service and has attained age 50. The annuity is reduced by one-twelfth of 1 percent for each full month the age of the employee is less than 60 but not less than 55, plus one-sixth of 1 percent for each full month the age is less than 55. If neither of these conditions is met, the employee is entitled to a deferred annuity commencing at age 62, provided he does not elect a refund of his retirement deductions.

We were asked to estimate the cost to the Government, in an individual case, if the age 50 requirement and the reduction for under age 60 were eliminated, with (a) retention of the 20-year service requirement; and (b) reduction of the service requirement to 15 years.

In the following examples, the annual rate of annuity is based on a high 5-year average salary of $6,500; it does not reflect the nominal reduction required to provide a survivor annuity, nor does it include the increases under present law if the annuity commences in 1965 (2 percent) or 1966 (1 percent). The present value is the sum needed at separation, which if invested at 3½ percent interest, would cover the cost of annuity payments for life. Mortality rates are based on recent Civil Service annuitant experience.

	Age when annuity commences	Annual rate of annuity	Present value (cost)
A. 20 YEARS OF SERVICE			
1. Age 50 at separation:			
Proposed	50	$2,352	$36,400
Present	50	2,004	31,000
Difference		348	5,400
2. Age 45 at separation:			
Proposed	45	2,352	40,100
Present	62	2,352	12,900
Difference		0	27,200
B. 15 YEARS OF SERVICE			
1. Age 60 at separation:			
Proposed	60	1,704	20,600
Present	62	1,704	17,600
Difference		0	3,000
2. Age 50 at separation:			
Proposed	50	1,704	26,400
Present	62	1,704	11,400
Difference		0	15,000
3. Age 40 at separation:			
Proposed	40	1,704	31,600
Present	62	1,704	7,800
Difference		0	23,800

In every case, the difference in the present value column represents the additional Government cost, per case, if the proposal were enacted. The contributions made by the employee would meet the same dollar portion of the total cost under both present law and the proposal, and hence do not affect the difference.

Sincerely yours,

MAURICE S. BROWN,
Chief Actuary.

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

The bill (S. 1140) to amend the Civil Service Retirement Act to authorize retirement without reduction in annuity of employees with 20 years of service involuntarily separated from the service by reason of the abolition or relocation of their employment; introduced by Mr. JAVITS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

Mr. KENNEDY of New York. Mr. President, I am happy to join Senator JAVITS in introducing this bill. The announced intention of the Defense Department to close some 95 defense installations around the country has put thousands of long-time Government employees in a position where they may have to leave Government service and accept less desirable employment. The Defense Department, in conjunction with the Civil Service Commission and other Federal agencies, is doing its utmost to find other Federal employment for workers at these installations, but many of the jobs offered will involve relocation to other communities and many of the workers displaced will be unwilling to move. As a result, these people will have to seek private employment.

Only those who are over 50 years old and have 20 years service in, or who have 25 years in, will receive immediate Federal retirement benefits to help take up the slack until another job is found

or to compensate for decreased wages in a new job. The rest will have to wait until age 62 to receive their Federal retirement benefits.

The bill we introduced today and the parallel bill introduced by Congressman MULTER in the House, H.R. 1099, would permit Government employees involuntarily separated by the abolition or relocation of their jobs to obtain immediate civil service retirement benefits after 20 years of service, regardless of their age. I have asked labor at the Brooklyn Navy Yard for their opinion about this bill, and have found that it will greatly ease the burden on those who will be hurt most seriously if the yard is closed.

Given the tremendous impact of the defense closings around the country, I think the least we in Congress can do is make sure that the disruption of the lives of longtime Government employees is as minimal as possible.

CONFORMATION OF 1933 INTERCOASTAL SHIPPING ACT WITH THE 1916 SHIPPING ACT, RELATING TO CERTAIN PENALTY PROVISIONS

Mr. MAGNUSON. Mr. President, on behalf of myself and the senior Senator from New Hampshire [Mr. COTTON], I introduce, by request, for appropriate reference, a bill which would conform the 1933 Intercoastal Shipping Act with the 1916 Shipping Act with respect to the penalty provisions that apply to violations of the tariff filing provisions of each act. Under the present law, a U.S. carrier in the domestic trade is subject to a penalty of not less than $1,000 a day for a violation of the tariff filing requirement of the 1933 act. On the other hand a carrier in the foreign trade is subject to the same type of tariff filing provisions with the maximum penalty of $1,000 a day for the same type offense.

The proposed legislation is identical to the bill that the senior Senator from New Hampshire and I introduced, by request, last session, S. 2896. I ask unanimous consent that the explanation of the bill provided by the Pacific American Steamship Association be included in the RECORD.

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

The bill (S. 1141) to conform the penalties of the Intercoastal Shipping Act, 1933, with the Shipping Act, 1916, introduced by Mr. MAGNUSON (for himself and Mr. COTTON), by request, was received, read twice by its title, and referred to the Committee on Commerce.

The explanation presented by Mr. MAGNUSON is as follows:

PACIFIC AMERICAN STEAMSHIP ASSOCIATION

This bill would conform the 1933 Intercoast Shipping Act (the regulatory act for ocean carriers servicing the domestic commerce between the continental United States and the noncontiguous States and territories) with the 1916 Shipping Act (the regulatory act principally for ocean carriers engaged in foreign commerce), by equalizing the penalty provisions applicable to the tariff filing requirements of each.

Both acts are administered by the Federal Maritime Commission. At present, section 2 of the 1933 act (46 U.S.C. 844) provides for penalties of not less than $1,000 or more than $5,000 for each day of a violation of the tariff filing provisions, while section 18 of the 1916 act (46 U.S.C. 817(b)(6)) provides for penalties of not more than $1,000 for each day of violation. There is no legislative history in support of such a disparity and it is apparently a legislative oversight.

Congressional intent, in the matter of penalties, was most recently expressed in the 1961 amendments to the 1916 act (the dual rate bill—Public Law 87-346). In Public Law 87-346 penalty provisions twice received attention. The penalty for a violation of section 15 of the 1916 act (46 U.S.C. 814) requiring certain agreements of common carriers to be filed and approved by the Federal Maritime Commission was changed from "$1,000 for each day such violation continues" to "not more than $1,000 for each day such violation continues." And the penalty for a violation of the newly enacted tariff filing provisions of section 18 of the 1916 act (46 U.S.C. 18(b)) was also fixed at "not more than $1,000 for each day such violation continues."

Paradoxically, under present law, carriers serving the foreign trades have a ceiling of $1,000 per day while carriers operating in noncontiguous domestic ocean trades are saddled with "not less than" $1,000 per day. It was an oversight on the part of the affected carriers not to have sought an equalizing amendment in the 1933 act at the time the 1916 act was undergoing amendment in 1961. Therefore, carriers engaged in the trade to Hawaii, Alaska, Guam, and Puerto Rico are now seeking such an amendment so as to remove from law an inadvertent discrimination which presently exists.

AMENDMENTS TO THE INTERSTATE COMMERCE ACT

Mr. MAGNUSON. Mr. President, I introduce, by request, for appropriate referral, 12 bills containing amendments to the Interstate Commerce and related and supplementary acts. The Commission's statements of justification for these bills indicate that their primary purpose is to improve Federal regulation of domestic surface transportation by eliminating provisions of present law which are no longer necessary or appropriate to the proper performance of the Commission's regulatory functions. The Commission indicates that such streamlining of regulation will not only improve its overall administrative efficiency, but also save carriers considerable time and expense.

Four of these 12 bills are designed to eliminate the necessity of carriers filing for Commission approval in situations where the Commission has long approved such applications as a matter of course: First, financial transactions of State-owned carriers; second, officers seeking to hold positions with railroads which are part of a single integrated system; third, acquisition or operation of spur, industrial, team, switching, or side tracks; and fourth, pooling agreements among household goods carriers.

Three of these bills are designed to remove provisions of the Interstate Commerce Act that the Commission believes are no longer necessary: First, repeal of the Medals of Honor Act; second, elimination of certain mandatory valuation requirements; and third, removal of the requirement that carriers file annual reports under oath.

Two of these bills primarily pertain to Commission personnel: First, allow the Commission to delegate to Commission specialists the handling of routine and specialized matters; and second, protect Commission investigators and their reports from unnecessary involvement in private law suits.

Other proposals of the Commission would allow it to revoke unused water carrier certificates; to exempt from economic regulation the interstate hauling of such commodities as homing pigeons and trash; and, to use a simpler test to determine whether small motor carrier unifications are exempt from approval requirements.

Mr. President, I ask unanimous consent to insert in the RECORD a letter from the Chairman of the Interstate Commerce Commission and the Commission's justification statement for each of these bills.

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

The letter from the Chairman of the Interstate Commerce Commission, presented by Mr. MAGNUSON, is as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., February 3, 1965.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: I am submitting herewith for your consideration 40 copies each of draft bills (together with statements of justification therefor) which would give effect to legislative recommendations Nos. 1, 4, 5, 7, 8, 9, 10, 11, 12, 13, 17, and 18 in the Commission's 78th annual report.

We would very much appreciate your assistance in having these bills introduced and scheduling hearings thereon.

Sincerely yours,

CHARLES A. WEBB,
Chairman.

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

S. 1142. A bill to amend sections 20a and 214 of the Interstate Commerce Act.

The recommendation accompanying Senate bill 1142 is as follows:

RECOMMENDATION NO. 1

This proposed bill would give effect to legislative recommendation No. 1 of the Interstate Commerce Commission as set forth on page 60 of its 78th annual report as follows: "We recommend that sections 20a and 214 be amended so as expressly to exempt from the Commission's jurisdiction thereunder, securities issued by States, municipalities, or other governmental bodies which are carriers as defined in part I or II of the act."

JUSTIFICATION

The purpose of the draft bill is to make certain that securities issued by the Federal Government, States, municipalities or other governmental bodies which acquire the status of common carriers are not subject to the requirements of sections 20a or 214 of the Interstate Commerce Act. Although these requirements do not apply to securi-

ties issued for nontransportation purposes such as highway, school, and housing bonds, it is doubtful whether securities issued to finance the construction, acquisition, and operation of interstate common carrier transportation facilities are likewise exempt.

Under sections 20a and 214 of the act carriers must obtain Commission approval and authorization for stock and security issues and for assumptions of obligations. Except for certain relatively minor transactions, neither section exempts or authorizes the Commission to exempt, any issues or assumptions.

When section 20a was enacted into law as a part of the Transportation Act of 1920, interstate rail transportation was almost exclusively performed by private individuals or corporations. In recent years, however, public ownership and operation of common carriers has become more common. A number of port authorities are now served by publicly owned and operated carriers such as the State-owned California Belt Railroad and by subsidiary corporations such as the Port Authority Trans-Hudson Corp., a wholly owned subsidiary of the Port of New York Authority. In addition, a number of cities own and operate rail lines. The city of Galveston, Tex., operates a line of railroad in interstate commerce known as the Galveston Wharves. The city of Cincinnati, Ohio, owns a railroad line and recently floated a sizable bond issue in connection therewith, without requesting or receiving authorization from the Commission. Moreover, in view of the recent passage of the Urban Mass Transportation Act of 1964 (Public Law No. 88–365) the number of such instances is almost certain to increase.

The Commission believes that its approval should not be required for the issuance of transportation securities and the assumption of obligations by political entities or their instrumentalities. Financial transactions of this nature are generally backed by the credit of a governmental body and are not as subject to manipulation as those of private corporations.

However, in the absence of an explicit statutory exemption, the legality of such transactions accomplished without Commission approval and authorization is susceptible to challenge in the courts. Enactment of the draft bill would eliminate this vulnerability by exempting these transactions from the requirements of sections 20a and 214 of the act.

S. 1143. A bill to amend part III of the Interstate Commerce Act to authorize the Interstate Commerce Commission to revoke, amend, or suspend water carrier certificates or permits under certain conditions.

The recommendation accompanying Senate bill 1143 is as follows:

RECOMMENDATION No. 4

This proposed bill would give effect to legislative recommendation No. 4 of the Interstate Commerce Commission as set forth on page 62 of its 78th annual report as follows: "We recommend that part III of the act be amended to provide for revocation of water carrier certificates or permits for nonuse."

JUSTIFICATION

The purpose of the attached draft bill is to grant the Interstate Commerce Commission specific authority to revoke water carrier certificates and permits for nonuse. It would also specifically authorize the Commission, in its discretion, to amend or revoke, in whole or in part, a certificate or permit upon the application of the holder thereof.

At present 268 water carrier certificates and permits issued by the Commission remain in effect. Of this number, 84 or 31.2 percent are not being used, 10 of which have been dormant since World War II. Although the Commission may, upon proper application, grant identical operating authority to other carriers, the mere existence of these dormant certificates and permits under which operations can be lawfully reactivated at any time acts as a deterrent to the institution of new operations by other carriers and in some instances is a threat to the economic well-being of the transportation industry. While water carriers should have reasonable protection against loss of their operating rights where abnormal or special conditions have hindered resumption or continuance of operations, it is not in the public interest that unused operating authorities be allowed to remain in effect indefinitely.

Part III of the Interstate Commerce Act does not specifically provide revocation authority and procedure such as are found in parts II and IV thereof, which apply to motor carriers and freight forwarders, respectively. In this connection, the Supreme Court, in *United States* v. *Seatrain Lines, Inc.*, 329 U.S. 424, indicated that in the absence of express authority granted by Congress the Commission does not have the authority to revoke, in whole or in part, water carrier certificates or permits issued under part III of the act, once they have become effective and the time for requesting rehearing or reconsideration has expired.

Accordingly, the proposed measure would give the Commission specific authority to determine upon the facts in each case whether a certificate or permit should be revoked for nonuse. It would also confirm the Commission's power to revoke water carrier certificates and permits when tendered by the holder for cancellation.

The authority sought is limited to the revocation of certificates and permits only in those cases of willful failure to operate or when requested by the holder. It is not contemplated that operating authorities would be revoked for nonuse without allowing a reasonable period of time for resumption of service.

S. 1144. A bill to repeal the Medals of Honor Act applicable to outstanding acts of heroism involving railroads and motor carriers.

The recommendation accompanying Senate bill 1144 is as follows:

RECOMMENDATION No. 5

This proposed bill would give effect to legislative recommendation No. 5 of the Interstate Commerce Commission as set forth on page 62 of its 78th annual report as follows: "We recommend that the Medals of Honor Act applicable to outstanding acts of heroism involving railroads and motor carriers be repealed."

JUSTIFICATION

The Medals of Honor Act was enacted in 1905 and, as amended, it has adequately served its purpose of providing a means of according due recognition to unusual acts of heroism which might have otherwise gone unnoticed.

At the present time, however, a much more comprehensive recognition of heroism is afforded by the Carnegie Hero Fund Commission—an organization having a permanent staff of investigators constantly in travel status who investigate all reported acts of heroism. Potential recipients of Carnegie Awards are not required to file applications.

As of the end of 1963 pecuniary awards by the Carnegie Hero Fund Commission covering acts of heroism in all types of situations totaled nearly $10 million, and 4,694 medals (bronze, silver, or gold) have been awarded. Only a bronze medal may be awarded under the Medals of Honor Act, and no pecuniary award is possible.

In these circumstances, we believe that repeal of the Medals of Honor Act would avoid needless duplication of effort and expense to the Commission without depriving deserving individuals of the recognition and honor due them for their heroic acts.

S. 1145. A bill to amend section 1(22) of the Interstate Commerce Act so as expressly to include within the exemption provided therein, the construction, acquisition, operation, abandonment, and joint ownership or joint use of spur, industrial, team, switching or sidetracks, and terminals incidental thereto, and for other purposes.

The recommendation accompanying Senate bill 1145 is as follows:

RECOMMENDATION No. 7

This proposed bill would give effect to legislative recommendation No. 7 of the Interstate Commerce Commission as set forth on page 64 of its 78th annual report as follows: "It is recommended (a) that section 1(22) be amended so as expressly to include within the exemption from the Commission's jurisdiction contained in that section, the construction, acquisition, operation, abandonment, and joint ownership or joint use of spur, industrial, team, switching, or side tracks, and terminals incidental thereto, whether located in one or more States and (b) that section 5(2)(a)(ii) be amended so as to conform to section 1(22), as so amended, and to section 1(18)."

JUSTIFICATION

Section 1(22) of the Interstate Commerce Act, among other things, exempts from the Commission's jurisdiction the construction or abandonment of spur, industrial, team, switching, or side tracks located wholly within one State.

The proposed measure would expand this exemption to include the acquisition, operation, joint ownership or joint use of such intrastate trackage and would extend this broadened exemption to trackage of this nature located in two or more States.

Applications seeking Commission approval of the acquisition and operation of spur, industrial, team, etc., tracks located wholly within one State are nearly always granted. They are filed for the purpose of rendering necessary service to a particular industry or industries. The type of trackage involved generally is located in terminal or station areas, and is short in length and of relatively little monetary value. Under these circumstances, we believe that the processing and consideration of such applications unnecessarily adds to the workload of the Commission, and requires the expenditure of time and money by carriers and the Commission which could be devoted to other purposes.

Since as a practical matter the essential characteristics of spur, industrial, team, switching or side tracks are the same whether they are located wholly within a single State or in two or more States, we also urge that the exemption be made applicable without regard to the number of States involved. The number of transactions relating to such interstate trackage is negligible and, in our judgment, the public interest would not be adversely affected if they were accomplished without the Commission's approval.

The last sentence of section 1(18) specifically excludes from the Commission's jurisdiction, both under that paragraph and under section 5, transactions between two or more railroads for the joint ownership or joint use of spur, industrial, team, switching or side tracks. However, in section 5(2)(a)(ii) authority is conferred over such acquisition and operation without mention of the limitation on our jurisdiction under section 1(18). Also, it should be noted (1) that the exclusion in section 1(18) applies regardless of whether the involved trackage is located in one or more States, (2) that the section 1(22) exemption does not embrace terminals incidental to spur, industrial, team, etc., tracks, and (3) that section 1(22) refers to trackage of "street, suburban,

or interurban electric railways, * * *," while section 5(a)(2)(ii) does not. We believe it most desirable that the language of these three sections be as comparable as possible. The proposed measure would accomplish this result.

S. 1146. A bill to amend section 5(1) of the Interstate Commerce Act to eliminate the requirement for approval of pooling arrangements between motor common carriers of household goods, and for other purposes.

The recommendation accompanying Senate bill 1146 is as follows:

RECOMMENDATION No. 8

This proposed bill would give effect to legislative recommendation No. 8 of the Interstate Commerce Commission as set forth on page 64 of its 78th annual report as follows: "We recommend that section 5(1) be amended so as to exempt contracts, agreements, or combinations affecting the transportation of household goods to which any common carrier by motor vehicle may be a party with other such carrier or carriers for the pooling or division of traffic, service, or earnings."

JUSTIFICATION

Cooperative practices of household goods carriers were described by the Commission in Practices of Property Brokers, 53 M.C.C. 633, 636–637, as follows:

"The transportation of small shipments at reasonable rates and the relatively high ratio of empty to loaded mileage are persistent economic problems with which the industry has always been faced and which it has had to overcome. This has required constant efforts within the industry for cooperative handling of shipments. Extremes in light and heavy traffic of individual carriers are frequent and are met by arrangements whereby inactive vans and trained personnel are diverted to those carriers who are experiencing above-normal demands for service. The carriers are unable to predict in advance the amount of equipment and personnel they will need to meet demands for service. They are especially confronted with the problem of maintaining employment for personnel who have to be trained for several years before being assigned to vehicles which operate for extended periods away from their home terminals. The drivers character and their skill in handling valuable and fragile shipments are said to be more important than their ability to drive and, since the number of qualified drivers is limited, the carriers are interested in keeping them in gainful employment.

"The practice of diverting small shipments from one carrier to other carriers has long been an inherent part of, and essential to, the economy and efficiency of the Nation's household-goods moving service. In many instances, economy and expeditious handling require the services of two carriers, although but seldom is joint carriage physically performed by both carriers over the highway. The services of one of the carriers may consist only of the use of its established terminal for the preparation of shipping documents, packing, and the performance of other services necessary to prepare the shipment for loading onto the line-haul vehicle. Whether or not two carriers are used is determined by the size of the shipment and the desired time of movement, and the relating of these factors to economy of operation by the booking carrier. For instance, a small shipment may be diverted, under a joint agency tariff, to a carrier satisfactory to the booking carrier which at the moment is in a position to provide immediate transportation and the use of which will save the shipper the cost of storage or the weight penalty assessed for so-called expeditious handling and obviate the operation by the booking carrier of empty return mileage. The compensation of commissions received in such cases by the booking carrier from the line-haul carrier are described as a division of the revenue based upon the performance by it of the terminal portion of the "joint carriage." Most shippers have but infrequent need for the services of a household-goods carrier and are unversed in how the carriers operate and the laws and regulations governing them. Accordingly, when a shipper requires service, he usually consults and obtains the service of a local carrier with which he is acquainted and to which he will look for redress in case the shipment is not handled satisfactorily, the local booking carrier accepting with the line-haul carrier joint responsibility under the bill of lading for the safe delivery of the shipment."

The described practices provide the public with a more expeditious and economical service than would otherwise be possible, and the carriers are enabled to utilize their equipment more fully, maintain a more reasonable level of rates, hold down empty mileage, and otherwise bring stability to their operations. In short, the requirements for approval under the pooling provisions of section 5(1) of being "in the interest of better service to the public or of economy in operation" would seem to have been met generally by present cooperative practices among groups of household goods carriers.

The pooling provisions of the act require a hearing and approval by the Commission before agreements may lawfully be entered into. Strict enforcement of this provision as to household goods carriers has not been practicable. Combinations whereby they divert, surrender, or exchange shipments, allocate or control solicitation, use service facilities and instrumentalities or employees cooperatively, and divide proceeds of diverted traffic, are so flexible that before agreements can be filed and approved, many are terminated or changed and new arrangements entered into involving new or different participating carriers. At one time the Commission instituted a proceeding intended to prescribe general rules governing such arrangements under section 5(1), but, after further study, it was deemed impractical to prescribe general rules which would be workable and enforceable.

Under arrangements with noncarriers, and compliance with the leasing rules of the Commission, carriers may obtain most or all of the advantages of pooling arrangements with carriers, without the disadvantages incident to filing applications for approval under section 5(1). The proposed exemption would place carriers on an equal basis with noncarriers in making arrangements with other carriers essential to their economical and efficient operations.

S. 1147. A bill to amend paragraph (10) of section 5 of the Interstate Commerce Act so as to change the basis for determining whether a proposed unification or acquisition of control comes within the exemption provided for by such paragraph.

The recommendation accompanying Senate bill 1147 is as follows:

RECOMMENDATION No. 9

This proposed bill would give effect to legislative recommendation No. 9 of the Interstate Commerce Commission as set forth on page 65 of its 78th annual report as follows: "We recommend that section 5(10) be amended so as to make gross operating revenue, instead of the number of vehicles owned or operated, the basis for determining whether a proposed unification or acquisition of control is exempt from the provisions of section 5."

JUSTIFICATION

The attached draft bill would provide a more reliable criterion for determining whether a proposed unification or acquisition of control involving only motor carriers comes within the exemption of subsection (10) of section 5 of the Interstate Commerce Act.

One of the tests for determining whether a proposed transaction is exempt from the requirements of section 5 is whether or not the aggregate number of motor vehicles owned, leased, controlled, or operated by the parties, for purposes of transportation subject to part II of the act exceeds 20. In applying this test, numerous questions have arisen as to whether certain vehicles should or should not be included, as, for example, (a) those used in intrastate commerce, exempt transportation, or private carriage, but which are available or suitable for regulated interstate service, (b) equipment of noncarrier affiliates, (c) vehicles leased for short periods, (d) disabled vehicles, and (e) combinations of vehicles. The amount of time and effort expended in establishing the number of vehicles on which jurisdiction depends, has, where the question is close, proved to be disproportionate to the benefits intended by the exemption. Moreover, in many instances, it has been virtually impossible to check whether the exemption was, in fact, applicable to transactions purportedly consummated thereunder.

The proposed amendment would substitute a more definite and practical basis for the exemption. Gross operating revenues are, in most cases, readily ascertainable from the annual reports which, with certain exceptions, are required of all for-hire carriers, and the quarterly reports required of such carriers with average gross revenues of $200,000 or more. On the basis of a limited study, it appears that the proposed $300,000 restriction on the exemption corresponds roughly to the present scope of the exemption in paragraph (10).

S. 1148. A bill to amend the Interstate Commerce Act to enable the Interstate Commerce Commission to utilize its employees more effectively and to improve administrative efficiency.

The recommendation accompanying Senate bill 1148 is as follows:

RECOMMENDATION No. 10

This proposed bill would give effect to legislative recommendation No. 10 of the Interstate Commerce Commission as set forth on page 65 of its 78th annual report as follows: "We recommend that section 17(2) be amended so as to authorize the Commission to delegate to qualified individual employees, including transportation economists and specialists, those matters which have not involved the taking of testimony at a public hearing or the submission of evidence by opposing parties in the form of affidavits."

JUSTIFICATION

In addition to a voluminous number of formal cases, the Commission's responsibilities under the act extend to numerous matters of relatively routine and specialized nature. For example, matters relating to extensions of time for filing annual, periodical, or special reports; rejection of tariff publications for failure to give lawful notice or failure to comply with the Commission's regulations; and orders assigning cases for hearing, extending dates for the filing of pleadings and postponing compliance dates. Except with respect to assignments to a division or an individual Commissioner, under the present provisions of section 17(2), the Commission may delegate such functions only to three-man boards, and the only employees eligible to serve on these boards are "examiners, directors or assistant directors of bureaus, chiefs of sections, and attorneys."

When applied to matters of the type described above, we believe that the mandatory requirements of section 17(2) are unnecessary and unduly limit our authority in what essentially is an administrative area.

The proposed bill has been narrowly drawn so as to affect only the processing of matters which have not involved the taking of testimony at a public hearing or the submission of evidence by opposing parties in the form of affidavits.[1] In this limited area the draft bill (1) would authorize the Commission to refer such matters to eligible individual employees, and (2) would expand the list of eligible employees to include assistant chiefs of sections, chiefs and assistant chiefs of branches, accountants, transportation economists and specialists, and other qualified persons designated by the Commission.

In our judgment, enactment of the proposed legislation would enable us to utilize key employees more effectively and would contribute significantly to improved overall administrative efficiency. In this respect, a preliminary estimate indicates that as many as 22,000 matters of a routine or specialized nature could be handled each year by qualified Commission employees.

APPENDIX

LIST OF COMMISSION WORK, BUSINESS, AND FUNCTIONS WHICH COULD BE DELEGATED TO INDIVIDUAL EMPLOYEES

BUREAU OF ACCOUNTS

1. Authority to permit the use of prescribed accounts which by provisions of their own texts require special authority.

2. Authority to permit departures from general rules prescribing uniform systems of accounts.

3. Authority to prescribe by order, rates of depreciation to be used by individual carriers by railroad, water, and pipeline.

4. Authority to issue special authorizations permitted by the prescribed regulations governing the destruction of records of carriers.

5. Annual valuation of pipelines.

6. Approval of protective service contracts.

It is apparent that matters arising under these items (about 125 a year) are of a highly technical nature; and in this circumstance, we believe that the professional judgment of the bureau director or qualified members of his staff could be relied upon for their disposition.

BUREAU OF MOTOR CARRIERS

Authority for BMC district supervisors to approve one-time shipment motor carrier temporary authorities, in bona fide emergencies, in the field.

In about 100 cases annually, authorization is given for one-time shipments in severe emergencies; e.g., replacement parts for a transformer which has interrupted electrical power in a community; a bridge span portion to repair a bridge closed to traffic until repaired.

BUREAU OF OPERATING RIGHTS

1. Areas where orders now are entered in the name of a single Commissioner or division I, such as orders assigning cases for hearing, orders extending dates for the filing of pleadings, orders postponing compliance dates, effective dates, and orders authorizing the changing of name of a carrier, etc.

2. Noncontested motor, water, and freight forwarder application cases of the type now handled by Operating Rights Board No. 1.

Item No. 1 would relieve Commissioners of the possibility of dealing personally with up to 10,000 items a year. Item No. 2 appears desirable since actions of Board No. 1, about 1,200 a year, are seldom questioned by the filing of petitions for reconsideration, and it is believed that the nature of the cases is such that delegations to an individual would be just as effective.

BUREAU OF TRAFFIC

Approval of special permission applications, now handled by the Special Permission Board, consisting of three members.

There are about 10,000 of these items coming before the Special Permission Board each year. If this work is delegated to individuals, it probably would be divided among as many as three persons because of the volume. However, rather than have two or three board members look at each request for special permission (e.g., each Board member now reviews about 6,700 a year), each of three individual delegates would look at one-third of the total number or about 3,300.

BUREAU OF TRANSPORT ECONOMICS AND STATISTICS

1. Matters relating to annual, periodical or special reports of carriers, lessors, brokers, freight forwarders, and other persons under parts I, II, III and IV, presently assigned to Division 2. For example, approval of changes in the reporting forms and other requirements which often are made to conform them to corresponding changes in the Commission's accounting rules governing the respective types of carriers.

2. Extensions of time for filing annual, periodical, or special reports; exemption of individual carriers and others from reporting requirements, access to waybills or photostat copies thereof; and public inspection of monthly accident reports, now assigned to the Vice Chairman. These items are routine in nature. For example, the extension of filing dates is essentially an administrative matter, as is the granting of access to waybills or to accident reports. These delegations would relieve division 2 of the necessity of passing upon some 25 report matters each year, and the Vice Chairman of acting on 200 applications per year in matters currently assigned to him.

S. 1149. A bill to amend section 19a of the Interstate Commerce Act to eliminate certain evaluation requirements, and for other purposes.

The recommendation accompanying Senate bill 1149 is as follows:

RECOMMENDATION No. 11

This proposed bill would give effect to legislative recommendation No. 11 of the Interstate Commerce Commission as set forth on page 66 of its 78th annual report as follows: "We recommend that section 19a be amended in the following respects: (1) To eliminate the requirement that the Commission determine the present value of land; (2) to eliminate the requirement that the Commission determine the valuation of property held by carriers for purposes other than for use in common carrier service; (3) to eliminate the requirement that the Commission ascertain and report the amount, value, and disposition of aids, gifts, grants, and donations and the amount and value of concessions and allowances made by carriers in consideration thereof; and (4) to make optional the requirement that the Commission keep itself informed of changes in the quantity of the property of carriers, following the completion of the original valuation of such property."

JUSTIFICATION

The purpose of the attached draft bill is to eliminate or make optional certain mandatory valuation requirements which are no longer considered necessary or appropriate to the proper performance of the regulatory functions of the Interstate Commerce Commission. Foremost among these are the requirements (1) that the Commission determine the present value of carrier landholdings, and (2) that the Commission keep itself informed of changes in the quantity of the property of carriers following the completion of the original valuation of such property.

The requirement that the Commission determine the present value of land was appropriate in finding original property valuations under an earlier concept which also gave consideration to the reproduction cost of property other than land. Accounting methods have changed, however, and today the concept of "reproduction cost" generally is in disuse by this Commission for rail ratemaking purposes. In this respect, it is significant that the Commission, in establishing a base for measuring rate of return for railroads, now uses the original cost of property other than land less depreciation thereon as shown on the books of the carrier, and to this sum is added an allowance for working capital and the estimated present value of land. Clearly, this formula would be more logical and consistent if the original cost of land were substituted for a determination of present value.

There has been considerable latitude for a number of years with respect to what might properly be considered in arriving at a rate base, and the wide choice available to regulatory agencies in this connection has been recognized by the Supreme Court. In *Federal Power Commission* v. *Natural Gas Pipeline Co.*, 315 U.S. 586 (1942), the Court held that "The Constitution does not bind ratemaking bodies to the service of any single formula or combination of formulas. * * *," and in *Federal Power Commission* v. *Hope Natural Gas Co.*, 320 U.S. 602 (1944), the Court amplified its opinion in the Natural Gas Pipeline Co. case by holding that "it is not the theory but the impact of the rate order which counts. If the total effect of the rate order cannot be said to be unjust and unreasonable, judicial inquiry under the act is at an end. The fact that the method employed to reach that result may contain infirmities is not then important."

In the absence of a continuous need for present value of land data by the Commission, it is not in the public interest to spend large sums of money to develop the information and keep it reasonably current as contemplated by the present statutory requirement.

At the present time, by virtue of regulations issued by the Commission pursuant to the mandatory requirement in section 19a (f) of the Interstate Commerce Act, railroads and pipeline companies must report annually the number of units of property acquired or retired during the year. This information is utilized in determining the cost of reproduction of such property. As indicated above, however, the concept of reproduction value is no longer the dominant consideration in the determination of a rate base for railroads; and, in this circumstance, we believe that this reporting requirement represents an unnecessary burden upon rail carriers.

The situation with respect to the reporting of units of property changes by pipeline carriers, however, is unlike that of the railroads. The Commission finds property valuations for pipeline carriers each year; and, in this process, property units are used in the development of the cost of reproduction—new, an element which is considered by the Commission in arriving at rate bases for pipelines. For this reason, we recommend that, in lieu of repeal, the mandatory requirement in section 19a(f) be made optional as the needs of the Commission dictate.

The Commission has made adequate provision for the proper accounting and financial reporting of noncarrier property, and the value of such property is not considered for valuation or ratemaking purposes. Therefore, we see no need to value noncarrier property as is presently required by the third subparagraph of section 19a(b) of the act.

Insofar as aids, gifts, grants, and donations are concerned, practically all property in this category is of record in the original

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[1] Matters of a type included in this category, together with brief comments pertaining thereto, are listed in an attached appendix.

valuations found by the Commission for railroads. The significance of this information has diminished over the years, and carriers have long since discontinued the granting of concessions in the form of land-grant rates in consideration of such gratuities. Accordingly, the draft bill would also repeal subparagraph "Fifth" of section 19a(b) of the act.

Enactment of this draft bill would, in our opinion, result in a considerable saving to the railroad industry and, in principal effect, would eliminate a statutory requirement no longer necessary nor feasible because of the magnitude of the undertaking necessary to keep reasonably current.

S. 1150. A bill to amend section 20a(12) of the Interstate Commerce Act to eliminate the necessity for prior approval of the Commission for a person to hold the position of officer or director of more than one carrier when such carriers are in a single integrated system of carriers lawfully operated under common control, and for other purposes.

The recommendation accompanying Senate bill 1150 is as follows:

RECOMMENDATION No. 12

This proposed bill would give effect to legislative recommendation No. 12 of the Interstate Commerce Commission as set forth on page 67 of its 78th annual report, as follows: "We recommend that section 20a(12) be amended so as (a) to eliminate the necessity for prior approval of the Commission for a person to hold the position of officer or director of more than one carrier when such carriers are in a single integrated system of carriers lawfully operated under common control, and (b) to make it clear that the prohibition against the holding by 'any person' of the position of officer or director of more than one carrier applies to the holding of such positions by different members, officers, employees, or directors, of the same firm, copartnership, corporation, association, or joint stock association, or to the representation of a person on the board of directors of more than one carrier through an agent or nominee."

JUSTIFICATION

The first sentence of section 20a(12) requires persons desiring to serve as an officer or director of more than one carrier to file an application and obtain approval from the Commission even though the carriers involved are affiliated members of the same system of carriers. Where railroads are under lawful common control, they form essentially a single system. *Louisville & J.B.R. Co. Merger,* 295 I.C.C. 11. In this circumstance, the holding of intrasystem interlocking officer positions and directorships is a natural aid to coordination of operations, and the Commission has long approved such applications as a matter of course. Nevertheless, the filing and processing of formal applications for such authority entail considerable time and expense both for the applicant and the Commission, which could be saved without adversely affecting the public interest.

A total of 851 interlocking directorship applications were filed during the period covered by the Commission's 74th, 75th, 76th, and 77th annual reports to Congress (1960 through 1963). Since only about 2 percent of these applications involved positions in unaffiliated carriers, the time and money consumed in filing and processing approximately 98 percent of these applications could have been saved if the section were revised as recommended. Moreover, a considerable reduction in recordkeeping expenses would have been realized.

Regulation of the holding of officer positions and directorships in two or more unaffiliated carriers under section 20a(12) should, of course, be continued in order, among other things, to prevent the acquisition of control by one carrier over another, or the control or management of two carriers in a common interest without prior approval of the Commission under section 5 of the act. However, we believe that section 20a(12) should be strengthened by making it also apply when an officer, director, or partner of a noncarrier (for example, a holding company or brokerage firm) also holds a position as an officer or director of a carrier and another officer, director, or partner of the same noncarrier holds a similar position with another, and unaffiliated, carrier.

There is, in our opinion, little difference between (a) two directors or partners in a noncarrier separately holding positions with two different carriers, and (b) an individual holding such positions. The possibilities of achieving common control of the carriers and the undesirable practices which section 20a(12) was designed to prevent, are practically the same in both situations. The use of different officers of noncarrier holding companies and brokerage firms to control the affairs of two or more unaffiliated carriers can thus circumvent the present section and defeat its purpose.

S. 1151. A bill to amend part II of the Interstate Commerce Act, as amended, so as to authorize exemption from the provisions of such part, of services and transportation of such nature, character, or quantity as not substantially to affect or impair uniform motor carrier regulation.

The recommendation accompanying Senate bill 1151 is as follows:

RECOMMENDATION No. 13

This proposed bill would give effect to legislative recommendation No. 13 of the Interstate Commerce Commission as set forth on page 68 of its 78th annual report as follows: "We recommend that part II be amended so as to authorize the Commission to exempt from the requirements of that part, or any provision thereof, such service and transportation as may be determined by the Commission in appropriate rulemaking proceedings to be of such nature, character, or quantity as not substantially to affect or impair uniform regulation of motor carriers engaged in interstate or foreign commerce in effectuating the national transportation policy."

JUSTIFICATION

At present, the for-hire motor transportation of passengers and property in interstate or foreign commerce is, with a number of exceptions specified in the statute, subject to full economic regulation under part II of the Interstate Commerce Act. The current statutory exemptions vary in purpose, scope, and applicability, but plainly do not embrace all transportation functions which seem worthy of regulatory exemption. As a consequence, the Commission regularly is called upon to apply and enforce the requirements of part II with respect to certain motor carrier operations and activities which contribute but slightly to the national transportation system and which cannot be said to be of significance in the overall design of regulation contemplated by the act. For example, the interstate motor movement of such commodities as homing pigeons or trash and garbage would appear to be of such nature, character, or quantity as not substantially to affect or impair uniform regulation, and exemption of such transportation from regulation would in no way hinder the effectuation of the national transportation policy or affect materially the welfare of regulated transportation. Likewise, the exclusion from interstate regulation of local mass transit motorbus operations conducted within precisely defined territorial limits would in certain circumstances appear to have little or no effect upon uniform regulation of that segment of the for-hire industry.

While individual and specific legislative recommendations could be submitted from time to time with respect to each commodity or transportation service found by the Commission to be susceptible of statutory exemption, enactment of the proposed general exempting power is believed to be in the best interests of all concerned. Not only would such authority relieve the Commission and the affected carriers of what seems to be an undue regulatory burden, but also would tend to free the Congress of much of the legislative workload that would be encountered by a piecemeal approach. As an example, such authority probably would have eliminated the need for the recently enacted Public Law 88-208 (H.R. 2906) partially exempting from regulation the emergency transportation of accidentally wrecked or disabled motor vehicles. Additionally, the recommended authority would result in increased flexibility, since any exemption created thereunder would be subject to continuous administrative review and to repeal or modification upon a finding of changed circumstances.

The approach taken in the draft bill does not represent a marked departure from previous legislative techniques. Comparable exempting authority is conferred upon the Commission by section 204(a)(4a) of the act with respect to motor carriers lawfully engaged in operation solely within a single State, and the Civil Aeronautics Board is empowered by 49 U.S.C. 1386 to establish similar exemption from air carrier economic regulation.

Finally, to safeguard against possible abuse of the powers and privileges to be conferred upon the Commission, the draft bill imposes important limitations and conditions upon the exercise of the authority to exempt. Thus, an order of exemption may be issued or revoked only after all interested persons have been accorded a reasonable opportunity to be heard and only upon definitive Commission findings, based upon a thorough analysis of the nature, character, and quantity of the involved transportation, as to the effect which such action may have upon uniform Commission regulation of motor carrier transportation in effectuating the national transportation policy. These findings will, of course, be subject to appropriate judicial review, while still other safeguards in the bill would, upon revocation of an exemption, restore affected carriers to the status quo enjoyed by them prior to the creation of the exemption.

A primary goal of the proposed measure is to relieve both this Commission and the affected carriers of the burdens of regulation in those situations in which continued economic regulation is neither necessary nor desirable. So long as the limitations and safeguards are retained, we believe that the proposed measure would benefit the public as well as affected individuals and carriers.

S. 1152. A bill relating to the use of Interstate Commerce Commission records and testimony of Commission personnel in regard to accidents involving motor carriers and railroads.

The recommendation accompanying Senate bill 1152 is as follows:

RECOMMENDATION No. 17

This proposed bill would give effect to legislative recommendation No. 17 of the Interstate Commerce Commission as set forth on page 71 of its 78th annual report as follows: "We recommend that section 220(f) of the Interstate Commerce Act, section 8 of the Locomotive Inspection Act, and section 4 of the Accident Reports Act be amended so as to (a) incorporate in the Locomotive Inspection Act a prohibition against use in a damage suit of any report sent by a carrier under that act; (b) prohibit the introduction in evidence in any damage suit of the report submitted to the

Commission by its accident investigators; (c) prohibit expert opinion testimony by the Commission's accident investigators in damage suits; and (d) restrict factual testimony by the Commission's accident investigators to cases where factual evidence is not reasonably available from other sources."

JUSTIFICATION

This Commission faces the same problems as those outlined by the Civil Aeronautics Board (CONGRESSIONAL RECORD, vol. 109, pt. 4, pp. 4491–4492) in regard to efforts of litigants to compel Commission employees who have investigated an accident to testify in damage suits. In this respect, therefore, our draft bill follows the same lines as proposed in companion bills S. 1136 and H.R. 5200, introduced during the 88th Congress at the request of the CAB. In addition, our proposed measure would resolve a related problem which arises from differences in the wording of similar sections in acts we administer, and involves efforts of litigants to compel the production of accident reports submitted by Commission investigators and, in the case of rail accidents, the reports submitted by the carriers as well.

Section 25(f) of the Interstate Commerce Act, 49 U.S.C. 26(f); sections 1 to 3 of the Accident Reports Act, 45 U.S.C. 38 to 40; and section 8 of the Locomotive Inspection Act, 45 U.S.C. 32, require rail carriers subject to Commission regulation to report to the Commission all accidents in which such carriers may be involved, and charge the Commission with the duty of investigating and making reports concerning such accidents. Under authority of section 204(a) of the act, 49 U.S.C. 304(a), motor carriers are required by regulation to report accidents of a certain severity, and investigations and reports on many of these are made. The Commission's investigation is performed in large measure by investigators employed by the Commission's Bureau of Motor Carriers and Bureau of Safety and Service. Written reports are prepared by these investigators as to all accidents investigated by them, which embody their factual observations and conclusions. These reports are submitted to the Commission and form the basis for the Commission's accident reports.

Section 220(f) of the Interstate Commerce Act, section 4 of the Accident Reports Act, and section 8 of the Locomotive Inspection Act prohibit the introduction in evidence or the use for any purpose in damage suits of the Commission's report of investigation. The first two acts mentioned also prohibit such use of the report of carriers. The congressional purpose in excluding such reports clearly is to protect the integrity of the Commission's accident investigation function and to facilitate the securing of full and complete accident reports from the carriers involved. The statutes as now worded, however, do not literally cover the report which the investigator submits to the Commission nor do they cover expert opinion evidence given by way of live testimony by the Commission investigator. Also, the Locomotive Inspection Act does not literally cover the report submitted by the carriers.

Efforts of litigants to subpena the report of Commission investigators, and to compel such investigators to give expert testimony in damage suits, have uniformly been resisted by the Commission on the ground that the purpose and policy of the cited statutes require that such information not be disclosed in damage suits. For the most part, our resistance has been successful, but we have been handicapped by the absence of a clear statutory provision governing the situation. The number of such subpenas could be expected to decline sharply upon the enactment of a clear-cut statutory provision, with a resultant saving in the time which the Commission and its staff must devote to such matters.

The bill proposed by the CAB is based upon the principles enunciated by the Court in *Universal Airlines* v. *Eastern Air Lines*, 188 F. 2d 993, and the Commission concurs in those principles and the procedure therein suggested. Under such procedures, no private litigant will be denied factual testimony essential to establishing his case. At the same time, requests for testimony of accident investigators would be kept to a minimum and the integrity of the Commission's investigation function would be protected. Moreover, advance requests for permission to take an investigator's deposition or for his appearance in court will permit a more efficient scheduling of duties within the Commission with resulting savings in time, effort, and expense.

S. 1153. A bill to amend the Interstate Commerce Act and certain supplementary and related acts with respect to the requirement of an oath for certain reports, applications, and complaints filed with the Interstate Commerce Commission.

The recommendation accompanying Senate bill 1153 is as follows:

RECOMMENDATION NO. 18

This proposed bill would give effect to legislative recommendation No. 18 of the Interstate Commerce Commission as set forth on page 72 of its 78th annual report as follows: "We recommend, in view of the prohibitions in section 1001 of title 18, United States Code, that the Interstate Commerce Act and various related acts be amended to eliminate the mandatory requirement that certain reports, applications, and complaints be filed with the Commission under oath, and that such oath provisions be made discretionary with the Commission."

JUSTIFICATION

The purpose of the attached draft bill is to eliminate from various statutes administered by the Interstate Commerce Commission the mandatory requirement that certain reports, applications, and complaints be made under oath, and to authorize the Commission to impose such requirements at its discretion.

Under section 20(2) of part I and comparable provisions in other parts of the Interstate Commerce Act, the annual reports of the carriers are required to be filed with the Commission under oath. The oath requirement is also mandatory for reports filed under section 1 of the Accident Reports Act, and section 9 of the Locomotive Inspection Act. By contrast, such requirement is discretionary with the Commission with respect to periodical or special reports filed under section 20(2) and various other provisions of the Interstate Commerce Act, and there is no statutory requirement at all of an oath for reports submitted by conferences, bureaus, and other organizations formed pursuant to section 5a of the act or for periodical and special reports filed under section 20b(6), relating to railroad securities modifications.

In addition to the mandatory requirement of an oath for the above-mentioned reports, an oath is also required for applications filed by railroads and motor carriers under sections 20a(4) and 214 of the act, respectively, for authority to issue securities, and for applications for exemption from regulation filed under section 204(a)(4a) by motor carriers operating solely within a single State. An oath is similarly required with respect to applications filed under section 77(p) of the Bankruptcy Act for Commission approval to solicit, use, or act under proxies, authorizations, or deposit agreements in railroad reorganization proceedings.

Other mandatory oath requirements are found in those provisions of the act governing the filing of applications for motor carrier, water carrier, and freight forwarder operating authorities and complaints involving the rates of motor contract carriers and water common and contract carriers. No comparable requirements are imposed, however, with respect to complaints involving the rates of railroads, pipelines, or express companies subject to part I; motor common carriers subject to part II; or freight forwarders subject to part IV of the act, respectively.

The foregoing oath requirements are, in the Commission's opinion, both unnecessary and burdensome. Section 35 of the Criminal Code (18 U.S.C. 1001) imposes penalties of fine and imprisonment for knowingly making false statements or representations to Federal administrative agencies, and these provisions have been construed to apply to the giving of false information even though not under oath. Moreover, penalties for knowingly making false statements in carrier reports are contained in section 20(7)(b) and comparable provisions in other parts of the Interstate Commerce Act. In view of these statutory provisions against the giving or filing of false information, it seems clear that the mandatory oath requirements in the laws administered by the Commission are no longer necessary. Moreover, they are burdensome to the carriers and cause delays and inconveniences in the processing of reports and other documents because of the necessity of returning them to the carriers for authentication when the oath has been inadvertently omitted.

The Commission therefore recommends enactment of the provisions in the attached draft bill which would make the present mandatory oath requirements discretionary with the Commission. Retention of discretionary authority would enable the Commission to require an oath should the need arise.

INCORPORATION OF AMERICAN ACADEMY OF ACTUARIES

Mr. DODD. Mr. President, I introduce, for appropriate reference, a bill which would provide for a Federal charter for the American Academy of Actuaries.

Twenty-six other Senators have joined with me in sponsoring this bill: Mr. CURTIS, Mr. AIKEN, Mr. ALLOTT, Mr. BAYH, Mr. BYRD of Virginia, Mr. CARLSON, Mr. CASE, Mr. DIRKSEN, Mr. DOMINICK, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HRUSKA, Mr. JAVITS, Mr. KUCHEL, Mr. LONG of Missouri, Mr. MILLER, Mr. MONRONEY, Mr. NELSON, Mr. PROUTY, Mr. PROXMIRE, Mr. RIBICOFF, Mrs. SMITH, Mr. SPARKMAN, Mr. THURMOND, and Mr. TOWER.

The bill is identical to the one which was passed unanimously by the Senate on August 1964. No action was taken on it in the House however, but the introduction in that body of a similar bill this year encourages me that perhaps the House too will take favorable action this Congress.

Over the years Congress has found it to be in the public interest to grant Federal charters to various organizations in the scientific and professional fields.

Examples of this are the American Chemical Society, the American Historical Association, the American Society of International Law, the Foundation of the Federal Bar Association, and the National Academy of Sciences.

Federal charters have been helpful to these individual organizations, but they also have served a general public purpose in that a national organization can and

does inform the public of its professional and scientific aims, purposes, and standards.

The profession of actuary is an old one, dating back to the establishing of the life insurance business.

It is due to the development of the theory of "life contingencies" by the early actuaries that the system of legal reserve life insurance became possible and, as the life insurance field has grown the actuary profession has grown with it.

Actuaries undergo a long and rigorous training, both academic and practical, in order to perform their duties, and I understand that the examinations of the Society of Actuaries and of the Casualty Actuarial Society are considered to be at least as difficult as those of any other profession.

And the profession is largely responsible for the technical methods and framework leading to the large amount of economic protection available today against the hazards of death, disability, retirement, and property loss.

In addition to the Society of Actuaries and the Casualty Actuarial Society, there are the Conference of Actuaries in Public Practice and the Fraternal Actuarial Association.

The four groups have endorsed the American Academy of Actuaries, by resolution of their governing bodies and by vote of their members.

There are almost no legal provisions, Federal or State, specifying the technical education and experience that an individual should have in order to present himself to the public as an actuary.

The creation of the academy, with a nationwide basis, would be helpful in that it would be easier for the profession, and for Federal, State, and local governments to establish appropriate accreditation procedures for this field.

I do not wish to detain my colleagues any longer, by going into the background of this bill in more detail, so I ask unanimous consent to have reprinted in the RECORD my remarks of July 24, 1964, when I first introduced this legislation.

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

The bill (S. 1154) to incorporate the American Academy of Actuaries, introduced by Mr. DODD (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

The remarks presented by Mr. DODD are as follows:

FLOOR STATEMENT MADE ON JULY 24, 1964, APPEARING IN THE CONGRESSIONAL RECORD, VOLUME 110, PART 12, PAGE 16890

Mr. President, over the years the Congress has found it desirable and in the public interest to grant Federal charters to a number of organizations in the scientific and professional field when their activities have been on a nationwide basis. For example, this has been done for such organizations as the American Chemical Society, the American Historical Association, the American Society of International Law, the Foundation of the Federal Bar Association, and the National Academy of Sciences. Such Federal charters have been of value not only to the organizations involved, but also they are very much in the public interest in that the professional and scientific aims and purposes of the groups involved are made known to the general public.

The profession of actuary is an old one, dating from the foundation of the business of life insurance. An actuary is one who practices actuarial science, which has been defined as the science which had its origin in the application of the doctrine of probabilities to human affairs and from which life insurance, pension plans, casualty insurance and other analogous institutions derive their principles of operation. It was entirely due to development of the theory of "life contingencies" by the early actuaries that the system of legal reserve life insurance became possible and, as the practice of life insurance grew, the profession grew with it. Actuaries undergo a long and rigorous training, both academic and practical, in order to be able to perform their duties. The examinations of the Society of Actuaries and of the Casualty Actuarial Society are generally considered at least as difficult as those of any other profession.

The actuarial profession is largely responsible for the technical methods and framework leading to the enormous aggregate of today's economic protection against the hazards of death, disability, retirement, and property loss. The field of actuarial science and its influence on the social and economic affairs of the Nation have been growing rapidly in recent years with the great expansion that has taken place in all phases of the insurance business.

The lives of some 130 million persons in the United States are insured by life insurance companies, and at least as many persons are protected under casualty insurance contracts. These life and casualty insurance companies must compute and establish reserve liabilities which guarantee the fulfillment of policy contract obligations. These reserves are determined in accordance with actuarial theory and techniques.

Retirement plans in the United States have experienced a tremendous growth in recent years. The number of persons covered by private and public plans—other than social security—has increased more than 600 percent since 1930. In 1930, less than 5½ million people were covered by retirement plans; at the end of 1962 the number was over 35 million. Assets and reserves in 1930 were less than $1½ billion; at the end of 1962 they were more than $100 billion. The longrun security of the employees covered is dependent upon contributions made and reserves accumulated under such plans and it is the actuary, with calculations based on actuarial theory and techniques, who makes the recommendations for these contributions and reserves.

Among other fields requiring the services and calculations of the actuary are Blue Cross and Blue Shield plans, workmen's compensation insurance, and the many other forms of casualty insurance, such as automobile liability. The actuary, too, advises the Federal Government on financing problems of the social security system and other retirement systems and provides the actuarial calculations necessary to determine the cost of the benefits and the financing bases that must be adopted. The actuary also advises on certain census and vital statistics problems.

Over the years, four nationally recognized actuarial bodies have been developed to provide for the training and qualifications of actuaries. These bodies hold meetings at which professional papers may be discussed and ideas exchanged. In each of these bodies, there is emphasis generally in one or more of the branches of actuarial science but not in all of them, and each has set up certain membership requirements—based on passing examinations or on having certain experience qualifications. These four actuarial bodies—in the order of their size—are as follows: the Society of Actuaries, whose primary fields are life insurance, health insurance, and pensions; the Casualty Actuarial Society primarily comprising casualty, fire, and health insurance; the Conference of Actuaries in Public Practice, whose field covers all branches of insurance, welfare benefits, and pensions from the standpoint of consulting actuaries; and the Fraternal Actuarial Association, whose interests lie in the provision of insurance through fraternal orders. Many actuaries belong to more than one of these bodies.

Despite the existence of these four actuarial bodies, with few exceptions there are no legal provisions—Federal or State—specifying the technical education and experience that an individual should have in order to hold himself forth to the public as an actuary. In fact, as the situation now stands, any person can so designate himself, and the public has no assurance of his qualifications to serve it as an actuary.

We have referred to the tremendous increase in the number of private pension plans. Many firms have been formed to advise clients with respect to these plans, and some of these firms list themselves or certain members as actuaries. A number of such firms are well staffed by experienced actuaries, but others are not. There is no prohibition against, or restriction with respect to, a person designating and presenting himself to the public as an actuary even though he may practice in those areas where the public interest is involved. The uninformed client does not know whether or not he is obtaining the services of a qualified actuary. The question of legal recognition of actuaries can no longer be ignored.

The four actuarial bodies attempt to recruit and train enough qualified actuaries to meet the needs of the public, and they require their members to meet strict standards of education, training, and professional conduct. It now appears necessary and advisable to alert the Congress, the Federal departments, and the public to recognize only qualified actuaries and to advocate means for the legal recognition or accreditation of these qualified actuaries.

As a standard for accreditation for an actuary, it would be impractical to refer to membership in one of the four actuarial bodies; first, because of complications arising from the fact that each body has more than one class of membership, and second, because there are capable practicing actuaries who are not members of any of these organizations. It was concluded that the best solution would be a new organization with one class of membership.

Accordingly, in order to advance the knowledge of actuarial science through education and the promotion of the concepts thereof in the minds of the general public; to establish, promote, and maintain high standards of conduct and competence within the actuarial profession; and to encourage in this purpose the coordination of the efforts of the existing actuarial bodies and of other proven competent persons not now members thereof, it is proposed to organize a federally chartered organization termed the "American Academy of Actuaries." The four actuarial bodies have endorsed this proposal by resolution of their governing boards and by vote of their members.

It is planned that all full members of the existing national actuarial organizations may automatically become members of the academy. Less than "full" members of these bodies may also become members of the academy if they have satisfactory academic training and experience in actuarial science. Furthermore, the membership will not be confined to those who are members of the existing four bodies, but will also be available to others if they have satisfactory experience. Ultimately, it is the purpose of the

academy that all persons who wish to be members will be able to attain this purpose by passing examinations of a comprehensive nature in actuarial mathematics and insurance principles which, along with demonstrated experience, will establish their competence as actuaries.

The Internal Revenue Service should be able to recognize whether a person is a qualified actuary in connection with its pension-plan review activities when he presents figures or statements having an actuarial content. In the future, membership in the American Academy of Actuaries will, it is believed, be acceptable as such, a standard for qualification where such need arises.

The creation of the academy would be of great value not only to the general public and to the actuarial profession, but also to a number of Federal, State, and local government agencies that either have dealings with actuaries or, in some cases, employ actuaries. Under these circumstances the agencies involved could readily establish appropriate accreditation procedures for persons to appear before them in connection with matters involving actuarial problems.

Mr. President, this bill is needed in improving the security of the many employees and others covered under the vast benefit programs in effect in our Nation, in the recognition and encouragement that it would give to this important profession and science, and in the public interest generally. I urge its speedy enactment.

Mr. CURTIS. Mr. President, I am privileged to join the distinguished senior Senator from Connecticut [Mr. DODD] in introducing a bill that would provide for a Federal charter for the American Academy of Actuaries.

It will be recalled, Mr. President, that my esteemed colleague, Senator DODD, introduced S. 3027 in the 88th Congress which would have incorporated the American Academy of Actuaries. I was pleased that 19 other Senators cosponsored this bill which passed the Senate on August 15, 1964. Unfortunately, because of the end of session legislative load, the other body was unable to act on the bill.

Over the years of my congressional service, I have had the opportunity to study closely the financial implications of both private and public measures aimed at providing economic security for the people of our country. Such measures must, of course, have a sound financing base, and this can be achieved only if there is continuing actuarial analysis, evaluation, and guidance of the multitude of plans and programs that have been developed for these purposes. The actuaries so involved must not only be technically well trained in this difficult and complex mathematical area, but also they must be persons of high professional stature and integrity. Although there is naturally some range of variation present in actuarial cost estimates for programs that extend many years into the future, the professional actuary must develop the most likely assumptions for sound financing of the particular plan under consideration, and then the cost calculations must be made with the utmost accuracy and precision possible with the experience data available. In the final analysis, the economic security of the participants of these plans rests largely upon the professional skill and integrity of the actuary.

The distinguished senior Senator from Connecticut has given full details as to why a Federal charter for the American Academy of Actuaries is desirable, not only to the actuarial profession, but also to the general public of our country so that the professional and scientific aims and purposes of this profession can better be made known. It is my understanding that there is unanimity of opinion in the desirability of forming this new actuarial body among all the members of the existing four specialized national actuarial organizations and that various Federal and State agencies with whom this idea has been discussed welcome the formation of an organization, membership in which will serve as a satisfactory standard for qualification of an actuary.

Mr. President, this bill will make a definite and significant step forward in improving and strengthening the economic security of the vast majority of persons in our Nation by the recognition that it will give to the truly professional nature of actuarial science. I urge that it be enacted as speedily as possible.

I commend the distinguished Senator from Connecticut for introducing the bill. I am happy to join in it. I hope it will have early approval of the Senate.

FREEDOM OF INFORMATION

Mr. LONG of Missouri. Mr. President, I introduce for appropriate reference the "freedom of information" bill. This measure successfully passed the Senate without a dissenting vote during the last Congress on July 31, 1964. Both Houses are expected to begin early consideration of this important legislation during this session. Our purpose in introducing the measure today is much the same as when the bill was originally introduced: that a necessary corollary to the right of a democratic people to participate in governmental affairs is the right to acquire information. The bill amends section 3 of the Administrative Procedure Act of 1946, and therefore, is an important step in our program updating the entire act.

The approach with respect to Government records is to make all records available to the public while clearly delineating and excluding areas from its operation which might impede the proper functioning of an agency. Since this enlightened view toward the handling of Government records was first suggested, a great deal of study and drafting have transformed the first rough attempt into a highly perfected product. Those with any lingering doubts about its provisions may be assured that additional opportunity will be available to present further views. The continuing wide support of our efforts by the bar associations, lawyers, news media, government, and legal scholars together with individual citizens is most helpful.

I am most happy that 17 of my distinguished colleagues have joined me as cosponsors of the bill. Their suggestions and encouragement are the real reason for the present finely drawn measure. With this type of cooperation, the benefits of an effective "freedom of information" law should soon be available to the American public.

Mr. President, I ask that the complete text 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 bill will be printed in the RECORD.

The bill (S. 1160) to amend section 3 of the Administrative Procedure Act, chapter 324, of the act of June 11, 1946 (60 Stat. 238), to clarify and protect the right of the public to information, and for other purposes, introduced by Mr. LONG of Missouri (for himself and other Senators), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3, chapter 324, of the Act of June 11, 1946 (60 Stat. 238), is amended to read as follows:

"SEC. 3. Every agency shall make available to the public the following information:

"(a) PUBLICATION IN THE FEDERAL REGISTER.—Every agency shall separately state and currently publish in the Federal Register for the guidance of the public (A) descriptions of its central and field organization and the established places at which, the officers from whom, and the methods whereby, the public may secure information, make submittals or requests, or obtain decisions; (B) statements of the general course and method by which its functions are channeled and determined, including the nature and requirements of all formal and informal procedures available; (C) rules of procedure, descriptions of forms available or the places at which forms may be obtained, and instructions as to the scope and contents of all papers, reports, or examinations; (D) substantive rules of general applicability adopted as authorized by law, and statements of general policy or interpretations of general applicability formulated and adopted by the agency; and (E) every amendment, revision, or repeal of the foregoing. Except to the extent that a person has actual and timely notice of the terms thereof, no person shall in any manner be required to resort to, or be adversely affected by any matter required to be published in the Federal Register and not so published. For purposes of this subsection, matter which is reasonably available to the class of persons affected thereby shall be deemed published in the Federal Register when incorporated by reference therein with the approval of the Director of the Federal Register.

"(b) AGENCY OPINIONS AND ORDERS.—Every agency shall, in accordance with published rules, make available for public inspection and copying (A) all final opinions (including concurring and dissenting opinions) and all orders made in the adjudication of cases, (B) those statements of policy and interpretations which have been adopted by the agency and are not published in the Federal Register, and (C) staff manuals and instructions to staff that affect any member of the public, unless such materials are promptly published and copies offered for sale. To the extent required to prevent a clearly unwarranted invasion of personal privacy, an agency may delete identifying details when it makes available or publishes an opinion, statement of policy, interpretation, or staff manual or instruction: *Provided,* That in every case the justification for the deletion must be fully explained in writing. Every agency also shall maintain and make available for public inspection and copying a current index providing identifying information

for the public as to any matter which is issued, adopted or promulgated after the effective date of this Act and which is required by this subsection to be made available or published. No final order, opinion, statement of policy, interpretation, or staff manual or instruction that affects any member of the public may be relied upon, used or cited as precedent by an agency against any private party unless it has been indexed and either made available or published as provided by this subsection or unless that private party shall have actual and timely notice of the terms thereof.

"(c) AGENCY RECORDS.—Every agency shall, in accordance with published rules stating the time, place, and procedure to be followed, make all its records promptly available to any person. Upon complaint, the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records are situated shall have jurisdiction to enjoin the agency from the withholding of agency records and information and to order the production of any agency records or information improperly withheld from the complainant. In such cases the court shall determine the matter de novo and the burden shall be upon the agency to sustain its action. In the event of noncompliance with the court's order, the district court may punish the responsible officers for contempt. Except as to those causes which the court deems of greater importance, proceedings before the district court as authorized by this subsection shall take precedence on the docket over all other causes and shall be assigned for hearing and trial at the earliest practicable date and expedited in every way.

"(d) AGENCY PROCEEDINGS.—Every agency having more than one member shall keep a record of the final votes of each member in every agency proceeding and such record shall be available for public inspection.

"(e) EXEMPTIONS—The provisions of this section shall not be applicable to matters that are (1) specifically required by Executive order to be kept secret in the interest of the national defense or foreign policy; (2) related solely to the internal personnel rules and practices of any agency; (3) specifically exempted from disclosure by statute; (4) trade secrets and commercial or financial information obtained from the public and privileged or confidential; (5) interagency or intraagency memoranda or letters dealing solely with matters of law or policy; (6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy; (7) investigatory files compiled for law enforcement purposes except to the extent available by law to a private party; and (8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of any agency responsible for the regulation or supervision of financial institutions.

"(f) LIMITATION OF EXEMPTIONS.—Nothing in this section authorizes withholding of information or limiting the availability of records to the public except as specifically stated in this section, nor shall this section be authority to withhold information from Congress.

"(g) PRIVATE PARTY.—As used in this section, 'private party' means any party other than an agency.

"(h) EFFECTIVE DATE.—This amendment shall become effective one year following the date of the enactment of this Act."

PROTECTION OF THE RIGHT TO VOTE

Mr. McNAMARA. Mr. President, recent events in the news have pointed up, once again, that citizens of the United States are being denied the right to register and vote. And we are seeing the unhappy results of this denial in an upsurge of civil rights demonstrations and police actions.

We had all hoped, I am sure, that the passage of the 1964 Civil Rights Act would usher in a period of calm in which the act would be implemented, and its benefits assessed.

Yet, within months, there is new unrest, this time over the denial of the right to register to vote.

The fact is, of course, that as long as any citizens of our country are denied their constitutional rights, there will continue to be unrest.

And it certainly is hard to fault this—because it has been instilled in all of us that our constitutional rights are worth fighting for.

Yet, once again, we appear to be failing to implement, with appropriate congressional action, a solution to voting rights denial that has been in our Constitution for nearly 100 years.

I refer, of course, section 2 of the 14th amendment, which instructs that the congressional representation of any State be reduced in proportion to the number of citizens it denies the right to vote.

The language and the intent of section 2 could not be more clear.

Nevertheless, Congress has shirked its responsibility for enforcing this provision with the necessary legislative machinery.

Therefore, I once again introduce legislation to accomplish this.

My bill is similar to that which I have introduced in each Congress since 1957.

It would create a Joint Congressional Committee on Congressional Representation, which would meet following each biennial House election, to determine section 2 violations—and by how much any State's representation would be reduced.

House seats thus taken would be allocated to other States on the basis of population for the 2-year period the action would be in effect, thus keeping the total number of Representatives at 435.

If we are serious about protecting the right to vote, and we should be, I sincerely believe that enforcing section 2 of the 14th amendment is the proper place to begin.

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

The bill (S. 1161) providing for the reduction of the basis of representation of States denying or abridging the right of its citizens to vote, and for other purposes, introduced by Mr. McNAMARA, was received, read twice by its title, and referred to the Committee on the Judiciary.

INSTALLATION OF SEAT BELTS IN MOTOR VEHICLES USED IN TRANSPORTATION OF PASSENGERS BY COMMON CARRIER

Mr. WILLIAMS of New Jersey. Mr. President, on January 1 of this year a tragic bus accident occurred in San Diego, Calif. A huge double-decker passenger bus skidded on a rain-slick road and plunged down a 50-foot embankment. As a result, 2 persons were killed, and 32 were injured. The story landed in every newspaper in the country, stayed there exactly 1 day, and that was the end of that item.

But that story made an indelible impression on me, and I decided to do a little investigation on this problem. The figures on deaths and injuries in interstate bus transportation tell a sad and unnerving story.

From 1955 to 1960, total fatalities from bus accidents averaged 157 per year. In 1961, this figure dropped to 122, in 1962 to 123, but in 1963 it shot up to 170. In short, we had an average of over 150 deaths in interstate bus accidents in the 8-year period from 1955 to 1963.

The figures on injuries suffered by passengers in bus accidents are even more disturbing. A total of 5,263 passengers were hurt in the 5 years from 1955 through 1960.

But averages and dry figures tell little of the grief and suffering of those who were involved. A cold statistic of 150 deaths a year ignores the essential fact about disruption of 150 families, loss of the head of a household, and untold emotional distress.

But this situation is not unremediable, and the bill I am introducing today would make a significant start on reducing the unhappy number of deaths and injuries resulting from bus accidents.

It has been proven time and again that the installation and use of seat belts in moving vehicles brings about a far greater degree of automotive safety and sharply decreases the numbers of fatalities and injuries when accidents occur.

I am proposing legislation which would require the installation of seat belts in all interstate passenger vehicles. I am convinced—and the statistics given out by automotive safety experts are conclusive—that the use of such seat belts would significantly reduce the high number of deaths and injuries sustained in bus accidents.

The Federal Government has already demonstrated its keen interest in this subject and has endorsed the use of seat belts for greater safety and protection. Just a few weeks ago, on January 26, the General Services Administration proposed official safety standards for all automobiles, buses, and light trucks purchased by the Government. GSA will now require, among many other items, installation of safety belt anchors.

Is there any reason why 60,000 or more publicly owned vehicles should have higher safety standards than privately owned passenger buses which transport our citizens throughout the country? The answer to this question can only be "No."

Consequently, the bill I am introducing today will make it mandatory for every common carrier in interstate passenger transportation to install seat belts and to make reasonable arrangements for their use. The Interstate Commerce Commission is directed to prescribe appropriate regulations for installation of the seat belts and the details of their operation and use.

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

The bill (S. 1165) to amend part II of the Interstate Commerce Act to require the installation of seat belts in motor vehicles used in the transportation of passengers by common carrier, introduced by Mr. WILLIAMS of New Jersey, was received, read twice by its title, and referred to the Committee on Commerce.

ESTABLISHMENT OF A NATIONAL TEACHER CORPS

Mr. NELSON. Mr. President, I introduce, for appropriate reference, a bill to establish a National Teacher Corps. I ask unanimous consent that the bill lie on the desk for additional cosponsors until March 5.

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 Wisconsin.

The bill (S. 1172) to establish a National Teacher Corps, introduced by Mr. NELSON (for himself and Mr. MCGOVERN), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

FEDERAL AID TO ELDERLY IN NURSING HOMES

Mr. YOUNG of Ohio. Mr. President, the Federal Government must assume some of the responsibility for the tragic fires that have occurred in nursing homes providing care to elderly men and women. The majority of people in nursing homes are public assistance recipients. Of the more than $300 million spent annually for their care, the Federal Government contributes more than half.

In November 1963, a fire occurred in a nursing home in Fitchville, Ohio, which resulted in the deaths of 63 elderly people trapped within this alleged nursing home. Federal money helped pay the cost of maintaining them in what turned out to be their deathtrap.

We have a responsibility to see to it that these unfortunate people receiving public assistance funds go to sleep at night without the terrifying fear of awakening in a burning firetrap building termed a "nursing home." We also have a responsibility to their families and must assure them that their parents and grandparents and other elderly loved ones are safe.

On Monday of this week, I participated as a member of the Senate Special Committee on Aging in hearings held in Cleveland, Ohio, on nursing home standards. I was appalled and shocked at the testimony I heard on the inadequate safety standards and care provided in many nursing homes today in Ohio and throughout the country.

Therefore, I introduce for appropriate reference a joint resolution which would prohibit the use of any Federal funds to help pay for the care of elderly persons in nursing homes which fail to meet standards of fire safety and protection promulgated by and acceptable to the Secretary of Health, Education, and Welfare. The joint resolution authorizes the Secretary to afford such institutions reasonable time and opportunity for compliance before the use of Federal matching funds is provided.

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

The joint resolution (S.J. Res. 50) to require reasonable standards of fire prevention and protection in the institutional care of public assistance recipients, introduced by Mr. YOUNG of Ohio, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

MAINTENANCE OF DIPLOMATIC RELATIONS WITH LATVIA, LITHUANIA, AND ESTONIA

Mr. WILLIAMS of New Jersey. Mr. President, 47 years ago this week, Lithuania achieved its independence. I would like to take this opportunity to pay tribute to the brave people of that country who suffered great hardships in the cause of freedom.

The three Baltic countries of Latvia, Lithuania, and Estonia were the first victims of Stalin's infamous pact with Hitler that touched off World War II and led to the subjection of all Eastern Europe as part of Russia's expanding empire. Yet the strong national traditions of these peoples have survived tortures, massacres, and mass deportations. The failure of the Soviet Union to destroy the feeling of nationalism and hope for independence of the Baltic peoples should encourage the United States and other nations of the free world to continue their policy of rejecting the legitimacy of the Soviet-established governments in these countries.

The United States has, in fact, always led the nations of the free world in the degree of consistency and thoroughness with which this policy of nonrecognition has been applied. Self-determination for the Baltic peoples is firmly established U.S. policy and one that this Government has never failed to keep on record before the world. The resolution I intend to introduce, therefore, reiterates an objective that this Government now has and for whose fulfillment it has worked during four administrations.

I ask my colleagues to join with me in expressing support for the freedom of the captive peoples of the Baltic countries. For, when we express our support for the independence of the captive peoples of the Baltic, we reaffirm the faith of the American people in the cause of freedom. The tragic plight of these captive nations must serve to remind us that our own commitment to freedom must be unceasing.

Therefore, Mr. President, to commemorate the anniversary of Lithuanian independence and to express the deep concern of the U.S. Senate for the welfare of the people in the Baltic States still living under the oppression of Soviet rule, I submit a concurrent resolution which urges continued official recognition of the Baltic States of Latvia, Lithuania, and Estonia as independent nations, and calls for free elections in these countries under United Nations supervision. It also requests the President, acting through the U.S. delegation to the United Nations, to bring before the United Nations for its consideration, the question of the forceful incorporation of these Baltic States into the Soviet Union.

I ask unanimous consent that the concurrent resolution be printed at this point in the RECORD.

The concurrent resolution (S. Con. Res. 20) was referred to the Committee on Foreign Relations, as follows:

Whereas the Government and the people of the United States of America have maintained and enjoyed excellent and friendly relations with the Governments and peoples of the Baltic States Republics of Latvia, Lithuania, and Estonia, during the years of independence of these Republics; and

Whereas the Soviet Union has occupied these three countries by force of arms and deprived the peoples thereof of their independence; and

Whereas the people of this Nation have consistently shown great sympathy for the peoples of these three Republics, especially as a result of their enslavement by the Soviet Union and the deportation and exile of great numbers of their native populations into the Soviet Union: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the President is hereby requested to continue to maintain the diplomatic recognition given by the United States to the diplomatic and consular officers of the former free governments of the Baltic State Republics of Latvia, Lithuania, and Estonia, as the lawful representatives of these three countries in the United States, and to continue the American policy of nonrecognition of the unlawful absorption of these three countries into the Soviet Union.

SEC. 2. The President is further requested, through the United States delegation to the United Nations, to take such action as may be necessary to bring before the United Nations for its consideration, the question of the forceful incorporation of Latvia, Lithuania, and Estonia into the Soviet Union, and a resolution declaring that the United Nations should conduct free elections in Lithuania, Latvia, and Estonia under the direct supervision of the United Nations in order to permit the peoples of these countries to make their own choice of government.

ELIMINATION OF REQUIREMENT THAT FEDERAL RESERVE BANKS MAINTAIN CERTAIN RESERVES IN GOLD CERTIFICATES AGAINST DEPOSIT LIABILITIES—AMENDMENTS

AMENDMENT NO. 26

Mr. LAUSCHE submitted amendments, intended to be proposed by him, to the bill (H.R. 3818) to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 27

Mr. MUNDT (for himself and Mr. GRUENING) submitted an amendment, intended to be proposed by them, jointly, to House bill 3818, supra, which was ordered to lie on the table and to be printed.

USE OF PUBLIC WORKS IN A COORDINATED EFFORT TO AID ECONOMICALLY DISADVANTAGED AREAS OF THE NATION—AMENDMENTS

AMENDMENT NO. 28

Mr. FONG. Mr. President, I submit for appropriate reference an amendment to Senate bill 812, Regional Development Act of 1965, and I ask unanimous consent that my amendment lie on the table for cosponsors until the close of business February 24.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and appropriately referred; and, without objection, will be held at the desk for additional cosponsors, as requested by the Senator from Hawaii.

The amendment (No. 28) was referred to the Committee on Public Works.

PROPOSED AMENDMENT TO THE CONSTITUTION RELATING TO SUCCESSION TO THE PRESIDENCY AND VICE-PRESIDENCY—AMENDMENTS

AMENDMENT NO. 29

Mr. TOWER (for Mr. THURMOND) submitted amendments, intended to be proposed by Mr. THURMOND to the joint resolution (S.J. Res. 1) proposing an amendment to the Constitution of the United States relating to succession to the Presidency and Vice-Presidency and to cases where the President is unable to discharge the powers and duties of his office, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 30

Mr. HRUSKA submitted an amendment, intended to be proposed by him, to Senate Joint Resolution 1, supra, which was ordered to lie on the table and to be printed.

ADDITIONAL COSPONSORS OF BILLS AND CONCURRENT RESOLUTIONS

Mr. BOGGS. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 969) to amend title 38, United States Code, so as to require the Administrator of Veterans' Affairs to give 6 months advance public notice of the planned closing or relocation of any veterans' facility, and to provide for at least one veterans service center in each State, and for other purposes, the names of Senators EASTLAND, GRUENING, and MCINTYRE be added as cosponsors.

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

Mr. BOGGS. Mr. President, I ask unanimous consent that at the next printing of S. 108, a bill to make Columbus Day a national holiday, the name of the Senator from Indiana [Mr. HARTKE] be added as a cosponsor.

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

Mr. PROUTY. Mr. President, I ask unanimous consent that at its next printing the names of the Senator from Nevada [Mr. BIBLE] and the Senator from Vermont [Mr. PROUTY] be added as cosponsors of Senate Concurrent Resolution 17, dealing with Soviet persecution of persons of the Jewish faith.

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

Mr. JAVITS. Mr. President, I ask unanimous consent that the name of my colleague from New York [Mr. KENNEDY] may be added as a cosponsor of the bill (S. 1055) to provide for the acquisition and preservation of the real property known as the Ansley Wilcox House in Buffalo, N.Y., as a national historic site.

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

Mr. KENNEDY of New York. Mr. President, I have requested Senator JAVITS to ask unanimous consent that my name be added as a cosponsor at the next printing of Senate bill 1055, which provides for the acquisition and preservation of the Ansley Wilcox Mansion, in Buffalo, N.Y., as a national historic site.

The Wilcox house is of significance, not only because President Theodore Roosevelt was sworn in there in 1901, but also as a landmark example of post-colonial architecture. It is the only one of four presidential inaugural sites outside Washington that has not been perpetuated as an historical shrine.

Theodore Roosevelt was a distinguished President of our country; and preservation of the place that was central to the momentous events surrounding his assumption of his office will promote an interest in our history, in our Government, and in our political life generally. Particularly in view of the fine community and national support that the proposal has received, I hope the Interior Department will support the move to save the Wilcox Mansion by Federal action. The independent inquiry I have made has convinced me that such support would be entirely appropriate.

I am happy to join my colleagues—Senator JAVITS and Representatives DULSKI, MCCARTHY, and SMITH, of the Buffalo area—in working for Federal action to preserve the Wilcox House. If we work together, I think we can accomplish that aim this year.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that, at the next printing of Senate Concurrent Resolution 10, to request the President to bring before the United Nations for its consideration the question of the forceful incorporation into the Soviet Union of various captive nations the name of the Senator from Pennsylvania [Mr. SCOTT] be added as a cosponsor.

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

Mr. MCNAMARA. Mr. President, I ask unanimous consent that the name of the senior Senator from Connecticut [Mr. DODD] be added as a cosponsor of the bill (S. 812) to provide for the use of public works and other economic programs in a coordinated effort to aid economically disadvantaged areas of the Nation, at the next printing of the bill.

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

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTION

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bills and joint resolution:

Authority of February 1, 1965:

S. 937. A bill to amend the Federal Aviation Act of 1958 to require the Civil Aeronautics Board to enforce the duty imposed on each carrier to provide adequate services in connection with the transportation authorized by its certificate of public convenience and necessity, and for other purposes: Senators BASS, CLARK, GRUENING, LONG of Missouri, MCCARTHY, MONTOYA, MUNDT, MUSKIE, PASTORE, RIBICOFF, and WILLIAMS of New Jersey.

Authority of February 2, 1965:

S. 961. A bill to protect the constitutional rights of American Indians from being infringed upon by Indian tribes exercising powers of self-government: Mr. BARTLETT.

S. 962. A bill to protect the constitutional rights and to authorize the appeal of a criminal action from an Indian court to a United States district court for trial: Mr. BARTLETT.

S. 963. A bill authorizing the Attorney General to receive, investigate, and act on complaints filed by Indians alleging that they have been deprived of their constitutional rights: Mr. BARTLETT.

S. 964. A bill to protect the constitutional rights of certain citizens and directing the Secretary of the Interior to recommend to the Congress a model code governing the administration of justice by courts of Indian offenses on Indian reservations: Mr. BARTLETT.

S. 965. A bill providing that the United States shall have jurisdiction concurrent with that of the States over certain offenses committed by non-Indians against non-Indians in Indian country: Mr. BARTLETT.

S. 966. A bill to protect the constitutional rights of certain individuals: Mr. BARTLETT.

S. 967. A bill relating to offenses committed within Indian country: Mr. BARTLETT.

S. 968. A bill relating to the employment by certain Indians of legal counsel: Mr. BARTLETT.

S.J. Res. 40. Joint resolution authorizing and directing the Secretary of the Interior to prepare and revise certain materials related to Indians in order that their constitutional rights might be fully protected: Mr. BARTLETT.

Authority of February 4, 1965:

S. 994. A bill to extend the operation of the National Wool Act of 1954, as amended: Senators ALLOTT, ANDERSON, BENNETT, BIBLE, BURDICK, CANNON, CHURCH, COOPER, CURTIS, DIRKSEN, DOMINICK, EASTLAND, ERVIN, FANNIN, HRUSKA, JACKSON, JORDAN of North Carolina, JORDAN of Idaho, KENNEDY of Massachusetts, KUCHEL, LONG of Missouri, MAGNUSON, MANSFIELD, MCCARTHY, MCGOVERN, METCALF, MILLER, MONTOYA, MORSE, MOSS, MUNDT, MURPHY, MUSKIE, NEUBERGER, PASTORE, SALTONSTALL, SIMPSON, TALMADGE, THURMOND, TOWER, YARBOROUGH, and YOUNG of North Dakota.

S. 995. A bill to amend the Clayton Act by making section 3 of the Robinson-Patman Act, with amendments, a part of the Clayton Act, in order to provide for governmental and private civil proceedings for violation of section 3 of the Robinson-Patman Act: Mr. HARTKE.

S.J. Res. 42. Joint resolution proclaiming the corn tassel as the national floral emblem of the United States: Mr. MCCARTHY and Mr. LONG of Missouri.

Authority of February 8, 1965:

S. 1033. A bill to provide public works planning, coordination, and implementation of economic development programs needed to assist in the development of the intermountain region: Mr. MONTOYA.

S. 1045. A bill to establish a Department of Housing and Urban Development, and for other purposes: Mr. GRUENING and Mr. LONG of Missouri.

NOTICE OF PUBLIC HEARING ON PATENT OFFICE FEES

Mr. McCLELLAN. Mr. President, as chairman of the standing Subcommittee on Patents, Trademarks and Copyrights of the Committee on the Judiciary, I wish to announce that the subcommittee has scheduled a public hearing on S. 729 and S. 730, bills to fix the fees payable to the Patent Office. The hearing will commence on Wednesday, March 3, 1965, at 10 a.m., in room 3302, New Senate Office Building.

The subcommittee conducted extensive hearings on this subject during the 87th and 88th Congresses and it is anticipated that the record of those proceedings will be adopted as part of the record of the pending bills. Anyone who wishes to testify briefly or file a statement for the record should communicate immediately with the Office of the Subcommittee, room 349A, Senate Office Building, Washington 25, D.C., telephone 225–2268, or Government code 180, extension 2268.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Michigan [Mr. HART], the Senator from North Dakota [Mr. BURDICK], the Senator from Pennsylvania [Mr. SCOTT], the Senator from Hawaii [Mr. FONG], and myself.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. CASE:

Excerpts from speech on the danger of attempting to "write off" entire voting groups, delivered by Representative ROGERS C. B. MORTON, of Maryland, at Sea Girt, N.J., on February 11, 1965.

MEDICARE OR MEDICAL CARE?

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD the text of an article by an old friend and colleague, Dr. Walter H. Judd, which appeared in the February issue of Reader's Digest entitled "Medicare or Medical Care?"

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

MEDICARE OR MEDICAL CARE?

(By Walter H. Judd, M.D., former U.S. Representative from Minnesota)

(NOTE.—We must not play politics with the health of the Nation. In this trenchant analysis, a critic distinguished both as a doctor and as a legislator strips away the propaganda from the administration's medical program.)

Shortly before the election last November, President Johnson was asked, "Mr. President, is medicare going to be on your list of 'must legislation' for next year?" The President answered firmly, "Top of the list."

Thus, advocates of federally financed health plans, who have fought a losing fight for nearly 20 years, gained new hope and confidence. Indeed, since the election, these advocates have talked of a "mandate" for their present favorite legislative formula: medical care for the aged under social security.

Congress, therefore, is faced with this solemn question: What shall the law they pass provide for sick and needy people over 65—medical care or merely medicare?

Seldom has an important piece of legislation been so confused and camouflaged by propaganda and promises. The name medicare itself is a notable case of mislabeling. Those who have studied the King-Anderson bill and the various proposals that have succeeded it know that medicare does not provide medical care for the aged; it provides only limited hospital and nursing home care plus a few fringe benefits. Despite the slogans and the oratory, medicare would provide nothing for doctors' bills, whether office visits or house calls; nothing for surgeons' fees, nothing for dentists' bills; nothing for drugs, medicines, dentures, eyeglasses, hearing aids.

Then what does medicare provide? Under the administration bill which passed the Senate last fall (the Gore amendment to the Social Security Act), these benefits—and only these—are available:

Up to 45 days in the hospital with no deductions; up to 90 days, if you pay $10 per day for the first 9 days; up to 180 days after a deduction of 2½ times the average cost of 1 day's stay in the hospital.

Hospital care would consist of bed and board, plus nursing and related services "customarily furnished by the hospital to inpatients." Specifically excluded, however, are "medical or surgical services provided by a physician, resident or intern, except in the fields of pathology, radiology, psychiatry, or anesthesiology."

Nursing-home care would consist of a maximum of 60 days in a "skilled nursing facility" after discharge from the hospital, and would include medical services provided under an approved teaching program by interns and residents of the hospital with which the nursing facility is affiliated. (Few such hospital-affiliated nursing homes exist today.)

Outpatient hospital services would be furnished for diagnostic studies only, during any 30-day period after an initial payment of $20. Home health service would be furnished by a visiting nurse for a maximum of 240 visits in the calendar year.

Medicare advocates claim: "This system permits people to contribute during their working years to the heavy costs of medical care in their later years."

Says Dr. Ernest B. Howard, of the American Medical Association: "Rarely have so many lies been packed into so few words."

Not on the label. Indeed, medicare, in many respects, is the opposite of what some proponents claim it to be.

Medicare does not permit; it compels every wage earner to participate in the plan.

The wage earner does not contribute; he is taxed.

The medicare taxes paid "during the wage earners' working years" do not go to pay "the heavy costs of medical care" in their later years. The taxes they pay today would go to pay today's beneficiaries. Tomorrow's benefits would have to be paid for by tomorrow's taxpayers.

Under medicare the secretary earning $5,600 would pay exactly the same tax as the executive earning $56,000, since the tax base would be on earnings up to $5,600. The tax burden, therefore, would be borne largely by those earning $5,600 and less—the same people who even today are casting worried eyes on their paychecks, aware of the heavy burden imposed by social security deductions plus income tax.

And here is the final irony: Because medicare provides, the same aid to all over 65—whether they need it or not—its benefits to those who do need aid are wholly inadequate.

Mandate for medicare? Current propaganda for the administration bill interprets the Democratic victory of 1964 as a "public mandate for medicare." Yet, since 1961, when medicare started out in high esteem, the weight of public opinion has shifted, as increasing numbers of people learned the facts. The day after the 1964 elections, Samuel Lubell, of United Press International, reported on his nationwide tour ringing doorbells and questioning voters about election issues. He learned from his interviews that, although there was a feeling that "older people need help, details of the administration's proposal are not understood and the opposition of voters rises when they learn how limited is the assistance that would be provided and what it would cost in tax increases."

Many Americans are gravely concerned about the future of social security and opposed to heaping any additional burdens upon it. Their concern is justified. The payroll tax and the tax base both have been climbing steadily, from the original 2 percent of the first $3,000 of income in 1937–49, to 7.25 percent of $4,800 in 1964–65, and will increase to 8.25 percent in 1966, even without medicare. If the medicare bill is passed, it will necessitate an increase to 9 percent of $5,600 in 1966–67 and at least 10 percent the following year.

Nor is an end in sight. Dr. Barkev S. Sanders, who for 35 years was medical and welfare statistician for the Government, reminds us that the Government always underestimates future welfare costs. "On the basis of available evidence," Dr. Sanders reported in Nation's Business, "even in the first year of medicare, its cost would be at least three times the estimated cost. It is more probable that the multiplier would be four."

Inevitably, "medical care under social security" would become a political football. The first step would be to admit openly that medicare is inadequate; next, a little more would be added—always in an election year. And, as benefits increased, the tax inevitably would rise. In 1961 a medicare pioneer, former Representative Aime J. Forand, Democrat, of Rhode Island, virtually admitted that this would be the scheme. "If we can only get our foot inside the door," he stated, "we can expand the program after that."

WHAT'S WRONG?

The fault of the Government medical planners is basically the assumption that most Americans over 65 are sick, destitute, and incapable of taking care of themselves. Promedicare people have presented a frightening image with such statements as "Incomes of the aged are inadequate even for a modest level of living. * * * The income of the great majority of the aged is little more than a monthly social security check. * * * More than half the aged have incomes of less than $1,000 a year."

Yet the 1963 report of the President's Council on Aging itself provides facts to contradict such statements:

The "less than $1,000 a year" figure is based on the statistical trick of averaging in the zero incomes of wives and unemployable dependents who are over 65, while completely ignoring the fact that the actual income of the head of the house, or the family income, may be significantly greater.

Only one-third of the total income of Americans over 65 ($35 billion) comes from social security and other Government retirement programs.

The income of the aged has risen faster than the cost of medical care, and faster than the income of the population as a whole. "While the number of older people increased by about 40 percent in the past decade," the Council on Aging states, "their

total income rose by more than 130 percent. This compares, for the same period, with an increase of 80 percent in the total personal income of the entire population."

Surveys in 14 States show that between 70 and 91 percent of patients over 65 pay their hospital bills promptly, largely out of income, savings, and private insurance. (This is a much higher percentage than that of younger people.) Ten hospitals in Allegheny County, Pa., have reported that of 19,996 patients over 65 admitted during 1962–63, 97.4 percent paid up promptly, 76.9 percent with private insurance or their own funds, and 20.5 percent with benefits from the Kerr-Mills program. Only 2.6 percent of the hospital bills were unpaid when the survey was made.

How do we reconcile these facts with the contention that the older American's problems come "dangerously close to making him a second-class citizen?"

WIDESPREAD ILL HEALTH

Equally false is the assumption that older Americans are mostly feeble and constantly ill. The Senate's Special Committee on Aging, for example, was told that four out of five old people suffer from chronic illnesses, and that they visit doctors 36 percent oftener than the total population. To most laymen chronic illness means an ailment that is severe and disabling. But to doctors the word "chronic" denotes duration and not severity of an illness. Statistics of the U.S. National Health Service show that more than half of older Americans who have chronic health problems are able to carry on their normal activities.

That the aged visit doctors 36 percent oftener than the total population sounds horrendous; but that percentage means exactly 1.8 more visits per year. Those over 65 average 6.8 visits to the doctor's office each year, compared with an average of five visits for the total population. And medicare, of course, would not pay for any visits.

A Health Information Foundation survey of elderly Americans not in institutions shows that most of them enjoy reasonably good health. Only 14 percent of those surveyed were classified as "very sick." Of the remainder about half considered themselves healthy; the other half reported some disability but not enough to interfere with physical functioning.

WHAT IS THE ANSWER?

Fortunately medicare is not "the only answer" to the health problems of the aged. Better answers are available. What we need is a voluntary system that will provide good medical care for all Americans, including those over 65 who are in need. Can this be provided?

Medical and hospital care already is within reach of a majority of Americans through *voluntary* health-insurance plans. Of the 18 million persons over 65, more than 10 million are now covered by one or another such plan.

For those who have no insurance and cannot qualify under the age limits of standard insurance policies, there is the popular "Connecticut 65" plan, inaugurated in 1961. Thirty-two Connecticut insurance companies are pooling their risks in a voluntary association which offers noncancelable insurance covering hospital, medical and surgical expenses to Connecticut residents over the age of 65. Similar plans have been started in New York, Massachusets, North Carolina, Virginia, Texas, Ohio and California. The California plan is about to become "Western 65," and will operate in Arizona, Nevada, New Mexico, Oregon, and Washington, as well as in California.

To make sure that older policyholders will be able to buy their own insurance, Representative FRANK T. BOW, of Ohio, has introduced a bill which deserves special consideration. The bill would provide an income-tax credit equal to the amount of the premium up to $150 for those with incomes under $4,000, or up to $300 for a couple whose combined income is less than $8,000. It would authorize the same tax credit to a relative who wishes to purchase health insurance for a family member over 65. The credit would also be available to any employer who provides medical-care insurance for his retired employees.

MAA-KERR-MILLS

At the heart of this voluntary system is medical aid for the aged—generally called Kerr-Mills—which, properly implemented, would guarantee that no one over 65 shall be without medical care because of inability to pay.

Unlike medicare, Kerr-Mills can provide, in addition to hospital and nursing-home care, funds for doctors' bills, dental care, private nursing when needed, laboratory and X-ray facilities, and prescribed drugs. This plan, available to the needy and near-needy without cost, is financed by Federal funds matched by funds of the participating States. Since the law was enacted in 1960, 42 States have authorized participation. Benefits vary from State to State, and in some States the plan is not working as well as it might; but these faults are local, and experience shows that they are correctable.

Medicare advocates have two major objections to Kerr-Mills. First, the plan is operated by the States, and hence is beyond the control of the Federal Government. Second, the plan is exclusively for those over 65 whose low or marginal income will not enable them to bear the cost of the medical care they need. There are no benefits for those who can afford good medical care.

The social planners complain that needy old folks must pass a means test (which they wrongly equate to a "pauper's oath") in order to qualify for Kerr-Mills benefits. Actually, this test is applied by most churches, private charities, labor unions—and by Government agencies like the Veterans' Administration, low-rent public housing, and other programs. The Department of Health, Education, and Welfare now uses the same means test to determine whether the earnings of a person over 65 are high enough to disqualify him from receiving his normal social security benefits.

Probably some form of liberalizing the methods of determining need should be included among the other amendments designed to make the Kerr-Mills plan everything it should be; but Congress should retain in the law a proper safeguard against the waste of public funds and the inroads of the free riders.

CAVEAT EMPTOR

Thus there are sound alternatives to the obviously unsound plan called medicare. There is no reason, therefore, why Congress should be stampeded into accepting a plan that has only political expedience in its favor. A majority of the people are now aware of the administration bill's shortcomings. And if such a bill were to be enacted into law, bitter disillusionment would begin as soon as the first benefits were applied for.

It must be recognized that no Government programs by themselves can provide a fully adequate solution to the admitted need of many older people for assistance with their health problems. But there are some things that Government can and should do to help. The administration has the opportunity to make an effective contribution toward adequate medical care for all, and at lower cost to the taxpayers in the lower bracket, (1) by endorsing and promoting voluntary hospital and surgical insurance: (2) by supporting supplementary plans such as "Connecticut 65" and something like the Bow bill; (3) by including and honestly suporting the Kerr-Mills program, which will take care of those over 65 who are in need of medical care and cannot pay for it themselves. By adopting such a course President Johnson can be instrumental in bringing to all Americans of all ages medical care that is truly worthy of a Great Society.

REPUBLICAN PROPOSALS

Mr. DIRKSEN. Mr. President, the staff of the Senate Republican policy committee has compiled a highly illuminating list of Republican proposals, listed by category, that have been offered by Republican Senators within the short time of less than 1 month. The list, which is a partial one and merely touches the highlights, is compiled up to January 26 and, because of the unique manner of its compilation, should prove to be of interest, help and benefit to the Congress and the general public. I ask unanimous consent that it be printed in the body of the RECORD following these remarks.

There being no objection, the list was ordered to be printed in the Record, as follows:

REPUBLICAN SENATORS OFFER NATION VARIETY OF LEGISLATION ON DOMESTIC AND INTERNATIONAL ISSUES, PROBLEMS, SOLUTIONS

What are Republicans offering in the way of concrete legislative programs?

Here is the answer, and evidence—in just a sampling—of the wide scope of proposals Republican Senators have offered in less than a month for the consideration of the country and the Senate:

SOCIAL SECURITY

To help persons, who, for one reason or another, have not obtained sufficient quarters of covered employment or who have worked in jobs outside the scope of the social security contribution program; to "blanket in" under the system all those age 70 or over who are not now eligible. By Senator PROUTY, of Vermont (S. 350).

To provide for a 7-percent increase in the monthly insurance benefits payable under title II of the Social Security Act. By Senator FONG, of Hawaii (S. 39).

To increase to $1,800 the annual amount individuals are permitted to earn without suffering deductions from the benefits payable to them under social security. By Senator THURMOND, of South Carolina (S. 544).

To permit a child's insurance benefits under social security to continue after age 18 in case of certain children who are full-time students. By Senator FONG, of Hawaii (S. 498).

To permit persons eligible for social security to earn up to $2,400, in place of $1,200, before they would suffer a diminishment in social security benefits. By Senator PROUTY, of Vermont (S. 351).

To help disabled widows to receive widows' insurance benefits even though they have not attained retirement age. By Senator CARLSON, of Kansas (S. 221).

Proposes increased benefits under social security program; provides child's insurance benefits beyond age 18 while in school; provides widow's benefits at age 60 instead of 65 on reduced basis; provides benefits to individuals not otherwise eligible at age 72; improves actuarial status of trust funds; extends coverage and improves public assistance programs. By Senator CARLSON, of Kansas (S. 377).

To increase to $2,400 the annual amount a social security recipient can earn without deduction. By Senator SCOTT of Pennsylvania (S. 15).

To increase social security benefits from a minimum of $40 to $70 with scaled increases

upward to $300, a maximum family benefit. By Senator PROUTY, of Vermont (S. 349).

FINANCE AND TAXATION

To exempt from coverage under the Unemployment Tax Act the service performed in the employ of certain tax exempt agricultural and horticultural organizations. By Senator CURTIS, of Nebraska (S. 332).

Exempt from tax the musical instruments sold to students for school use. By Senator YOUNG of North Dakota (S. 502).

Repeal of retail excise taxes on jewelry, furs, toilet preparations, and luggage and handbags. By Senator FONG, of Hawaii (S. 311).

Locating new U.S. Mint in San Francisco because of population growth and increased economic power of the West. By Senators KUCHEL and MURPHY, of California (S. 492).

To permit deduction of expenses during taxable year for repair, maintenance, alterations, and additions to a taxpayer's home. By Senator CARLSON, of Kansas (S. 223).

Allowing deduction from the gross estate for the value of property passing to children. By Senator CURTIS, of Nebraska (S. 695).

Allowing additional time for payment of 1964 income tax to the extent of underwithholding on wages paid to individuals (caused by the 1964 tax cut). By Senator TOWER, of Texas (S. 733).

To help taxpayers who had a reduced amount of withholding tax during the past year because of the tax reduction and now find a large lump sum is due for income taxes; permits employers to withhold for 1964 and 1965 income tax not withheld currently from the wages of employees, and to treat the amounts so withheld as having been paid by such employees on the dates on which the returns are filed for such years. By Senator DIRKSEN, of Illinois (S. 477).

Constitutional amendment designed to put an end to deficit financing by the Federal Government and to restore order in our Government's fiscal affairs. By Senator CURTIS, of Nebraska (S.J. Res. 30).

Removing limitations on the deductibility of medical expenses for the care of dependents who have attained the age of 65. By Senator THURMOND, of South Carolina (S. 543).

Permitting a taxpayer carrying on a trade or business in the conduct of which 10 or less persons are engaged to elect to take a standard deduction, in lieu of itemized deductions, for expenses attributable to such trade or business. By Senator THURMOND, of South Carolina (S. 541).

VETERANS

Authorizing wartime benefits, substantially the same as those provided for veterans of the Korean conflict, to veterans of our Armed Forces who, when the United States is not engaged in a formally declared war, serve in areas where armed conflict or other warlike conditions exist. By Senator SALTONSTALL and 25 other Republican Senators (S. 520).

Urging the President to cancel all action with respect to the possible closings—as announced by the administration—of regional offices, hospitals, and other facilities operated by the Veterans' Administration until the Committee on Labor and Public Welfare reaches a determination in writing as to whether the proposed closings will decrease or improve service to veterans. By Senator PROUTY, of Vermont (S. Res. 38).

Designation of southeast Asian area as a combat zone under the Internal Revenue Code, so as to provide tax benefits already prescribed by law for combat zone service. By Senator TOWER, of Texas (S. 459).

Providing for the incorporation of the Merchant Marine War Veterans Association. By Senator DIRKSEN, of Illinois (S. 346).

Vietnam GI rights: (1) Educational benefits, like those extended in Korean war and World War II, for veterans whose military service approximates that of wartime, (2) home and farm loan assistance, (3) loan benefits for widows, and (4) educational benefits for children of combat dead. By Senator TOWER, of Texas (S. 458).

Calling for creation of a Senate standing Committee on Veterans' Affairs to handle all measures and matters dealing with veterans' affairs generally, pensions, Government life insurance, compensation of veterans, veterans' hospitals, medical care, and treatment, soldiers' and sailors' relief, and readjustment of servicemen to civil life. By Senator DIRKSEN, of Illinois, and Republican Senators CASE, COTTON, FONG, HICKENLOOPER, JAVITS, KUCHEL, MILLER, MUNDT, PEARSON, PROUTY, SCOTT, SIMPSON, SMITH OF Maine, and YOUNG of North Dakota (S. Res. 20).

GOVERNMENT

Proposes constitutional amendment relating to future vacancies in the office of Vice President, and provides that in event of a vacancy in this office, the President shall nominate a Vice President of the same party affiliation as that of the President, said nominee to take office only upon confirmation by a majority vote of both Houses of Congress sitting in joint session. By Senator MILLER, of Iowa (S.J. Res. 15).

Proposing an amendment to the Constitution for electoral college reform. By Senator MUNDT, of South Dakota (S.J. Res. 12).

A proposed constitutional amendment providing for election of a new Vice President by the electoral college when a vacancy in that office exists. By Senator THURMOND, of South Carolina (S.J. Res. 25).

Providing that September 17 in each year shall be known as Constitution Day. By Senator DIRKSEN, of Illinois (S.J. Res. 17).

Proposing a constitutional amendment providing the people of each State shall have the power to determine the composition and reapportionment of the membership of State legislatures. By Senator DIRKSEN, of Illinois (S.J. Res. 2).

Amending the Constitution to provide for election of President and Vice President by popular vote. By Senator AIKEN of Vermont and Senator SMITH of Maine (S.J. Res. 4).

Amending the Constitution to provide a plan to be used where a President is unable to discharge the powers and duties of his office. By Senator HRUSKA, of Nebraska (S.J. Res. 6).

(NOTE.—Another proposed constitutional amendment on presidential succession (S.J. Res. 1) is sponsored by 73 Republican and Democrat Senators.)

Creates U.S. National Arts Foundation, clearly defining the role of the Federal Government so nothing will endanger or interfere with traditional freedom of the artist; sets guarantees against Federal control or political intrusion into the arts with a program based on the same principles as the Smithsonian Institution; provides matching grants to nonprofit groups for encouragement of performances and exhibitions in cities and towns which could not otherwise receive and support them. By Senator JAVITS, of New York (S. 310).

Establishing an Office of Community Development in the Executive Office of the President. By Senator SCOTT, of Pennsylvania (S. 497).

Calling for periodic congressional review of Federal grants-in-aid to States and to local units of government. By Senator MUNDT, of South Dakota (S. 689).

Creating Commission for Elimination of Pornographic Materials. By Senator MILLER, of Iowa (S. 735).

Encouraging physicians and dentists who have received student loans to practice in areas having a shortage of doctors and dentists. By Senator COTTON, of New Hampshire (S. 576).

Designating the American marigold as the national floral emblem of the United States. By Senator DIRKSEN, of Illinois (S. J. Res. 19).

Creating the Commission on Noxious and Obscene Matters and Materials to help stamp out billion-dollar smut racket. By Senator MUNDT, of South Dakota (S. 309).

Requiring registration with Postmaster General of the names of mailing list suppliers and buyers. By Senator MILLER, of Iowa (S. 732).

To permit voluntary fire companies to be classified in nonprofit category of postal laws as permitted nonprofit religious, educational, philanthropic, labor, veterans, and fraternal organizations. By Senator BOGGS, of Delaware (S. 390).

HEALTH CARE FOR THE AGED

Providing Federal financial assistance for establishing and maintaining State programs of voluntary health insurance for the aged, with these features: (1) Voluntary program financed with general revenues, not based on compulsory social security financing, (2) Federal-State matching funds but State administration, (3) program based upon Kerr-Mills law rather than replacing it, since one requirement of State participation will be that benefits to individuals who are not eligible for assistance under Kerr-Mills law, (5) choice of three actuarily equivalent plans so that participants can select one which best meets specific needs, (6) private insurance policy option, (7) contributions by individual enrollees based on income and, (8) elimination of undesirable features such as burdensome means test. By Senator SALTONSTALL, of Massachusetts; Senator AIKEN, of Vermont; Senator COTTON, of New Hampshire; Senator MORTON, of Kentucky; Senator PROUTY, of Vermont; and Senator SCOTT, of Pennsylvania (S. 395).

PUBLIC WORKS

Increasing the total mileage of the National System of Interstate and Defense Highways from 41,000 miles to 50,000 miles. By Senator CASE, of New Jersey (S. 501).

To authorize Secretaries of Agriculture and Commerce to make preliminary survey of a proposed Skyline Drive Recreation Way in the Manti-LaSal and Fishlake National Forests of Utah, similar to the famed National Scenic Blue Ridge Mountains Parkway. By Senator BENNETT, of Utah (S. 636).

To permit Federal help for building needed reservoir projects under the Watershed Protection and Flood Prevention Act. By Senator YOUNG of North Dakota (S. 50).

EDUCATION

To provide an additional income tax exemption of $1,000 for a taxpayer, spouse, or dependent who is a student at an institution of higher learning. By Senator CARLSON, of Kansas (S. 222).

To provide for a 20-percent credit against individual income tax for certain educational expenses incurred at an institution of higher learning. By Senator THURMOND, of South Carolina (S. 538).

Giving $1,000 tax deduction to parents for each child they are putting through college and to students who are working to finance their own higher education. By Senator SCOTT, of Pennsylvania (S. 300).

To promote public knowledge of progress and achievements in astronautics through designation of a special day in honor of Dr. Robert Hutchings Goddard, father of modern rockets. By Senator SALTONSTALL, of Massachusetts (S. 301).

Designation of the fourth week in April of each year as "Youth Temperance Education Week." By Senator DIRKSEN, of Illinois (S.J. Res. 18).

ARMED SERVICES

Expressing sense of the Senate that our servicemen in South Vietnam, or any other place where there is hostile action, should promptly be sent most efficient equipment possible—such as aircraft—and in adequate

numbers. By Senator TOWER, of Texas (S. Res. 25).

Honoring members of the Armed Forces who may lose their lives in any future action by furnishing suitable Government headstones and markers. By Senator YOUNG of North Dakota (S. 297).

To equalize treatment of Reserves and Regulars in the payment of per diem. By Senator THURMOND, of South Carolina (S. 539).

JUDICIAL

Establishing qualifications, including 5 years of prior judicial service, for persons appointed to the Supreme Court of the United States. By Senator SIMPSON, of Wyoming (S. 299).

Requiring the advice and consent of the Senate in the appointment of the Director and Associate Director of the Federal Bureau of Investigation after the present incumbent ceases to serve; also providing 15-year terms for the director and associate director after which neither appointee would be eligible for reappointment to the same office. By Senator DIRKSEN, of Illinois (S. 313).

Formation of a Court of the Union to be composed of the chief justices of the highest courts in each State and which would be empowered to pass upon any decision which relates to the rights reserved to the States or to the people by the Constitution. By Senator THURMOND, of South Carolina (S.J. Res. 21).

To withdraw from the Federal courts jurisdiction to hear and decide cases concerning the apportionment of State legislatures. By Senator THURMOND, of South Carolina (S. 534).

Providing means for disqualification of circuit judges for bias or prejudice. By Senator COTTON, of New Hampshire (S. 577).

CIVIL SERVICE

To modify the present reduction in group life insurance of retired Government employees who have attained age 65. By Senator CARLSON, of Kansas (S. 257).

Permitting U.S. judges who resign after attaining age of 65 and after having served at least 15 years to continue to receive the salary which they were receiving at the time of resignation. By Senator AIKEN, of Vermont (S. 631).

To permit retirement of civil service employees with 30 years of service on full annuities without regard to age. By Senator FONG, of Hawaii (S. 39).

Providing Government employees maximum amount of group life insurance commensurate with salary. By Senator DIRKSEN, of Illinois (S. 628).

Preventing the use of stopwatches, work measurement programs, or other performance standards operations as measuring devices in the postal services. By Senator SCOTT, of Pennsylvania (S. 715).

INTERNATIONAL AFFAIRS

Prohibiting further U.S. aid to the United Arab Republic under President Nasser and termination of training of United Arab Republic military and police personnel at U.S. Government facilities. By Senator TOWER, of Texas (S. 329).

Requesting the President to take action to bring before the United Nations a resolution declaring Russia shall (1) withdraw troops and controls from the Baltic States, (2) permit all citizens of the Baltic States to return to their homelands from places of exile, and (3) for the United Nations to sponsor free elections in the Baltic States. By Senator DIRKSEN, of Illinois (S. Con. Res. 6).

Asking Congress to pass concurrent resolution requesting the President to urge the United Nations to take effective action so the Soviet Union will withdraw its troops from all the captive nations, including the Baltic States, and to return such captive people to their homeland if they are now in exile, and to require free elections under the supervision of the United Nations in all the captive nations. By Senator DIRKSEN, of Illinois (S. Con. Res. 10).

Prohibiting further U.S. aid to Indonesia, including training of Indonesian military and police personnel at U.S. Government facilities. By Senator TOWER, of Texas (S. 328).

Repealing the so-called interest equalization tax imposed on stocks and bonds purchased directly from nonresident foreigners and supposed to be used temporarily. By Senator FONG, of Hawaii (S. 38).

Prohibiting the use of products originating in any country or area dominated or controlled by communism in any housing programs administered by the Housing and Home Finance Agency, the Veterans' Administration, and related constituent agencies. By Senator SCOTT, of Pennsylvania (S. 712).

Preventing importation of flat glass which is the product of any country or area dominated or controlled by communism. By Senator SCOTT, of Pennsylvania (S. 714).

Prohibiting the use of products originating in any country or area dominated by communism in Federal or federally assisted projects for the construction, alteration, or repair, of any building, public works, or facility. By Senator SCOTT, of Pennsylvania (S. 716).

AGRICULTURE

Providing assistance in the development of adequate rural water systems. By Senator AIKEN, of Vermont (S. 493).

To provide that wheat purchased or processed for donation to needy persons be exempt from the wheat processing certificate payment. By Senator BENNETT of Utah (S. 639).

Establishing commission to reexamine effectiveness of Federal agricultural laws and programs. By Senator JAVITS, of New York (S.J. Res. 20).

Providing for the relief of critical railroad boxcar shortage and help grain industry through providing sufficient boxcars to ship their products when ready and avoid losses occasioned by inadequacy of equipment. By Senator CURTIS, of Nebraska (S. 179).

Promoting the increased use of agricultural products for industrial purposes. By Senator CURTIS, of Nebraska (S. 494).

Program for increased use of farm products for industrial purposes. By Senator MUNDT, of South Dakota (S. 181).

Program for control of noxious plants on Federal lands. By Senator CARLSON, of Kansas (S. 219).

To aid marketing power of farmers and ranchers. By Senator AIKEN, of Vermont (S. 109).

CONGRESS

To safeguard the right to any officer or employee of a Federal agency or department to testify before a duly constituted and empowered congressional committee or subcommittee without being subjected to reprisals. By Senator THURMOND, of South Carolina (S. 537).

Providing specific dates for Congress to adjourn sine die by August 15 in even-numbered years and reconvene November 15, and in odd-numbered years, August 1 and November 1. By Senator SMITH, of Maine (S. Con. Res. 3).

Requiring that any communication between a Senator or a member of his staff and a regulatory agency in adjudicatory proceedings be made a part of the public record of the procedure. By Senator JAVITS, of New York (S. 466).

Requiring the Select Senate Committee on Standards and Conduct to prepare and submit to the Senate a code of ethics for Senators and legislative employees, with a provision that, in the meantime, an interim code would be based on reporting of financial interests. By Senator JAVITS, of New York (S. Res. 26).

Prohibiting use of appropriated funds by Government officials for purpose of influencing the vote in any referendum or election. By Senator SIMPSON, of Wyoming (S. 180).

Permitting television and radio coverage of selected Senate sessions during major debates on the most important national issues. By Senator JAVITS, of New York (S. Res. 64).

Allowing installation of public address system within the Senate Chamber. By Senator JAVITS, of New York (S. Res. 65).

NATURAL RESOURCES

Giving Western States the same 90 percent of the mineral rights royalties of public lands as given Alaska when it was admitted to statehood; and thus providing equal treatment to all States as Western States have been receiving less than 90 percent while Eastern States retain title to their public lands and receive direct royalties. By Senator SIMPSON, of Wyoming (S. 90).

To provide an appropriation up to $200,000 with which to make a survey of a proposed Golden Circle National Scenic Parkway complex connecting national parks, national monuments, and recreation areas in four States. By Senator BENNETT, of Utah (S. 363).

Establishment of the Agate Fossil Beds National Monument. By Senator HRUSKA, of Nebraska (S. 339).

To prohibit the use of the term "mahogany" in connection with woods and other products which are not in fact mahogany. By Senator DIRKSEN, of Illinois (S. 566).

THE NEED FOR MORE REALISM IN OUR FOREIGN POLICY

Mr. SYMINGTON. Mr. President, I ask unanimous consent that I may proceed for 5 minutes.

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

Mr. SYMINGTON. Mr. President, the other day, along with millions of other Americans, I watched a young man win a golf tournament.

For a few hours of play, he earned more money than millions in some of the undeveloped countries can earn in hundreds of years of heavy toil.

There is no criticism involved in this observation. But, combined with some other aspects I shall dwell on briefly, perhaps it does give a small part of the answer as to why the leaders of about half of the billions of people now on this earth daily urge their constituents to hate, and look forward to the destruction of, the United States.

At the same time, economically and politically, certain leaders of countries to whom we have rendered heavy assistance, some for nearly 50 years, are becoming increasingly antagonistic to our policies and our position.

I am proud that we gave that assistance, but I do believe, as our own problems increase, it should be given some consideration.

This Nation stands as the last truly significant strength in the world today against the steady pressure of imperialistic Communist aggression. We are paying most of the cost of the defense of freedom in Europe, most of it in the Middle East, and nearly all in Central and South America, and nearly all against the possibly greatest potential aggressor out in the Far East.

In Korea, on the sea by Formosa, in South Vietnam, in Western Europe, and many other places, we continue to spend billions of dollars annually, defending many who in turn are now attempting to cripple our prosperity and, therefore, our security.

This cannot go on. If it does, it is only a question of time before our economy, the source of our military strength, will be in serious trouble.

We have an able, dedicated, courageous, and careful President. But these are not his policies. He inherited them, as did his predecessor and his predecessor's predecessor, and I am confident that he will change them.

Without the support of the United States, Formosa could not live against an all-out pressure from Communist imperialism. Nor could Korea or South Vietnam. For that matter, neither could France or any other country which lacks the capacity for full nuclear retaliatory exchange.

No longer is there any dollar gap; in fact, for over 15 years the reverse has been true.

Why, then, should we continue to be so much alone in the defense of the West, in so many parts of the world?

Why should not all of us be partners in this joint defense, instead of some being our constant critics, at times acting as if they were already at least our economic enemies?

In this nuclear age, each and every day the mind of man is further telescoping time and space to the point where once far-off countries, if not our friends, are now our neighbors, and the leaders of many of these neighboring countries are almost daily exhorting their constituents—hundreds upon hundreds of millions of them—to hate the United States.

In this era of the hydrogen bomb, the development of such hatred between nations can only become a steadily increasing danger, primarily because of the proliferation of the new weapons.

For the past 20 years, and after it was either necessary or advisable, one group in this country has urged that our Government continue to pour out its treasure so as to improve the lot of nearly every nation in the world. This program, once worthwhile, is now questionable and very expensive.

For the past 20 years also, another bloc in this Nation has preached steadily the doctrine of hate against all Communists, and has urged heavy military assistance to various countries in return for often questionable support. This philosophy and program has also been most expensive, in recent years has done little or nothing to improve our security, and has increased the opportunity for Communist leaders to in turn increase the bitterness of their people against the United States.

Trade invariably improves understanding. Why, therefore, do so many people consider it a crime for us to trade behind the Iron Curtain when every other developed country in the free world is doing its best to increase that trade?

It is clear that there should be a major reappraisal of our foreign policy: Less aid, more trade; less effort to demand, in return for any assistance, general conformity to our own political convictions; more effort, regardless of ideological differences, to develop more good will and understanding among all nations.

This country was founded by those who believed in religious freedom, the equality of all men, and their right to disagree. I believe we should start practicing more of what for so many years we have been preaching.

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

Mr. SYMINGTON. I yield to my able friend from Washington.

Mr. MAGNUSON. I subscribe to what the Senator from Missouri has said. He and I and others, have been seriously concerned about the whole of trade. The Committee on Commerce intends to pursue this matter in connection with proposed legislation that will accomplish what the Senator from Missouri suggests; namely, provide for a reappraisal. We intend to pursue the subject of East-West trade, because it is highly important. I am glad to hear what the Senator from Missouri has said.

Mr. SYMINGTON. I appreciate the remarks of the able Senator, the chairman of the Committee on Commerce.

Mr. MAGNUSON. Trade is usually the forerunner of an increasing ability of people to get along with one another.

Mr. SMATHERS. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am glad to yield to the able Senator from Florida.

Mr. SMATHERS. I join the able Senator from Washington in commending the distinguished Senator from Missouri on his most enlightening remarks. Too frequently we have overlooked, as we continue to overlook, the possibility of remedying many of the difficulties which occur in the world. We should seek in every way through contacts by trade to improve our economic development. I commend the Senator from Missouri for his statement.

Mr. SYMINGTON. I appreciate the remarks of the distinguished Senator from Florida.

Mr. President, I have asked both the Secretary of Commerce and the Secretary of the Treasury if there was any other industrially developed country in the world except the United States not doing its best to obtain all the trade possible with countries behind the Iron Curtain. In both cases, the answer was "No."

THE THIRD ANNUAL SENATE YOUTH PROGRAM

Mr. SYMINGTON. Mr. President, during the first week of February, 102 outstanding young high school leaders representing every State of the Union brought bright inquisitive minds to bear on the operations of the U.S. Government. They explored the workings of the Congress, the judiciary, and the executive branches.

The occasion, of course, was the third annual Senate youth program, made possible through the William Randolph Hearst Foundation's generous response to the Senate's expression of interest in encouraging the youth of our country to train for participation in affairs of the Nation.

These young people represented the Nation's youth and their respective States with spirit and distinction. I congratulate and salute each of the 102 young visitors from the 50 States and the District of Columbia.

It is with natural pride in my own State of Missouri that I compliment William B. Wilson, of Cape Girardeau, and Lloyd Jay Gildersleeve, of Rock Port. Their interest, humor, and good manners spoke well for our State and bodes well for the Nation.

As cochairman of this year's program with the distinguished junior Senator from Idaho, it was my pleasure to speak at the banquet climaxing their strenuous week of attending Senate sessions, committee hearings, and executive briefings. At that time I presented the fact that their Washington experience would be remembered all their lives.

Their visit was made particularly memorable by the extemporaneous and unexpected message of President Johnson when they visited the White House. Perhaps for the first time, the President revealed that in private life also he would have pursued the promotion of young people's interest in their government.

So that his inspiring message may be made available to all, I ask unanimous consent that the President's extemporaneous remarks to the members of the third annual Senate youth program be printed in the RECORD.

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

REMARKS BY PRESIDENT LYNDON B. JOHNSON TO THE STUDENT DELEGATES OF THE WILLIAM RANDOLPH HEARST FOUNDATION, U.S. SENATE YOUTH PROGRAM, DIPLOMATIC RECEPTION ROOM, FEBRUARY 5, 1965

President JOHNSON. Welcome, youth, here to the first house of the land. It is your house and you give me much pleasure to take your time to come and see us and give us a chance to visit together.

I know nothing that is more helpful to me or more stimulating or invigorating than to have a chance to associate and rub shoulders with the young people in our high schools and in our colleges and throughout our country. I am especially proud of you and the leadership of the Hearst organization that has brought you here. For many years I have been in public service now—34 years in Federal service, and before that I worked for the schools and the State—all of my life I have been with one branch or the other of the Government.

The thing that I have wanted to do most when I could do it, either when I got out of public office, was retired either voluntarily or involuntarily, would be to try to arrest and inspire and promote young people's interest in their government. And I am very indebted to the leadership of the Hearst organization, and I am very envious that they are doing what I have wanted to do, and what I hope to do when I am no longer in public life.

I met here one day in the Old Ballroom—above us—a beautiful yellow room, which Mrs. Kennedy has now redecorated, and one of the most exciting places in the White House—with President Roosevelt. And he was in his wheel chair there, behind his desk, and he said "I want you to know that I have

just accepted an invitation for you to keynote a national convention of young people in Louisville, Ky., and I have already prepared your speech for you." [Laughter.]

Well, I was comforted to know that if I had to speak to a convention that I had a speech already for me, but I had no advance warning that I was going to even be invited. And I said, "Fine, Mr. President, when is it, and what do you say in your speech?"

He said, "Our system of government is the most important thing we really have in this country to our future, and because I think it is a superior system and better than most systems, I think it must be preserved and I have not the slightest doubt that it will be preserved, provided our young people become as fanatical and as dedicated about democracy and our system as the young Nazi is about their system, because they have been worked up in a feverish heat here, and Hitler has them feeling very strongly that they have a mission in the world, and if our people can just become as excited and as dedicated and as interested about their system, I know that we'll not only be a match, but we'll be the victor."

And that is what I went down there to say, and I believe it was 1940—the year before we were involved in the war, maybe 2 years. So today I want to remind you of something that I use very frequently, and the reporters who are here will probably get tired of hearing me, but I won't see you but just this one time, and this statement has impressed me a lot.

We were a Republic in Texas before we were part of the Union—we were a separate country, and we had a President, and his name was Lamar. And one of the things we remember most about Mr. Lamar, or President Lamar, was his great determination to develop our educational system in our State, and we were determined to have a university of the first class. That is the way they referred to it. And we were determined to educate our young, and in connection with his leadership back there in 1836, he said this: "Education is the guardian genius of democracy." Mr. Theodore Roosevelt said that the President is the steward of all the people. I like that expression. He has a responsibility to all of them to do what is right, and protect them all, the rich and the poor, the wise and the ignorant, all of them.

But Mr. Lamar, the President of the Texas Republic, said, "Education is the guardian of democracy, it is the only dictator that free men recognize, and the only ruler that free men require."

Now this is a part of the best education that can ever come to you—to come here and look at that monument to George Washington, and to Thomas Jefferson, and to Abraham Lincoln, and to reflect on what they endured and the sacrifices they made and the education that they brought about that was the guardian of our democracy. A hundred years ago Abraham Lincoln was signing the Emancipation Proclamation, and it was a proclamation, but it wasn't a fact, and we are all working today to see that it is a fact, to see that regardless of our religion, or the color of our skin, or where we live, or what State we come from, or how we spell our name—we have the protection of our Bill of Rights and our Constitution and the dignity of man is uppermost in our thoughts, and the freedom of the individual is a basic requirement of every American, and fair and equal opportunity under our laws, because I happen to come from Texas is no reason why you ought to hold it against me. [Laughter.]

Because I am tall or short, or because I am a Democrat or a Republican, or because I am brown from the south Texas sun, or because I've been bleached to the snowcapped mountains of some of our Western States—it is not important how you spell your name or what country your ancestors came from, or what the color of your skin. What is important is that every boy and girl born in this world will have equal opportunity under our system.

What other system would permit the son of a tenant farmer, born in a 3-room house 56 years ago, to become President of the land? And that is what we want to preserve, and you are going to help. Because of your knowledge of it, and as President Roosevelt said: Your fanaticism for it, your love for it, your dedication to it.

So, now I've talked too long, but I do think that we must remember what he said about our future depending upon our own feeling about our Government and our dedication and our love for it, and our fighting for it. You remember they said that we couldn't produce the planes that were required to save us in World War II. They said these beardless boys will never be able to take these B–17's and fly them into the industrial areas and destroy them and carry the atomic bombs needed, and other things. But these beardless boys—17 and 18 and 19—became the great aces of the land, and it was, first, sure, their education was their guardian genius, but it was also their fanaticism, their love of freedom in this country that caused them to fly all night across the oceans and under the seas, and Mr. Hearst, if he were living today, would be very proud that his name was associated with an interest in government that he exemplified until his last day on this earth, and your parents ought to be mighty proud, and your President is proud, that you have enough interest to come here and to learn about it, and to go back and talk to other people about it, because that education is the only dictator that we're going to have in this country, and it is the only ruler we are going to have, and then we're going to let the majority will work its way, and we are going to abide by it.

Oh, we have so many exciting things to do in the rest of our life. A lady yesterday—a lady Jackson—Barbara Ward, said to me here, having lunch with me, and a very great person. She had just come from Africa, and she said that she had talked to a number of people in this country and she was quite excited that she thought today, more than any period that she had ever observed, people were more hopeful about making our land beautiful and were more anxious to be a part of a better education program, and a better health program, and a better conservation program, and a better equal rights program, and a better program to beautify nature, than we had ever been before, and she had all of these encouraging things from people she had talked to—they were all excited—the garden clubs were wanting to help make their cities prettier, the junk dealers are even helping us get the old cars off the roads, we're thinking about planting wild flowers all over the country in the spring so when we take our families out to drive we can see the beauties of nature.

And I've got a conservation message I've just been working on. I was talking about it with a group and before I came in here to see you. I've got to get it up within the next few days, very quickly, and I want all of you to read it if you can, because there are things to do, there is work to do, Republicans for Democrats, for southerners, for northerners, for easterners, for westerners, and there will be differences and there will be arguments, and there will be debates, and sometimes my viewpoint will prevail and sometimes somebody else's viewpoint will prevail. What is important is that we will debate them, and we will discuss them and we'll act upon them, and we will move forward, and this country will be better in the year 2000 than it is in 1965, and at that time most of you will just be 50, or 55, like I am today, and you can look back and see how much progress we made from the time you were here until then.

I am indebted to the Hearst people and I am indebted to each State and to each family represented, for giving me an opportunity to mix with you and see you. I am going to stay a little longer, I want to visit and shake hands with those I haven't shaken hands with, and I notice Mrs. Johnson is here. She doesn't like to make speeches, but I want you to know her—this is my wife, Lady Bird. [Applause.]

Mr. SYMINGTON. Mr. President, I want to express my personal appreciation at this time to the sponsors and participants who contributed to the success of the third annual Senate youth program.

The American Political Science Association, under the distinguished leadership of its executive director, Dr. Evron M. Kirkpatrick, undertakes the important task of developing and conducting an interesting and intellectually stimulating program for these students, chosen on a competitive basis by the superintendents of education of their respective States.

The luncheon was attended by over 60 Members of this distinguished legislative body, where Vice President HUMPHREY spoke on the need for young people to be optimistic about the future. Additionally, the student participants met with Justice Arthur Goldberg, and with scholars of Congress—including the distinguished Senate Parliamentarian, Dr. Floyd Riddick—with a number of individual Senators, chosen on a bipartisan basis, with several Members of the other body, and with representatives of executive departments and agencies. Of particular interest among the latter were briefings prepared by the Departments of Defense and State.

As a cochairman of the third annual Senate youth program, along with Senator JORDAN of Idaho, I want to thank the members of the Advisory Committee, who have supported this important educational program. The members of this committee are: Senators HOWARD W. CANNON, JACOB K. JAVITS, GAYLORD NELSON, JAMES B. PEARSON, CLAIBORNE PELL, WINSTON L. PROUTY, HUGH SCOTT, and HERMAN E. TALMADGE, members; and Vice President HUBERT H. HUMPHREY, Senator THOMAS H. KUCHEL, Randolph A. Hearst and Evron M. Kirkpatrick, members ex officio.

Appreciation for the success of the program should also go to the William Randolph Hearst Foundation which financially supported the Senate youth program and particularly to its executive director, Mr. Ira P. Walsh. Also, to Dr. Kirkpatrick of the American Political Science Association and its staff members, Mr. Donald G. Tacheron, associate director, Mr. Walter E. Beach and Miss Pat Piccola.

I ask unanimous consent to have the complete agenda printed in the RECORD so that Senators who wish to do so may express their appreciation directly to those who took time from their busy schedules to help in introducing these fine young people to the workings of the Senate and their National Government.

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

THE U.S. SENATE YOUTH PROGRAM, JANUARY 31 TO FEBRUARY 6, 1965, DAILY SCHEDULE

SUNDAY, JANUARY 31, 1965

Students arrived throughout the day.

MONDAY, FEBRUARY 1, 1965

At 8 a.m.: Breakfast in the grand ballroom.

Introduction: Ira P. Walsh, director, Senate youth program.

Speakers: Randolph A. Hearst, trustee, William Randolph Hearst Foundation; Evron M. Kirkpatrick, executive director, American Political Science Association.

At 10:30 a.m.: Welcoming in Senate reception room by speakers Senator THOMAS H. KUCHEL, Republican, of California; Senator HOWARD W. CANNON, Democrat, of Nevada; and Senator LEN B. JORDAN, Republican, of Idaho.

At 12 p.m.: Luncheon in room 1202, New Senate Office Building.

Introduction: Senator LEN B. JORDAN.

Speaker: Senator WALTER F. MONDALE, Democrat, of Minnesota.

At 1:45 p.m.: Visit the Supreme Court—east conference room.

At 2 p.m.:

Introduction: Daniel P. Moynihan, Assistant Secretary of Labor.

Speaker: Justice Arthur Goldberg.

At 3 p.m.: Tour the Supreme Court.

At 6:45 p.m.: Old Guard Fife and Drummer Corps in the colonial room.

At 7 p.m.: Dinner in the colonial room.

Invocation by: Dr. Frederick Brown Harris, Chaplain, U.S. Senate.

Introduction: Mrs. George Hearst.

Speaker: Representative MORRIS K. UDALL, Democrat, of Arizona.

TUESDAY, FEBRUARY 2, 1965

At 8 a.m.: Breakfast in the grand ballroom.

Introduction: Walter E. Beach, APSA staff.

Discussants: John G. Stewart, assistant to the Vice President; Dr. Floyd M. Riddick, Senate Parliamentarian.

At 10 a.m.: Buses to Senate Office Building.

For the remainder of the day the students will serve as interns in the offices of their respective Senators.

At 1 p.m.: Luncheon in room 1202, New Senate Office Building.

Presiding: Max M. Kampelman, treasurer and counsel, the American Political Science Association.

Speakers: Vice President HUBERT H. HUMPHREY, Senator THOMAS H. KUCHEL.

At 7 p.m.: Dinner in the colonial room.

Introduction: Bishop Stephen G. Spottswood, chairman, board of directors, National Association for the Advancement of Colored People.

Speaker: Senator JACOB K. JAVITS, Republican, of New York.

WEDNESDAY, FEBRUARY 3, 1965

At 10 a.m.: Tour of Senate Chamber.

At 11 a.m.: Speakers: Representative KEN HECHLER, Democrat, of West Virginia; William Miller, Doorkeeper, House of Representatives.

At 12:30 p.m.: Luncheon in room 1202, New Senate Office Building.

Introduction: Mrs. Robert J. Stuart, president, League of Women Voters.

Speaker: Representative PATSY T. MINK, Democrat, of Hawaii.

At 2 p.m.: Observe the Senate in session.

At 6:30 p.m.: Presentation by the Marine Band in the East Room.

At 7 p.m.: Dinner in the East Room.

Introduction: George Hearst.

Speaker: Senator GAYLORD NELSON, Democrat, of Wisconsin.

Remarks: Al Capp, cartoonist.

THURSDAY, FEBRUARY 4, 1965

At 9:30 a.m.: Briefings in the State Department's East Auditorium.

Moderator: Dr. Kirkpatrick, Executive Director, APSA.

Speakers: Mr. Edward Fried, Policy Planning Council; Mr. J. Robert Schaetzel, Deputy Assistant Secretary for Atlantic Affairs; Mr. John S. Leahy, Legislative Officer, Office of Congressional Relations; Gov. G. Mennen Williams, Assistant Secretary for African Affairs.

At 12:30 p.m.: Luncheon in the Department of State's main dining room—eighth floor.

Moderator: Dr. Kirkpatrick.

Speaker: Gov. W. Averell Harriman, Under Secretary of State for Political Affairs.

At 2 p.m.: Buses leave for Department of Defense.

At 2:30 p.m.: Moderator: Col. Julian B. Cross, U.S. Air Force, Director for Community Relations, Office of the Assistant Secretary of Defense.

At 2:32 p.m.: Speakers: Hon. Arthur Sylvester, Assistant Secretary of Defense (Public Affairs).

At 2:40 p.m.: Hon. Henry S. Rowan, Deputy Assistant Secretary of Defense for Planning and North Atlantic Affairs.

At 2:50 p.m.: Hon. Solis Horwitz, Assistant Secretary of Defense for Administration.

At 3:10 p.m.: Brig. Gen. John W. Vogt, U.S. Air Force Director, Policy Planning Staff.

At 3:30 p.m.: Mr. Arthur Barber, Deputy Assistant Secretary of Defense for Arms Control.

At 3:50 p.m.: Mr. Justin E. O'Donnell, senior defense member, faculty, National Interdepartmental Seminar.

At 5:10 p.m.: Gen. Ashton H. Manhart, U.S. Army, Vice Director Joint Chiefs of Staff.

At 7:30 p.m.: Dinner in the Colonial Room.

Introduction: Ira P. Walsh.

Speaker: R. Sargent Shriver, Director, Peace Corps, Office of Economic Opportunity.

FRIDAY, FEBRUARY 5, 1965

At 8:15 a.m.: White House tour.

At 9:45 a.m.: FBI tour.

At 11:30 a.m.: Meeting with the President.

At 1 p.m.: Arlington Cemetery (visit the John F. Kennedy grave).

At 3 p.m.: Smithsonian Institution.

At 7 p.m.: Dinner in the State Room.

Master of ceremonies: Ray Scherer, NBC News.

Invocation: Dr. Frederick Brown Harris, Chaplain, U.S. Senate.

Speakers: Senator STUART SYMINGTON, Democrat, of Missouri, cochairman, Senate youth program; Senator LEN B. JORDAN, Republican, of Idaho, cochairman, Senate youth program.

DEATH OF SEMINOLE INDIAN CHIEF BILLY BOWLEGS

Mr. HOLLAND. Mr. President, I feel that it is highly appropriate to give recognition in the pages of the CONGRESSIONAL RECORD to the fact that Chief Billy Bowlegs of the Seminole Indians passed away on February 14 at the age of 102. Indeed, he would have been 103 within a few days.

We have still with us in our country only a very few of the leaders of the Indians during the difficult years following the time that they had been conquered by the United States, their lands appropriated, and their lives made most difficult and impoverished. Billy Bowlegs was one of the most picturesque characters that I have ever known and was a fine man whose friendship I was honored to have. He adapted himself to the difficult situation to which the small number of Seminoles left in Florida were subjected, both as a true friend of the white man and as a faithful representative of his own people. He did many things to bring about more friendly understanding between the Indians and Floridians generally.

I ask unanimous consent to have printed in the RECORD the text of the news article about the death of Chief Billy Bowlegs, which is entitled "Seminoles' Patriarch" and was published in the Washington Post of Monday, February 15.

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

SEMINOLES' PATRIARCH

BRIGHTON, INDIAN RESERVATION, FLA., February 14.—Billy Bowlegs, patriarch of the Seminole Indians in Florida, who clung to the old ways to the end, yesterday died in his thatched dwelling. He would have been 103 this week.

Considered one of Florida's greatest hunters and guides, Billy Bowlegs also was a spokesman for the Seminoles for many years. Because of his reputation for intelligence and impeccable honesty, he was a friend of sportsmen, writers, scientists, and historians. He knew Henry M. Flagler and Henry B. Plant when they were developing Florida. At the turn of the century he participated in a Jacksonville parade and was described like this:

"Billy was a conspicuous figure—no savage, but a magnificent figure of physical manhood with dignity, reserve, keen intelligence, and an honest heart."

He shunned the 20th century until his death, living alone in an isolated camp in one of the pine and palm hummocks on this reservation in Glades County.

Billy Bowlegs was born on Istopoga Creek near the present town of Lorida. He killed his first deer at age 11 with a muzzle-loader. As he grew, so did his hunting prowess. He hunted all over south Florida and was a familiar figure to the steamboat captains on the Kissimmee River who bought his meat.

Mr. HOLLAND. Mr. President, since it was my honor and pleasure to be a friend of Billy Bowlegs, I think that the Senate and the public generally should know of the splendid reputation which he bore among the older settlers of Florida and the high respect in which they held him. I quote, therefore, from the book entitled "The Seminoles of Florida," published in 1896 by Mrs. Minnie Moore-Willson, of Kissimmee, Fla., whom I well knew in her later years and who was a strong friend of the Seminoles:

A few weeks ago, after many invitations, Cho-fee-hat-cho (Billy Bowlegs), a warrior of more than usual intelligence made his long-promised visit to Kissimmee. Here, away from his natural surroundings, one could study his Indian characteristics from an unprejudiced standpoint. As a specimen of manhood he is far above the average. Although 6 feet 2 inches tall, he is so symmetrically proportioned that one loses sight of his height. His features are good, his hands and feet remarkably small, his voice soft and low—a characteristic of every

Seminole. His dress was the holiday attire of his tribe; he wore a gold watch and chain, and regulated his timepiece by the railroad clock. To the stranger he was all indifference, answering "yes," "no," "me don't know," as it suited him. While his visit extended over a period of 3 days, he showed no special restlessness. At the table he was on the alert and readily followed the manners of his host. He was cautious to help himself sparingly until urged to—"hum-pee-to tee ti-es chay" (eat plenty). The knife and fork he used with as much ease as if it were a daily practice.

At the ringing of the church bells on Sunday morning, it was explained to the Indian that they were to call the people to the church, so that the minister might tell them of the white man's God. With the inquiry, "You go?" to his host, receiving an answer in the affirmative, Billy said, "me go too." He was escorted to the chapel, and through the long service was a model of propriety, and conformed perfectly to the customs of the church. He expressed himself later as liking the music, but remarked that the preacher talked too fast.

Such names as Tom Tiger, Dr. Tommy, Wildcat, and Billy Bowlegs, are the white man's names for the Indians. Each Indian has his Indian name, which is significant of some family or personal characteristic, and which contains the root word of the gens to which that Indian belongs. During the Indian's visit, he expressed a wish to have the Seminole names of a number of his people written down so that he might make a copy and carry home with him. Certainly this young brave could not be called stupid or sluggish. Knowing that the information we sought was for the purpose of putting it into a book, so that "the people could read about the good Indians of Florida," he showed the greatest interest in the questions, making his answers direct and truthful. An air of deepest solemnity would rest upon his face until he was assured his meaning was thoroughly understood. During his visit he expressed an eagerness to learn to read and write, and followed a copy with remarkable exactness. With the desire to read and write, however, ended all ambition to be like the white man.

Every effort was made to please so rare a visitor, favors were shown him, in fact, he was treated as a most honored guest, yet this son of the forest received it all with a silent dignity that would have graced a monarch. When he was ready to leave, he quietly arose, remarking, "me hi-e-pus" (go), and noiselessly passed out of the house.

In closing, I think I should comment on an incident which shows the courtesy and respect which Billy Bowlegs always showed to U.S. officials of high rank and the genuine friendliness of the man. Several years ago we were giving to the levee around Lake Okeechobee, which had been begun during the administrations of President Hoover and of former Governor Doyle Carlton, of Florida, and in which the President, himself, had taken great interest, the name of Hoover Dike and President Hoover, then a man of great age, came down to Clewiston, Fla., for the celebration which was very largely attended by a great and enthusiastic crowd. Shortly before the actual dedicatory ceremonies took place, Billy Bowlegs walked up to the official crowd dressed in the regalia of a Seminole chieftain and standing straight as an arrow, though he was then 99 years old. He greeted President Hoover cordially and made it clear that he had come to the affair to do honor to the former President. The whole occasion was a most dignified and unforgettable one and I well remember that President Hoover, before leaving the area after the ceremony had been concluded, stated to me that he had rarely appreciated anything so much as he did the unexpected coming of Chief Billy Bowlegs to pay his respects. I think that that act of Billy Bowlegs was performed in the finest tradition of the American Indians. I could never forget the sight of those two splendid old gentlemen standing together with clasped hands and beaming countenances, each enjoying the presence of the other and showing him every possible evidence of high respect.

I regret that we do not have many more of the old Indians left in our country, and I do think it is in our own best interest and theirs to preserve the knowledge that we have of instances such as the above in which—to borrow the words of Minnie Moore-Willson—Billy Bowlegs received his honors "with a silent dignity which would have graced a monarch."

FINANCIAL SOUNDNESS OF CIVIL SERVICE RETIREMENT SYSTEM

Mr. CARLSON. Mr. President, every Federal employee has a personal interest in the financial soundness of the civil service retirement system. Our Government has an obligation to every Federal employee to maintain an actuarially sound program. We can and should do no less. The annual report of the Board of Actuaries of the Civil Service Retirement System as reported in House Document No. 48, issued January 1965, stresses the need for additional Federal contributions if we are to protect the fiscal soundness of the system.

The chairman of the Committee on Post Office and Civil Service, the distinguished Senator from South Carolina [Mr. JOHNSTON], has introduced a bill, S. 273, to improve the financing of the civil service retirement system. It should have early consideration by Congress.

A brief study of House Document No. 48 will show that the financial status of the fund is gradually getting worse, actuarially speaking.

I, personally, believe we have one of the best civil service retirement systems in the world. Today millions of Federal employees, past, present, and future, look to it for financial security in their old age and for income protection if disability or death strikes down the breadwinner of the family.

These employees have made their equitable contribution to the fund. The fund is not bankrupt. The Federal Government will not permit it to become bankrupt. I am informed that at the end of June 1964, it had a balance of more than $14.3 billion. At the present time it is taking in about $2 billion a year in retirement deductions from employees and matching contributions from Government agencies. This money is invested by the Treasury Department in interest-bearing securities which adds about $400 million a year to the fund.

Why, then, is the fund not actuarially sound? Here, I believe, is the answer: The Government has not always paid its share of the costs. For this reason the fund has lost the interest on invested funds that would have accumulated and been available for the trust fund.

From the beginning of the Federal retirement system, employees have contributed whatever rate was established by current law, 2½ percent of their salary at first, then 3½ percent, then 5 percent, then 6 percent and now 6½ percent; and Members of Congress pay into the fund 7½ percent of their salaries. However, during the first 8 years of the retirement program, no appropriations were recommended by the President and no legislation was enacted by Congress for appropriations to the fund. All benefits were paid out of contributions which had been made by the employees.

Mr. President, the negligence of the Government to make its share of contributions on time proved to be bad financial business. That is how the unfunded liability of the retirement system started.

From about 1929 to 1957, Government contributions to the fund were on a now-and-then basis and were insufficient.

In 1956, on the recommendation of the President and approval by Congress, a law was passed requiring all agencies to contribute out of their appropriations amounts equal to the retirement deductions withheld from employees pay.

This means that the fund now has an annual income which about takes care of all normal costs. It does not take care of the interest or reduce the principal of the unfunded liability created primarily during those years in which the agencies did not contribute to the fund, nor does it take care of similar costs accrued in recent years.

I am informed that the retirement system on June 30, 1964, had an unfunded liability of over $39 billion and that by the year of 1990, unless remedial action is taken by the Congress, additional direct appropriations will be required to meet benefit payments.

Mr. President, I believe the U.S. Government would make the necessary appropriations to take care of any obligations required to meet retirement payments. But also I believe it would be much wiser and better financial business to heed the suggestions of the Board of Actuaries and of the Civil Service Commission that legislative action be taken before the emergency arises. That is why I hope that Congress at this session will give favorable consideration to proposed legislation which would provide a solution of the situation on a gradual basis over a period of years.

TRIBUTE TO SALVATION ARMY

Mr. CARLSON. Mr. President, this year, the Salvation Army, which has rendered humanitarian service through peace and war, will be observing its centennial.

On July 2, the Salvation Army will celebrate its centennial anniversary at Westminster Abbey, London. Celebrations will also be held not only in our own Nation, but in many countries of the world. The entire year of 1965 might well be devoted to commemorating the founding of this great organization.

The Salvation Army is active in 69 countries throughout the world, including 11 in Europe. It uses 162 languages for preaching the Word. It operates from about 18,000 centers, including more than 2,000 social institutions, and it has nearly 900 day schools, mostly in non-Christian lands. Nearly 40,000 bandsmen and 16,000 boys play Salvation Army music.

The Army operates more than 3,000 welfare institutions, including 31 general hospitals, 70 clinics, 367 hostels for homeless men and women, 66 employment bureaus, 88 maternity homes for unwed mothers, 38 maternity hospitals, 145 children's homes, 30 boarding schools, 115 camps, 6 leprosaria, 10 institutes for the blind, 30 centers for alcoholics, and 51 residence hotels.

The original aim of the Salvation Army was the saving of souls and exposing evil social conditions. These objectives have not changed, but the methods of dealing with these problems have been modernized to meet present-day conditions.

Th basic problems which faced Gen. William Booth, the Army's founder, still exist today. His outstanding work is carried on now by thousands of salvationists who are keeping contact with the common people.

Today the Salvation Army has more than 5,000 officers in the United States alone, and 8,072 work and worship centers with 283,109 members there.

The millions of American men and women who served in our Armed Forces will never forget the kindly word and warm welcome from the Salvation Army personnel—the friendly smile of the Salvation Army lass—the doughnuts and coffee—the encouragement and inspiration they received in training areas and on the battlefield in every sector of the globe.

Recently the Salvation Army in my own State of Kansas was called on and rendered outstanding service during one of the most disastrous air crashes in our State's history.

Capt. Ramon L. Wert, area director for the Salvation Army Civil Defense Unit in Wichita, Kans., advises me that on January 16, on the day of the crash, they immediately set up operations in the area which was so badly devastated. They continued their work in this area for 6 full 24-hour days.

Captain Wert wrote me as follows:

On Sunday, it was ascertained that we would be there at least 4 or 5 more days and that we would need supplies. A plea for supplies was issued via the TV stations and radio stations at 3 p.m., Sunday, January 17, 1965. The response was so overwhelming, so much was given that we had to ask the TV and radio media to discontinue our distress call at 5:30 p.m., Sunday, January 17, 1965. So many people came direct to the disaster area, bringing their donations, that they were blocking the streets. All in all, the people of Wichita donated over 9 tons of foodstuffs, including canned goods, bread, doughnuts, chile, hot chocolate, coffee, cakes, pies, milk, orange juice, soups, cups, napkins, etc., ad infinitum.

Captain Wert also wrote in his report of the outstanding assistance they received from Salvation Army units and citizens generally in Wichita and other areas.

Here again the Salvation Army proved its effectiveness in time of emergency.

PROPOSED JOINT COMMITTEE ON THE BUDGET

Mr. McCLELLAN. Mr. President, the first bill passed by the Senate this year was S. 2, a bill to create a Joint Committee on the Budget. This marks the seventh time that I have offered this proposal and the seventh time that it has been adopted by the Senate since 1952.

The measure has consistently received the unanimous support of the Members of this body and continues to do so, as evidenced by the fact that it was sponsored by 77 Senators this year. The bill has not heretofore, except for the first time it passed, had a vote cast against it.

I regret to say, however, that the other body has not yet manifested the interest or given the support to the bill that it deserves. This year we are hoping for passage by the House. Our constitutional responsibility for appropriating funds for the operation of the Government increases with each dollar added to the budget. In these days of $100 billion budgets we need a Joint Committee on the Budget, staffed with nonpartisan fiscal experts, to help us discharge our obligations to the taxpayers more intelligently and prudently than is possible under the present system.

Mr. President, support for this measure appeared in an editorial of the Washington Post on Sunday, February 14, and I ask unanimous consent to have this article, calling for the enactment of S. 2, printed at this point in the RECORD.

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

[From the Washington (D.C.) Post, Feb. 14, 1965]

MR. MAHON'S OPPORTUNITY

The House Appropriations Committee has a unique opportunity for statesmanship under its current chairman, Representative GEORGE H. MAHON. For many years the Senate has been working for the creation of a Joint Congressional Committee on the Budget with a staff of professional experts who would study spending programs and help Congress with its appropriation problems on a year-round basis. The House Appropriations Committee under Mr. MAHON's predecessor showed no interest. With the more cooperative spirit that now prevails, there is once more hope that a professional staff of budget experts serving both Houses will be created.

Recently the Senate passed a bill for this purpose. It is the seventh time it has done so since 1952. An accompanying report points out that the bill would avoid the duplication of staff work, would stimulate joint hearings on appropriation bills and thus speed the legislative process. Assurance is given that the proposed Joint Committee on the Budget is not designed to interfere with any prerogative which the House now possesses, such as the right of initiating money bills.

Students of Congress have long urged this reform as one of the most effective means of facilitating the study of our $100 billion budgets. Mr. MAHON could render a great service to his fellow Members of Congress and to the country by putting aside prejudices of the past and sponsoring this bill on its merits.

INTER-AMERICAN DEVELOPMENT BANK

The PRESIDING OFFICER (Mr. HARRIS in the chair.) The Senator from Ohio is recognized.

Mr. LAUSCHE. Mr. President, pending on the Senate Calendar is S. 805, a bill to increase the resources in the fund for special operations of the Inter-American Development Bank. The bill would authorize the Federal Government to subscribe $750 million to this bank in the next 3 years, at the rate of $250 million a year.

I voted against the proposal in the Committee on Foreign Relations. I was the only one who did so. At first, I indicated my approval of the bill. Later I called in to change my vote. I did so because subsequent to the meeting which I attended, testimony was given concerning the adverse impact that this authorization, if carried into effect, would have on the imbalance in our international payments, which already is a very acute problem, as my colleagues well know.

A representative of the State Department testified that 80 percent of the $750 million would be spent in buying products made in the United States. That seemed acceptable to me. I thought that the impact on the imbalance in payments would be $150 million at the most. However, a transmitted letter from the International Economic Policy Association was presented before the committee. I assume that the speed with which the bill was passed made it impossible for this agency to appear and testify. This association, through its representative, points out in its paper that the adverse impact on our imbalance in payments will probably be 40 or 50 percent, instead of the 20 percent that was described at the hearing when I was present. If it is a fact, it is a serious one. We are now in the process of removing the first leg from the support of our dollar currency. That bill, in which the 25-percent support of deposits of member banks in the Federal Reserve System is involved, will be up for hearing.

When we shall have removed the 25-percent gold support on deposits, the next step will be to remove the 25-percent gold support on the currency of the Nation. All of this is the result of the fact that we are spending more dollars abroad than foreign nations are spending in the United States. Our gold reserves are down to $15 billion. Twelve and one-half billion of that $15 billion we now earmark to support the Federal Reserve System's operations.

The $2.5 billion are available to meet the claims of $25 billion held by short-term creditors throughout the world. To me there is no more serious problem confronting the country—except the threat to our security—than what is going to happen to the dollar. The pensioners, the annuitants, the holders of Government bonds, people with bank deposits

accumulated to carry them, in some degree, through their old age, are not conscious of the fact that we are in the first step of setting into motion forces that are going to erode away the buying power of the dollar.

If the bill, on which hearings are to be held, becomes law, which will result in an additional $375 million in our imbalance in international trade payments, I respectfully submit that we shall merely aggravate the grave problem confronting the people of this Nation.

I contemplate making further inquiry as to whether the impact will be $150 million or whether it will be more.

I therefore ask unanimous consent that the statement of the International Economic Policy Association be printed in the RECORD so that my colleagues may have the benefit of the statement.

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

STATEMENT OF THE INTERNATIONAL ECONOMIC POLICY ASSOCIATION SUBMITTED TO THE SENATE FOREIGN RELATIONS COMMITTEE ON S. 805, A BILL TO INCREASE THE RESOURCES OF THE FUND FOR SPECIAL OPERATIONS OF THE INTER-AMERICAN DEVELOPMENT BANK, FEBRUARY 8, 1965

S. 805 would empower the U.S. Governor of the Inter-American Development Bank (IDB) to vote in favor of an increase of $900 million in the resources of the Fund for Special Operations (FSO)—the soft loan window of the Inter-American Development Bank. This increase will provide $300 million a year for the next 3 years for this portion of the Bank's activities. The U.S. contribution is to be $750 million or $250 million per year for fiscal 1965, 1966, and 1967. This represents 83.3 percent of the total contributions. The Latin American contribution is to be $150 million or $50 million per year. This represents 17.7 percent of the total contributions.

The IEPA feels that this bill is most untimely. It is clear that the U.S. balance-of-payments deficit became critically large again in the fourth quarter of 1964 and that the administration is now giving serious consideration to new, more vigorous actions, to reduce our persistent deficit.

Among the new steps likely to be taken are: (1) application of the interest equalization tax to long-term bank loans; (2) a limitation of the Canadian exemption under the interest equalization tax; and (3) an exit tax on the passports of U.S. tourists.

Irrespective of the question of the desirability of these and other measures, it certainly seems inappropriate to restrict foreign borrowing in U.S. capital markets and apply capital controls to long-term bank loans, while at the same time requesting $750 million for the Inter-American Development Bank with its concomitant, adverse impact on the U.S. balance of payments.

BALANCE-OF-PAYMENTS EFFECT OF THIS PROPOSAL

According to Secretary Dillon's testimony, the adverse balance-of-payments effect of this measure will be at least $150 million. The Secretary stated before the House Committee on Banking and Currency on February 3, 1965, that the Department of the Treasury intends to reach an agreement with the IDB to the effect that approximately 80 percent of the appropriated funds will be used for procurement in the United States. This can be done despite article V, section 1(b)(i) which prohibits members of the IDB from imposing restrictions of any kind upon use by the Bank of more than 50 percent of its contributions to its quota in the FSO.

The resolution of the Board of Directors of the IDB entitled "Increase of Resources of the Fund for Special Operations" made at the April 1964 annual meeting of the IDB states that the additional contributions to the FSO will be considered as a "member's currency" not covered by the provisions of article V, section 1(b). According to article V, section 1(c), such "member's currency" may be used by the Bank or any recipient from the Bank for payments in any country without restriction of any kind, unless the member notifies the Bank of its desire that such currency or a portion thereof be restricted to procurement in the member country.

Secretary Dillon has stated that an 80-percent tying agreement has been discussed with the Bank. It would appear to be a sounder method of proceeding to have this agreement formalized before the Congress appropriates the requested funds. Perhaps it would be appropriate for the United States to exercise its right under article V, section (1)(b)(i) to tie to U.S. procurement 50 percent of any future contributions to the Bank's paid-in capital.

There is, secondly, good reason to believe that the negative impact of this proposal upon our balance-of-payments position will be greater than 20 percent of the U.S. contribution of $750 million (i.e., the untied portion). As was pointed out by Congressman W. E. BROCK, Republican, of Tennessee, in the hearings on February 3, 1965, many IDB projects such as local housing and local sewerage projects and the like must of necessity result in local procurement. This problem is allegedly solved by using the letter of credit technique whereby the recipient government sells import licenses to its citizens drawn on the IDB issued dollar denominated letter of credit and uses the local currency generated thereby for the local IDB financed project. The problem is that there is no way of controlling where that local importer spends those dollars and hence there occurs what Secretary Dillon refers to as "leakage." There is no way of telling how great this leakage or substitution is, but in view of the U.S. deteriorating trade position vis-a-vis Latin America as a whole, it is likely that it is substantial. The U.S. share of total Latin American imports has slipped steadily downward from 51.5 percent in 1957 to 38.6 percent in 1963. The figures for the intervening years show a steady downward trend: 1958—47.3 percent; 1959—45.9 percent; 1960—45.1 percent; 1961—44.1 percent; 1962—40 percent; and finally in 1963—38.6 percent.[1] Hence the adverse impact on the U.S. balance of payments may be on the order of 40 or 50 percent of the U.S. contribution (i.e., $300 to $375 million) instead of the 20 percent (i.e., $150 million) which Secretary Dillon suggests.

PREVIOUS HISTORY OF THE IMPACT OF THE OPERATIONS OF THE IDB ON THE U.S. BALANCE-OF-PAYMENTS POSITION

Since 1961 when the Bank started in operation, the United States has paid to the Bank the following amounts: (1) $150 million during 1960, 1961 and 1962 as paid-in capital; (2) $394 million in the Social Progress Trust Fund (SPTF) in 1961; (3) $100 million to the Fund for Special Operations in 1961; (4) $50 million to the FSO in 1964; (5) $131 million to the SPTF in 1964. This makes a total of $825 million. Added to this enumerated outflow of dollars is $225 million worth of IDB bonds floated in the United States during 1962–64. During that same period only $47.6 million worth of IDB bonds were floated in the Western European countries of Italy (April 5, 1962—$24 million in lire), Germany (July 7, 1964—$15 million in marks), and England (September 2, 1964—$8.4 million in pounds). That means that the IDB has received $1,050 million from the United States of total resources amounting to approximately $1,398 million to use in its lending operations.

Secretary Dillon stated in testimony before this committee on December 4, 1963, that approximately 47 percent of all procurement both identified and unidentified, stimulated by IDB loans has gone to the United States. This would mean that of $1,165.5 million[2] in total IDB loans approved as of December 31, 1964, approximately $547.8 million was procured in the United States. Yet we have noted that the IDB has obtained $1,050 million from the United States to use in its lending operations. That leaves approximately 503 million U.S. dollars unaccounted for.

As of December 31, 1964, there was on hand approximately $110 million[3] worth of currencies available for commitment by the IDB to conduct its three lending operations—ordinary capital, FSO and SPTF. Of that amount approximately 87 million was in dollars, or hard currency convertible into dollars, and approximately $23 million worth was in local currency.[3] Assuming that 47 percent of those remaining funds are used for U.S. procurement, that will mean an additional $52 million will flow to the United States. Subtracting this figure from the 503 million unaccounted-for dollars contributed by the United States, we see that the approximate adverse impact upon the U.S. balance-of-payments position of the total operations of the IDB over a brief 3-year period has been $451 million or approximately $150 million per year.

At a time when the U.S. balance-of-payments position is quite critical and the administration has been compelled to consider several fairly drastic measures to correct the persistent disequilibrium in our balance of payments, this request is difficult to reconcile with the major task of correcting our balance-of-payments problem.

This committee may deem it appropriate to condition its approval of this measure by directing the Secretary of the Treasury to reject any application of the IDB to float new security issues in the U.S. capital market for the next 3 years while the United States works to correct its balance-of-payments problem. In 1964 the IDB floated $150 million in bonds in the U.S. capital market in two separate flotations. Could we not persuade the Western European countries with large dollar holdings to purchase IDB dollar denominated 20-year bonds which pay 4½ percent—more than they presently receive in short-term U.S. securities? This committee may further deem it appropriate to limit its authorization to 1 or 2 years in order to have the opportunity to review in less than the requested 3-year period our financial ability to make commitments which have an adverse impact on our balance of payments.

PROTECTION AGAINST EXPROPRIATION

The policy of the U.S. Government as embodied in the existing foreign assistance legislation is to discourage expropriation. Specifically, section 620(e) of the aid legislation—the Hickenlooper amendment—provides that the President shall suspend assistance to any nation which expropriates or takes measures equivalent to expropriating the property of U.S. citizens without

[1] Source: United Nations, "Direction of International Trade" and IMF, "Direction of Trade."

[2] Annex 2 of Secretary Dillon's testimony before the House Committee on Banking and Currency on Increasing the Resources of the Fund for Special Operations of the Inter-American Development Bank—February 3, 1965, 10 a.m.

[3] Source: Information Office—Inter-American Development Bank.

taking appropriate steps to discharge its obligations under international law including speedy compensation for such property in convertible foreign exchange, equivalent to the full value of the expropriated property or properties. The charter and bylaws of the IDB do not contain comparable safeguards against expropriation.

Though it is true that the United States at present has 42 percent of the vote and can veto any loan since all loans require a two-thirds approving vote, this committee may wish to direct the U.S. representatives to the IDB to veto any loans to countries against which the Hickenlooper amendment has been invoked so long as the suspension of aid to those countries continues.

VIETNAM POLICY

Mr. LONG of Louisiana. Mr. President, I believe I speak the views of the overwhelming majority of Senators on this side of the aisle when I say that we applaud the attitude of the President of the United States in taking a firm position in regard to American foreign policy in South Vietnam. We have an agreement signed at Geneva by which we propose to abide. We continue to propose to abide by this agreement provided the other parties abide by it. We are in South Vietnam at the invitation of its government to help oppose aggression by North Vietnam Communists in violation of their agreement.

So long as the Communists insist on attacking, by infiltration, subversion, and aggression, in an attempt to destroy countries friendly to us, this Government is committed to lending aid and support to the victims. This Nation proposes to live up to its commitments. When the Communists strike our forces in a place where we have a right to be, we propose to strike back harder than they did. If a second power gets into it, we propose to strike that second power even harder. If a third power gets into it, we propose to strike that power harder. In each case we propose to strike the opposition with greater force than they strike against us, so long as they do not abide by the agreement. We would rather have them abide by the agreement, permitting us to abide by it, too.

I ask unanimous consent to have printed at this point in the RECORD an article by Roscoe Drummond expressing his views on this subject.

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

VIETNAM POLICY: THE MISSING INGREDIENT

(By Roscoe Drummond)

There is a missing ingredient in American policy in Vietnam.

From everything which has been said—and left unsaid—by the White House, the evidence is that President Johnson:

Intends to step up the retaliation enough to persuade North Vietnam that the aggression will be too costly to continue.

Wants to avoid intensifying it to the degree that it will lead to all-out war.

In a word, if I read correctly Mr. Johnson's words and actions, they mean that the United States aims to expand the war for a limited purpose and to avoid expanding the war beyond that purpose.

The purpose: To bring North Vietnam to accept a settlement that would insure the independence of South Vietnam, to which Hanoi pledged itself in 1954 and again in 1962.

Has this riskful and delicate operation got any fair chance of success?

It may have, but only if the missing ingredient is forthcoming at the right time.

The missing ingredient, which, it seems to me, must accompany new air thrusts against North Vietnam, is a major U.S. peace offensive, to make it clear that we seek only an end to the aggression, that we have no desire to inflict unnecessary blows, that our sole objective is a settlement mutually tolerable to both sides—whenever Hanoi will cease and desist.

I am not talking about an appeasement peace. There is no reason to believe the White House has any such thing in mind. But I am suggesting that, if the Johnson aim of a controlled expansion of the fighting as an essential persuader to Hanoi is to succeed, there must simultaneously be a peace offensive to convince Hanoi that it has a reasonable, acceptable alternative to all-out war.

More military action by itself could well bring unlimited expansion of the war.

A peace offensive by itself could only bring an intolerable appeasement.

Together they make sense—and could make headway toward the President's goal.

It is not likely that Ho Chi Minh and the Vietcong would be persuaded by either war action or peace action alone. The reason is that Hanoi and Peiping have long been convinced that the United States would not have the will and the patience to hang on, that the South Vietnamese Government was getting weaker, and that it would be foolish—for them—to give away at the conference table what they felt sure they were winning on the battlefield.

No wonder Ho Chi Minh has shown no interest in negotiation. For months we have talked stronger than we have acted. We have warned—and done little. We have conferred with ourselves—and done little. Now we are beginning to act more meaningfully.

But to bring North Vietnam to the conference table will take more than the few retaliations we have lately made. It will undoubtedly take persistent and heavy military pressure from the air and naval resources we have mobilized in the area. If Ho Chi Minh is to be persuaded to accept anybody's invitation to the conference table, it will have to be made clear that the only practical choice is between ending the war or suffering widespread devastation.

It is profoundly riskful to think we can expand the war in Vietnam and control its expansion at the same time. We must do it with our eyes open.

The only way this can be done with the least risk is to mount a peace offensive which would make our purpose clear and credible to allies and enemies alike.

My assumption is that such plans are well advanced within the Johnson administration and that the President is waiting for the proper time.

Mr. LONG of Louisiana. Mr. President, while I am on this subject, let me say as a Democrat that I find tremendous cause to be grateful to Members on the other side of the aisle that the joint Senate-House Republican leadership issued a statement strongly supporting the President in this Nation's Vietnam policy. The Nation should be grateful for the bipartisan support given to the President's policy. I congratulate the Republican Senate leader, the Senator from Illinois [Mr. DIRKSEN], and other members of the Republican leadership in the Senate, as well as the Republican leadership in the House, for the magnificent statement issued today supporting the President's position in South Vietnam. Inasmuch as this statement has already been released to the Nation through the press, I shall not read it, but I ask unanimous consent to have it printed at this point in the RECORD.

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

STATEMENT BY THE JOINT SENATE-HOUSE REPUBLICAN LEADERSHIP

It is undoubtedly difficult for the Communist capitals of Moscow, Peiping, and Hanoi—where disagreement is not tolerated—to understand that because Americans may differ on means to assure the complete independence of South Vietnam, there is no difference among us on the objective.

We, the members of the joint Senate-House Republican leadership, want to make it clear we support President Johnson's recent order for strikes against Communist supply bases in North Vietnam. If we have any difference with the President in this respect, it is the belief these measures might have been used more frequently since the Bay of Tonkin decision last August and an even stronger policy formulated in the meantime.

These Communist-proclaimed "wars of liberation" are nothing more than a verbal cover for naked aggression. The Communists unmask this aggression when they "stage" mob demonstrations against American embassies as free world resistance to their terrorist tactics in an independent nation is stepped up.

We suggest that so long as there is Communist-promoted infiltration of South Vietnam in violation of the 1954 and 1962 Geneva agreements, there can be no negotiations on the Vietnamese question, and we urge the President to make this unmistakably clear to the world. Agreements can only fail when the Communists negotiate only for domination and we negotiate only for peace.

VIETNAM POLICY

Mr. MONRONEY. I have made it clear over the past few weeks that I am opposed to any withdrawal of U.S. forces from South Vietnam. During a visit to that embattled country in December, I saw first hand the fine work that U.S. fighting men are doing there to help the South Vietnamese people remain free of Communist domination. Our soldiers, our airmen, our sailors, and our civilian groups assigned this most difficult task are making a contribution to the cause of freedom equal to any other challenge that U.S. citizens have had to face in this century. It is a most complex and changeable situation. It defies simple explanation or simple solutions. Our patience and our fortitude are being put to a tough test.

Here at home, in recent weeks, a chorus of discouraging voices has been heard. One or two Members of the Senate have urged that we retreat in South Vietnam, and one or two others have called for a reduction in our national commitment in that part of the world. Those who have been singing these sad and discouraging songs have become victims, in my opinion, of headline writers who habitually make bad news the big news. Unfortunately, there have been defeats and setbacks in South Vietnam in recent weeks. But there have also been victories and gains by our side. These have been overlooked or ignored by too many people.

One of the biggest gains which we have made in recent weeks has been a gain in understanding on the part of the American people. I believe the people are awakening to the hard facts, and are beginning to see the South Vietnam struggle in terms of the cold war; for indeed it is now the principal battlefront of the cold war. Freedom everywhere, for that matter, is at stake. We should not make the error of downgrading the importance of our posture in South Vietnam.

I have been pleased to find more and more people willing to support our position. This means more and more people are realizing the nature of this unusual war. This escalation of understanding is a most hopeful sign.

The Sunday Star, published here in Washington, gave evidence of such understanding by publishing an editorial opposing what it termed "the counsels of timidity." This editorial deserves our attention and emphasis, and 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:

TRUCE IN VIETNAM?

It has been almost 15 years since President Harry Truman took the bull by the horns and decided to fight back when the North Koreans launched their aggressive war. We eventually clobbered the North Koreans. Then the Communist Chinese "volunteers" came forth in massive numbers. After first being forced to retreat, we clobbered them, too, despite the "privileged sanctuary" which they were permitted to enjoy across the Yalu River.

At that point there came the appeal through the United Nations for a cease-fire and peace talks, to which we agreed. But there still is no peace, and, after 15 long years, we now have at least two divisions of American troops stationed on the firing line in Korea.

It is this experience with the "peaceful aims" of communism which makes us wonder a bit about the recent flurry of appeals for an end to the fighting and a revival of talk in southeast Asia.

The most important proposal has come from U Thant, United Nations chief executive. He urges an immediate end to American bombings in North Vietnam and of Communist operations which brought about the bombing raids. Thant thinks this should be followed by a conference looking toward a negotiated settlement of the Vietnamese war. More or less similar suggestions have come from France and India.

As straws in the wind, even though they may be very small straws in a very strong wind, all of these deserve, and doubtless will receive, careful consideration. It is to be hoped, however, that the counsel of timidity, which prevailed in Korea, will not now be permitted to shape the course of events in Vietnam. And we say this in the belief that the decisive, clear-cut victory which probably could have been won in Korea may not be possible in Vietnam.

The point, or the question, really has to do with the intentions of the Communists. Do they want a settlement which would bring an end to Communist aggression? Or would they settle only for renewed negotiations which actually would cloak their long-range aggressive ambitions? If the latter, it seems to us that the United States should stay in there and, as the occasion may demand, hit back harder and harder and harder.

SERMON BY THE VERY REVEREND FRANCIS B. SAYRE, JR.

Mr. MONRONEY. Mr. President, on last Sunday, the straight-thinking, straight-speaking dean of the Washington Cathedral, the Very Reverend Francis B. Sayre, Jr., preached a sermon which brought the fighting in Vietnam out of the jungles into a frame where we at home can take a clear look at it.

He used a text from II Timothy, chapter 2, verses 9 and 10:

> The word of God is not bound. Therefore, I suffer all things.

He also reminded us of President Lincoln's words: "God has his own purposes," when the moral turmoil of the Civil War afflicted both sides.

Dean Sayre, by the power of his words, identifies the fight for freedom in Vietnam today with the freedom of the human race, and calls it "the momentary focal point of a titanic struggle to determine in the valley of earth whether man can fulfill the image that God has imprinted upon his brow, or whether he must forever remain under the bondage of blindness and human chicanery."

I believe that the dean's words have especial meaning for us all as we deal with our frustrations and look for moral landmarks that are, as the dean puts it, "shrouded in a dark mist." I ask unanimous consent to insert in the RECORD Dean Sayre's sermon of February 14 at Washington Cathedral.

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

SERMON PREACHED IN WASHINGTON CATHEDRAL BY THE VERY REVEREND FRANCIS B. SAYRE, JR., DEAN, FEBRUARY 14, 1965

From II Timothy 2: 9–10: "The word of God is not bound. Therefore I suffer all things."

All over America this week, wounded soldiers were arriving from Vietnam, entering hospitals near their homes, each one punctuating the scream of headlines with the immediacy of the war in Asia to families like yours and mine. Right past this cathedral rolls the ambulance that carries the lad with two broken ankles suffered when his helicopter was shot down north of Saigon, or the sergeant who was crushed when his barracks were blown up at Quinhon. This is hard for people—not because the suffering of a soldier is any more vivid just because he is close, but because with his return, the distant conflict is suddenly turned into flesh and blood; put into a dimension we can understand; brought close to every man's conscience.

So each wounded man lays upon every one of his countrymen involvement, but also frustration—frustration because this brutal war is so confused, and we are uncertain as to why we're fighting it; frustration, too, because individually we feel so helpless. The bell is tolling in the jungles far away. We know it is for us it tolls, but we don't know what we can do about it. Just now in the presence of life and death the moral landmarks are shrouded in a dark mist, and hence we know not how to be brave.

So has it always been in time of war, not so much for the men who fight as for those at home who are condemned to think and wait and find the grace to pray.

Think of the Civil War as it rent our Nation, the moral turmoil afflicting both sides. Shall freedom be based upon a continent or else upon the untrammeled rights of one section or another? What becomes of sacredness in the holy crusade against slavery when brother must murder brother or fall himself to the blood-stained earth? How infinitely hard it was then to know the right, even when virtually every family under both flags was intimately caught in the anguish.

What Lincoln saw in that war may help us to discern the meaning of this one, for surely in all our history there was never a servant as nearly hewn from the hard timber of God. In the solitude of his dread burden he yet perceived the silent accompaniment of the Divine. Humbly he strained to discern the holy shape of destiny. And as simply he caught the light in the clear prism of his life and speech. Though he never quoted them, I'm sure that Lincoln must have honored those words of St. Paul which were read in this morning's lesson, that "the word of God is not bound." For if ever there could be a seal of authenticity upon an apostle or a President or on a plain believer, it is in the profound humility of those words. God is not bound, neither by what you think nor what I think nor by the righteousness of any human cause. "This is the Gospel that I preach," cried St. Paul "nevertheless God is not bound. His love and grace quite transcend anything that I can conceive."

Lincoln knew that, too. "God," he said, "has His own purposes." He saw the Civil War first of all as God's judgment upon a nation by whom had come the offense of slavery. "Fondly do we hope, fervently do we pray, that this mighty scourge of war may speedily pass away. Yet if God wills that it continue until all the wealth piled by the bondsman's 250 years of unrequited toil shall be sunk, and until every drop of blood drawn with the lash shall be paid by another drawn with the sword, as was said 3,000 years ago, so still it must be said, 'The judgments of the Lord are true and righteous altogether'."

When today the wounded come trailing home from Vietnam, and images of torture and death sully the innocent eyes of children in the pages of our news magazines, it is natural that we should recoil, and to pray that such wanton evil be soon suppressed, and by no means extended to ever wider arenas of combat. Yet if this pain but illustrates the judgment of God upon a wayward world ever persisting in its willful division, then must we accept the overrule of Providence, which is not bound by what we call right or wrong, but ordains agony until mankind will have no more war, but submits to the merciful arbitration of God instead.

Who are we to say that for our ease we ought at once to break off resistance and negotiate a settlement that can only prove to be a moratorium until a bitterer day? That counsel of weakness, all too common in church circles these days, fails to embrace the deeper paradox expressed by Lincoln: that even though the foreground may be filled with bombs bursting in air and all the moral stench of war, yet this is only to be seen against the broad background of God's wider purpose, by which suffering becomes the womb of salvation, an instrument of cleansing and redeeming, even as Christ upon His cross set new meaning to life and gave us the power to be sons of God.

What can we do, we ordinary citizens, about the war in Vietnam? Well, first we can have the courage to suffer, and the patient faith to long endure, knowing as did Abraham Lincoln that the right, which only God can let us glimpse, is in His hands and not our own. "God is not bound," cried the saint, "and therefore I suffer all things." It is high time, I would think, that we understand how those two things go together. He who waits upon the Lord must often bear outrage at the hands of them that will not wait, but would take fate violently into their own hands. Let us not be so near-

sighted as to think that we can extricate ourselves from the evil, if God's judgment has yet to be fulfilled in the world. Until then we must not, we cannot, shrink from the battle, if perchance we might be chosen as the instruments of His will.

Now this last is a mighty big "if." But it was a proposition in which Lincoln deeply believed. It was the other profound meaning that he discerned in the holocaust around him. The first was God's judgment upon all, both North and South. The second was God's promise that if the compact of liberty embedded in the American Constitution might survive, it could become the holy grail of all mankind, the sacred offering, bought with blood, of one people to all. It was this that made the suffering endurable. "In giving freedom to the slave," he wrote, "we assure freedom to the free—honorable alike in what we give and what we preserve. We shall nobly save or meanly lose the last, best hope of earth."

What Lincoln saw was the corporateness of life, and that God fashions a destiny not just for your life or mine as individuals but for the whole tissue of society together. "We fight," said St. Paul, "against principalities and powers," which is to say against evil on a cosmic scale. And on that same scale God ordains for all mankind a majestic prize, which is the brotherhood of freedom and the generosity of peace universal. The meaning of each man's life and the moral glory of a chosen race is rooted in God's commission to fight in such a cause, on such a scale. Therefore freedom, as Lincoln said, is indivisible; it cannot be divided. It has no reality if all do not enjoy its blessing. The horizon of southerners and northern abolitionists alike was too circumscribed to descry the necessity of that ultimate unity. Each in his way proposed to bind the word of God, and thus they move the crown of thorns upon the embattled head of the President.

But now, as history has marched across another century, we are given to see an even broader horizon than Lincoln saw. If he understood that liberty could be based on nothing less than a continent, we must perceive its worldwide dimension. The present conflict in Vietnam is not just an incidental entanglement in which somehow we have been unfortunately involved. It is rather the momentary focal point of a titanic struggle to determine in every valley of earth whether man can fulfill the image that God has imprinted on his brow or whether he must ever remain under the bondage of blindness and human chicanery.

There are, of course, as there have always been, narrow men who cannot read that broad canvas now spread before us. Preoccupied with the immediate locale of conflict, they would end the evil as if the freedom of the human race was not interconnected; as if we could give up all of Asia to the serfdom of darkness and still rejoice in the light of freedom on this side of the world.

It is, I think, too bad that our present leaders have chosen the word "retaliation" to explain our recent actions; for, despite the use of this childish word, retaliation is certainly not our policy. Tit for tat is not a policy at all, but only the petulant response of an angry adolescent.

Rather should it be plainly declared that we have accepted the dire risk of wider combat because we must make it unmistakably evident that we will not abandon the moral calling which God has laid upon us. We will not give up; we will use every means to persuade others that attack is futile; we believe in this thing that is called freedom, even though it requires the sacrifice of our very lives in the distant skies of an alien land.

We believe in this, let us acknowledge it, not because we find the free way of life congenial and, in fact, prosperous to boot, but because on the mileposts of history we have seen the signs of Providence: God will have it no other way than that all men one day shall walk upright in His kingdom, fair and free. It may indeed appear presumptuous to suppose that for so great a destiny, God has chosen us as His instruments. Yet if at the beginning we recognize His judgment first, his abhorrence of our abysmal unworthiness, the hollowness of all our perverted pretension—if, like Lincoln, we humbly lay our sin before Him at the very beginning, then may we not look to the promise, the scared calling of a people made worthy by grace to give its life on a cross, if it must be, for the sake of a happier resurrection which God has in store for us and for all men. "Take up thy cross," said Christ, "and follow me."

THE COMMERCIALIZATION OF GEORGE WASHINGTON'S BIRTHDAY

Mr. MONRONEY. Mr. President, next Monday, this great Republic of 190 million people will commemorate the 233d anniversary of the birthday of the father of our country, our first Commander in Chief, our first President—George Washington.

Any schoolboy knows that much about February 22 and American history. Any schoolboy believes that date is important, even though he may not swallow the cherry tree legend anymore.

The average school child, like the average American, does not yet know that we in this great Nation's Capital do know about February 22: That this date has been taken over by the supermerchandisers, that the Federal District of this great commercially oriented commonwealth, which General and President Washington had such a great part in founding and establishing under just law, the hallowed line may be replaced by this new pitch:

First in price, first in sales, and first in merchandising for its countrymen.

The massive buildup has been underway for days in the Nation's Capital. By radio, TV, newspapers, handbills, billboards, and even sandwich signs, day and night at full blast, the citizens of the Nation's Capital are having dinned into their ears the new price-tag meaning that has been unfortunately attached to the birthday of George Washington.

In every retail establishment in the metropolitan area, the forces are being mobilized, a travail of preparation for a so-called birthday celebration is underway. This furious activity occupies Monday, Tuesday, Wednesday, Thursday, Friday, Saturday of this week—and, yes, even Sunday of the next.

Then on Mondays—bang, bang, bang—comes the great climax as the cash registers toll the day in beautiful but raucous cacophony.

Who knows, perhaps it will be the first $10 million sales day in the city that bears his name. Ah, the thrill of celebration that is ahead.

Each year, in recent years, while this birthday carnival of sales, sales, sales, occupies thousands on the nearby streets, I have come to this Chamber to listen intently to our annual reading of President Washington's Farewell Address. This is a delightful custom. Each year, he seems to be speaking directly to us on some issue pending for that day. His fatherly advice always seems to be in point and to the point directly.

I have yet to catch even a hint from his farewell message about the merchandising spree that rules the city beyond Capitol Hill.

The bargain boosters and the merchandising geniuses may have gone too far. Had they stopped with a dignified sales festival in memory of a frugal President—our first President—then, perhaps, it might have been taken as a tribute to him as the godfather of all U.S. entrepreneurs. This might not have been such a bad idea in this loyal and dedicated constituency—commemorating the birth of its namesake.

But, as February 22 has been given a fancy and profitable veneer in the marketplace of Washington, D.C., other dates throughout the year have undergone more blatant commercialization. Thus, Labor Day becomes a back-to-school extravaganza, Thanksgiving a preholiday shopping spree for the winter stockpile of strong spirits, Valentine's Day a frolic for the lingerie buyers, and——

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

Mr. MONRONEY. Mr. President, I ask unanimous consent that I may proceed for 2 additional minutes.

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

Mr. MONRONEY. On Mother's Day, an excuse is made for spending in honor of that greatest of institutions—motherhood; Easter, of course, for bonnets, bangles, and bunnies.

Let us not even mention Christmas. The exploitation that has occurred throughout Christendom, often in denigration of the birth of our Saviour, is a subject too well understood to be dwelt upon.

In view of the cynicism now rampant in the name of commerce between the several States and the spread of the promotional gimmick based on his birthday, I wonder whether the Founding Fathers should not have gone a little further and agreed to tighter language in the clause that limits the power of Congress to regulate commerce only between the several States.

Maybe our forefathers should have permitted regulation of intrastate commerce by Congress on matters other than minimum wages and civil rights. Perhaps they should have foreseen the frenzied efforts of local merchants to clear the shelves of the "cats and dogs" that remain unsold even after the Christmas shopping and even after the January white sales.

Perhaps we can now find a solution. Perhaps our young people can be recruited for an antipoverty program to relieve the eager beaver advertising men who now seek to stave off hunger with their annual Washington's birthday sales buildup.

Perhaps we can go a step beyond the Peace Corps—to a Sales Corps, or maybe send this long-neglected merchandise with the Peace Corps men into the "have-not" areas in the world. The beads and

trinkets that helped win the West might even now have modern substitutes. Could not this slow-moving merchandise still be distributed somewhere on the frontier? Or, perhaps, on the new frontier? What better succor for the depressed areas of Appalachia or, for that matter, the deprived Paradise Valley of Arizona?

No, we have not heard anything in the annual February 22 birthday recital in the Senate about the merchandising spectacular.

Maybe George Washington was speaking to us, as ever, in a subtle way, or even in a subtle voice. He would talk about frugality and paying as you go. He would, at the same time, hold out the need for fiscal responsibility for his government of the District of Columbia. But, he did not say anything about personal frugality.

Because the District of Columbia government is dependent upon a high volume income from a sales tax, perhaps he brought up fiscal stability to government while playing "heck" with personal fiscal stability. But, like the old barroom song:

"My father's a typewriter vendor,
My mother will merchandise gin,
My uncle he takes in the laundry,
My gosh how the money rolls in."

The fiscal affairs of the District will be preserved, provided—and this is a big provided—of course, that the merchants do not cut the price quite so close as they claim to be doing on most of their stock. Volume is important, but too deep cuts would cut down on the District sales tax final take.

Mr. President, I yield the floor.

SITUATION IN VIETNAM

Mr. LAUSCHE. Mr. President, I heard the acting majority leader make a statement that the leaders of the minority in the House and Senate have expressed approval of the President's course in South Vietnam.

I am glad to hear that statement made. It appears to me that this item is of such importance that voices from the Congress should be heard throughout the country so that uninformed citizens may obtain knowledge of the facts and better be able to guide themselves on the course that we should follow.

I have been a member of the Committee on Foreign Relations for 7 years. The subject of southeast Asia and Vietnam has been one of importance. It has been especially significant to me because I am chairman of the Subcommittee on Far Eastern Affairs of the Foreign Relations Committee.

In the hearings held on former Indochina, the witnesses who appeared representing the respective Presidents since 1956—the Secretaries of State, the Secretaries of Defense, and the members of the Joint Chiefs of Staff—without exception declared that our presence in Asia was primarily to protect the security and life of the United States.

While the Presidents did not appear before the committee, their representatives did. Everyone, without exception, stated that for the protection of our shores and our lives and the security of our Nation, we could not afford to pull out of South Vietnam.

Presidents Truman, Eisenhower, Kennedy, and Johnson, recognizing their grave responsibility to the Nation, and the grave consequences that might result from involvement, nevertheless stated flatly that we could not pull out without endangering the security of our land, which has given so much to all of us.

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

Mr. LAUSCHE. I ask that I may proceed for 2 additional minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. LAUSCHE. Testimony has been given to the effect that if we pull out, the first line of defense, instead of being 5,000 miles away, will be brought to Hawaii and to the continental shores of the United States.

The words of these leaders in describing the need for staying in southeast Asia cannot be disregarded.

Let us consider the problem which is immediately facing us. The problem is not the product of our acts. We committed no overt acts of aggression. Our men were killed and our property was destroyed and our flag was pulled down.

My question is: Were we to stand idly by? Were we to do nothing? Was it not the duty and responsibility of a nation which believes in integrity and in performance of obligations, not only to its own citizens but also to those with whom it has treaties, to assert itself?

If we had done nothing, would that have been the end of it? It certainly would not.

Arguments will be made on the floor today to the effect that we should create a neutral government in Vietnam. The argument will be made that we should create a neutralized coalition government. To Senators who make that argument I say, Let us look back to developments since World War II. Can they point to a single instance when a coalition government or a neutral government worked out in accordance with the anticipation when the agreement was made?

What happened to Poland, to Hungary, to Rumania, to Yugoslavia, and to Czechoslovakia? What is happening to Laos since a neutral, coalition agreement went into effect in 1962?

Finally, what has happened in China, the source of all our troubles? A coalition government was forced upon Chiang Kai-shek. He worked diligently to make a coalition government live. The Communists broke their word. They have broken their word every time a neutral government has been set up.

Now we are told that we should pull out. Pull out to where? Will that be the end of our troubles? Would we not immediately have trouble in Thailand, in the Philippines, and probably in Australia? When people say we should pull out, I ask the question: Where to? We cannot pull out far enough to satisfy the maw of the Communists.

STATE AND LOCAL ARTS COUNCILS IN THE UNITED STATES

Mr. JAVITS. Mr. President, the New York Times of Monday, February 15, reports that a central office will be established by arts councils in the United States and Canada.

Since New York pioneered in the establishment of a State arts council 5 years ago, 25 States have followed suit. There are another 125 private councils throughout the Nation and, of course, the National Council, established last year by legislation which a number of my colleagues and I had offered.

As the number of these organizations increases, so do requests for advice and assistance directed to the Arts Councils of America, Inc. This nonprofit group will establish the central office to keep up with the needs of the expanding arts council movement.

The New York Times article describes the growth of councils and the achievements of several individual groups—including the Oswego Arts Guild in Oswego, N.Y. I ask unanimous consent that the text of the article be printed at this point in the RECORD.

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

ARTS GROUPS PLAN A CENTRAL OFFICE: RESEARCH SERVICES WILL BE PROVIDED FOR PUBLIC AND PRIVATE MOVEMENTS—UNIT'S EXPANSION CITED: COUNCILS IN UNITED STATES AND CANADA TO STAFF HEADQUARTERS WITH PAID EMPLOYEES

(By Theodore Strongin)

Arts councils in the United States and Canada plan to establish a central headquarters staffed with paid employees before the summer. The office will provide research services for the growing arts council movement, private and public. Its location is still uncertain.

It will be set up by Arts Councils of America, Inc., a nonprofit organization that has been trying to keep up with the needs of the expanding movement with volunteers.

The New York State Council of the Arts starts its fifth year on March 29. It was the first State council in this country. Since it began, 25 States have established arts councils.

In the mid-1950's there were about 50 councils, mostly private, according to George Irwin, chairman of the board of the National Council and chairman of the Illinois Arts Council, a State body. Mr. Irwin estimates that today there are about 150 in the United States and Canada. Fifty of them are members of the National Council.

FLOOD OF INQUIRIES

Mr. Irwin and R. Philip Hanes, Jr., president of the national group and of the North Carolina State Arts Council (a front runner among State councils), receive and reply to hundreds of inquiries each year. The most common concern starting an arts council, building a cultural center, establishing a joint fund-raising campaign and staging a festival.

There is no stock answer to any of the above questions, both men emphasize. Variety is the hallmark of the arts council movement. They point out, though, that in the 15 localities that already have joint fund raising, the total amount of money given to the arts has dramatically risen.

Mr. Hanes had amassed a large library of practical material about arts councils. Both he and Mr. Irwin improvise. "With good community backing and up-to-date

management techniques, many things can happen with what exists already," Mr. Irwin said.

IMPROVISATION PAYS

The arts center in Rocky Mount, N.C., occupies an abandoned railroad pumping tank, 50 feet in diameter. One floor is a circular gallery called the Little Guggenheim, another is a theater-in-the-round and the third an arts and crafts facility.

In Statesville, N.C., the center is a former sewage disposal plant. Tacoma, Wash., uses and old jail and is about to convert the cellblock into a theater. The Corvallis, Oreg., center used to be a church.

The new central headquarters will house Mr. Hanes' library and add to it. It will publish booklets on management, organize conferences and workshops, provide technical assistance and help establish new councils.

Services to nonmembers are expected to help pay for the office, but for the first few years the annual budget of from $60,000 to $75,000 will be sought from foundations. The staff's research and other projects are expected to develop into a source of funds to help replace the foundation grants when they run out.

The office will be staffed at first with an executive director, an administrative assistant, and a secretary. But Mr. Irwin emphasizes that the office will develop to supply the services it is called upon to fill, rather than according to a preconceived pattern. The self-imposed limitations are that it will be concerned with arts management, not with art.

Though State councils are diverse in origin and aims, the trend is toward the prototype set by the New York State council, which operates in several areas. It helps underwrite tours in the performing arts and traveling exhibitions; it provides specialists to help solve technical problems such as museum lighting; it provides theater and music for children, and it concerns itself with preserving worthwhile buildings.

For 1965–66, the New York council plans a number of special projects and expansion of its educational services. The current annual budget is $562,335.

The extent of the council's impact can be measured in Oswego, population 22,000. The number of performing artists and groups appearing annually has risen from 8 to 22. The council's technical assistance has made possible building a theater for the community group in a building that also houses art classes. The enterprise is called the Oswego Arts Guild.

The State-owned building is part of old Fort Ontario. "The council sent experts in the design of the building," said Perry Reynolds, president of the Oswego guild. "All the bickering and arguing on the part of volunteer workers went right out the window when the council sent the professional talent. The arguing stopped and the work started."

LITHUANIAN INDEPENDENCE DAY

Mr. JAVITS. Mr. President, yesterday marked the 47th year since the declaration of Lithuanian independence in 1918. This nation has been the site of a continued struggle for independence by its courageous people. Held in Communist tyranny for so many years, the Lithuanians have still retained a strong sense of their lost liberty. Simply to recount briefly the history of their struggle in this century is to show the world a people firmly dedicated to freedom and self-determination in the face of overwhelming odds.

After 120 years of subjugation to Russia, and occupation by the Germans during the First World War, the Lithuanian people declared the "establishment of an independent Lithuania" on February 16, 1918. Yet by the end of that same year, the Soviet Union had invaded the country. Lithuania fought back and, though stripped of part of its territory, succeeded in gaining recognition from the Soviet Union as a sovereign state in 1920.

But the hard-won independence of the Lithuanian people was short lived. In 1940, Soviet troops occupied the country and annexed it to the Soviet Union. When the war broke out between Germany and the Soviet Union the following year, Lithuania fell under German administration until, as the Nazi occupation collapsed in 1944, Lithuania was again crushed by the Soviet Army.

For 7 years, Mr. President, the Lithuanian people struggled to liberate their land. During that struggle, 30,000 Lithuanians died for their cause, and hundred of thousands were deported to the Soviet Union, where they died wholesale in forced labor camps.

But the Lithuanian people continue to yearn for freedom from their oppressors and the establishment of a truly independent Lithuanian state. Mr. President, we in the United States, who have consistently supported the principle of self-determination, add our voices to the commemoration of the 47th anniversary of the declaration of Lithuanian independence, to demonstrate our sincere hope that the fires of liberty, so long repressed in Lithuania, will never be fully quenched.

EXPORT CONTROLS ON WALNUT PRODUCTS

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Sidley, Austin, Burgess & Smith, of Chicago, attorneys for the American Walnut Manufacturers' Association, addressed to the Secretary of Commerce, together with certain exhibits, asking for a reconsideration of a decision by the Department of Commerce to permit export controls on walnut products to expire, and expressing the hope the controls might continue.

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

SIDLEY, AUSTIN, BURGESS & SMITH,
Washington, D.C., February 15, 1965.

Hon. JOHN T. CONNOR,
Secretary of Commerce, Department of Commerce, Washington, D.C.

DEAR MR. SECRETARY: As counsel for the American Walnut Manufacturers' Association I respectfully and earnestly urge reconsideration of your action in permitting export controls on walnut to expire after only a 1-year trial; and I further urge that during such reconsideration controls be kept in effect temporarily.

On November 29, 1961, all the major manufacturers of walnut veneer in the United States made application under the Export Control Act for relief from excessive drain of the diminishing supply of walnut logs and the resulting inflation in prices.

The pertinent provision of the Export Control Act is attached.

At the hearing before the Department of Commerce and in subsequent supporting submissions over a period of 2½ years, the veneer manufacturers showed conclusively that the statutory requirements for relief under the statute were met. Black walnut grows only in North America and the best quality is in the eight Central States. The applicants showed that because of heavy demand for this precious, slow growing wood, particularly for export, the supply would be entirely exhausted in about 7 years.

On February 14, 1964, the Department of Commerce imposed export controls, limiting the export quota to 7.3 million board feet a year and conditioning the continuance of the controls after 1 year on reduction of domestic use. The domestic quota was set at 15 million board feet. This domestic limitation was imposed for the announced purpose of having domestic restriction to go along with the export quota in order to comply with the provisions of the General Agreement on Tariffs and Trade. The restrictions were supposed to bring about a 16-percent reduction in domestic and export use from the respective 1961–62 average annual use figures as estimated by the Department of Commerce from the best figures then available.

In order to achieve a reduction in domestic use major veneer manufacturers embarked upon a voluntary program of reducing the standard thickness of veneer from one twenty-eighth inch to one thirty-sixth inch. It was not possible to make this change over the day after the control order was announced and unavoidably there was a delay of a number of weeks in adjusting to the conservation program. This reduction caused much technological adjustment and many complaints from customers but the veneer manufacturers stuck to the program, unpopular as it was with some of their customers, in a sincere, determined effort to comply with the condition (domestic reduction) attached to the export quota. The shift over to the thinner thickness has for many months been complete.

The program has in fact been remarkably successful already in reducing both export drain and domestic consumption as shown by the following million board feet figures:

	Export	*Domestic*
Year 1961–62 average use as estimated by Department	8.5	17.5
Year 1963 actual	14.3	23.5
What 1964 would have been without controls assuming continuance of average annual increase	18.0	26.0
Year 1964 actual with controls	7.3	19.5

This means that without controls domestic use of walnut in 1964 would have been (1) 25 percent greater than 1963 actual (2) 57 percent greater than what it would have been in 1964 without controls.

The root of the problem here is that the base figure from which the reduction was to be made was too low. The veneer manufacturers themselves did not realize this when the order first came out. They estimated actual 1963 use was about 20 million board feet and the Department agreed with this estimate. On the basis of that figure, it seemed feasible to cut back domestic use to 15 million by reducing the veneer thickness. But when it turned out to the surprise of everyone that the actual 1963 use was 23 million it became clear the 15 million quota could not be met.

It is respectfully submitted that at that point the Department should have adjusted both domestic and export quotas upward to recognize the newly available 1963 figures.

In addition domestic use necessarily surged in the fourth quarter of 1964 as the backlog of inventory of one twenty-eighth inch veneer became exhausted and it was necessary to build up new inventory.

Your statement says the control program has not been successful as a price control measure. It was never intended to lower prices of walnut although some opponents of the program charged it would do that. Walnut prices vary with quality and when less is bought, as under the control program, better quality, higher priced logs are bought. This is particularly true of logs going into the export market so it is inevitable that export shipments have been at increased prices.

To appreciate the importance of walnut to American industry it must be realized that the direct impact on our small industry is only a minor part of the picture. Walnut is increasingly popular for furniture. The cost of the veneer in an average item of walnut veneer furniture is only 2 to 3 percent of the wholesale price of that furniture—but this 2 to 3 percent is what makes the furniture salable and popular. In 1964, approximately $36 million worth of walnut veneer was sold. Most of this goes into furniture which means this veneer was used in nearly $1 billion worth of furniture.

In today's issue of Home Furnishings Daily, in a column by Stanley Slom, the following comment on the incredible popularity of walnut for furniture appears:

"Secretary Connor in his reasoning to remove controls said he did not anticipate veneer cutters and users, or their employees, would experience great difficulty in shifting to the use of other woods, should that become necessary or desirable.

"We're not quite clear on what he means by that. Does he mean that if the Americans are outpriced by Europeans on American walnut logs, they can always turn their backs on their exceedingly popular native wood and turn to something else? Or does he mean that immediately they should drop walnut in favor of something else?

"If it's the first solution that he has in mind, we find it difficult to accept this as a way of solving a problem. If it's the second solution he's thinking of, then he doesn't know the furniture industry.

"Walnut is a top wood in the furniture industry, especially in modern and contemporary styles, and no one wants to give up a good thing. Go to a market and check the case goods houses, especially the promotional and medium-price makers, and practically all you see is walnut. It's that overwhelming."

Many efforts have been made to find substitutes. If walnut supplies should be allowed to dwindle to uneconomic levels, it will be necessary for the American furniture industry to use imported woods. This will hurt the American balance-of-payments position by requiring imports and by depriving the American furniture industry of a potentially powerful advantage in the export market.

In his statement accompanying the February 14, 1964, order, the Secretary of Commerce recognized that there was a possible serious loophole in the domestic quota program in that exports of walnut veneer were not to count against the export quota but logs so used would count against the domestic quota. His statement said:

"We will keep a close watch on all phases of this program to see that our objectives are not frustrated, for example by a rise in exports of walnut veneer in substitution for exports of logs."

The veneer manufacturers saw at the outset that this loophole might tend to dilute the effectiveness of the program and so advised the Department in February 1964.

In a few months it was evident that the cutting of veneer for export was rapidly increasing. In October 1964 the established veneer manufacturers, who were dedicated to making the program work, formally requested the Department to plug this loophole but this has never been done.

It is estimated by the major veneer manufacturers:

1. That at least a million board feet of walnut has been charged to the domestic quota as a result of this new activity in cutting veneer for export; and

2. That a substantial amount has been charged against the domestic quota because of new manufacturers entering the field of cutting walnut veneer for domestic use.

There are compelling reasons why the discontinuance of controls should be reconsidered and the status quo maintained until there can be a hearing and further study of the relevant data:

1. Discontinuance of controls by no means restores the situation to what it was before controls were imposed because of the shift which has been made to a thinner veneer and the large inventory of thinner veneer valued at about $8 million which has been produced in a conscientious effort to comply with the Department's program. Cutters of veneer for export are cutting to a one-fiftieth inch thickness and as a result can pay increasingly inflated prices for logs. Producers of veneer for domestic use cannot be expected to compete in the marketplace for logs against this uncontrolled export drain.

2. The conditions of the Export Control Act are fully met by the walnut situation and the need for relief under the purposes and policies of that act is more urgent than ever.

3. The GATT requirement has been fully complied with by the sincere and determined actions of domestic veneer manufacturers in reducing veneer thickness.

4. The reduction of veneer thickness by voluntary action in cooperation with the Department of Commerce program is all the domestic veneer manufacturers can legally do to reduce domestic use. It is the only method of reduction having the sanction and protection of Government action, i.e., the Department of Commerce order.

(5) There can be no argument that the standard thickness has been significantly reduced. Whether the predominant new thickness is in fact one thirty-sixth inch, or one thirty-fifth inch, or one thirty-fourth inch is not relevant. The February 14, 1964, order and related statement did not specify a particular amount of reduction in thickness that would be required. Use of veneer for domestic use has been reduced by 57 percent from what it would have been without controls.

6. The reduced thickness was not required as a test for meeting the clear requirements of the Export Control Act. The conditions which make that act applicable have been more than adequately met. The only significance of the thinner thickness is to show good faith in regard to trade agreements policy. That good faith recognition of the trade agreements policy has been fully and forthrightly demonstrated. If further acknowledgment of GATT requirements is needed it can be by a modest increase in the export quota.

7. The GATT requirement should not be interpreted so rigidly as to make impossible application of the Export Control Act.

8. The GATT requirement should not be interpreted in such a way that it would be possible to meet it only by means of actions by domestic industry which would run the risk of charges of violation of American law and public policy. Action by domestic industry to reduce consumption beyond voluntary reduction of veneer thickness is not feasible.

9. One year is too short a time to permit an adequate test of the long-term efficacy of the control program. Actually, the program was in full effect only 9 months because of unavoidable delay in shifting to the thinner veneer thickness.

10. The control program has already been successful in saving walnut both for domestic and import use. We estimate that without the program 25 percent more precious walnut logs would have been consumed in the 12 months ending February 14, 1965, than was consumed in 1963.

11. The control program cannot be adequately tested and judged until it is revised to count exports of veneer against the export quota. For the past 12 months they have been charged to and have artificially inflated domestic use. The existence of this major loophole, which has been allowed to persist despite the urging by domestic veneer producers, has interfered seriously with the effectiveness of the controls.

12. American furniture manufacturers are active with plans to greatly increase export of furniture made with walnut veneer. In the long run the abandonment of controls will prevent large-scale export of such furniture and will unfavorably affect the American balance of payments.

13. Exhaustion of American walnut supplies will require import of woods for use by the American furniture industry with further damage to our balance-of-payments position.

14. For 65 years American policy and tradition has been for conservation of our precious natural resources. Abandonment of quotas for black walnut runs counter to this policy and plays into the hands of short-term and short-sighted exploitation of natural resources.

The walnut veneer industry urgently requests that you reconsider your action in declining to continue export controls for walnut logs. Discontinuance of controls after only a 1-year trial means 3½ years wasted effort and attention by skilled staff people in your Department and other Federal agencies.

With the abnormal drain of walnut logs continuing to increase it is inevitable that reinstitution of controls will sooner or later prove unavoidable. Much work can be saved and a more effective control program can be evolved by building on the base of experience and procedure already achieved. It is urged that controls be temporarily continued until all points in dispute can be adequately explored at a hearing and a modest increase in quotas for both domestic use and export can be considered.

This vital conservation program, so important to many small businesses, should not be rejected after such a short trial merely because it failed to achieve perfection in its first year.

Sincerely,

J. EDWARD DAY,
Sidley, Austin, Burgess & Smith.

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50 App. U.S.C.:

"SEC. 2022. CONGRESSIONAL DECLARATION OF POLICY.

"The Congress declares that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and to aid in fulfilling its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security. February 26, 1949, chapter 11, section 2, 63 Stat. 7."

PACKAGING AND LABELING REGULATIONS

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which I am sending to every Senator, together with a summary of the action of the Senate Committee on the Judiciary, in relation to the so-called labeling and packaging bill,

my individual views and, in addition thereto, the text of Senate bill 985 and Senate bill 387.

There being no objection, the letter, summary, views, and bills were ordered to be printed in the RECORD, as follows:

TRUTH-IN-PACKAGING BILL

FEBRUARY 16, 1965.

DEAR COLLEAGUE: Enclosed is an important memorandum pertaining to the protection and continuance of the policy in the Senate in allowing more than one committee to have jurisdiction over proposed legislation when supported by the record.

S. 985, the packaging and labeling bill, which was before the Senate Judiciary Committee in the 87th and 88th Congresses (S. 387), has been slightly altered this year. This may cause the bill to be referred to the Senate Commerce Committee. I have no objection to such referral except that I contend that the Senate Judiciary Committee should also have jurisdiction after the Senate Commerce Committee has completed action on said bill because the Subcommittee on Antitrust and Monopoly in its report, and the sponsor of S. 985 in his opening statement on said legislation during the 88th Congress stated:

"This bill then is in the tradition of the antitrust laws; and

"This bill would bring the antitrust laws up to date insofar as the nonprice form of competition represented by packaging and labeling is concerned."

Irrespective of whether I agreed with the above quotes, you must conclude that antitrust issues have been created in the record of the hearings, and the report, thus necessitating, under the Senate rules, the resolving of said antitrust issues by Judiciary Committee jurisdiction.

The House counterpart of S. 985 was referred this session to the House Judiciary Committee. The House bills were sponsored by Congressmen CELLER, MULTER, GILBERT, et al.

The motion for referral of S. 985 will be taken up by the Senate on February 18. I would appreciate your attention to this important matter of Senate precedents for referrals to more than one committee when warranted.

Sincerely yours,

EVERETT M. DIRKSEN.

THE SENATE JUDICIARY COMMITTEE SHOULD HAVE JURISDICTION OVER S. 985, THE PACKAGING BILL

Mr. DIRKSEN. Mr. President, the majority of the Senate Antitrust Subcommittee, by a 5 to 3 vote, approved S. 387, the packaging and labeling bill (now S. 985), and submitted a majority report which, among other things, stated:

"This bill then is in the tradition of the antitrust laws," and

"This bill would bring the antitrust law up to date insofar as the nonprice form of competition represented by packaging and labeling is concerned."

Mr. President, would it not be reasonable to conclude that there is a sufficient issue of antitrust law in S. 985?

Mr. President, when the sponsor of the packaging bill, in introducing it in the Senate in 1962 and 1963, and again in his opening statement in hearings on said bill said, and I quote:

"What does this bill attempt to do? It is an effort to bring up to date the antitrust laws by recognizing the emergence of a relatively new form of nonprice competition, packing and labeling."

Then would it not be reasonable that there is sufficient issue of antitrust law in S. 985, irrespective, Mr. President, if I or the minority of the subcommittee disagreed with that statement?

Mr. President, when the chairman, his counsel, and several of the proponents of said packaging bill reiterated that nonprice competition is the heart of the packaging and labeling bill and that it has antitrust law characteristics, then would it not be reasonable that there is sufficient antitrust law issue in S. 985 to warrant jurisdiction for the Judiciary Committee and its Antitrust Subcommittee to deliberate and resolve the antitrust aspects of said bill?

Mr. President, before proceeding further with illustrations of antitrust characteristics of S. 985, let me deviate to make this point. We also have the question of a precedent being established. The subcommittee conducted investigative and legislative hearings that took the valuable time and energies of nine Senators on the subcommittee in successive years 1961–64 on the theory that the subject matter had an impact on the antitrust laws. Now the chairman of the subcommittee claims it is no longer a matter of antitrust law and revises the bill slightly which may lead its referral to the Senate Commerce Committee. He goes one step further by objecting to a unanimous-consent request that is tantamount to barring his subcommittee from jurisdiction of his own bill, after the Senate Commerce Committee completes its work on the bill.

What will this do to the future hearings contemplated by said subcommittee, Mr. President? If the packaging and labeling bill does not belong in the Antitrust Subcommittee on the record shown herein, then how can it have jurisdiction to hold hearings on insurance, on the funeral industry, on professional boxing, on doctor-owned pharmacies and repackaging firms, on Columbia Broadcasting System's purchase of the New York Yankees, and other such subject matter that have far, far less affect—if any—on the antitrust laws than the record shows the packaging and labeling bill has. What is so sacred about the antitrust aspects—if any—of the funeral industry, or the insurance industry, or doctor-owned pharmacies, et al., to give said subcommittee jurisdiction while at the same time the chairman denies jurisdiction to the antitrust aspects of the packaging and labeling industry? (See activities report.) Mr. President, I know of no better way to wreck the prestige of a committee than to have one of its so-called key bills rewritten in a manner that technically may lead the bill to the jurisdiction of another committee and bar it from the original committee although the substance of the bill is the same. If this is permitted, I can envision the Antitrust Subcommittee being relegated to a minor status, but more significantly, I can envision carefully phrased terminology to get a bill before one committee whereas the substance and the purposes of the bill would have demanded that it go to another committee under our present rules.

Mr. President, when the chairman of the House Judiciary Subcommittee, Congressman CELLER, and Congressmen GILBERT and MULTER reintroduced this year a similar packaging and labeling bill in the House, which bill was referred to the House Judiciary Committee, then would it not be reasonable that there is sufficient issue of antitrust law in S. 985 to require that the Senate also give jurisdiction to the Senate Judiciary Committee after the Senate Commerce Committee completes action on said bill?

Mr. President, it is not the reference to the Clayton Act that is controlling in the referral to committee, but the substance of the proposed law is most important in determining if antitrust matter is in the bill.

Mr. President, when the Department of Justice and Federal Trade Commission consider standardization and nonprice competition as factors relating to antitrust law violations, then would it not be reasonable that there is sufficient issue of antitrust law in S. 985 to warrant the Senate in sending S. 985 to the Judiciary to deliberate and resolve the antitrust aspects of the bill and leave to the Commerce Committee the other aspects of said bill?

Mr. President, briefly, I cite five additional references why Senate Judiciary Committee jurisdiction should be given.

1. Regulations promulgated by FDA and FTC under S. 985 fixing sizes and quantities of packages and product contents, on an industrywide basis, may raise problems of antitrust violation by industry members cooperating in such standardization. See speech by Joseph E. Sheehy, Director of FTC Bureau of Restraint of Trade, on "Pricing Problems," pages 7–8 (Dec. 11, 1964) (Standardization of product by industry action may "fit into a trade restraining pattern that brings it within the ambit of the law"). Such antitrust conflicts are within the jurisdiction of the Judiciary Committee.

2. Senator HART'S letter of January 21, 1965, to Senator EASTLAND concerning the Antitrust and Monopoly Subcommittee's budget and program for the coming year states, in part, that:

"The subcommittee plans to continue to examine, investigate, and make a complete study of the nature and extent of trade and commercial practices affecting consumers in a manner which tends or may tend to restrain competition in interstate and foreign commerce, with particular references to deceptive, misleading, fraudulent, or unfair practices in the production, processing, packaging, labeling, branding, advertising, statement of prices, and other conditions of sale, marketing, and furnishing of goods and services to consumers."

In view of these wide-ranging plans by the subcommittee to study deceptive packaging, labeling, and advertising practices in the coming year, it would surely be appropriate to have the results of the subcommittee's study brought to bear also on the Commerce Committee's study and report on S. 985, which undertakes to cover a quite similar area of business activity.

3. S. 985's revised provisions in paragraph 4(b) as to hearing procedures under provisions of the Administrative Procedure Act for some but not all of the authorized regulations raises problems of administrative practice and interpretations of the Administrative Procedure Act which would normally be supervised by the Judiciary Committee which originated and reported on the Administrative Procedure Act in 1945. Senate Report 752, 79th Congress, 1st session (1945); House Report 1980, 79th Congress, 2d session (1946).

4. The enforcement provisions of S. 985 which could impose penalties on business firms violating a final order of the Federal Trade Commission, paragraph 5(c), see 15 U.S.C. 45(1), require affirmative enforcement action by local U.S. attorneys and the U.S. Department of Justice, which are under the jurisdiction of the Judiciary Committee.

5. S. 985's provisions for product standardization entails an interplay among various executive departments and agencies, including the Department of Justice, the Food and Drug Administration of the Department of Health, Education, and Welfare, and the Federal Trade Commission which warrants consideration by all committees with proper jurisdiction, and in particular by the Judiciary Committee. In a comparable instance, questions as to the amenability of food processors and grocery chains having meatpacking operations to various FTC and antitrust provisions were resolved by a statutory amendment considered by the Judiciary Committee as well as the Agricultural Committee of the Senate in 1957 and 1958. See Senate Report 1564, 85th Congress, 2d session (Apr. 22, 1958) (joint report of Agriculture and Forestry and Judiciary Committees).

Mr. President, in view of the above citations and the memorandum submitted, is it not reasonable to conclude that there are sufficient issues of antitrust law and matters affecting the Judiciary Committee and its subcommittees to warrant Judiciary Committee jurisdiction over S. 985? Let the Senate vote for such jurisdiction.

Mr. President, under the rules of the Senate, the Judiciary Committee and its Antitrust Subcommittee is the appropriate forum to deliberate and report on an issue which affects the antitrust laws, especially when that antitrust issue is in serious dispute within the Antitrust Subcommittee and the Judiciary Committee and should be resolved by them. Therefore, the Judiciary Committee and not the Commerce Committee is the appropriate committee to resolve the antitrust aspects of S. 985 and leave unto the Commerce Committee to deliberate and resolve other aspects of S. 985.

Mr. President, on February 4, I asked unanimous consent that S. 985 be referred to the Judiciary Committee, after the Senate Commerce Committee completed its action on said bill. The unanimous consent requested was objected to by the distinguished Senator from Michigan, Mr. HART, who said in part:

"It is conceivable that the Commerce Committee, in its analysis of the bill and in its determination, would report a bill which should go to one or more of the antitrust laws. In that case, clearly it should go back to the Judiciary Committee. Absent that, it would be inappropriate at this juncture to direct another committee than the Committee on Commerce.

"Mr. DIRKSEN. Technically I could concede the point the Senator from Michigan makes, except there is no question that the Senate Antitrust and Monopoly Subcommittee could also claim jurisdiction to hold hearings on the packaging and labeling bill, because the bill deals with standardization and so-called nonprice competition which are factors that have been considered by the Antitrust Division of the Department of Justice and the FTC as reasons for looking into certain antitrust law violation cases.

"And I cite the fact that the bill is exactly the bill that was before the Judiciary Committee. There may have been some minor modifications, other than the fact that it does not tie into the Clayton Act. Other than that, it is the same subject matter to which the Judiciary Committee has devoted so much time. I make my suggestion in good conscience and good grace that it should go back to the Judiciary Committee."

Mr. President, I shall take the distinguished Senator at his word, and since the record, by his own words, shows antitrust laws are affected, I expect him to support my request for referral to the Judiciary Committee after the Senate Commerce Committee has completed its action on S. 985. Let us examine the record: The majority report of the Senate Antitrust Committee states:

"It is with the unfair practices arising from the package's role as salesman that this bill is concerned. These practices have also become a form of unfair competition which can be seriously prejudicial to business rivals who do not engage in similar practices.

"It is well established that the Federal Government has a responsibility for maintaining the integrity of markets which it has fully asserted with respect to the antitrust laws.

"This bill then is in the tradition of the antitrust laws as it seeks to promote fair competition, to maintain the integrity of markets, to enhance the competence of consumers, and to promote efficency in industry.

"This legislation is designed to accomplish these objectives by delineating specific areas in which regulations may be necessary to foster fair practices and to prohibit unfair practices. And it provides a procedure to accomplish these ends within a framework of direction from Congress.

"This legislation does this by amending the Clayton Act, naming, as restraints of trade, those areas in which unfair, confusing, or deceptive methods of packaging and labeling have made it extremely difficult or impossible for buyers to compare prices.

"It was the purpose of the original Clayton Act to provide more certain guides for business conduct by specifically prohibiting practices which had come to be recognized as capable of impairing effective competition.

"This bill would bring the law up to date insofar as the nonprice form of competition represented by packaging and labeling concerned by making existing law more specific and certain in regard to the practices resulting in unfair competition in this field."

Mr. President, it would be well to define nonprice competition at this point through quotes from the testimony of Dr. Irston Barnes, Columbia University professor and formerly of the Antitrust Division and the Federal Trade Commission, and a leading exponent of the nonprice competition theory and the antitrust laws, where he stated beginning at page 370, printed hearings, "Packaging and Labeling," March 30, 1963 as follows:

"S. 387 (now S. 985) is directed to the correction of the competitive practices associated with the packaging of consumer products. Nonprice competition, with which the committee has been concerned, is a natural outcome of the development of supermarkets with an emphasis upon preselling. Nonprice competition refers to all those forms of rivalry which are primarily concerned with diverting patronage from one seller to another without thereby increasing the advantages accruing to buyers. A principle form of nonprice competition is product differentiation. Packaging is an important aspect of product differentiation and of nonprice competition. Packaging is essentially an extention of the advertising and promotional campaign." The Federal Government's responsibility for maintaining the integrity of markets is most fully asserted with respect to the antitrust laws, which are directed to three purposes, all of which in some measure be furthered by the proposed truth-in-packaging bill.

Mr. President, according to Dr. Barnes, not one, not two, but three purposes of the antitrust laws will in some measure be furthered by the packaging and labeling bill. Whether Dr. Barnes' statement is challenged or not, the antitrust issue is there in the packaging bill which issue can only be resolved by the appropriate committee having jurisdiction over antitrust law; namely, the Judiciary Committee.

During the hearings, the record was replete with statements by Chairman HART, his majority counsel, and certain witnesses that nonprice competition went to the very heart of S. 387. In Senator HART'S opening statement on S. 387 he said at page 5:

"What does this bill attempt to do? It is an effort to bring up to date the antitrust laws by recognizing the emergence of a relatively new form of nonprice competition, packaging, and labeling. We do this by amending the Clayton Act to provide a procedure by which guides can be established to prevent such restraints."

The fact that the new packaging bill, S. 985, has dropped the Clayton Act as its forum does not change one iota the major premise of Senator HART'S bill which, we repeat:

"Is an effort to bring up to date the antitrust laws by recognizing the emergence of a relatively new form of nonprice competition, packaging, and labeling."

The fact that the minority members of the subcommittee disagreed with the majority does not alter the fact that a serious issue exists as to the antitrust characteristics of S. 387, and therefore the Judiciary Committee under Senate rules is the appropriate committee to resolve this issue and not the Commerce Committee.

In the minority view of Senator DIRKSEN he said:

"Because the packaging and labeling bill was placed in section 3A of the Clayton Act, an antitrust law, the Senate referred it to the Judiciary Committee and not the Commerce Committee. Our objection was noted on the first day of the hearings and we reserved the right to challenge the jurisdiction. Now that the hearings have been held there is no further need to parry over which committee is going to conduct the hearings."

Of course, the above was written after the hearings were completed and the Antitrust Subcommittee voted 5 to 3 to report favorably S. 387 to the Judiciary Committee, on June 13, 1963. It should be noted also that due to the controversial civil rights bill in the Judiciary and in the Senate, no serious attempt was made to bring up the packaging bill and I'm sure the records of the Judiciary Committee will verify this. There is no doubt also that a vote if taken would have been close either way.

Mr. President, there is much more that could be said but I do not want to belabor the point. I could quote from the Antitrust Subcommittee's activities report which would reveal that said subcommittee would have to relinquish one-half of its investigations and hearings if the subcommittee followed the precedent it is attempting to establish by barring said subcommittee from further jurisdiction of the packaging and labeling bill.

On the other hand, the Senate has always been generous in giving jurisdiction to more than one committee when the facts warranted it. For a few examples, the Senate Judiciary and Agriculture Committees conducted hearings in 1957 on amendments to the Packers and Stock Yards Act; the Joint Economic Committee and Judiciary Committee's Antitrust Subcommittee conducted hearings on the Common Market issue; the Judiciary's Antitrust Subcommittee and Commerce Committee had jurisdiction over a bill granting moratorium in approval of mergers among railroad companies; the Space Committee, the Commerce Committee and the Foreign Relations Committee were granted jurisdiction over their appropriate specialties in connection with the communications satellite bill. All that is asked here is that the Senate Judiciary Committee have the equal privilege and thus obtain jurisdiction over the packaging bill after the Commerce Committee completes its action.

I have faith in the 11 Democrats and 5 Republicans sitting on the Judiciary Committee to be fair and judicious in protecting the best interest of all of the people in S. 985 and any other bill referred to it.

Mr. President, I have not discussed the merits of S. 985 but only the jurisdictional question. However, I ask unanimous consent that a brief summary of my views on S. 387, the packaging and labeling bill of the previous Congress be placed at this point of the RECORD.

INDIVIDUAL VIEWS OF SENATOR EVERETT MCKINLEY DIRKSEN: SENATE JUDICIARY COMMITTEE, ANTITRUST AND MONOPOLY SUBCOMMITTEE REPORT ON TRUTH IN PACKAGING, AUGUST 14, 1964

I. INTRODUCTION AND SUMMARY

In an attempt at legislating against alleged inconveniences and confusion to the very few, S. 387 would be harmful or destructive to the many millions of American consumers, workers, and businessmen who come within the purview of the proposed bill. At the same time, S. 387 would create a dramatic inversion of the traditional relationship of the private citizen with his government,

destroying the time-honored principle that a person is right until proved otherwise. Under S. 387 the individual is placed in the un-American position of being deemed wrong until he can prove himself right. This latter thought repeatedly runs through the majority report with erroneous references that individual businessmen should not be concerned, because they are protected by the Administrative Procedure Act and the right of court review. Indeed, I know of no comparable intrusion into private business affairs by Federal agencies as contained in S. 387.

The mislabeled truth-in-packaging bill should not pass for many reasons. S. 387 is proposed legislation which is contrary to the true concept of antitrust; which will lead to less competition rather than greater competition; which will stifle innovation by new or smaller manufacturers as well as the larger ones; which will lead to regimentation and standardization by weights and measures; which will discourage business by its anti-business attitudes; which will hurt the consumer through higher prices resulting from higher costs and less choice of products; which will hurt labor through less jobs; which will result in less taxes to government through greater deductions caused by increased manufacturing costs, and through the general harm to our economy.

Existing Federal Trade Commission and the Food and Drug Administration laws are sufficient and effective. From the testimony of Chairman Paul Rand Dixon of the FTC and Commissioner George P. Larrick of the FDA, it is abundantly clear that present laws, if they are vigorously enforced, afford protection against most, if not 100 percent, of the major complaints made at the subcommittee hearings. Both Chairman Dixon and Commissioner Larrick admitted that they could do a better job, and with increased appropriations and personnel—which are forthcoming—they will have more effective enforcement of existing laws. Failure to enforce existing laws is odd rationale for enacting new ones. Therefore, the wise course for Congress to take at this time is to be certain that present laws cannot cope with the situation. Of course, this determination cannot be made until the existing laws have been given a fair trial. Before enacting new and extremely restrictive legislation that could lead to regimentation, which we abhor in socialistic and communistic countries, there must be proven a great need for this new packaging law. Such proof fails to appear in the testimony. I might add parenthetically, if existing law is as inadequate as the proponents of S. 387 advocate, it means that we, the Members of Congress around this table, have been negligent for the past 15 to 25 years and that includes 8 of this Judiciary Committee.

Also, at a time when the economy is sluggish and unemployment is continuing at an excessive rate, at a time when the President is stressing the need of a $10 billion tax cut to aid business, labor, and the economy, and when the executive and legislative branches are attempting to prove to businessmen that the Federal Government is not antibusiness, at a time when there is a real need for fiscal stability, this Senate bill (S. 387) is most ill advised because it has adverse effects on each of the above. I shall prove each item to you as we ventilate the issues in this committee—not on the emotional outbursts of some of the witnesses who appeared but on the sound facts and figures presented by those people, big and small, who could be severely damaged by the restrictive provisions of the bill, when existing law is more than sufficient if strictly enforced. But let's briefly summarize some of the bad effects of S. 387.

S. 387, the packaging and labeling bill, is bad for the public, bad for the consumers, bad for the workers, bad for businessmen, bad for our Government, and bad for our economy.

I say the packaging bill is bad for the consumer for the following reasons:

1. Good Housekeeping survey says 95 percent of women read labels and are informed, so S. 387 is not needed. (See app. B, p. 74.)

2. It prohibits placing price reductions by manufacturers on packages through "cents off" promotions. There is no logic to this prohibition. (See survey where only 9 percent of women favor such a provision—app. C, p. 75.)

3. The standardization and regimentation provisions of the bill will cause such great increase of several hundred million dollars in costs of production that the consumer must pay in higher prices for the product. Make no mistake about this.

4. The consumers will be deprived of new and better products to meet their many changing needs if these restrictive provisions become law whether it is in foods, cosmetics, soaps and detergents, or in other kitchen and bathroom products.

5. By the consumer being denied new, better and greater variety of products to meet his needs, it will also hurt the economy, the businessmen and the workers.

(b) The workers will be hurt by the proposed new law because it will curtail the employment of engineers, draftsmen, designers, molders of glass, plastics, steel and tinplate, machinery workers, tool and dye workers, and many others needed in the innovation and expansion of packaged products.

The statements of two AFL–CIO unions are against subsections (e) (1) and (2), pages 759–761 and 772–773 (1963) because greater unemployment in the glass industry will result if S. 387 is enacted. (See also app. G, p. 82, a letter in opposition to S. 387 submitted by a local AFL–CIO union, American Federation of Grain Millers, Chicago, Ill., dated July 30, 1963.)

The American Bar Association, at its national convention in Chicago, Ill., passed a most significant resolution in opposition to S. 387. It was the first resolution ever recommended by the American Bar Association Section of the Food, Drug, and Cosmetic Law Division to be adopted by the full ABA. The ABA council and house of delegates both approved the resolution which authorized the ABA Section of Corporation, Banking and Business Law to appear before any congressional committee in opposition to S. 387. The full text of the resolution will be found in appendix J, page 84.

Also, it may be well to note herein that FTC Commissioner Sigurd Anderson, some State officials, hundreds of manufacturers, wholesalers, and retailers in the packaging industry, various trade associations, and numerous consumers have expressed their opposition to S. 387. (See app. D, p. 76, for excerpts of letters.)

(c) Businessmen will be severely damaged by increased costs of production and the inability to compete more successfully against a larger producer through innovating new ideas of packaging his products. For example, Purex Co. got the jump on its larger competitors through its plastic coffeepot handle for its liquid bleach 1-gallon jar. It was a great benefit for the housewife and a terrific asset for a smaller company over its larger competitors. The testimony is full of such examples.

(d) This bill is bad for our economy and thereby bad for the public for these reasons:

1. Our economy is already so sluggish that the President demands a tax cut to improve our economy and to reduce the high level of unemployment. This bill, through its restrictive provisions mentioned previously, will curtail production, employment and sales to the detriment of the public interest.

2. The increased costs to meet the provisions of the bill will mean less taxes paid by those companies facing increased costs. An example was given by one company that will have to spend $8 million in added costs just for four of its products with $2 million additional annual costs. The U.S. Treasury will lose $1 million in taxes each year from the above example alone. Multiply this throughout industry; it will mean millions upon millions in losses through taxes.

(e) The packaging bill is bad for our Government for two main reasons:

1. Through it, Congress would delegate its responsibility to two Federal agencies to do the job that the Members of Congress were elected by the people to do.

2. This bill would place the Federal Government further into the internal decisions of the individual consumer and businessman, thereby creating greater and too much Federal control.

Controls inevitably bring more controls. During World War II price controls brought on wage controls. Wage controls necessarily brought on production controls and manpower controls.

This packaging bill will follow the same pattern because if you control the package, then you control the quantity; if you control the quantity, then you must control the composition of the content, forcing Government controls over quality of product, price of product, wages to produce the product, production and distribution of the product and finally the consumer's choice, all of which leads to killing the initiative, the innovative power and the motivating force of our people which made this country the greatest in history.

S. 985

A bill to regulate interstate and foreign commerce by preventing the use of unfair or deceptive methods of packaging or labeling of certain consumer commodities distributed in such commerce, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fair Packaging and Labeling Act".

PROHIBITION OF UNFAIR AND DECEPTIVE PACKAGING AND LABELING

SEC. 2. (a) It shall be unlawful for any person engaged in the packaging or labeling of any consumer commodity (as defined by this Act) for distribution in commerce, or for any person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution in commerce of any packaged or labeled consumer commodity, to distribute or to cause to be distributed in commerce any such commodity if such commodity is contained in a package, or if there is affixed to that commodity a label, which does not conform to regulations promulgated pursuant to this Act.

(b) The prohibition contained in subsection (a) shall not apply to persons engaged in business as wholesale or retail distributors of consumer commodities except to the extent that such persons (1) are engaged in the packaging or labeling of such commodities, or (2) prescribe or specify by any means the manner in which such commodities are packaged or labeled.

REGULATIONS TO BE PROMULGATED

SEC. 3. (a) As soon as practicable after the effective date of this Act, regulations shall be promulgated to—

(1) require the net quantity of contents (in terms of weight, measure, or count, or any combination thereof) of consumer commodities to be stated upon the front panel of packages containing such commodities, and upon any labels affixed to such commodities;

(2) establish minimum standards with respect to the prominence of statements of

the net quantity of contents (including minimum standards as to the type size and face in which such statements shall be made) appearing upon packages containing any consumer commodity and upon labels affixed to any such commodity;

(3) prohibit the addition to such statements of net quantity of contents of any qualifying words or phrases;

(4) specify such exceptions to the foregoing requirements as the promulgating authority may determine to be required by the nature, form, or quantity of particular consumer commodities, or by the customary mode of display of any particular consumer commodity for retail sale, except that no exception may be made if that exception would deprive consumers of reasonable opportunity to make rational comparisons between or among competing products;

(5) prohibit the placement upon any package containing such commodity, or upon any label affixed to such commodity, of any printed matter stating or representing by implication that such commodity is offered for retail sale at a price lower than the ordinary and customary retail sale price, or that a retail sale price advantage is accorded to retail purchasers thereof by reason of the size of that package or the quantity of its contents, except that no regulation promulgated under this section shall prevent any person while engaged at any time in the sale of any consumer commodity at retail to ultimate purchasers thereof from placing upon any such commodity, or upon any package containing that commodity, any marking pertaining to the retail sale price of that commodity; and

(6) prevent the placement, upon any package in which such commodity is distributed for retail sale, of any illustration or pictorial matter which is likely to deceive retail purchasers in any material respect as to the contents of that package.

(b)(1) Regulations under this section shall be promulgated by—

(A) The Secretary of Health, Education, and Welfare (referred to hereinafter as the "Secretary"), with respect to any consumer commodity which is a food, drug, device, or cosmetic, as each such term is defined by section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321); and

(B) The Federal Trade Commission (referred to hereinafter as the "Commission") with respect to any other consumer commodity.

(2) Such regulations adopted by the Secretary and by the Commission shall be uniform in content and application to the greatest practicable extent, as determined by consultation between the Secretary and the Commission.

(c) Whenever the Secretary (as to any food, drug, device, or cosmetic), or the Commission (as to any other consumer commodity) determines that additional regulations are necessary to establish or preserve fair competition between or among competing products by enabling consumers to make rational comparison with respect to price and other factors, or to prevent the deception of consumers as to such product, the Secretary or the Commission, as the case may be, shall promulgate under this subsection with respect to that commodity regulations effective to—

(1) establish reasonable weights or quantities, or fractions or multiples thereof, in which that commodity shall be distributed for retail sale, except that no such regulation may be inconsistent with standards prescribed by the Secretary of Commerce before the effective date of this Act with regard to the sizes of containers used for the retail sale of any commodity, and no weights and measures shall be established in amounts of less than two ounces;

(2) prevent the distribution of that commodity for retail sale in packages of sizes, shapes, or dimensional proportions which are likely to deceive retail purchasers in any material respect as to the net quantity of the contents thereof (in terms of weight, measure, or count), except that where reasonable weights and measures have been established pursuant to the provisions of paragraph (1) of this subsection such regulations may not proscribe the use of package shapes which have been designed to exploit the unique advantages of any material for use in the production of packages of distinctive appearance;

(3) establish and define standards of designations of size (other than statements of net quantity of contents) which may be used to characterize quantitatively the contents of packages containing that commodity;

(4) establish and define the net quantity of any commodity (in terms of weight, measure, or count) which shall constitute a serving, if that commodity is distributed to retail purchasers in a package or with a label which bears a representation as to the number of servings provided by the net quantity of contents contained in that package or to which that label is affixed;

(5) establish and define standards for the quantitative designation of the contents of packages containing any consumer commodity of a kind the net quantity of contents of which cannot meaningfully be designated in terms of weight, measure, or count; and

(6) require (consistent with requirements imposed by or pursuant to the Federal Food, Drug, and Cosmetic Act, as amended) that sufficient information with respect to the ingredients and composition of any consumer commodity (other than information concerning proprietary trade secrets) be placed in a prominent position upon packages containing that commodity and upon labels affixed thereto.

PROCEDURE FOR PROMULGATION OF REGULATIONS

SEC. 4. (a) Before promulagting any proposed regulation under section 3 with respect to any consumer commodity, the Secretary or the Commission, as the case may be, shall (1) consult with other agencies of the Government having special competence with respect to the subject of that regulation concerning the scope, application, form, and effect thereof, (2) publish in the Federal Register reasonable advance notice of intention to promulgate such regulation, and (3) accord to persons who would be affected thereby reasonable opportunity for consultation with respect to such proposed regulation.

(b) All regulations adopted under this Act shall be promulgated in conformity with the provisions of the Administrative Procedure Act. No regulation shall be promulgated for any purpose described in section 3(c) of this Act unless a public hearing has been conducted and opportunity for review has been accorded in conformity with the provisions of sections 7 and 8 of the Administrative Procedure Act.

(c) Any regulation promulgated under this Act may be modified by the promulgating authority, upon the initiative of that authority or upon application made by any person affected by that regulation, whenever such authority determines that such modification is necessary to conform to the requirements of this Act or to any change occurring in the method of packaging, labeling, distributing, or marketing of any consumer commodity.

(d) No regulation adopted under this Act shall take effect until a reasonable period of time (as determined by the Secretary or the Commission, as the case may be) has passed after the promulgation thereof to permit persons affected thereby to effectuate compliance with the provisions of such regulation.

(e) In carrying into effect the provisions of this Act, the Secretary and the Commission are authorized to cooperate with any department or agency of the United States, with any State, Commonwealth, or possession of the United States, and with any department, agency, or political subdivision of any such State, Commonwealth, or possession.

ENFORCEMENT OF REGULATIONS

SEC. 5. (a) Upon written request made, by the officer or agency authorized or directed by this Act to establish packaging or labeling regulations as to any consumer commodity of any class or kind, to any producer or distributor of such consumer commodity, such producer or distributor shall transmit promptly to that officer or agency a true and correct sample of each package and label used by that producer or distributor for or in connection with the distribution in commerce of any particularly described consumer commodity of that class or kind. Any person who fails to transmit any such sample to such authority within twenty days after receipt of such request shall be subject to a civil penalty of not more than $1,000 for each day of the continuance of such failure, except that the amount of such penalty may be compromised by such authority before the final determination of action for the recovery thereof. Such forfeiture shall be recovered in a civil action brought in the name of the United States in the district court of the United States for any judicial district in which such person resides, does business, or is found. Upon demand made by the defendant before the trial of any such action upon its merits, the defendant shall be entitled to have any issue of fact with respect to such failure determined by a jury.

(b) Any consumer commodity introduced or delivered for introduction into commerce in violation of any regulation promulgated by the Secretary of Health, Education, and Welfare under this Act while that regulation is in force and in effect shall be deemed to be misbranded within the meaning of chapter III of the Federal Food, Drug, and Cosmetic Act, but the provisions of section 303 of that Act (21 U.S.C. 333) shall have no application to any violation of any such regulation.

(c) Any violation of any regulation promulgated under this Act by the Federal Trade Commission while that regulation is in force and in effect shall constitute an unfair or deceptive act or practice in commerce in violation of section 5(a) of the Federal Trade Commission Act. The remedies provided by sections 4, 4A, and 16 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730, as amended; 15 U.S.C. 15, 15a, and 26), commonly known as the Clayton Act, shall not be available to any person threatened with loss or damage, or injured in his business or property, by any violation of any such regulation under this Act.

REPORTS TO THE CONGRESS

SEC. 6. Each officer or agency required or authorized by this section to promulgate regulations for the packaging or labeling of any consumer commodity shall transmit to the Congress in January of each year a report containing a full and complete description of the activities of that officer or agency for the administration and enforcement of this Act during the preceding calendar year.

COOPERATION WITH STATE AUTHORITIES

SEC. 7. (a) A copy of each regulation promulgated under this Act shall be transmitted promptly to the Secretary of Commerce, who shall (1) transmit copies thereof to all appropriate State officers and agencies, and (2) furnish to such State officers and agencies information and assistance to promote to the greatest practicable extent uniformity in State and Federal standards for the packaging and labeling of consumer commodities.

(b) Nothing contained in this section shall be construed to impair or otherwise interfere

with any program carried into effect by the Secretary of Health, Education, and Welfare under other provisions of law in cooperation with State governments or agencies, instrumentalities, or political subdivisions thereof.

DEFINITIONS

SEC. 8. As used in this section—

(1) The term "commerce" has the meaning given thereto by section 4 of the Federal Trade Commission Act (15 U.S.C. 44).

(2) The term "consumer commodity", except as otherwise specifically provided by this paragraph, means any food, drug, device, or cosmetic (as those terms are defined by the Federal Food, Drug, and Cosmetic Act), and any other article or commodity of any kind or class which is customarily produced or distributed for sale through retail sales agencies or instrumentalities for consumption by individuals, or use by individuals for purposes of personal care or in the performance of services ordinarily rendered within the household, and which usually is consumed or expended in the course of such consumption or use. Such term does not include (A) any meat, meat product, poultry, or poultry product, (B) any commodity subject to packaging or labeling requirements imposed by the Secretary of Agriculture pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act, the provisions of the eighth paragraph under the heading "Bureau of Animal Industry" of the Act of March 4, 1913 (37 Stat. 832–833; 21 U.S.C. 151–157), commonly known as the Virus-Serum-Toxin Act; (C) any beverage subject to or complying with packaging or labeling requirements imposed under the Federal Alcohol Administrative Act (27 U.S.C. 201 et seq.); or (D) any commodity subject to the provisions of the Federal Seed Act (7 U.S.C. 1551–1610).

(3) The term "package" means any container or wrapping in which any consumer commodity is enclosed for use in the delivery or display of that commodity to retail purchasers thereof, but does not include (A) shipping containers or wrappings used solely for the transportation of such commodity in bulk or in quantity to wholesale or retail distributors thereof, (B) shipping containers or outer wrappings used by retailers to ship or deliver such commodity to retail customers if such containers and wrappings bear no printed matter pertaining to any particular commodity, or (C) containers subject to the provisions of the Act of August 3, 1912 (37 Stat. 250, as amended; 15 U.S.C. 231–233), the Act of March 4, 1915 (38 Stat. 1186, as amended; 15 U.S.C. 234–236), the Act of August 31, 1916 (39 Stat. 673, as amended; 15 U.S.C. 251–256), or the Act of May 21, 1928 (45 Stat. 685, as amended; 15 U.S.C. 257–257i).

(4) The term "label" means any written, printed, or graphic matter affixed to any consumer commodity.

(5) The term "person" includes any firm, corporation, or association.

SAVING PROVISION

SEC. 9. Nothing contained in this Act shall be construed to repeal, invalidate, supersede, or otherwise adversely affect—

(a) the Federal Trade Commission Act or any statute defined therein as an Antitrust Act;

(b) the Federal Food, Drug, and Cosmetic Act;

(c) the Hazardous Substance Act; or

(d) any provision of State law which would be valid in the absence of such amendment unless there is a direct and positive conflict between such amendment in its application to interstate or foreign commerce and such provision of State law.

EFFECTIVE DATE

SEC. 10. This Act shall take effect on the first day of the sixth month beginning after the date of enactment of this Act.

Matter printed in roman type appears in the bill as introduced and is proposed to be retained.

Matter printed in black brackets appears in the bill as introduced and is proposed to be stricken out.

Matter printed in italic type does not appear in the bill as introduced and is proposed to be inserted.

S. 387

A bill to amend the Clayton Act to prohibit restraints of trade carried into effect through the use of unfair and deceptive methods of packaging or labeling certain consumer commodities distributed in commerce, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 730 et seq.; 15 U.S.C. 12 et seq.), commonly known as the Clayton Act, is amended by inserting therein, immediately after section 3 thereof, the following new section:

"SEC. 3A. (a) It shall be unlawful for any person engaged in the packaging or labeling of any consumer commodity (as defined by this Act) for distribution in commerce, or for any person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution in commerce of any packaged or labeled consumer commodity, to distribute or to cause to be distributed in commerce any such commodity if such commodity is contained in a package, or if there is affixed to that commodity a label, which does not conform to regulations promulgated pursuant to this section.

"(b) The prohibition contained in [this] subsection (*a*) shall not apply to persons engaged in business as wholesale or retail distributors of consumer commodities except to the extent that such persons (1) are engaged in the packaging or labeling of such commodities, or (2) [determine] *prescribe or specify* by any means the [nature, form, or content of packages in which such commodities are contained or labels affixed to such commodities.] *manner in which such commodities are packaged or labeled.*

"(c) As soon as practicable after the effective date of this section, regulations shall be promulgated to—

"(1) require the net quantity of contents (in terms of weight, measure, or count, or any combination thereof) of consumer commodities to be stated upon the front panel of packages containing such commodities, and upon any labels affixed to such commodities;

"(2) establish minimum standards with respect to the [location and] prominence of statements of the net quantity of contents (including minimum standards as to the type size and face in which such statements shall be made) appearing upon packages containing any consumer commodity and upon labels affixed to any such commodity;

"(3) prohibit the addition to such statements of net quantity of contents of any qualifying words or phrases;

"*(4) contain such exceptions to the foregoing requirements as the promulgating authority may determine to be required by the nature, form, or quantity of particular consumer commodities, or by the customary mode of display of any particular consumer commodity for retail sale, except that no exception may be made if that exception would deprive consumers of reasonable opportunity to make rational comparisons between or among competing products;*

"[4] (5) prohibit the placement upon any package containing such commodity, or upon any label affixed thereto, of any printed matter stating or representing by implication that such commodity is offered for retail sale at a price lower than the ordinary and customary retail sale price, or that a retail sale price advantage is accorded to retail purchasers thereof by reason of the size of that package or the quantity of its contents, except that no regulation promulgated under this section shall prevent any person engaged at any time in the sale of any consumer commodity at retail to ultimate purchasers thereof from placing upon any such commodity, or upon any package containing that commodity, any marking [which states the true and correct retail sale price at which such person at that time is offering that commodity for sale to such purchasers]; *pertaining to the retail sale price of that commodity; and*

[*"(5) contain such exceptions to the foregoing requirements as the promulgating authority may determine to be required by the nature, form, or quantity of particular consumer commodities, except that no exception may be made if that exception would deprive consumers of reasonable opportunity to make rational comparisons between or among competing products; and]*

"(6) prevent the placement, upon any package in which such commodity is distributed for retail sale, of any illustration or pictorial matter which [may] *is likely to* deceive retail purchasers in any *material* respect as to the contents of that package.

"(d) (1) Regulations under this section shall be promulgated by—

"(A) the Secretary of Health, Education, and Welfare (*referred to hereinafter as the 'Secretary'*), with respect to any consumer commodity which is a food, drug, device, or cosmetic, as each such term is defined by section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321); and

"(B) the Federal Trade Commission (*referred to hereinafter as the 'Commission'*) with respect to any other consumer commodity.

"(2) Such regulations adopted by the Secretary and by the Commission shall be uniform in content and application to the greatest practicable extent, as determined by consultation between the Secretary and the Commission.

"(e) Whenever the Secretary of Health, Education, and Welfare (as to any food, drug, device, or cosmetic), or the Federal Trade Commission [as] (*as* to any other consumer [commodity] *commodity*) determines that additional regulations are necessary to establish or preserve fair competition between or among competing products by enabling consumers to make rational comparison with respect to price and other [qualities] *factors,* or to prevent the deception of consumers as to such product, the Secretary or the Commission, as the case may be, shall promulgate under this subsection with respect to that commodity regulations effective to—

"(1) establish reasonable weights or quantities, or fractions or multiples thereof, in which that commodity shall be distributed for retail sale;

"(2) prevent the distribution of that commodity for retail sale in packages of sizes, shapes, or dimensional proportions which [may] *are likely to* deceive retail purchasers *in any material respect* as to the net quantity of the contents thereof (in terms of weight, measure, or count);

"(3) establish and define standards of designations of size (other than statements of net quantity of contents) which may be used to characterize quantitatively the contents of packages containing that commodity;

"(4) establish and define within a reasonable range the net quantity of any commodity (in terms of weight, measure, or count) which shall constitute a serving, if that commodity is distributed to retail purchasers in

a package or with a label which bears a representation as to the number of servings provided by the net quantity of contents contained in that package or to which that label is affixed;

"(5) establish and define standards for the quantitative designation of the contents of packages containing any consumer commodity of a kind the net quantity of contents of which cannot meaningfully be designated in terms of weight, measure, or count; and

"(6) require (consistent with requirements imposed by or pursuant to the Federal Food, Drug, and Cosmetic Act, as amended) that sufficient information with respect to the ingredients and composition of any consumer commodity (other than information concerning proprietary trade secrets) be placed in a prominent position upon packages containing that commodity and upon labels affixed thereto.

"(f) (1) Before promulgating any proposed regulation under subsection (e) with respect to any consumer commodity, the Secretary or the Commission, as the case may be, shall (A) consult with other agencies of the Government having special competence with respect to the subject of that regulation concerning the scope, application, form, and effect thereof, (B) publish in the Federal Register reasonable advance notice of intention to promulgate such regulation, and (C) accord to persons who would be affected thereby reasonable opportunity for consultation with respect to such proposed regulation.

"(2) All regulations adopted under this section shall be promulgated in conformity with the provisions of the Administrative Procedure Act. *No regulation shall be promulgated for any purpose described in subsection (e) of this section unless a public hearing has been conducted and opportunity for review has been accorded in conformity with the provisions of sections 7 and 8 of the Administrative Procedure Act.*

"(3) Any regulation promulgated under this section may be modified by the promulgating authority, upon the initiative of that authority or upon application made by any person affected by that regulation, whenever such authority determines that such modification is necessary to conform to the requirements of this section or to any change occurring in the method of packaging, labeling, distributing, or marketing of any consumer commodity.

"(4) No regulation adopted under this section shall take effect until a reasonable period of time (as determined by the Secretary or the Commission, as the case may be) has passed after the promulgation thereof to permit persons affected thereby to effectuate compliance with the provisions of such regulation.

"(5) In carrying into effect the provisions of this section, the Secretary and the Commission are authorized to cooperate with any department or agency of the United States, with any State, Commonwealth, or possession of the United States, and with any department, agency, or political subdivision of any such State, Commonwealth, or possession.

"(g) Upon written request made, by the officer or agency authorized or directed by this section to establish packaging or labeling regulations as to any consumer commodity of any class or kind, to any producer or distributor thereof, such producer or distributor shall transmit promptly to that officer or agency a true and correct sample of each package and label used [or to be used] by that producer or distributor for or in connection with the distribution in commerce of any particularly described consumer commodity of that class or kind. [Any person who, with intent to evade compliance with the requirement of this subsection (g), fails to transmit any such sample to such authority promptly upon receipt of such request shall be fined not more than $1,000, or imprisoned not more than one year, or both.] *Any person who fails to transmit any such sample to such authority within twenty days after receipt of such request shall be subject to a civil penalty of not more than $1,000 for each day of the continuance of such failure, except that the amount of such penalty may be compromised by such authority before the final determination of action for the recovery thereof. Such forfeiture shall be recovered in a civil action brought in the name of the United States in the district court of the United States for any judicial district in which such person resides, does business, or is found. Upon demand made by the defendant before the trial of any such action upon its merits, the defendant shall be entitled to have any issue of fact with respect to such failure determined by a jury.*

"(h) (1) Any consumer commodity introduced or delivered for introduction into commerce in violation of any regulation promulgated by the Secretary of Health, Education, and Welfare under this section while that regulation is in force and in effect shall be deemed to be misbranded within the meaning of chapter III of the Federal Food, Drug, and Cosmetic [Act.] *Act, but the provisions of section 303 of that Act (21 U.S.C. 333) shall have no application to any violation of any such regulation.*

"(2) Any violation of any regulation promulgated under this section by the Federal Trade Commission while that regulation is in force and in effect shall constitute an unfair or deceptive act or practice in commerce in violation of section 5(a) of the Federal Trade Commission Act.

[*"(3) The remedy provided by section 16 of this Act shall be available to any person threatened with loss or damage by any violation of any such regulation while that regulation is in force and in effect.*]

"(3) The remedies provided by sections 4, 4a, and 16 of this Act shall not be available to any person threatened with loss or damage, or injured in his business or property, by any violation of any such regulation under this section."

"(i) Each officer or agency required or authorized by this section to promulgate regulations for the packaging or labeling of any consumer commodity shall transmit to the Congress in January of each year a report containing a full and complete description of the activities of that officer or agency for the administration and enforcement of this section during the preceding calendar year.

"(j) A copy of each regulation promulgated under this section shall be transmitted promptly to the [Director of the National Bureau of Standards] *Secretary of Commerce,* who shall (1) transmit copies thereof to all appropriate State officers and agencies, and (2) furnish to such State officers and agencies information and assistance to promote to the greatest practicable extent uniformity in State and Federal standards for the packaging and labeling of consumer commodities. Nothing contained in this subsection shall be construed to impair or otherwise interfere with any program carried into effect by the Secretary of Health, Education, and Welfare under other provisions of law in cooperation with State governments or agencies, instrumentalities, or political subdivisions thereof.

"(k) As used in this section—

"(1) the term 'consumer commodity', except as otherwise specifically provided by this paragraph, means any food, drug, device, or cosmetic (as those terms are defined by the Federal Food, Drug, and Cosmetic Act), and any other article or commodity of any kind or class which is customarily produced or distributed for sale through retail sales agencies or instrumentalities for consumption *by individuals,* or use by individuals for purposes of personal care or in the performance of services ordinarily rendered within the [household] *household,* and which usually is consumed or expended in the course of such consumption or use. Such term does not include (A) any meat, meat product, poultry, or poultry product, or any commodity subject to packaging or labeling requirements imposed by the Secretary of Agriculture pursuant to the Federal Insecticide, Fungicide, and Rodenticide [Act] or *Act,* the provisions of the eighth paragraph under the heading 'Bureau of Animal Industry' of the Act of March 4, 1913 (37 Stat. 832–833; 21 U.S.C. 151–157), commonly known as the Virus-Serum-Toxin Act; (B) any beverage subject to packaging or labeling requirements imposed under the Federal Alcohol Administration Act (27 U.S.C. 201 et seq.) *or the provisions of the Federal Seed Act (7 U.S.C. 1551–1610); or* (C) any household appliance, equipment, furniture, furnishing, or other durable article or commodity; [or (D) any article or commodity intended for use in the maintenance of the exterior, or for the repair of any part, of any structure, or for use in the maintenance or repair of any article or commodity described by clause (C) of this sentence];

"(2) the term 'package' means any container or wrapping in which any consumer commodity is enclosed for use in the delivery or display of that commodity to retail purchasers thereof, but does not include (A) shipping containers or wrappings used solely for the transportation of such commodity in bulk or in quantity to wholesale or retail distributors [thereof or (B)] *thereof, (B) shipping containers or outer wrappings used by retailers to ship or deliver such commodity to retail customers if such containers and wrappings bear no printed matter pertaining to any particular commodity, or (C)* containers subject to the provisions of the Act of August 3, 1912 (37 Stat. 250, as amended; 15 U.S.C. 231–233), the Act of March 4, 1915 (38 Stat. 1186, as amended; 15 U.S.C. 234–236), the Act of August 31, 1916 (39 Stat. 673, as amended; 15 U.S.C. 251–256), or the Act of May 21, 1928 (45 Stat. 685, as amended; 15 U.S.C. 257–2571);

"(3) the term 'label' means any written, printed, or graphic matter affixed to any consumer commodity; and

"(4) the term 'person' includes any firm, corporation, or association."

(b) The amendment made by this section shall take effect on the first day of the sixth month beginning after the date of enactment of this Act.

SEC. 2. No amendment made by this Act shall be construed to repeal, invalidate, supersede, or otherwise adversely affect—

(a) the Federal Trade Commission Act or any statute defined therein as an Antitrust Act;

(b) the Federal Food, Drug, and Cosmetic Act;

(c) the Hazardous Substance Act; or

(d) any provision of State law which would be valid in the absence of such amendment unless there is a direct and positive conflict between such amendment *in its application to interstate or foreign commerce* and such provision of State law.

Mr. DIRKSEN. The reason for the request is that tomorrow we shall discuss the question of the reference of the so-called labeling and packaging bill. Because it has been modified slightly, the distinguished chairman of the subcommittee is asking that the bill be referred to the Committee on Commerce instead of the Committee on the Judiciary. The bill has been in the Judiciary Committee for at least 2 years—perhaps a little longer. The committee has taken at least 2,000 pages of testimony. Notwithstanding the technical change in the text of the bill, I believe that jurisdiction ought to remain in the Judiciary

Committee. But if not, the bill ought to go back to the Committee on the Judiciary when it has completed its course in the Committee on Commerce.

LET US SEARCH FOR PEACE

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that I may be permitted to speak for an additional 3 minutes.

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

Mr. YOUNG of Ohio. Mr. President, it was truly said by a very great American in the search for peace, "Let us never negotiate out of fear. But let us never fear to negotiate."

Since 1954, we have been involved against our will in South Vietnam. Three Presidents—Eisenhower, Kennedy, and Johnson—have properly determined that were the Communists to take over southeast Asia and drive us out of South Vietnam, they would then be in a position to take over the Philippines, South Korea, and in time the outer western defense of the free world might well be Australia and Hawaii.

Mr. President, we sorrow over the death of American soldiers on this frontier of freedom in South Vietnam. We should and do take pride in the great retaliatory blows which have made it perfectly clear to the Communist dictators of Red China and the Soviet Union that Americans will never quit under fire, retreat from southeast Asia, or submit to Communist aggression.

We will continue to use our tremendous power to aid in repelling Communist aggressors in South Vietnam. Of course, we must not and we shall not be bogged down in a land war on the Asiatic mainland. We know that our planes can strike by air from our carriers and floating bases which are invulnerable to Communist retaliation. We know we are superior in power on land and sea and in the air to all nations in the world combined.

However, history over 2,000 years teaches that we must not and we need not send in land forces—it would seem unthinkable to do so—against the huge masses of the Soviet Union and Red China, where life is valued so cheaply, for they could overwhelm us on land as over the centuries they have swallowed up and overwhelmed other opponents.

Ours is, we are proud to say, and must continue to be in this grim period of international anarchy, a nation vastly superior in missile power in the air, on the sea, and under the sea. Even though the Communist aggression of Red China and the Soviet Union were to be combined, they could not successfully contend against us in the air, on the sea, or under the sea.

The Communist dictators are now fully aware of our determination to fulfill our commitments to South Vietnam. It would be no sign of weakness to negotiate toward a peaceful solution of that conflict.

It seems to me that now is the time to proclaim to the world that the United States is ready to meet at Geneva over the conference table with representatives of China and North Vietnam and our allies of the free world to see if we cannot negotiate a settlement which would leave South Vietnam a free nation clear of aggressors from the north.

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

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent for 2 additional minutes.

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

Mr. YOUNG of Ohio. Let us remember that Austria was neutralized by agreement of the heads of state of the free world and the Soviet Union, and Austria has remained absolutely neutral.

Laos was neutralized by agreement of the Soviet Union and of the free world, and open warfare has been avoided in that area.

The limited nuclear test ban treaty, which was ratified by the Senate by an overwhelming vote, has not been violated by the Communists.

I point to these things because we know that many agreements the Communists have made have been violated by them, but those which I have mentioned have not. Therefore, let us try to secure commitments from the Communists of North Vietnam, the Soviet Union, and Red China to leave their neighbors in South Vietnam alone. Then we would agree to withdraw our forces, and to the United Nations could be reposed the task of maintaining the peace in southeast Asia.

However, if such an agreement cannot be arrived at, all Americans are united behind the policy of the administration to give a mighty blow to the Communist aggressors from the north for every blow suffered from them in South Vietnam. We shall continue that policy until we destroy their installations and drive back the Communist infiltrators and their armies, unless they agree to sit down at the conference table and try to work out the problems involved as civilized nations should work out such problems.

THE PRESIDENT'S SUCCESSFUL PROGRAM FOR THE WAR ON POVERTY

Mr. RANDOLPH. Mr. President, if this Nation is to fulfill its destiny, it must not only be strong and free, but all of its people must be in a position to participate in that freedom. A man without a job, a child without an opportunity, a woman shackled to poverty—these are people who cannot fully participate in this Nation's freedom.

The President's program is clearly designed to eliminate these pockets of want from our national affluence.

It is not an easy job. But it is a start. It took courage and determination to take the first step. Now we have taken that step. This Nation is engaged in a war on poverty.

The first signs are encouraging, but we must be prepared for frustrations and failures, for disappointments and doubts. The program the President outlines is realistic. It appreciates the problems, but does not duck from the responsibilities.

If we do no more in our generation than break the cycle of poverty—insuring that the children of poverty do not become the fathers of poverty—our grandchildren will know that we have lived in historic times.

Mr. YOUNG of Ohio. Mr. President, the country has already shown that it approves of our action of last year in passing the Economic Opportunity Act. Enthusiastic as I was about the act, I never thought the response would be so overwhelming. Hundreds of communities have already started organizing themselves for their participation in the war on poverty. More than 80 percent of all cities with a population of over 50,000 have taken the necessary steps for their participation.

There are other ways, too, for measuring the great response to the Economic Opportunity Act; but I am particularly pleased that we have obtained this degree of local community participation. It demonstrates that there can, in fact, be a great partnership between the Federal Government and the local governments of America in furthering a great national objective. We must not let these communities down. This Congress must extend and expand the program in order to meet the needs of all of our communities.

While the economic opportunity program has barely begun, it is already bringing the poor into the planning and operation of local programs in a way that is unknown in any other government programs. Under programs approved to date, thousands of poor people will be working in nonprofessional jobs, on projects in their own communities and neighborhoods. Representatives of the poor and of minority groups are active participants on the community-wide boards and committees directing the program. Neighborhood organizations are being extensively used. This, in my opinion, is probably the single most important aspect of the brave beginning made thus far in the war on poverty.

Mr. RIBICOFF. Mr. President, I wish to read to my distinguished colleagues an excerpt from a letter:

> For many years my country, the United States of America, has been doing things for me. I now want to do something for my country.

This letter was written by a 66-year-old retired woodworker who wants to enlist in the war on poverty. He wrote it to VISTA, our new domestic version of the Peace Corps.

Volunteers in Service to America has received more than 8,000 applications from young and older Americans who want to contribute their talents and energy to this noble domestic effort. More than 300 communities have asked for volunteers. The requests for individual volunteers total 2,500.

The first men and women are already serving on the front lines of the war on poverty. They graduated last week from the training course at Camp New Hope, N.C. Others will graduate next week; and in the months ahead still others, in ever larger numbers will begin training.

VISTA—the place where any American 18 years of age or older can make a personal contribution—is showing that our citizens are as committed to the war on poverty as is their Government.

Mr. McGOVERN. Mr. President, the poverty program is now only 4 months old—and over 500 projects totaling $300 million have been approved. The President's war on poverty is already becoming every American's war on poverty. Community programs have been initiated through untold hours of uncompensated work by community leaders and by thousands of ordinary Americans. The advertising industry alone has contributed over $6 million in time to carry the story to the country. Young people are volunteering for VISTA assignments for local program work. College students are tutoring youngsters in deprived areas. The war on poverty has tapped the wide vein of idealism in America—and Americans are responding in tens of thousands.

Nearly every major business corporation in America is involved in fighting the war on poverty. Over 50 have submitted plans to operate Job Corps camps. The executives of hundreds of businesses are already serving on local community action committees, with many of them serving as chairmen. Many businesses have lent the services of their top executives to special or long-range assignments in the program. Several retired business executives have been accepted by the VISTA volunteers and a number are working with the Small Business Administration by helping the poor start and operate businesses which increase employment. All major networks, billboard companies, newspaper and magazine publishers have donated time and space totaling $6 million for promotion programs on the war on poverty.

The beginning of the war on poverty has ended. There is so much work to be done.

Mr. MONDALE. Mr. President, last week the American Bar Association, in its annual convention in New Orleans, took cognizance of the groundbreaking efforts of the war on poverty in providing legal services to the poor. The legal profession and the public are rapidly coming to the awareness that the protection of the law has often been effectively denied the poor. In many communities the provision of legal services to the poor are in being or are planned as part of community antipoverty campaigns. Through these services the poor can learn of their rights and of ways the law can protect them from the exploration which contributes to the cycle of poverty. These services, run in cooperation with local bar groups, promise to bring justice to people who have never known the law except as an oppressor. This cooperation between the bar and other elements in the community working to eradicate poverty is another example of the interest and concern which the war on poverty has generated in all sectors of American society.

THE CITIZENS CRUSADE AGAINST POVERTY—ADDRESS BY THE VICE PRESIDENT OF THE UNITED STATES

Mr. WILLIAMS of New Jersey. Mr. President, the passage of the Economic Opportunity Act in 1964 signaled a new attitude toward poverty; the recognition that it is often self-perpetuating, and the determination to break the cycle by an all-out attack on its root causes.

But law is futile unless it wins the acceptance, the respect, and the support of the people. We have encouraging evidence that the Economic Opportunity Act is enlisting the most positive and affirmative response from persons eager to transform its directives into action and its ideals into reality.

On Wednesday, February 10, Vice President HUBERT H. HUMPHREY addressed such a gathering, the Citizens Crusade Against Poverty. This group is composed of leaders of many different types of national organizations, including civic, business, women's and labor groups. It testifies to the heartening support of the program by all segments of our communities.

Charged with coordinating Federal programs in this area, the Vice President not only brings to this task an intimate acquaintance with the legislation and with the problems of poverty, but he also sets an example by his spirited commitment. I ask unanimous consent that the Vice President's speech be printed in the RECORD.

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

ADDRESS BY VICE PRESIDENT HUBERT H. HUMPHREY TO THE CITIZENS CRUSADE AGAINST POVERTY, FEBRUARY 10, 1965

In the year 1620, John Winthrop, later to be the first Governor of Massachusetts, assembled the Pilgrims on the deck of the *Mayflower* and told them: "We must consider that we shall be as a city set upon a hill and the eyes of all people will be upon us."

The Pilgrims were in the middle of the Atlantic when John Winthrop told them of their special place in history. Today, the eyes of all people are still upon us—but our city is not yet complete.

Like the Pilgrims, we are still in midpassage. We cannot continue our journey—we cannot complete our city—until we achieve the proudest goal to which any nation has yet aspired: the goal of equal opportunity for all Americans. The passage of the Economic Opportunity Act of 1964 was a firm and determined step toward that goal—toward the creation of that city on the hill.

I welcome you today as you come together to offer the Nation your time, your talents, and your matchless experience. We shall surely need them as—together—we take the next step in our journey: the eradication of poverty in all its forms.

The annals of the poor are neither short nor simple in midcentury America—if, indeed, they ever were. An understanding of the dimensions of the problem we face requires not merely compassion but comprehension—comprehension of the incomprehensible.

To those persons grown accustomed to the face of a smiling America, the facts of poverty are baffling. To understand them requires a realization that:

In the midst of the richest nation in all of history, 35 million Americans, almost one-fifth of the Nation, are poor by generally accepted standards;

The average income of the almost 10 million American families in poverty is less than $1,800 a year.

This, then, is the far side of our paradise.

Until recently, the cruelest aspect of poverty in America seemed to be its sheer hopelessness. For many persons, the future appeared no brighter than the past—in this land of milk and honey, some people appeared destined to taste only bitter dregs.

It has been demonstrated, for example, that a child born in poverty in an American city is likely to become a slow learner, an illiterate, a reject, a delinquent, and a criminal—he is likely to live miserably, die young, and leave no legacy but offspring fated to meet the same ignominious destiny.

It is both incredible and intolerable that in 40 percent of the families receiving aid for families with dependent children either the father or the mother were themselves raised in families which had also received public assistance.

We must break the cycle of poverty. We must free millions of Americans from the bondage of that tragic equation which often decrees that poor shall beget poor and ignorance shall beget misery. And this is the goal of the war on poverty.

This is a war to which we are unconditionally committed. But we have not finally, irrevocably selected our strategy and tactics. The battles are to be fought on largely uncharted terrain—where armies have never clashed.

You know, of course, some of the weapons we have already chosen. You know some of the battles we are now beginning to wage. You know, for example, that the President has called for a doubling of the present program levels for the Office of Economic Opportunity.

You know of the community action programs—by July 1965 we will have funded about 400 local antipoverty plans and programs, and the 1966 budget will support 600 such programs.

You know of the Job Corps—by July we will be well along toward training more than 25,000 youths, and by 1966 the Corps will have established more than 100 urban and rural residential centers for young men and women, to give them basic education, skilled training, and sound working experience.

You know of the Neighborhood Youth Corps—by July we will have enrolled more than 175,000 young men and women, and the 1966 budget will provide work opportunities and training for 300,000 youths.

You know of VISTA—the Volunteers in Service to America—more than 5,000 volunteers will be molded into a domestic Peace Corps.

You know of the small business programs which by July will have disbursed up to $5 million to very small firms, placing disadvantaged entrepreneurs back on their feet or putting them in business for the first time.

You know of the work-study programs, the adult basic education programs, and all those other weapons in the arsenal which Sargent Shriver and his dedicated associates are so carefully and conscientiously administering.

But you also understand that the programs contained in the Economic Opportunity Act of 1964 cannot provide the total answer. They represent only several divisions in the army that must be recruited to achieve total victory in this war.

The President has noted that "poverty has many roots but the tap root is ignorance." Today, two-thirds of the families headed by these with less than a grammar school education live in poverty. Our educational program, therefore, must be an integral part of a nationwide attack on the causes and effects of poverty.

The President's proposal for medical care for the aged is inseparably tied to the war on poverty. The median income of families headed by persons over 65 years of age is less than $3,000. In the case of unattached elderly people, the income is only a little more than $1,000 a year. And this age group is increasing almost twice as fast as it was 10 years ago.

So it is with the Appalachian program, the minimum wage, unemployment insurance, and area redevelopment. All are joined by a common thread: the determination to offer to every American, old or young, wherever situated, however engaged, the opportunity to share fully and freely in the fruits of American progress.

No two programs could more clearly demonstrate this determination and this interrelationship than the Economic Opportunity Act and the Civil Rights Act. Negro Americans are today twice as likely to be illiterate, twice as likely to be unemployed, and twice as likely to be poor. Economic opportunity without full civil rights means the chance to become taxpayers, but not citizens; it is still taxation without representation. On the other hand, civil rights without economic opportunity means, as Whitney Young has said, "a mouthful of civil rights and an empty dinner table."

The President has charged me with the responsibility of coordinating Federal programs in both these areas. I will exercise every effort to see them move forward in a complementary and constructive manner.

What are the objectives we ultimately seek in this comprehensive, many-sided offensive against the causes and effects of poverty? We seek to elevate one-fifth of our population to the point where they can become full-fledged producers, consumers, purchasers, and providers in American society. We want them not only to share in the benefits of progress, but also to be capable of contributing more directly to that progress.

The Nation's economy is directly, intensely, and senselessly affected by this wanton waste of human resources which we see all about us. It has been estimated that the lost production from wasted human resources—people who do not produce up to full potential due to the lack of education or the lack of opportunity—amounted to $549 billion from 1953 to the first half of 1964. Thus it is not only true that we can afford to wage the war on poverty—we cannot afford not to wage it.

But statistics—however shocking or enlightening—can never depict the lifelong scars on the individual who grows up in a racial or an economic ghetto;

Or the long-range consequences of inadequate medical care and deficient education,

Or the psychological effects of sustained deprivation and lack of opportunity.

No geometric curve can adequately demonstrate the corrosive acid of poverty—an acid which destroys all in its path: hope, dignity, faith in oneself, in one's fellow men, in one's country.

And in these challenging years we simply cannot afford to continue freezing out of the mainstream of American life any potential talent or ability—no flower can be allowed to "blush unseen on the desert air."

These, then, are our goals, our tools and our motivations. But who are our warriors? Let there be no mistake about the identity of the real field commanders, and the real troops. The President has said, "The war against poverty will not be won in Washington. It must be won in the field, in every private home, in every public office, from the courthouse to the White House."

Every battle in this war on poverty is being carried out in large part through the enthusiastic, deeply committed, volunteered services of men and women from all walks of life, in every community across this land. The success of the community action programs, the Neighborhood Youth Corps, VISTA, the small business development centers—indeed, the success of every aspect of the war on poverty—depends upon vigorous, constructive, creative leadership and participation by the States, localities, and the American public.

Here it is that you can help us. Here it is that the accumulated wisdom, sensitivity, and experience of this assemblage can be brought to bear. We have neither the funds, the facilities, nor the personnel to assume this burden as a solely governmental function—nor would we wish to if we could. No war in history was less suited to conscription as its source of manpower—or confiscatory taxation as its source of funds. It must be fought at the local level. And, with your help, it will.

What can you do? You can disseminate information about the President's program to the organizations and individuals whom you represent.

You can join with us in a mammoth recruitment effort—to reach those for whom this program represents an opportunity to serve, and those to whom its represents the last, best hope of survival.

You can help us spark the creation of neighborhood groups and associations, block clubs, and community councils to support efforts by the poor to help themselves. You can spearhead the effort to involve the grassroots leadership of the poor, to develop more leaders and organizations capable of representing the poor.

In your own communities you can provide that special element of personal commitment and concern—that precious ingredient which is the distillation of years of deep involvement in humanitarian causes. The impersonal hand of government, however well motivated, can never replace the helping hand of the neighbor.

We will also look to you for the most intensive, constructive kind of continuing and searching evaluation.

We expect to make mistakes in this program. But the only way to avoid mistakes is to do nothing—or to play it safe. We do not intend to follow either course of action.

We intend rather to explore, to innovate, to experiment. And we will not only tolerate criticism, we will welcome it. It is our intention to support programs only as long as they contribute to our goal—helping people to lift themselves out of poverty and into the mainstream of American economic and social life.

Your contributions should not be limited to evaluation of steps that we have already taken. We also will need your suggestions for the next battles to be waged—for the new weapons which must be forged.

For generations, there has been a gentle tapping at our chamber door. It was the sound of millions of fellow citizens—young and old, North and South, white and black, seeking to intrude on the smug and cozy security of American life. They have been, by and large, faceless, nameless, invisible, and, too often ignored.

Our countrymen ask to cross this threshold—not only to warm their hands by the fire of human kindness—not only to sup at the groaning board of American affluence—but also to contribute—to join in the building of a finer house, a greater America—that city on the hill.

The President has opened the door. And the President has now turned to you—and to the thousands like you, and the millions you represent—to keep that door open, to assure that it will not be slammed shut again by the drifting vagaries of uninformed public opinion, or by the wintry blasts of indifference.

For what is a nation profited if it shall gain the whole world, and lose its own soul?

You are here today to launch a crusade whose noble purpose is no less than to help America keep its own soul.

AMERICA SHOULD REMEMBER THE UKRAINIAN STRUGGLE FOR INDEPENDENCE

Mr. HRUSKA. Mr. President, few people, if any, have suffered more from the Russian Government's policy of imperialist aggression and ruthless genocide than the Ukrainians. These people, 54 million of them, 43 million of whom still live within the geographical boundaries of the Soviet Union, have long sought national independence for Ukraine. They are a proud and distinctive people, with their own language, literature, and customs. Their history is rich in culture and full of patriotic deeds and valor. Yet, despite their courage and despite their sacrifices, they have known precious little liberty. Their struggles, for the most part, have been in vain.

January 22 was the 47th anniversary of the day which was to be the beginning of everlasting independence for Ukraine. On that date in 1918, the people of Ukraine declared the complete independence of the Ukrainian state. History would not have it so for long; in a few short months the treachery and power of the masters of the Communist revolution prevailed, and the people of Ukraine became one of the early victims of the new tyranny called communism.

But the centuries have shown that the Ukrainians' desire for freedom is not a shallow emotion. As with all the peoples of the captive nations, this natural need burns in the deepest part of their hearts, immune from the intimidations of transitory dictators and despots.

We of the free world must never allow ourselves to be beguiled into believing that freedom for any of the captive peoples is beyond our reach. We must remember that the road of eventual liberty for all men does not end at the visible horizon, but stretches into the beyond.

Our job now is to keep that road open. So let us not commit any act or adopt any policy that will make the tyrant's position more secure and the road to liberty, therefore, more difficult. With our words and deeds, let us establish clear guideposts which future generations can follow.

The commemoration of the 47th anniversary of the independence of Ukraine serves our cause well. It pricks the world's conscience. It tells the Communist that his crimes are not forgotten or forgiven. And it tells the peoples of the captive nations that they have not been forsaken. It tells them that America is, and forever will be, with them.

URBAN RENEWAL—A NEW GROWTH FACTOR IN CONNECTICUT

Mr. DODD. Mr. President, recently the Connecticut Development Commission conducted a survey of the long-range economic effects of urban renewal in Connecticut cities.

The commission found that the urban renewal project promoted significant and long-range increases in the tax base, and also that appreciable employment increases resulted, both directly and indirectly, as a result of urban renewal projects.

Mr. President, I believe that all of us are aware that the primary and most important purpose of urban renewal is the provision of safe and decent housing for all our people; and I also believe that

we should likewise be aware of the far-reaching economic efforts of urban renewal in our business districts. The most dramatic benefit derived from urban renewal, according to the commission survey, is in the realm of increases in tax revenues in both housing areas and industrial renewal areas. As an example, in Stamford's East Meadows project, the tax revenues increased from $9,300, before redevelopment, to $85,000, after redevelopment. An even more dramatic increase occurred in New Haven's Oak Street project, where tax assessments increased from $2 million in 1956 to $16.6 million in 1964.

I believe that the survey for Connecticut made by the Connecticut Development Commission not only points up with clarity the more important human factors in urban renewal, but also brings to our attention the dramatic, long-lasting, and basic economic dividends accruing to well-planned and well-designed urban renewal projects.

I ask unanimous consent to have printed in the RECORD an article entitled "Urban Renewal—A New Growth Factor in Connecticut." The article was prepared by the Connecticut Development Commission.

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

URBAN RENEWAL A NEW GROWTH FACTOR IN CONNECTICUT

While the basic purpose of urban renewal remains the provision of safe and decent housing for all of our people, there are economic and fiscal involvements in the program which cannot be overlooked. Frequently a successful central business district or industrial park project provides the economic stimulant which enables the community to undertake a program designed to provide better housing for that portion of the community which is resident in substandard or slum dwellings. In addition to promoting increments in the tax base these projects provide employment either directly within the establishments erected in the project areas or indirectly through the increases in supplies and services which may be locally provided.

Midyear in 1964 new industrial and commercial construction in renewal projects in Connecticut totaled 6.4 million square feet. Of this total over 5 million square feet was commercial in its use and the balance was industrial. As might he expected New Haven with 3.1 million square feet had the greatest volume of new construction and Hartford followed with 2.4 million square feet. However, Hartford's construction was concentrated in approximately 25 acres while New Haven's was distributed over 100 acres. The remaining 900,000 square feet were constructed on 80 acres of industrial and commercial land in 12 other communities. In addition to this new construction, over 150 commercial structures which were basically sound had been renovated and improved.

In addition to the construction and rehabilitation within the redevelopment project areas there has been substantial new construction in areas surrounding redevelopment projects which in most instances is directly traceable to the renewal project. While this is true in most major cities, the peripheral redevelopment in Hartford may be cited as being outstandingly successful. In this city downtown redevelopment completed or underway outside the project areas includes Hartford National's new home office banking complex, Travelers' Rotunda and underground parking and Hartford Steam Boilers expansion, as well as G. Fox's expanded facilities abutting Constitution Plaza.

Most industrial and central business district redevelopment projects provide substantial increases to tax revenues. Assessments in New Haven's Oak Street project have increased from below $2.0 million in 1956 to nearly $16.6 million in 1964; and, in the three main blocks of that city's Church Street project, projected real and personnel property assessments of $21.6 million in 1966 will nearly double those of 1957. In Stamford's East Meadow projects the tax revenue increased from $9,300 before redevelopment to $85,000 annually after redevelopment, and new construction in that city's Southeast Quadrant project, which is estimated to approximate $50 million, will result in tax increments ranging from $750,000 to $1 million annually. In Hartford's Windsor and Front Street projects, which include Constitution Plaza, the taxable grand list will increase from $8.8 million before development to an estimated $46.1 million upon the completion of construction in these projects.

Cities with populations of less than 50,000 also demonstrate that they can achieve significant increases in their grand lists. In Middletown for example, real estate taxes are expected to rise from approximately $38,000 in the Center Street project area before redevelopment to an estimated $96,000 upon completion of construction in these same areas. In Torrington the assessed value of properties acquired during redevelopment totaled $940,050. The current assessment on properties in these areas totals $1,315,000. In Middletown and in Torrington, as in many of the larger cities, municipal improvements such as offstreet parking facilities have made the areas more attractive for shopping and business.

A survey conducted by the Connecticut Development Commission in the summer of 1964 indicates that there are approximately 8,000 persons employed in professional, industrial and commercial establishments in Connecticut's redevelopment projects. This total does not include the workers involved in the construction of industrial and commercial buildings in redevelopment project areas valued at well over $100 million, or workers engaged in providing the site improvements necessary to the development of the project. Site improvements completed or being provided involve over $13 million and supporting facilities allocable to the projects, now completed or being provided, involve an additional $32 million. The workers employed on a permanent basis in industrial and commercial establishments in redevelopment areas receive approximately $45 million annually in wages. These companies expend an estimated additional $7½ million in Connecticut for such purposes as advertising, locally provided supplies and services, and related expenses, exclusive of rentals and mortgage payments.

The Connecticut Development Commission survey demonstrates that there is relatively little in-migration of industry and commerce into Connecticut's redevelopment projects. In most instances there is a demand for land by expanding local firms which is equal to or exceeds the supply of land available for reuse. For that reason local redevelopment agencies have not found it necessary to make significant efforts to attract industry and commerce from outside the State. The only major concerns to date which have expanded from outside Connecticut into redevelopment areas are the Hotel America in Hartford's Constitution Plaza and Macy's Department Store in New Haven's Church Street project. It is of interest, however, that several out-of-State professional firms have opened offices in Constitution Plaza; and it would seem that a prestige project such as this attracts firms from outside which are attempting to project a company "image" in keeping with these environments.

Employment in newly constructed industrial and commercial establishments in redevelopment projects constitute about 1 percent of Connecticut's total employment. While this percentage may seem to be minimal, redevelopment has just started to become a factor bearing on the State's economic growth. Only 11 projects, involving industrial and commercial reuse were in execution, prior to June 1959, and only a small part of potential reconstruction in renewal areas has been undertaken to date. Today's total business and industrial reconstruction is concentrated in 200 acres compared with 1,100 acres earmarked for industry and commerce which are being processed but which are not yet ready for reuse. Experience suggests that of the 2,200 acres in projects which have been approved for project planning at least 1,000 acres will be designated for industry and commerce.

In summary, there has been an intense development of the limited land available for industrial and commercial reuse in renewal projects in Connecticut's urban centers. Prime land is sometimes committed to sale to a developer before the project has been completed. Industrial and commercial firms occupying buildings in renewal areas are, for the most part, growing local companies which have a need for modern facilities in which to expand. In most instances there was no urban land available to accommodate expansion except through redevelopment. While the intraurban movements of these firms do not generally result in substantial increases in employment, they do result in the retention and expansion of vigorous firms in environments conducive to growth and development. As the redevelopment program gains momentum and additional acreages are made ready for reuse and new construction, the effect of the program on the economy of the State will become increasingly evident.

NATIONAL FARMERS UNION PRESIDENT HONORED BY JEWISH FARM LABOR COUNCILS

Mr. BURDICK. Mr. President, on February 7, the president of the National Farmers Union, Jim Patton, was given a recognition dinner by the Denver Histadrut Council and Colorado Trade Union Council for Labor Israel.

It was the pleasure of our colleague, the Senator from South Dakota [Mr. MCGOVERN] to deliver the banquet address. In the speech, entitled "A Tribute to Jim Patton," he pointed out many of the fine, humanitarian efforts in which Mr. Patton has been involved throughout his lifetime. I concur in Senator MCGOVERN's description of Mr. Patton, and, for the benefit of other Senators, I ask unanimous consent that the speech be printed in the RECORD.

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

A TRIBUTE TO JIM PATTON

(Address by Senator GEORGE MCGOVERN, Democrat, of South Dakota, recognition dinner for James G. Patton, sponsored by the Denver Histadrut Council and Colorado Trade Union Council for Labor Israel, Denver, Colo., February 7, 1965)

In doing research recently for an anthology of 20th century U.S. agricultural policy, I came across a clue to the life and conduct of our guest of honor—Jim Patton.

He was born in Bazaar, Kans., in 1902, the same year that the Farmers Union which he has headed for a quarter of a century was

founded. When he was just 2 years old, Jim's hearty appetite helped persuade his parents that they should join a group of Kansas frontiersmen in the construction of a cooperative irrigation system in Colorado.

The settlers named their community NUCLA, the initials of the New Utopia Cooperative Land Association. Since the day Jim joined NUCLA he has remained loyal to its spirit of brotherhood. Through the years he has added steadily to the territory of NUCLA, first to encompass our Nation, and later to embrace the globe.

One of Jim's longtime associates tells me that his goal is to elevate life within the global boundaries of NUCLA so that earth's delegate to the first Interplanetary Conference on Peace and Abundance can register as the delegate of the New Utopia Cooperative Land Association, an organization of the earth's people living in peace and abundance.

I came to Denver today to bear testimony, on behalf of national and international leaders, to the worldwide vision of the man we honor and to express appreciation to Colorado for having given him to us. The high esteem that we all have for Histadrut, Labor Israel, and indeed for the friends everywhere of this great democratic venture in the Middle East—the State of Israel—is further enhanced by your wisdom in honoring Jim Patton tonight.

Jim has profoundly influenced the course of our Nation and of world affairs. I do not say this because the occasion permits indulgence in a little extravagance, but because it can be documented. As one of the new frontiersmen who set out to blaze new trails in 1961, I have repeatedly come across paths which say: "Jim Patton was here."

Last Monday, I introduced a bill in the Senate to create a Council of Resources and Conservation Advisers at the White House and to establish select committees in the House and Senate on resources and conservation. The measure is aimed at assuring the best use of our land and other resources. When introducing it, I called attention to the fact that we have had 49 consecutive months of economic growth. This record of unbroken advancement was not an accident. A White House Council of Economic Advisers created by the Employment Act of 1946 has studied and related Federal economic actions so we now have sufficient understanding of the effects of economic measures that we can avoid recessions and depressions. We can thoughtfully plan and executive economic policies to attain predetermined goals.

The resources bill, cosponsored by 15 Senators, proposes a similar Council to insure that we use the land and other resources wisely to meet present and future needs.

The man who first proposed the highly successful Council of Economic Advisers which my resources proposal imitates was Jim Patton. Jim blazed the trail on that frontier at the end of World War II. In the campaign for the Employment Act of 1946, he put together a farmer-labor coalition that not only won the fight for commonsense analysis and planning, but he helped the participating groups, especially farmers and workers, to realize that a full-employment economy is a common cause, beneficial to all.

During my service in the House of Representatives whenever I turned to Jim Patton for guidance on crucial issues, he always sent back enlightened replies. He was the exceptional farm leader who favored better labor standards, who fought the importation of low-wage laborers for corporate agriculture. Jim and his Farmers Union members know two things well: first, low-cost imported labor gives big farmers an advantage over family farmers who must compete with migrant workers; second, low wages in cities mean restricted markets for farm products. Likewise, low farm prices mean reducing purchasing power which is a threat to every city worker and merchant.

It is sometimes difficult to hold to these fundamental concepts. It is easy for farmers in periods of low prices to be resentful of city wages and consumer prices. Opportunistic farm leaders have sometimes played upon this resentment to build membership. But the man we honor has never wavered from his conviction that prosperous labor means a good market for the farmer's produce and good farm income is good news for workers and merchants. The welfare of farmer, worker, and merchant are interwoven in his view of society.

When President John F. Kennedy named me the first director of the food-for-peace program, I found myself again on a frontier crisscrossed with trails Jim Patton had blazed long before.

During World War II he served on several presidential top policy advisory boards working with the problems of economic stabilization, labor-management policy, and war manpower. But he was not too busy with Farmers Union and civic duties to participate, at the height of the war effort, in blazing a trail toward accomplishment of President Roosevelt's four freedoms and especially "freedom from want." He was one of those who inspired the Hot Springs conference in 1943 which led to the formation of the United Nations Food and Agriculture Organization, formally organized in 1945 and first headed by Jim's dear friend, Boyd-Orr of Scotland—a Nobel Prize winner.

He was a founder of the International Federation of Agricultural Producers, serving first as its vice president and then as its president.

He helped initiate U.N. studies of the world food gap, of the nutritional deficits in the have-not countries and other moves intended to focus attention on the need for constructive world food policies. He advocated a U.S. food bank that helped open the way to the food-for-peace program.

Jim today remains a frontiersman—calling for an allout advance against man's oldest enemy, human hunger.

He believes with me that we should seek to break down the barriers between nations, that East-West trade especially in food makes sense morally, economically, and politically. He believed, before I was around to have convictions on any subject, that the world could be refashioned into a peaceful, abundant home for all the children of the earth.

Jim has sometimes been accused of living on cloud nine. The objective of full employment in the United States was one of his early cloud nine ventures. It is good terra firma now, the solid base of 49 months of economic growth. A food-for-peace program was one of his cloud nine adventures in the forties. It is now moving three large shiploads of American food every day to feed the poor in the far corners of the earth. Many of Jim Patton's cloud nine projects have been mountainous achievements which verify the Biblical promise that a man of faith can move mountains.

Under his leadership, the National Farmers Union, with its roots in the Great Plains and the Rocky Mountain country, has been much more than a commodity-oriented farm organization. It has been a powerful voice for the general welfare of America and a faithful army in the cause of peace.

Some authorities credit Jim Patton's leadership of the Farmers Union with preventing a merger of big business and big agriculture in the 1940's. Jim's influential letter to the Saturday Evening Post, refusing to participate in a private national planning operation sponsored by eastern capital because he believed such planning should be done by all the people through their government, is a part of the historic record of that time.

The repeated appearances of Jim Patton before the committees of Congress in support of constructive labor and social welfare measures have helped build a bridge of cooperation between agriculture, labor, and our society as a whole. The Farmers Union has advocated resources development—a Missouri Valley Authority, a TVA on the Nile, social security, the United Nations, better health care, education, and housing.

I said recently at a Western Power and Water Consumers Conference in North Dakota that when Jim has a dozen awards besides his French Croix d'Officier de Merite Agricole — France's highest agricultural award—he would have begun to get the recognition he deserves.

He especially deserves the honor he receives tonight, symbolizing the common aspirations of farmers and labor groups, and your appreciation for a lifetime crusade of a good man, a dear friend, and a great citizen. Jim Patton is a living testament to President Johnson's recent reminder:

"The task of achieving a life of equality and dignity in rural as well as in urban America is one that will engage our minds and hearts and our energies for a lifetime."

The late John Kennedy would frequently close a speech with some favorite lines from Robert Frost's poem:

"The woods are lovely, dark and deep,
But I have promises to keep,
And miles to go before I sleep,
And miles to go before I sleep."

John Kennedy is asleep now in Arlington Cemetery, but the spirit of the new frontier is not asleep and nowhere does that spirit burn more brightly than in the heart of Jim Patton.

During a long and brilliant public career that will continue for many years to come, Jim has been guided by the philosophy of the late President's inaugural challenge:

"With a good conscience our only sure reward, with history the final judge of our deeds, let us go forth to lead the land we love, asking His blessing and His help, but knowing that here on earth, God's work must truly be our own."

FBI DIRECTOR HOOVER BACKED

Mr. MUNDT. Mr. President, the distinguished Director of the Federal Bureau of Investigation has again rated high in a survey of public opinion. The Harris survey, published today in the Washington Post, reports that 79 percent of the people of the United States feel that Mr. Hoover is doing a good-to-excellent job; 12 percent think he is doing a fair job; only 9 percent are unsure about him; and none will say he is doing poorly. Since the Federal Bureau of Investigation is such a vital agency, and because of my high esteem for its Director, Mr. Hoover, I wish to have the complete Harris survey report printed in the RECORD. I ask unanimous consent to have that done.

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

HOOVER SOLIDLY BACKED IN SPITE OF CRITICISMS

(By Louis Harris)

Despite recent criticism, FBI Director J. Edgar Hoover still has the solid backing of nearly 8 of 10 Americans for the job he is doing as the Nation's No. 1 law man. What is more, in his recent dispute with the Reverend Dr. Martin Luther King, three times as many people sided with the FBI head as did with the Negro civil rights leader.

These results emerge from a just-completed survey of a cross section of the American people in which their attitudes about the job the FBI and J. Edgar Hoover are doing were probed in depth.

Confidence in the FBI remains at a high level, but that in Hoover is even higher. The public was asked:

"How would you rate the job the FBI is doing—excellent, pretty good, only fair, or poor?" and "How would you rate the job J. Edgar Hoover is doing as head of the FBI—excellent, pretty good, only fair, or poor?"

Job rating of FBI and Hoover

	FBI rating (percent)	*Hoover rating (percent)*
Good to excellent	76	79
Only fair to poor	16	12
Not sure	9	9

The people were also asked about the Hoover-King dispute:

"In his recent dispute with Martin Luther King, did you sympathize more with J. Edgar Hoover or Martin Luther King?"

In sympathy with Hoover or King in dispute

	Total public (percent)
Sympathize with Hoover	50
Sympathize with King	16
Agreed with neither	13
Not sure	21

In the controversy with Hoover, Dr. King claimed that the FBI had fallen far short of doing an effective job of investigating civil rights cases in the South. Hoover then sharply attacked Dr. King as being irresponsible, without identifying the civil rights leader by name.

In order to find out whether the King charges and other criticisms of Hoover had diminished some of the luster of the FBI chief, two further questions were asked:

"Compared to a few years ago, do you think J. Edgar Hoover is doing a more effective job as head of the FBI, less effective, or about the same kind of job he was doing a few years ago?" and "Why do you feel this way? Any other reason?"

Relative effectiveness of Hoover

Compared to a few years ago:	*Total public (percent)*
More effective	18
Less effective	13
About same effectiveness	53
Not sure	16

Behind Hoover effectiveness

Why effective:	*Total public (percent)*
Doing same matchless job	52
Doing better job over wider area	8
More experienced than anyone else	4
Keeping crime in check	2
Good job in Mississippi	2
Like way handled King	1
Why not effective:	
Too old for job	7
Wrong on King	2
Never was good in job	2
Bad on Kennedy shooting	2
Too many crimes unsolved	2
Not sure	16

It is evident that recent civil rights controversies have not led to widespread disenchantment with J. Edgar Hoover. The major criticism of the FBI Director is over his age. Hoover is now 70 years old.

Over the years, liberal groups and others have taken Hoover to task on a variety of subjects ranging from charges that he had not had proper regard for the rights of individuals to claims that he has not come to grips with the big crime syndicates in the country. Of late, the central thrust of criticism has been over civil rights enforcement and investigation.

By and large, such charges have left the American people overwhelmingly unconvinced. The volunteered comments made to our interviewers indicate that Hoover, in the estimate of most people, remains what he has been for at least a generation: a powerful symbol of law and order, a pillar of security in an uncertain nation and world.

WE SHOULD LISTEN TO BERRY

Mr. MUNDT. Mr. President, during the past months we have heard a great deal of discussion about Federal expenditures and the fact that the Federal Government continues year after year a planned program of deficit spending. It is an established fact that these planned deficits have created an inflationary spiral which has seriously impaired the economy of many wage earners and most especially, of agriculture.

My colleague in the House of Representatives, Hon. E. Y. BERRY, has been urging for many years that the Government, like any private enterprise or home, must live within its income, or else face the inevitable day of bankruptcy. Recently, the daily Argus-Leader, of Sioux Falls, S. Dak., published an editorial commending Representative BERRY for his position. The editorial carries a message for all of us; and I request that it be printed at this point in the CONGRESSIONAL RECORD.

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

[From the Sioux Falls Argus-Leader, Jan. 28, 1965]

WE SHOULD LISTEN TO BERRY

Representative E. Y. BERRY, of South Dakota, has some notions that must appear to be old fashioned to many in this peculiar era.

He is worried because the Federal Government habitually is spending more money than it is collecting from the people in taxes. It is his opinion that such a course eventually will lead to serious trouble. Obviously he grew up in the day when it was considered proper and wise to gear expenditures to income.

We aren't too smart, though, if we ignore the principles that BERRY expounds. History shows that other governments have smashed on the breakers of financial deficits when they spent more than they took in over prolonged periods.

The U.S. Government has been doing that for quite a while now. The last President to achieve a substantial reduction in the Federal debt was Calvin Coolidge and he was in office back in the twenties. That was some 40 years ago. President Hoover had good intentions but the depression interfered and the debt began to rise after the era of Coolidge frugality. The debt zoomed under President Roosevelt and really took off into the stratosphere during World War II.

The unpleasant story is that our Federal Government has in part been living on future promises to pay for some 35 years. In the process we have sustained a degree of inflation that is much more than minor. The upward flight of the debt and of inflation has been restrained to a modest extent in recent years.

But we still must consider it worrisome. No banker feels very comfortable in private business when he holds the obligations of a debtor who is regularly spending more than he takes in. And what applies in private life also applies to the Government. We should not overlook BERRY's warning.

ANNIVERSARY OF LITHUANIA'S INDEPENDENCE

Mr. CASE. Mr. President, today we join 1 million Lithuanian Americans in commemorating the 47th anniversary of the declaration of Lithuania's independence. Lithuania joined the free world at the conclusion of World War I, only to be subjugated once again 22 years later—first, by Nazi Germany; and then by Soviet Russia.

Although Soviet Russia's oppression continues, the United States refuses to recognize Lithuania's status as a component republic of the Soviet Union, and continues diplomatic relations with the Lithuanian legation maintained here by the former independent government.

Lithuania made valuable progress during her 22 years of self-government: she reduced illiteracy from 64 to 15 percent, through a program of compulsory education; and she enacted a land-reform law—the first in Europe. Trade, agriculture, and industry flourished, as did the arts.

The illegal incorporation of the Baltic States into the Soviet Union stifled this vital development. We must continue to strive by all peaceful means to achieve the day when Lithuania will once again work proudly beside us as a free, self-governing nation, and once again will pick up her broken thread of progress.

ILLINOIS AIDS U.S. BEEF PROMOTION IN EUROPE

Mr. DOUGLAS. Mr. President, the world's champion steer, an Angus named "Charger," from Le Roy, Ill., and another steer, a Hereford named "Muscles," from Mason City, Ill., are helping to promote the sale of American beef to Europe.

These two prize steers from Illinois and another from Iowa are featured in a highly successful exhibit, called "Round-up 1965," sponsored by the U.S. Government, in cooperation with the American Meat Institute, at West Berlin.

"Charger" was selected as the U.S. national grand champion at the Chicago livestock show in December, was bought by a Chicago bank for $17,500, and was given to the U.S. Government, for the exhibition at the West Berlin Agricultural Fair.

The champion steer was accompanied by Miss Janet Perring, age 15, who raised him on the family farm near Le Roy, and accompanied him to Chicago, then to Washington, and then to West Berlin.

The Secretary of Agriculture, Orville Freeman, also was in West Berlin, a few days ago, to celebrate the exhibit and to promote American farm exports, in a series of conferences in Western Europe.

Mr. President, I am proud of Illinois' participation in this great trade effort, and I commend the Department of Agriculture and the American Meat Institute for their part in this undertaking.

I ask unanimous consent that an article about the West Berlin farm fair

exhibit, as it appeared in the Journal of Commerce of January 29, 1965, be printed in the RECORD.

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

[From the Journal of Commerce, Jan. 29, 1965]

BEEF EXPORTS TO GET BOOST AT WEST BERLIN FARM FAIR

BERLIN, January 28.—The United States is showing Germans everything from sizzling steaks and hamburgers to "Charger," a live champion steer, at the U.S. exhibit at West Berlin's annual "Green Week" Agricultural Fair.

The U.S. exhibit is considered a major weapon in the competition with European producers for the West German beef market.

The U.S. mission here held a press preview of the exhibit last night. The fair itself will open tomorrow at the Funkturm Fairgrounds.

The U.S. exhibition at the Marshall House on the fairgrounds includes a western style restaurant serving steaks and other beef dishes.

It also has a modern, automated hamburger stand, and a meat market displaying and selling American beef and demonstrating U.S. style meat cutting.

JOINT PROMOTION

The exhibit also offers fashion shows of American leather wearing apparel as leather is a byproduct of the beef industry.

The exhibit, called "Roundup 1965," is sponsored by the U.S. Government with the support of the American Meat Institute.

"Charger" was flown to Berlin for the exhibit. Janet Perring, 15, who raised Charger on a farm near Leroy, Ill., is here, too.

Charger was selected as U.S. national grand champion at the Chicago Livestock Show last month. The steer was purchased by a Chicago bank for $17,500 and given to the Government for the exhibition.

He is shown in a glass-fronted stall on the second floor of the Marshall House.

With him are two other steers, St. Luke, a Shorthorn from Comanche, Iowa, and Muscles, a Hereford from Mason City, Ill.

RESTAURANT A FEATURE

The western restaurant has old frontier-style swinging doors. Within, more than 200 persons can be served, selecting their meal from a variety of traditional beef dishes. Steaks are prepared on special open grills and brought sizzling to the table.

A stage in the restaurant is the site of the leatherwear fashion shows and of entertainment by the U.S. Air Force "Continentals" band, cowboy singers, and other performers. The leatherwear fashion show demonstrates the versatility, practicality, and beauty of leather for clothing and accessories.

Elsewhere on the first floor is the meat market, with a meatcutting expert demonstrating the special beef cuts preferred by American housewives. Packaged meat is available for purchase.

The hamburger stand utilizes radically new equipment of a kind widely used in America. This equipment makes possible rapid and absolutely sanitary preparation of large quantities of the traditional American hamburger sandwiches, each neatly wrapped in its own paper container, ready to eat or carry away.

Representatives of the American Meat Institute, the Meat and Livestock Division of the U.S. Food and Agriculture Service, and hamburger equipment manufacturers are present to answer questions. Information also is available on the various breeds of American beef cattle, cattle feed, and related subjects.

WHEAT SUBSIDY

WASHINGTON.—The Agriculture Department announced the following export payment rates applicable to all destinations, pursuant to the terms and conditions of wheat and flour export programs, GR-345 and GR-346, which apply from 3:31 p.m., e.s.t., January 28, to 3:30 p.m., e.s.t., January 30, 1965.

WHEAT RATES

(Cents per bushel) (A)

East coast including St. Lawrence and Great Lakes ports—Hard Red Spring, through August 13, 1965—0.31, Hard Red Winter—through May 25, 1965—0.39, other classes B/C/—through May 25, 1965—0.39.

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EQUAL PROTECTION AND THE URBAN MAJORITY—REAPPORTIONMENT OF STATE LEGISLATURES

Mr. DOUGLAS. Mr. President, a distinguished constitutional scholar, Prof. C. Herman Pritchett, has published in the current issue of the American Political Science Review an excellent article on the Supreme Court decisions on legislative reapportionment. This nationally respected student of the Constitution, who is chairman of the department of political science at the University of Chicago, and is immediate past president of the American Political Science Association, systematically examines the decisions of the Court which hold that failure to apportion both houses of a State legislature substantially on the basis of population constitutes denial of the equal protection of the laws.

This is one of the best short presentations which I have seen of this matter. Dr. Pritchett deals not only with the constitutional law involved, but also with the practical significance of the decisions in the context of our developing democratic and urban society. I think the article is essential reading, particularly with respect to the Senate committee hearings which are soon to begin on proposals to block reapportionment of the State legislatures.

I ask unanimous consent that this article, entitled "Equal Protection and the Urban Majority," from the December 1964 issue of the APSR, be printed in the RECORD.

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

EQUAL PROTECTION AND THE URBAN MAJORITY [1]

(By C. Herman Pritchett)

This year marks the 10th anniversary of the Supreme Court's decision in *Brown* v. *Board of Education*. On May 17, 1954, nine judges, sworn to defend a Constitution which guarantees equal protection of the laws, speaking for a country which declared its independence on the proposition that all men are created equal and which is fighting for moral leadership in a world predominantly populated by people whose skin color is other than white—these nine men unanimously concluded that segregated educational facilities are "inherently unequal."

Most of the members of this audience can probably still recall their feelings when they heard what the Supreme Court had done. Even those who were in full sympathy with the holding must nevertheless have been awed by the responsibility the Supreme Court had undertaken and shaken by some doubts whether the judicial institution could engage in a controversy so charged with emotion and bitterness without running the risk of political defeat and possible permanent impairment of judicial power.

Ten years later, we know that they made the right decision. The decision was right because it got the United States on the right side of history at a crucial time in world affairs. By its action the Court raised a standard around which men of good will might rally. Under the Court's leadership the issue of racial segregation was forced on the American conscience. Segregation could persist only if it could be ignored; once the case for segregation had to be examined, it was lost. Without either the purse or the sword, the weakest of the three branches of Government proved to be the only one with the conscience, the capacity, and the will to challenge the scandal, the immorality, the social and economic waste, and the positive international dangers of racial discrimination. Eventually the executive, through Presidents Kennedy and Johnson, and the Congress began to assume their responsibilities for achieving the broad purposes of racial equality. But if the Court had not taken that first giant step in 1954, does anyone think there would now be a Civil Rights Act of 1964?

Today, the Supreme Court stands with respect to the issue of legislative districting and apportionment where it stood in 1954 on the issue of racial segregation. Though the differences are substantial, I suggest that the similarities are even greater. Now, as then, the Court has taken sides in the crisis of our times. Where the Court in 1954 was demanding a social revolution, today it is presiding over a political revolution. Once again the Court has unlocked the explosive potentialities of the equal protection clause, staking its prestige and its reputation on its ability to remake the Nation in the image of its constitutional concepts.

I

The Supreme Court has never been detached from the major political issues of the times. As Edward S. Corwin once said: "Constitutional law has always a central interest to guard." [2] Under John Marshall the central interest was in the heroic task of legitimizing a strong national government. Under Roger Taney the Court's attachment was to narrower, more fragmented goals, principally the economic interests of the South and West. In the latter part of the 19th century the Court's role was to encourage the economic freedom which a rapidly expanding economy demanded. In the New Deal period the Court was striving toward a balance of governmental power, strong enough to prevent depressions, yet restrained enough not to threaten individual freedom.

When we come to the recent past, we stand in our own light and may not see what will be obvious from a longer perspective. But certainly a central focus of constitutional law since World War II has been on problems of what may be called "the urban majority." The census of 1920 revealed that rural America, which from the beginning of

[1] Presidential address, American Political Science Association, Chicago, Sept. 9, 1964.

[2] "The Constitution and What It Means Today" (Princeton, Princeton University Press, 1946), page viii.

the Nation had dominated American politics and social values, had become a minority. Since that time, white, Protestant, rural America has been on the defensive, seeking to maintain in race, religion, and politics its former superiority. Urban America, the new majority, has offered to the Negro the opportunity to escape from the bondage of rural peonage, as it had earlier permitted European immigrants to rise in economic and social status. Urban America has had to develop a tolerance which did not exist in rural America, so that various races and religions could live together in peace. Urban America has needed the political power which would make possible governmental recognition of its staggering problems of housing, transportation, recreation, juvenile delinquency, disease, and social disintegration.

Faced with this challenge, the rural minority could preserve its political power and its social system only by a denial of that equality which had been a major tenet of the American credo, though often "honored in the breach" rather than the observance. Conversely, the drive of the urban majority required the assertion and the practice of equality in race, equality in religion, equality in political power. As Alan Grimes says in his thoughtful book on Equality in America, the urban majority has proved to be "a liberating force in American politics, redistributing freedom by equalizing the claims of the contestants." He continues: "American politics has always made a pragmatic adjustment to its immediate needs, tempering its idealism with expediency. Today, ironically, the imperatives of urban life are making expedient the fulfillment of the historic ideal of equality."[3]

II

The idea of equality indeed has roots deep in Western political thought. It reaches back to the Greek and Roman Stoics and the Christian fathers, and was carried forward by 17th and 18th century political philosophers such as Hobbes and Locke. The Declaration of Independence announced the "self-evident" truth that "all men are created equal," but no language specifically reflecting egalitarian concern found a place in the Constitution. In fact, that document in several provisions accepted and guaranteed the institution of human slavery.

The idea of equality finally appeared in the Constitution when the 14th amendment was adopted in 1868, forbidding the States to deny to any person within their jurisdiction "the equal protection of the laws." This formulation was conceived primarily as a protection for the newly freed slaves. Justice Miller in The Slaughter-House Cases[4] said that this was "the one pervading purpose" of the Civil War amendments. Speaking specifically of the equal protection clause, he doubted very much "whether any action of a State not directed by way of discrimination against the Negroes as a class, or on account of their race, will ever be held to come within the purview" of the clause.

This expectation was doubly confounded. The Court proved very reluctant to use the equal protection clause as an instrument for the protection of the civil rights of the "newly made freemen," and at the same time eager to invent uses for it as a bar to business regulation. Robert J. Harris, in his fine study of the equal protection clause,[5] located some 554 decisions of the Supreme Court up to 1960 in which this provision was invoked and passed upon by the Court. Of these, 426 (77 percent) dealt with legislation affecting economic interests, while only 78 (14 percent) concerned State laws allegedly imposing racial discrimination or acts of Congress designed to eliminate it.

The generally low regard in which the equal protection clause was held as late as 1927 is indicated by Justice Holmes' deprecatory characterization of equal protection in *Buck* v. *Bell* as "the usual last resort of constitutional arguments."[6] It was not until the early 1930's that the Supreme Court "returned to the Constitution," as Harris puts it, and began the rehabilitation of the equal protection clause in a series of cases dealing with racial discrimination which finally led in 1954 to the epoch-making decision in *Brown* v. *Board of Education*.[7]

In the meantime there had been a tentative exploration on the Court of the possible application of the equal protection clause to legislative districting and apportionment. Serious complaints had accumulated in most of the States as to inequality of population in congressional and State legislative districts. Inequality resulted both from failure to redraw district lines as population changes occurred, and from provisions in many States basing legislative districts on factors other than population. The problem of unequal congressional districts was raised in the 1946 case of *Colegrove* v. *Green*,[8] and three members of the Court asserted there for the first time that equal protection required the election of Congressmen from districts generally equal in population. But there was no followup on this suggestion. Over the next 15 years efforts to get the Court to intervene in other kinds of legislative election problems were met, in Harris' words, with "bland unconcern for equitable representation." Consequently it came as a considerable surprise in 1962 when the Court in *Baker* v. *Carr*,[9] by a 6-to-2 vote reversed the result of the Colegrove case and directed a Federal court to hear a challenge to the constitutionality of Tennessee's legislative arrangements, where no reapportionment of seats in the State legislature had taken place since 1901.

While this decision did not indicate what standards the judiciary should apply in passing on complaints about legislative apportionment, that was soon to come. In 1963 the Court in *Gray* v. *Sanders*[10] by a vote of 8 to 1 invalidated the Georgia county unit system of primary elections for statewide offices, a system deliberately designed to give control of the electoral process to rural minorities. The Court held: "Once the geographical unit for which a representative is to be chosen is designated, all who participate in the election are to have an equal vote—whatever their race, whatever their sex, whatever their occupation, whatever their income, and wherever their home may be in that geographical unit. This is required by the equal protection clause of the 14th amendment.

This was the Court's first approach to the rule of one-man one-vote. *Gray* v. *Sanders* was not, of course, a legislative apportionment case. But in 1964 the Court held that the same principle covered election of representatives in Congress and the apportionment of seats in the State legislatures. In *Wesberry* v. *Sanders*[11] the Court by a vote of 6 to 3 applied the one-man one-vote principle to the congressional districts of Georgia, holding that the Constitution had the "plain objective of making equal representation for equal numbers of people the fundamental goal for the House of Representatives." Four months later the rule of one man, one vote was responsible for holding unconstitutional the legislatures in no less than 15 States, as the Court decided *Reynolds* v *Sims*[12] and 14 other cases by varying majority of from 6 to 8 justices. Probably more than 40 State legislatures in all are vulnerable to challenge under the principle of *Reynolds* v. *Sims*.

III

The apportionment decisions have been bitterly criticized on many grounds, but there are two basic objections to the constitutional position asserted by the Court. First, it is argued that the equal protection clause has no relevance to and does not control matters of political representation, and consequently that there are no constitutional limits on legislative arrangements. Second, even if there are some limits, it is alleged that they are not judicially enforceable. So this is partly an argument about constitutional standards for apportionment systems, and partly an argument about the proper role of the courts.

Let us examine first the question of constitutional standards. Only Justices Frankfurter and Harlan on the recent Court contend that there are no constitutional limitations on legislative discretion in setting up apportionment arrangements. With Frankfurter's retirement, the Court's position is 8 to 1 against Harlan on this score.

Six members of the Court majority say that the proper standard is one-man one-vote. In *Wesberry* v. *Sanders* Justice Black derived the principle of equal congressional districts from certain of Madison's statements at the Constitutional Convention and in The Federalist, and from the provisions in article I for the choosing or representatives "by the people of the several States." In *Reynolds* v. *Sims* Chief Justice Warren relied on general principles of representative government and majority rule to support the Court's conclusion that "the equal protection clause guarantees the opportunity for equal participation by all voters in the election of State legislators. Legislators represent people, not trees or acres," he said, adding: "To the extent that a citizen's right to vote is debased, he is that much less a citizen."

Obviously the Court is here creating new law, just as it did in the Brown decision. The Court never likes to admit that it is creating new law. In Brown, the Court had hoped that it could find some support for overruling its precedents in the "intention of the framers," some definite indication of concern with segregated education when the 14th amendment was adopted, and so it had asked counsel to undertake research on the historical background of the amendment. But no clear voice spoke from the past, and consequently the Court had to ground its interpretation of equal protection on the "present place" of public education in American life and present psychological knowledge and present standards of morality. In the same way the Court in *Reynolds* v. *Sims* relates equal protection to present concepts of representative government.

It is charged, however, that these are simply the concepts of a "particular political philosophy" which seems wise to the present majority of the Supreme Court, and without constitutional standing. Justices Stewart and Clark deny that the rule of one man, one vote can be logically or historically drawn out of the equal protection clause, and they contend that the rule is much too rigid in its effect on systems of representation. Holding every State to the one-man, one-vote rule, they say, would deny "any opportunity for enlightened and progressive innovation in the design of its democratic institutions." The goal of equal protection as they see it is a broader one, "to accommodate within a system of representative government the interests and aspirations of diverse groups

[3] "Equality in America: Religion, Race and the Urban Majority" (New York, Oxford University Press, 1964), p. x.

[4] 16 Wall. 36 (1873).

[5] "The Quest for Equality" (Baton Rouge, Louisiana State University Press, 1960), p. 59. 59.

[6] 274 U.S. 200 (1927).

[7] 347 U.S. 483 (1954).

[8] 328 U.S. 549 (1946).

[9] 369 U.S. 186 (1962).

[10] 372 U.S. 368 (1963).

[11] 376 U.S. 1 (1964).

[12] 377 U.S. 533 (1964).

of people, without subjecting any group or class to absolute domination by a geographically concentrated or highly organized majority."

This is a rather vague standard. How is one to judge whether it has been achieved? There are two tests, according to Stewart. First, the plan of representation must be "rational," in the light of the State's own characteristics and needs. Second, "the plan must be such as not to permit the systematic frustration of the will of a majority of the electorate of the State." Determining whether a State is meeting this test might seem to require the employment of whole cadres of political scientists, but Stewart suggests that a liberal arrangement for use of the initiative and referendum in approving or reviewing apportionment plans should be regarded as an acceptable guarantee against frustration of the basic principle of majority rule.

Application of this twofold test led Stewart and Clark to uphold the legislative apportionments of New York, Colorado, Illinois, and Michigan, all of which were condemned by the six-judge majority as violative of one man, one vote. In addition, Stewart, but not Clark, would have approved the Ohio opportionment. The Stewart-Clark standard gave the same result as one man, one vote in the 10 other States which the Court considered in the spring of 1964.[13]

Which of these standards has the better claim to validity? The Stewart-Clark rule of rationality has the pragmatic merit of flexibility. It does not clamp down so strictly on the discretion the States have traditionally exercised in making representation decisions, and consequently it may be more politically acceptable.

By contrast, one man, one vote is a rigorous rule. But I believe that it comes closer to summarizing current notions of democracy in representation than any other. For example, the Twentieth Century Fund in 1962 assembled a conference of 16 distinguished research scholars and political scientists to discuss the problems of legislative apportionment. With only one dissent, they concluded that "the history of democratic institutions points compellingly in the direction of population as the only legitimate basis of representation today."[14]

Moreover, the Court's one-man, one-vote rule may not be as rigorous as it sounds. Chief Justice Warren's opinion in *Reynolds* v. *Sims* specifically disclaimed the intention "to spell out any precise constitutional tests." All that the Court asked was that apportionments be "based substantially on population and the equal-population principle was not diluted in any significant way." He also granted that "a State can rationally consider according political subdivisions some independent representation in at least one body of the State legislature, as long as the basic standard of equality of population among districts is maintained." It therefore appears possible that one man, one vote may in practice be tempered by some of the same rationality which is the foundation of the Stewart and Clark approach.

IV

Fortunately for us, however, this comparison of the Court's two standards can be left to another occasion. For present purposes their similarity is more important than their differences. The significant fact is that eight members of the Court, though disagreeing as to the standard, have agreed that the Court must assume responsibility for bringing legislative apportionments under the coverage of the equal protection clause. And the more lenient of the two standards is still strict enough to invalidate 10 of the first 15 State legislatures to which it has been applied.

The basic division on the Court, then, is not over standards but over the proper role of the Court in handling political questions. In *Congrove* v. *Green*, Justice Frankfurter first made the argument that legislative districting and apportionment was a "political thicket" which courts must shun. When he lost this argument in *Baker* v. *Carr*, he had to develop a positive justification for inequality of voting and representation arrangements in order to continue his posture of judicial nonintervention. His argument was that population had never been the sole basis for representation systems, either in the past or the present, and so it could not be part of the concept of equal protection. He presented a long historical review of the various systems of representation, and wound up with the conclusion that there had been "a decided 20th century trend away from population as the exclusive base of representation." Only 12 State constitutions, he reported, provided for a substantially unqualified application of the population standard for even a single chamber. This appeared to Frankfurter to constitute a conclusive case against one-man-one-vote.

Frankfurter is of course correct on the mathematics. There has been a trend away from population as the exclusive base of representation in State legislatures. Such a trend has manifested itself, for example, in the State of Illinois, which affords an interesting commentary on Frankfurter's statistics. The Northwest Ordinance of 1787, the Illinois Enabling Act of 1818, the Illinois constitution of 1848, and the present constitution of 1870 all provided for two houses based on population. From 1818 to 1901 both houses were redistricted 14 times in conformity with population changes. In 1870 Cook County contained only 14 percent of the State's population. But by 1900 it had grown to 38 percent, and 1901 was the last reapportionment that could be put through the legislature, because the population growth of Cook County would have had to be recognized. Efforts to force remapping in the courts failed. Finally, in 1954 a compromise constitutional amendment was presented to the voters—the lower house to be redistricted every 10 years on a population basis, the senate to be drawn permanently with area the prime consideration to guarantee downstate control. The amendment was ratified by 87 percent of Illinois voters.

This is a sample of how Frankfurter's trend was established. It is a trend resulting from rural legislators' persistent refusal to recognize State constitutional requirements and metropolitan expansion, and final acquiescence by city dwellers in permanent underrepresentation as the price of getting any reapportionment at all. Somehow Frankfurter's trend seems less impressive when put in this light. The principle of representation which his research has discovered is simply the principle that power holders do not willingly give up power.

Since Frankfurter did not recognize this as the operative principle of representation in the 20th century, he did not have to defend it. But his colleague Justice Harlan did in fact do so in his several opinions. In *Baker* v. *Carr*, supplementing Frankfurter's dissent, he announced that he would not regard it as unconstitutional for a State legislature to conclude (a) "that an existing allocation of senators and representatives constitutes a desirable balance of geographical and demographical representation," or (b) "that in the interest of stability of government it would be best to defer for some future time the redistribution of seats in the State legislation," or (c) that "an electoral imbalance between its rural and urban population" would be desirable "to protect the State's agricultural interests from the sheer weight of numbers of those residing in the cities."

Bear in mind that in *Baker* v. *Carr* the legislature which was making these decisions was a legislature elected from districts drawn in 1901 and not subsequently revised, in defiance of the State constitution. So what Harlan was saying was that legislators representing the State as it was in 1901 could legitimately decide in 1962 that the 1901 balance of geography and demography had been preferable, that the political situation in the State would be more stable if the clock had been stopped in 1901, and that the rural interests as of 1901 could themselves decide, contrary to the State constitution, that they deserved protection against the cities and that it should take the form of keeping city representation in a minority.

Justice Harlan did not even stop with this. In the 1963 case of *Gray* v. *Sanders*, he was, alone on the Court, rash enough to argue that Georgia's county unit caricature of a representation system was not irrational. He said in its defense:

"Given the undeniably powerful influence of a State Governor on law and policymaking, I do not see how it can be deemed irrational for a State to conclude that a candidate for such office should not be one whose choice lies with the numerically superior electoral strength of urban voters. By like token, I cannot consider it irrational for Georgia to apply its county unit system to the selection of candidates for other statewide offices in order to assure against a predominantly 'city point of view' in the administration of the State's affairs."

The amazing doctrine here announced is that a State can rationally, and therefore lawfully, set up an electoral system under which the Governor and other statewide officers must be chosen by the minority because if they represented the majority they might abuse the "legitimate interests" of the minority. By the same logic it could be argued that Negroes, who are in every State a minority more abused than rural interests ever were, could rationally be given the right to control the naming of public officials. Actually, Harlan suggests in his Baker dissent that he would accept as rational any legislative plan of allotting representatives short of throwing dice.

V

Justice Harlan would have been better advised not to try to find rational excuses for misrepresentation, and simply to confine himself to stating the case against judicial involvement in political questions. He does elaborate on Frankfurter's Colegrove reasoning, as in the following statement from the Wesberry case:

"What is done today saps the political process. The promise of judicial intervention in matters of this sort cannot but encourage popular inertia in efforts for political reform through the political process, with the inevitable result that the process is itself weakened."

My response is that it is a naive, static view of politics which holds that if the courts do more, the legislature and executive will do less. If the courts act, it is quite possible that they will stimulate others to act. In fact, within 4 days after the Wesberry decision was handed down, the Georgia Legislature, its political process not sapped but invigorated, passed a bill redistricting the State's congressional seats for the first time since 1931 and giving Atlanta the representation in Congress to which it was entitled by population.

The Wesberry decision also motivated the House Judiciary Committee to take up a long-pending measure drafted by Representative CELLER providing that congressional districts must be composed of compact and contiguous territory, varying not more than 15 percent from the average population of

[13] In four of these cases, however, Stewart voted to remand for further proceedings.

[14] "One Man, One Vote," the Twentieth Century Fund, 1962, p. 4.

the State's congressional districts.[15] Prospects for eventual passage of the bill are regarded as favorable. Representative WILLIAM MCCULLOCH, Republican, of Ohio, was quoted as saying, when the bill was being considered in committee: "With hindsight, we probably would have been well-advised to have taken some action heretofore."[16] Now that the Supreme Court has said that there is no defense for unequal congressional districting, everyone agrees and the districts are being made equal. But until the Supreme Court acted, there was no legislative action and no prospect of legislative action.

Justice Harlan puts his objection to judicial activism in a somewhat different way when he castigates the "current mistaken view * * * that this Court should 'take the lead' in promoting reform when other branches of government fail to act." Stated this broadly, Harlan's criticism must include the Court's historic accomplishment achieved by "taking the lead" in *Brown* v. *Board of Education*. The Court in 1954 could have decided that ending racial segregation was not a task for them—indeed, not a task for a court at all. The Justices could have said, this is a job for Congress, which is specifically authorized by section 5 of the 14th amendment to enforce the equal protection clause by appropriate legislation. They could have said, this is a job for the President, who has resources for marshaling opinion and providing the leadership and quite possibly the coercion that will be required to make equal protection a reality in many parts of the Nation. The *Brown* Court could have said these things—but it did not. It took the lead.

Now, in 1964, the Court has taken the lead to achieve equality in the representative process at the State level. It has taken the lead in demanding that the naked power struggle, which up to the present has determined how State legislatures are composed, be subjected to the rule of law—specifically, equal protection of the laws. The Court has stirred the stagnant waters in the rotten boroughs. It has challenged the beneficiaries of the various systems of malapportionment and underrepresentation to justify if they can their privileged status. The Court has cut through the sophistry that to prevent the problems of rural minorities from being ignored, it is necessary to ignore the problems of urban majorities.

But stirring the waters is not enough, of course, and here is where Justice Harlan's reservations about judicial leadership have some relevance. Courts cannot lead unless some one will follow. The burden of achieving racial integration was too heavy for the courts to bear alone; they needed the executive and legislative assistance they have recently received. Just so the Supreme Court cannot expect to carry through a massive reform of American State legislatures unless there is substantial legislative support for the goals it has announced. It is true that some courts, when reapportionment deadlines imposed on State legislatures have not been met, have themselves carved up a State into legislative districts. But few can be happy to see courts assume such functions, for which they have so little qualification.

The Supreme Court, needing legislative support, must anticipate the possibility that this support may be less than complete. Many proposals for constitutional amendments have been put forward to modify in one respect or another the impact of the Supreme Court decisions on State legislatures. The principal proposal, backed by the Republican Party platform in 1964 and the Republican leadership in Congress, would accept the position that one house must be based on population, but would allow representation in the second house to take into account factors other than population if the people of the State approved in a referendum vote.[17]

If such an amendment were to be adopted, it would be regarded as a rebuff to the Supreme Court. But its adoption would actually require most of the States to revise their legislative apportionments in the direction of greater equality of representation than now exists, and the Court, even with its mandate thus limited, would have been responsible for stimulating the political process to accomplish the most sweeping reform of State legislative composition in American history.

In a very real sense, then, the Court's decision in *Reynolds* v. *Sims* is not an order. It is an opinion offering itself for belief; it is a recommendation proposing action. The Court proposes, but politics disposes.

The Court was justified in taking the lead on reapportionment in State legislatures because no other channels of protest were open to an aggrieved citizenry. The Court was justified in concluding that the stalemate of legislative representation could be broken only by holding one man, one vote to be a constitutional mandate. In a nation which is 70 percent urban, the Court is saying to rurally dominated legislatures that the way to regain the position and prestige the States once had is to establish contact with the real world of the second half of the 20th century. The Court is opening the way for State legislatures, which all too often have seemed engaged in an organized conspiracy against the future, to play a positive role in dealing with the staggering problems of metropolitan America.

"Courts are not representative bodies," said Justice Frankfurter in his concurring opinion in *Dennis* v. *United States*.[18] "They are not designed to be a good reflex of a democratic society." It is one of the strengths of the American system that this is not necessarily true. Not all elective institutions are representative, and not all representative institutions are elective. Students of public administration have demonstrated how much we rely on the representative character of the American civil service. Now Brown and Baker have again reminded us that judges who endeavor to speak for the constituency of reason and justice may truly represent the enduring principles of a democratic society.

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[15] H.R. 2836, 88th Cong.

[16] New York Times, Mar. 19, 1964.

[17] In an effort to delay judicial enforcement of the Supreme Court reapportionment decisions until a constitutional amendment could be considered by Congress, several legislative measures were considered in the closing days of the 88th Congress. Senator EVERETT DIRKSEN sponsored H.R. 11380 as a rider to the foreign aid bill, providing that Federal courts may not interfere with the election of State legislatures before January 1, 1966, and that they must allow States "a reasonable opportunity" to reapportion their legislative seats in regular legislative sessions, except in "highly unusual circumstances." Adoption of the rider was prevented by a filibuster, and eventually a compromise was approved in the Senate. It declared the "sense of Congress" that any order of a Federal district court concerning apportionment of a State legislature could properly allow the legislature the length of time of its regular session plus 30 days, but no longer than 6 months, to apportion itself in accordance with the Constitution. House conservatives, angered at the mildness of H.R. 11380 as amended, forced its elimination from the foreign aid bill in conference, so the 88th Congress adjourned without taking any action relating to the Court's apportionment decisions.

[18] 341 U.S. 494 (1951).

GROWTH OF THE JOHN BIRCH SOCIETY

Mr. CHURCH. Mr. President, more than a month ago, I made a speech describing the John Birch Society as "the taproot of the conspiracy doctrine," the doctrine that Communist influence controls the major institutions of the United States.

I reported then that the Birch Society was expanding at an alarming rate, and planned a budget increase of one-third for 1965, from $1.5 million to over $2 million. Apparently, even this figure is conservative—to use an honorable word the society abuses. An article in the Chicago Daily News, reprinted in the February 7 issue of the Washington Post, reports that while the society's income in 1959 was $129,000, and in 1963 was $1.5 million, in 1964 its income was $3.2 million. It has 60 field coordinators, over 100 employees in its home office in Belmont, Mass., and plans to add 50 more soon. It operates over 240 bookstores, bookmobiles, and libraries. Just to put this figure in perspective, the Americans for Democratic Action, which the society considers to be the major front group for the Communists and the holder of mysterious powers over our Government, has a yearly budget of $150,000 and 11 employees for its national office.

Mr. President, I commend to the sober consideration of my colleagues and other Americans concerned with the preservation of a rational political dialog, this report from the Chicago Daily News. I ask unanimous consent that it be printed at this point in the RECORD.

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

GROWTH OF BIRCH SOCIETY INDICATES FOUNDER'S BOAST WAS NOT IDLE WORDS

(By Raymond R. Coffey)

On one score at least, it appears that there can be no argument with Robert Welch, founder of the John Birch Society.

"Our members took the election in stride, as merely an incident in our long-range activities for the Americanist cause," he wrote in the Society's December bulletin.

The months since July, when Welch claimed that 100 Birchers were delegates to the Republican National Convention, have been boom times for the Society. It appears that the Birch influence may be even more strongly felt across the land in the days to come.

The Society's growth can be seen, first of all, in its financial reports and in the expansion of its operations.

In 1959, its first year of operation, the national Society had 14 paid employees and total income of $129,000.

By 1963, income had risen to about $1.5 million, and last year, according to Welch, it was about $3.2 million.

The paid staff now includes about 60 coordinators in the field and about 140 other employees, including about 100 in the home office at Belmont, Mass., according to John H. Rousselot, the Society's public relations director.

In addition, the Society now distributes its literature through about 240 American Opinion bookstores and libraries.

It has full-time offices in Glenview, Ill., New York, Washington, San Marino, Calif., and Houston.

Since the beginning, membership lists have been secret and estimates have ranged

from 30,000 to more than 100,000. The truth is somewhere in between.

Rousselot says the membership fees of $24 a year for men and $12 for women normally account for about one-third of the Society's total income.

On the basis of an average of $18 a member and a third of the $3.2 million total income reported by Welch for 1964, that would work out to something like 59,500 members nationwide.

However, that is probably a little high since, also according to Rousselot, the income from literature sold by the Society during the election campaign ran higher than usual.

California is by all accounts the Society's strongest State. Other strongholds, Rousselot says, are Illinois, New Jersey, Texas, Arizona, Florida, Alabama, Louisiana and the State of Washington.

As further indications of growth, Welch said in his January bulletin that the Society plans to establish a lobbying office in Washington to be headed by Reed Benson, son of former Secretary of Agriculture Ezra Taft Benson.

He also reported plans to add about 50 persons to the home office staff.

CINCINNATI—THE NATION'S CLEANEST CITY

Mr. LAUSCHE. Mr. President, I congratulate the citizenry of Cincinnati, Ohio, and commend them for their outstanding civic pride, which has resulted in that city's having been chosen the Nation's cleanest city.

I ask unanimous consent that an editorial which was published in the February 11 issue of the Cincinnati Enquirer be printed in the RECORD as a part of my remarks.

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

AMERICA'S CLEANEST CITY

There are all kinds of competitions in which the cities of America—large and small—participate. There are very probably awards for the best handling of traffic, for the most trees and flowers, and for any number of other accomplishments.

But we can think of no citation more thoroughly satisfying than the one Mayor Walter Bachrach accepted the other day in behalf of the people of Cincinnati: Cincinnati is the Nation's cleanest city.

Actually, the Queen City qualified for two awards in this year's annual competition sponsored by the National Clean-Up, Paint-Up, and Fix-Up Conference. The first was top place among cities in the 400,000-to-700,000 population class. The second, even more significant, was first place among all the cities of all sizes in the United States. The latter award came to Cincinnati on two previous occasions—in 1946 and 1947.

An award of this scope, clearly, is no accident. Cincinnati's participation in the nationwide competition was largely in the hands of a Cincinnati Chamber of Commerce committee headed by Lewis Evans, chairman; E. William Palmer, vice chairman; and George E. Cramerding, secretary. Together they enlisted the cooperative efforts of literally hundreds of individuals and business establishments.

We can remember a decade or more ago when John Gunther came forward with his widely read book, "Inside U.S.A.," which declared, among other things, that Indianapolis ranked as America's dirtiest city. Mr. Gunther's characterization, we suspect, was based on considerably less inquiry and research than the awards that came to Cincinnati this week. Just the same, the people of Indianapolis are still rankling under Mr. Gunther's treatment—and with good reason.

Standing at the other end of the cleanliness spectrum, Cincinnatians have real reason to be proud. And proud we are.

LITHUANIAN INDEPENDENCE DAY

Mr. KENNEDY of New York. Mr. President, yesterday marked the 47th anniversary of the proclamation of Lithuanian independence. Nearly 1 million Lithuanian-Americans stopped to recall the brave declaration of their countrymen in 1918, ending 123 years of domination by czarist Russia. They also renewed their dedication to the regaining of that independence, which was lost in June 1940, when the Soviet Union forcibly annexed Lithuania and the other Baltic nations.

The United States has never recognized the Soviet annexation of Lithuania. Therefore, when we in the Senate rise today to honor the Lithuanian people's dedication to principles of freedom and justice, we speak not just for ourselves, but also for our Government and for every American who champions the legitimate strivings of a forcibly suppressed people to regain their national independence. We can only continue to work by every responsible means for the eventual day when Lithuanian independence will be restored.

ELIMINATION OF RIGHT-TO-WORK LAWS

Mr. McNAMARA. Mr. President, I was pleased to introduce in this session, S. 256, a bill which will repeal section 14(b) of the Taft-Hartley Act, and eliminate the vicious right-to-work laws.

It is about time that the attempted sabotage of industrial States is stopped.

Some open shop States have not been bashful about offering cheap labor in an effort to entice industry to their areas.

Such States usually find in due time that runaway industry is not good industry.

Employers who prefer cheap labor are not stable employers, and they serve simply to hold back the progress of the State in which they locate.

Michigan knows the value of strong unions—strong industry and high wage levels.

Union security in the automobile and other industries has produced high income, paid vacations and holidays, health care protection, and a more stable State economy.

The repeal of the right-to-work laws by striking section 14(b) off the lawbooks would clearly serve two purposes.

It would protect industrial States in their labor-management achievements and economic progress. And, secondly, it would compel open shop States to recognize that the soundest progress comes from letting secure unions bargain for economic gains which enhance the welfare of the entire State.

Labor and management must be free to work out the relationship under which they can then proceed with the challenge of producing goods and services efficiently and sharing the benefits equitably. This is the aim of S. 256.

FORTY-SEVENTH ANNIVERSARY OF LITHUANIA'S DECLARATION OF INDEPENDENCE

Mr. McNAMARA. Mr. President, on February 16, people of Lithuanian descent throughout the world observed the 47th anniversary of Lithuania's Declaration of Independence.

In Detroit, for example, the Lithuanian community marked the occasion with a rally at Cobo Hall, on Sunday, February 14.

Unfortunately, Lithuanian Independence Day, again this year, was not an occasion for rejoicing. We all know the tragic history of this brave little Baltic nation—which, along with its neighbors, Latvia and Estonia—has been a victim of Soviet colonialism since before World War II.

It was 25 years ago that the Russian Army marched in and overwhelmed these countries. Since then—all three have been treated as conquered territory. Indeed, the Russian Communists—who pay pious lipservice to self-determination at the United Nations when it suits their purpose—have made every effort to disperse the Lithuanian people, to destroy their sense of national identity, and to stamp out any sparks of independence.

All the brutal mechanisms of the Russian police state are being used to this end. Great pressure is being exerted upon teachers, judges, and officials to become propagandists for atheistic communism. Those who practice their faith continue to be persecuted. Lithuanian youth is still being drafted for labor in Siberia.

Any open observance of Lithuanian Independence Day—in Lithuania—is ruthlessly suppressed. Speeches and parades are forbidden.

But in the long run, the oppressors will be unsuccesful. Lithuania has a proud 700-year history. Its people cling stubbornly to their national heritage, and their fierce determination to regain their freedom has not weakened.

I am honored to pay tribute to the continuing struggle of these brave people, and express the hope that their aspirations for freedom, independence, and justice, will soon be realized.

THE IMPORTANCE OF EDUCATION

Mr. HART. Mr. President, in the weeks and months ahead we shall discuss and debate in this Chamber the role which the Federal Government should play in broadening educational opportunities for all Americans. I hope all Senators will have an opportunity to read the brief and vivid comment recently penned by a distinguished citizen of North Carolina, Harry Golden. I am tempted to expand these introductory remarks, but I realize that he has described far more effectively than I could the place which education must hold if our society is to become the great one which each of us prays it will.

For this reason, Mr. President, I ask unanimous consent that the statement entitled "The War on Poverty," by Harry Golden, be made part of this RECORD.

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

THE WAR ON POVERTY

(By Harry Golden)

Our two major "pockets of poverty" are not the fault of the individuals therein. The decline of the coal industry and the automation in textiles and other industries, and the merging of small businesses into the huge combines, have all resulted in unemployment, particularly among people who had spent a lifetime in one particular profession. What is a man to do who loses his job in a textile factory which closes down after he has finally paid off the $5,400 on his house and his roots are in that town, and his children have their friends there? Mobility for him is not a simple matter. Nor is it easy for him to learn a new skill even if he was willing to pull up all his stakes and move on.

Even more acute is the poverty of the Negro.

Let us be ever mindful of the fact that the last 75 years has seen the greatest industrial expansion and accumulation of wealth and prosperity that has ever come to any people on this earth. And it was during this period that we maintained the social, political, and economic, compulsions that kept the Negro securely locked in his ghetto, unable to become part of the corporate whole of our society.

During this same period millions of immigrants came to America from 62 different countries, and most of whom couldn't speak the language.

And most of these immigrants knew grinding poverty, they knew suffering—but they overcame the obstacles. Many of their children, the first generation mind you, went to our colleges and universities and soon entered the open society.

Not so the Negro. He was prevented from doing this, though he had been a native American since the early 17th century.

Does the American civilization owe him an "indemnity"?

Perhaps.

But the democratic society cannot single out individuals or groups of individuals and hand them money because they are poor. This would do them no good, even if it were possible. But there is a way out for the people in our "pockets of poverty," both white and Negro.

We have an experience to guide us. Indeed we have something definite to go on—the immigrant Jews. They knew poverty. Some of the poverty I saw on the Lower East Side of New York (1905–20) would make some of our present-day poor look like country-club folks.

It really began in the year 1654 when the first Jews came to America, and were obliged, in New Amsterdam, to sign an agreement that they would not participate in public charity. The Jews took this to heart. They eventually created a network of self-help societies which have served as models for the entire world, including medical insurance, a free loan society, and the idea of a federated or community (chest) charity.

The U.S. immigration statistics tell us that the mass of Jewish immigration occurred from 1880 to 1920 when nearly 2 million came here from eastern Europe bringing with them an average of less than $15 each.

But it was dinned into our minds from morning till night that our only chance to "become an American" was to get an education. Every day of our lives we were told that we must learn, study, go to school, go to the library, and read.

No group of people anywhere in the world took advantage of the free public school system as did these immigrants. And the public school teachers were able to make citizens out of these immigrants, and they did it within a single generation. The most remarkable human relations story in history.

And in addition to the public schools, the libraries, and the fraternal societies, a whole crop of private schools mushroomed. The philanthropists built vocational schools, provided scholarships for every boy or girl who showed an unusual talent. The Hebrew Technical Institute and the Baron de Hirsch School offered not only free text books but free shower baths.

At the Hebrew Technical Institute they charged 1 cent for the shower bath but that penny also included a lunch. Tuition was free. A boy had to be 16 years of age, and prove he had some means of support while he learned a trade. The school offered instruction in plumbing, gas fitting, carpentry, house painting, sign painting, machinery, and electricity.

There was also a training school for girls founded by the Baroness de Hirsch. This school offered millinery, cooking, hand sewing, and the Baroness stipulated that at least 10 percent of the student body be Gentile girls.

And the business schools proliferated. There were dozens of business schools for girls, many of them conducted in the front room of the tenement flat.

The point of the whole matter is that this "pocket of poverty" had discovered the only solution to the problem, education.

Thus it bears repeating. Based on actual experience we have the key to our present situation— education.

I do not know how many of the 40- 50- and 60-year-old men and women (white and Negro) could be helped now, but we certainly could make it a different world for their children. As I think back, I recall that our own immigrant parents weren't helped much. Life in a European village was pleasanter than life in the crowded tenements of New York—many of the parents never even learned the language, but all of this was irrelevant. They knew that America offered their children an opportunity to achieve a better world. And so, "Go learn—become an educated man," was the standard order of the day.

It's the only answer for our times, too.

CONSTITUTIONAL AMENDMENT REQUIRING A BALANCED BUDGET

Mr. HRUSKA. Mr. President, it is a privilege to associate myself with my distinguished colleague from Nebraska [Mr. CURTIS] as a cosponsor of the proposed constitutional amendment he has introduced, Senate Joint Resolution 30, relative to balancing the Federal budget.

By the terms of this proposal, there would be added to the U.S. Constitution, an amendment which would provide that each year Congress be required to take action to balance the Federal budget, except in case of war or other emergency. The proposed amendment would further require that there be payment of at least half a billion dollars a year on the national debt. Under its terms, Congress would be prohibited from adjourning, each year, until provision had been made for a balanced budget and for such a payment on the national debt.

In case of war or grave national emergency, and upon the basis of a recommendation by the President, Congress might suspend the requirement, but, even then, only on the basis of a three-fourths vote.

The terms of the proposal are stern and severe, and it is good that they are. The proposed amendment would give us firm guidelines to follow in charting our course. We need such guidelines, because, under the leadership of the present administration, the deviation from sound fiscal practices has been accelerated.

It is shocking to realize that in this time of great prospertiy, the Federal Government has not had a balanced budget since the last fiscal year of the Eisenhower administration, 1960. And in this year's budget message, once again, we have been told that there will be yet another budget deficit during the year ahead. I submit a short table which shows the receipts and expenditures and the surplus or deficit during the last few years:

[In billions of dollars]

Fiscal year	Receipts	Payments	Surplus (+) or deficit (−)
1960	77,763	76,539	+1,224
1961	77,659	81,515	−3,856
1962	81,409	87,787	−6,378
1963	86,376	92,642	−6,266
1964	89,459	97,684	−8,226
1965	91,200	97,481	[1] −6,281
1966	94,400	99,687	[1] −5,287

[1] Estimated.

Mr. President, my colleague, Senator CURTIS, is to be commended for this welcome initiative. It is particularly heartening to observe that he has been joined in the sponsorship of this proposal by the distinguished senior Senator from Virginia [Mr. BYRD], who for so many years, has led the fight for economy in Government. It is an honor to be permitted to add my name to theirs, as a cosponsor.

"SWORDS INTO PLOWSHARES"—ARTICLE BY SENATOR McGOVERN

Mr. NELSON. Mr. President, the January 1965 issue of Progressive magazine contained a challenging article by Senator MCGOVERN, of South Dakota, on the problems of converting into constructive civilian use obsolete military installations and other manpower and equipment no longer needed for military purposes. As Senator MCGOVERN pointed out, for 15 years the American people have devoted more than half of their military budget to military spending. We may now be reaching the point where some of these funds can be channeled to fill such critical needs as better education, standard health care, more modern transportation, and other rural and urban programs.

Mr. President, as Senator MCGOVERN has pointed out, this problem cannot be neglected. I am pleased to join him in support of Senate bill 30, to create a National Economic Conversion Commission, and to provide top-level Government assistance in meeting the needs of the Great Society. The shock of defense shifts and cutbacks should awaken all of us to the urgent necessity of planning for

the day when military spending will not be a full half of our national budget.

Mr. President, I ask unanimous consent to have Senator McGOVERN's article printed in the RECORD.

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

SWORDS INTO PLOWSHARES

(By Senator GEORGE MCGOVERN)

(NOTE.—GEORGE MCGOVERN, U.S. Senator from South Dakota, was formely a professor of history and government. He served as director of the food-for-peace program in 1961–62.)

Secretary of Defense Robert S. McNamara announced November 19 that 95 obsolete military installations, at home and abroad, would be closed, some quickly and others gradually over a period of years. Before he had even listed the installations, the Secretary received 169 telephone calls from alarmed Congressmen. The next day, when the list of bases to be closed was revealed, a cry of anguish went up from coast to coast.

"The Day of Infamy, November 19, 1964" read one placard raised by angry workers at the Brooklyn Navy Yard.

A pair of chicken feet was hung to another nearby sign reading: "This is all that the New York Naval Shipyard will be able to afford for Thanks (?) giving."

"It is totally unjustified, and I shall challenge this decision vigorously," said longtime Georgia Senator RICHARD B. RUSSELL, chairman of the Senate Armed Services Committee, when told that Hunter Air Force Base at Savannah would be closed.

Said New Hampshire's Gov. John King of the decision to close Portsmouth Naval Shipyard: "I cannot bring myself to accept it as final."

Senator JACOB JAVITS called the closings "a disaster for the economy of New York," and Gov. Nelson Rockefeller predicted "unemployment, suffering, and hardship for thousands."

Gov. William Scranton protested that the closing of the Olmsted Air Force Base at Middleton was "absolutely devastating to the economy of central Pennsylvania."

Everywhere, business, labor, civic and congressional spokesmen joined in hastily assembled local action groups to protest the loss of installations.

Any man not as tough and courageous as McNamara could not have withstood the barrage of protests, curses, and tears that greeted his announcement. It was an experience much the same as that of nearly a year ago when the Secretary announced the closing of a number of other military installations.

For 15 years the American people have devoted more than half of their Federal budget to military spending. Ever since the 1950 outbreak of hostilities in Korea, we have allocated approximately 10 percent of the Nation's gross national product to military purposes. More than two-thirds of the Nation's research, scientific, and engineering talent is concentrated in the defense sector.

Our annual $50 billion arms budget is the equivalent of the combined cost of all the Federal budgets of the New Deal from 1933 to 1940. A quick glance at the division of the budget pie demonstrates that what is chiefly responsible for the growth of big Government and big budgets in Washington is not welfare but warfare.

Thirty years ago we were allocating a third of the Federal budget for welfare purposes. Today, welfare's share has declined to 7 percent. The spectacular increase in Federal spending, employment, and U.S. Government real estate since 1940 has been in the military sector. Yet, those who talk the loudest about the dangers of Federal spending and big Government still have their guns trained on nearly every aspect of Government except military expenditures.

In the Congress, many of the most vocal economizers are the biggest spenders when it comes to armaments. Place the label "defense" on a project and it will zip through the Congress with little or no floor debate.

Early in 1963, I watched the Senate deliberate for many hours on the administration's proposed $120 million youth conservation program. After painstaking discussion and intensive debate, the proposal was reduced by $20 million and sent to the House where it was bottled up in the Rules Committee for a year. But the $50 billion defense authorization whizzed through the Congress without a dissenting vote, after only a brief discussion on the Senate floor.

Perhaps this situation is understandable, given our longtime preoccupation with the cold war. We all want to make certain that the Nation is strong enough to deter any conceivable aggressor. It is also a fact that the military art has become so complex that most Members of Congress concede the Defense Department the benefit of any doubts concerning the efficacy or cost of its programs.

But this is only part of the explanation for the eagerness of Congress to endorse military spending and to resist any proposals for cutbacks in defense outlays. Defense is the Nation's largest business. It provides lucrative contracts, payrolls, jobs, and purchases in communities across the land. For years Congressmen have been running for office on the stated or implied claim that they could land defense contracts or military installations for their home districts and States. The Defense Department has cooperated by permitting Members of Congress to announce defense contracts or installations awarded to their districts.

Countless communities have come to lean on the payroll of a shipyard, or an airbase, or a defense contractor. A defense installation involves far more than a direct source of jobs. Defense workers and military personnel become good customers for the merchants, the realtors, the cafe operators, the barbers, the entertainment establishments, and the whole range of activities of the local community. To these communities the thought of losing this economic stimulus is enough to send strong reverberations all the way from the local chamber of commerce to the Nation's Capital.

One readily sympathizes with the men and their families who lose their jobs as a result of defense shifts or cutbacks. It is also easy to appreciate the concern of the affected local business community. But how can any reasonable citizen or government official seriously argue that the Defense Department has an obligation to continue in perpetuity an expensive installation or contract that no longer contributes to the Nation's defense needs?

Bases marked for phaseout have been carefully evaluated by qualified defense experts. Many have been continued beyond the time when earlier studies indicated little real need for their operations. The Secretary pointed out that not only will taxpayers save nearly half a billion dollars a year as a result of the closings announced in November but that the Nation will actually have a stronger, more efficient defense force.

The issue is clear: Do we want the Defense Department to meet the military needs of the Nation in a businesslike manner, or do we want it to function as a gigantic WPA responding to local and congressional pressures all across the land?

Assuming that the first alternative is the rational one for a great nation to follow, how do we insure its acceptance as a matter of effective public policy? We begin by applauding the steps that have been taken under the direction of Secretary McNamara to apply sound business management to the sprawling Defense Establishment. Without doubt the finest Secretary of Defense ever to hold that post, McNamara has worked tirelessly to effect needed economy measures in the armed services. In addition to establishing modern accounting and cost-analysis procedures, he has closed or scheduled the closing of 669 unnecessary or obsolete military installations. For these efforts he deserves strong public support. It is no easy chore to take on the powerful "military-industrial complex."

We should applaud, too, the efforts of President Johnson to direct excess military expenditures into the war on poverty. A year ago the President announced a cutback of 25 percent in the production of nuclear materials. His military budget for the current fiscal year is a billion dollars below the previous budget—the first reduction in 15 years. It has been predicted that the arms budget for the coming fiscal year, 1966, may carry another modest reduction, or at least no increase. Indeed, the recently resigned Deputy Director of Defense, Roswell Gilpatric, has estimated that the defense budget may gradually decline so it will be as much as 25 percent lower by 1970 than it is today.

Reductions in defense outlays, even of modest proportions, as well as anticipated shifts in defense production, underscore the fact that conversion planning should now be going forward under a high priority schedule. We have devoted the best research and planning brains in the Nation to building up our enormous defense system. But we have given only a passing glance at the complicated matter of easing the transition from obsolete defense outlays to useful investments elsewhere in our society. This is not a future problem; it confronts us now in the anguished faces of Brooklyn shipyard workers, California aircraft engineers, and Boston defense technicians. It faces me, as a Senator who represents the workers of the Black Hills Ordnance Depot and the merchants of Edgemont, S. Dak., who depend upon these workers as customers. This installation will be closed in 2 years.

These conversion problems are not only on top of us, but they are difficult to solve. It may be a comparatively simple task to beat a sword into a plowshare, but it is not so easy for the skilled Brooklyn shipyard technician with 20 years on that job to become a water desalinization engineer in California or a computer operator in Philadelphia.

In the absence of research, planning, and direction related to conversion, the results of declining defense outlays may be decreasing job opportunities, painful dislocations, wasted scientific and engineering talent, and economic hardship. These in turn can lead to political pressures that could prevent the implementation of needed changes in our defense system.

That is why I have been urging for the past year and a half that the Congress establish, at the very highest level of Government, an Economic Conversion Commission to ease the path from arms cutbacks to constructive economic growth. On October 31, 1963, I introduced, with the cosponsorship of several of my colleagues, a bill calling for the creation of such a Commission. Composed of top-level representatives from appropriate Government agencies, the Commission would have responsibility for developing blueprints of public and private needs in which all resources, including manpower, no longer needed for defense could be invested. The Commission would work closely with State and local bodies and defense contractors to chart alternative jobs, products, and services needed by civilian society. It would also recommend Government monetary, credit, and other types of public policy related to the problems of transition.

Partly as a result of the interest aroused by this proposed legislation, the administration has activated an interagency committee, chaired by Gardner Ackley of the Council of Economic Advisers, to undertake studies of the economic impact of defense reductions. This is a hopeful step, but a most inadequate one.

There is an urgent need for a congressional mandate in support of a serious, sustained effort by a full-time staff devoted entirely to the problems and challenges of channeling excess defense resources into civilian needs. Such an office should be functioning now.

Serious conversion planning could be the process by which defense cutbacks lead to unparalleled opportunity. Under the leadership of Senator JOSEPH CLARK, Pennsylvania Democrat, the Senate Subcommittee on Employment and Manpower held hearings last year and estimated the cost of meeting the country's urban and rural needs.

Just to keep pace with population growth during the next 20 years, the subcommittee found, public and private programs costing from $500 to $700 billion will be needed in urban areas. To eliminate existing blight in the cities, another $100 to $125 billion would be required. Funds would come from both public and private sources, and would finance such programs as housing, urban renewal, mass transit, highways, pollution control, hospitals, schools, other public facilities, and community planning.

Rural programs of conservation, water development, and recreational development on public lands would require an additional $12 billion a year for 10 years.

The backlog of urban and rural needs adds up to a staggering sum of $43 to $53 billion a year for 10 years, then $31 to $41 billion a year for another decade. There are many inviting opportunities in which we can profitably invest resources freed by changing defense requirements, and, hopefully, by future disarmament agreements. But resources will not be transferred to meet these opportunities unless government, on all levels, joins in a coordinated effort with private initiative.

The Great Society will require both large-scale investment and intelligent effort. We will need better job training and retraining opportunities. We will need to improve the quality of our educational and vocational efforts at every level. The kind of imaginative thinking which produced the GI bill of rights, with its invaluable college benefits for World War II veterans, can ease the shock of defense shifts and cutbacks. Many of our scientists, engineers, and technicians who have been absorbed for years in arms production, are, in a sense, cold war veterans. They may require mustering out pay, training, and other assistance designed to ease their transition. We will need well-planned Government-assisted pilot projects by private industry to develop the most desirable plans for new schools, health centers, new traffic control systems, and even new cities and rural areas.

With even a modest degree of public and private planning, buttressed by Government credit and assistance, the reduction of defense outlays can be a boon rather than a bane to the economy. Indeed, military expenditures are among the poorest of methods of strengthening the economy. Tax funds invested in a bomb stored in the defense stockpile make no further contribution to the economy. A similar investment in the rehabilitation or education of a young citizen produces multiple dividends for society for years to come.

Furthermore, the heavy concentration of research, scientific, and technical talent in defense has drained off skills and brainpower urgently needed in the civilian sector of society. The wise diversion of a modest portion of this talent into modern mass transit, water desalinization, air and water pollution abatement, and the updating of our educational and health institutions will enrich both our economy and our individual lives.

Experience in some communities demonstrates that the closing of a military installation can be an opportunity rather than a catastrophe. The shutdown of a Snark missile base in Presque Isle, Maine, displaced 275 civilian employees in a small community. Through local leadership and modest government assistance, Presque Isle has created 2,000 new jobs in private industry. The former missile base now houses wood, paper, and shoe plants, 15 smaller enterprises, and a municipal airport.

At York, Pa., a machine company bought—for $9.6 million—an ordnance plant the Navy planned to close. The 1,100 skilled Navy employees were hired by the company and 60 percent more put to work. The plant went on the tax rolls, providing still more benefit to the community.

These and other examples of close cooperation on the part of the local community, private industry, and the Federal Government help point the way to sound public policy in the years of transition ahead.

Moving in this direction, we will come to see that the elimination of excess arms spending does not mean "a day of infamy" but the dawn of a brighter, more hopeful day.

FLOOD DAMAGE IN HAWAII

Mr. INOUYE. Mr. President, sections of the island of Oahu, Hawaii, were recently inundated by torrential rains. The resulting floods inflicted more than $300,000 in damage in one subdivision alone.

Dozens of families suffered losses which were not covered by insurance.

The story of how the community rallied to help these people in their hour of need is indeed a heart-warming one.

Mr. President, I ask that an article written by Joe Arakaki, and published in the Honolulu Star-Bulletin, be printed in the RECORD.

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

TEAMWORK IN KEAPUKA FLOOD

(By Joe Arakaki)

Only 6 days ago, a sudden storm dumped more than 12 inches of rain in the Koolau Mountains, unleashing a flash flood which took two lives and damaged 43 homes and 30 automobiles in Kaneohe's Keapuka subdivision.

The flood inflicted more than $300,000 damage in the subdivision alone.

A giant tree floating down Waikalua Stream past the subdivision caught on Luluku Road bridge and turned it into a dam.

Residents of the 3-year-old subdivision, developed by Blackfield Enterprises, were shocked and in despair after the devastation.

They had no flood insurance.

Early Thursday, the fleeing flood victims were evacuated by Hawaii National Guard and Kaneohe Marine Air Station vehicles.

Keapuka was in a pitiful mess that day with debris, mud and wreckage scattered throughout the Apapane Street area.

You would never know there was a flood there if you should visit Keapuka today.

Within 2 days after the 50-mile-an-hour flood, most of the debris, mud, and wreckage were cleared away by volunteer workers, city and county crews, and firemen.

Help to the distressed area poured in from many areas.

William Blackfield, president of Blackfield Enterprises, went into the scene Friday, surveyed damage in each home and explored avenues of relief.

He had no legal responsibility, he said, but felt the homes should be repaired as soon as possible.

Blackfield quickly organized and coordinated the work of restoring the flood ravaged community.

Construction firms and labor unions joined hands in a massive volunteer effort Saturday.

By Sunday afternoon, all of the damaged homes, except the one of a house owner who refused assistance, were repaired.

More than 250 volunteers assisted in the repair and cleanup project.

Blackfield Enterprises, American Factors, and the AFL–CIO Building & Trades Council joined forces to repair the 43 water-wrecked homes.

American Factors supplied building materials; the unions provided the labor force and Blackfield supplied equipment and men to supervise the repair work.

Pre-cut materials on hand to build the last 50 units of the 800-unit Keapuka tract facilitated repair work.

By Saturday morning, packets of needed materials were in front of each damaged home. Some 30 work crews were organized with Blackfield's men, who were familiar with the tract, serving on each, and helping direct volunteer tradesmen from other firms and projects.

All this work was done at no cost to the homeowners.

Blackfield said today that "all structural damages" have been repaired.

"We finished the repair work within 17 hours after we started work early Saturday," he said.

While volunteers were busy at work, the Red Cross and Salvation Army manned disaster headquarters to feed the army of volunteers.

The Salvation Army also conducted a drive and collected bedding and mattresses for the flood-stricken residents.

The Keapuka Community Association responded in numbers, with over 100 members, to assist their grief-stricken neighbors.

But the Keapuka story is not yet over.

The repaired homes need painting and lawns must be restored.

Some of the painting work was done by 18 of Blackfield's men Sunday.

Blackfield said that painting of the repaired homes and landscape work will begin Saturday with some 200 volunteers turning out.

The Painting Contractors Association of Hawaii and the Paint Lacquer & Varnish Association jointly will carry out the painting job.

The Outdoor Circle will make 150 trees available to the Keapuka residents to restore their damaged lawns and this job will be handled by volunteers from the community association.

Blackfield added that J. A. Thompson & Son will furnish trucks and hauling equipment to transport top soil into the subdivision.

Centex Trousdale and Kaneohe Ranch Co. will provide the top soil, according to Blackfield.

His own employees will supervise the soil restoration project.

Blackfield commented, "The damaged homes will be restored to a better condition that their original state when all work has been completed."

Of the joint efforts, Blackfield observed, "I have never in my life seen such a tremendous response and demonstration of the aloha spirit in all of my travels.

"One house victim told me 'I never thought I could rebuild my house in a year'."

He said off-duty policemen will handle traffic during the painting and landscaping work.

City Engineer Yoshio Kunimoto said that he had about 150 city and county workers in the Keapuka area to assist in the cleanup work.

He reported that if the tree had caught in the Likelike Highway culvert, the damage to the subdivision would have been worse.

He feels the Luluku Road culvert was big enough to handle the flood waters if it had not been blocked by the big tree.

"The volunteers did a tremendous job of restoring the damaged homes," he noted.

Meanwhile, the Red Cross reported that 25 Keapuka families so far have applied for Red Cross rehabilitation assistance.

The Red Cross also provided food, shelter, clothing, household items and medical attention to flood victims during the emergency.

Its disaster headquarters at Blackfield's model home in Keapuka will be open from 9 a.m. to 5 p.m. daily except Saturdays and Sundays.

Also offering free medical care to flood victims were physicians belonging to the Honolulu County Medical Society.

In other developments, the Keapuka Community Association thus far has collected about $3,000 in contributions to aid the disaster victims. Half of this amount came from the association itself.

COMMUNITY RESPONSE

Keapuka flood victims say they are overwhelmed by the community response and aid offered them.

Mrs. Helen Kosaka, whose home was one of the most severely damaged, said she is beyond words to express her deep appreciation.

"I just want to let everyone know how grateful I am for the help rendered," she said.

She is now staying with her niece and expects to move back into her home as soon as she can replace damaged furnishings.

Another flood victim, Aquilino Santos, said he moved to Keapuka from Kalihi last April.

"We are proud to live this community," he said. "The community association members, who were complete strangers to us, came and offered all the help we needed.

"You bet we will join the association," he said.

Santos also praised the work of the Red Cross, which he described as a "great organization."

Another Apapane Street resident, Raymond Hee, said, "It was tremendous. Everyone helped."

ALSO GIVE AID

Flood victims also received aid from the Hawaiian Electric Co., which repaired all electrical appliances up to $100 per family, and Ramsay, which repaired General Electric appliances damaged by the floods.

Ramsay's men spent all night Saturday repairing them and had them returned to the owners Sunday.

Realty Mortgage Co., a Blackfield subsidiary, agreed to waive house payments to owners of damaged homes for several months, depending on individual family requirements.

There were many other community and church groups assisting the flood victims. "My faith in mankind has been rekindled," summed up Blackfield.

LITHUANIA MUST AGAIN BE FREE

Mr. YOUNG of Ohio. Mr. President, today we commemorate the independence day of a nation that no longer is sovereign, and we salute a brave people who no longer are free. This holiday for the 3 million citizens of Lithuania was once a day of joyous festivities. It now remains to haunt the memories of a people who lost their struggle for liberty against overwhelming forces of repression and terror, and now languish under the yoke of Soviet enslavement.

Forty-seven years ago, on February 16, 1918, Lithuania, after more than 120 years of czarist subjugation, won its freedom. At that time, this small land, surrounded by hostile nations, established a flowering democracy. Under a program of sweeping land reform, some 300,000 independently operated farms were established. Industrial development flourished. Great progress was made in the fields of education, transportation, and social welfare.

The prosperity of the land and the liberty of the people did not escape the envious eyes of their totalitarian neighbors. In 1940, the armed hordes of Nazi Germany and Communist Russia ravaged this almost defenseless land. With the eventual occupation by the Soviet armies, every effort was made to destroy patriotic Lithuanians. Scholars, statesmen, and clergymen disappeared, to waste away their lives in the frozen tundra of Siberian slave-labor camps. Mass deportation and harsh repression became the fate of this brave people.

We cannot and we must not forget these victims of communism, whose liberty lasted such a brief time. On Thursday, along with my distinguished colleagues, Senator PELL and Senator LAUSCHE, I introduced a resolution requesting the President to bring the plight of the Baltic States to the floor of the United Nations. The United Nations should demand the withdrawal of Soviet troops from this captive nation, the return of all deported citizens, the punishment of persons guilty of crimes against the Baltic peoples, and free elections under the direct supervision of the United Nations.

The people of Lithuania must never think we have forgotten them. The spirit of freedom cannot be chained forever. When these lands regain their liberty, let them regard the United States as a friend in their time of trouble.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

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

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

GOLD RESERVE REQUIREMENTS

Mr. ROBERTSON. Mr. President, I move that the Senate resume the consideration of the bill H.R. 3818.

The motion was agreed to; and the Senate resumed the consideration of the bill (H.R. 3818) to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities.

Mr. ROBERTSON. Mr. President, the Senate is considering today the administration's proposal to amend the Nation's gold reserve requirements.

This is a middle-of-the-road bill which keeps the requirement of a 25-percent gold reserve against Federal Reserve notes but eliminates the requirement in the case of deposits at Federal Reserve banks.

The bill will make an additional $5 billion of gold available—sufficient to meet the money supply needs of our growing economy and, even more important, to give the world assurance that the United States will meet all requests by foreign governments to redeem their dollars for gold at $35 an ounce.

This action is necessary now because the deficits in our balance of payments over the past 15 years have reduced our gold supply virtually to the minimum legal reserve limit.

However, the bill will not end our balance-of-payments deficits. It will merely give us time to end them in an orderly and responsible fashion.

The President, on February 10, sent us a message reviewing the balance-of-payments situation and recommending a series of steps to reduce the deficit. Many of the measures proposed, I am sure, will be approved after consideration by Congress and will help in reducing our persistent balance-of-payments deficits.

The President's program is directed mostly at restricting the flow of capital abroad, which has been a most important element in our international payments during recent years. I believe, however, that other important factors are not adequately dealt with in the measure proposed by the President.

In the first place, I believe the foreign aid program, both economic and military, should be reduced sharply. For the current fiscal year foreign aid, including military assistance and agricultural surpluses sold for foreign currencies or given away, could be as much as $7 billion. Beginning next July there will remain $6.5 billion from previous appropriations available to the administration for expenditure in future years, plus any additional appropriations that may be made.

I am sure that our friends and allies in the free world have reached a point of economic recovery where they can carry a much larger share of the cost of mutual defense facilities and a much larger share of the cost of assisting underdeveloped countries than has been possible in the past.

In the second place, we must put our own house in order. Industry and labor must exercise caution and restraint in their price and wage policies. If organized labor refuses to exercise restraint in wage and fringe demands, and engages in strikes designed to beat our Nation to its knees, it should be put on a par with corporations with respect to control under our antitrust laws. The Government also must bring to an end the constantly unbalanced budgets and be prepared to follow flexible monetary policies adapted to the requirements of our international position. Unless we do these

things, our balance-of-payments deficit may get worse instead of better.

The bill before us, H.R. 3818, deals only with the Nation's gold reserve requirements. It does not itself attempt to solve the balance-of-payments problems. It merely releases a limited amount of our gold reserves for use until measures and actions to correct the payments deficit can have the desired effects.

The proposal to amend the Nation's gold reserve requirements is a major step, one which the Banking and Currency Committee has considered carefully, and one which the Senate will wish to consider carefully. It is also appropriate that we should respond to the President's request and that we should act upon this question firmly, decisively, and promptly. Confusion, indecisiveness, and delay could cause untold difficulties and expense.

In my judgment the Banking and Currency Committee has acted on this measure promptly and responsibly. The matter was first raised at a meeting of legislative leaders at the White House on January 22, and we were advised that an administration bill would be transmitted to the Congress on January 28 along with the President's economic report. I immediately announced that I would introduce the adminstration bill at the President's request, and I scheduled hearings before the committee beginning February 2. I had this announcement and a notice of the hearings printed in the CONGRESSIONAL RECORD on January 26 and invited all persons who wished to testify to advise the committee. When the bill was received on January 28, I immediately introduced it by request.

Hearings were held before the committee on February 2, 3, 4, 9, and 10. All witnesses who requested to appear were heard—a total of 19—covering, I believe, all points of view on the matter.

At the conclusion of the hearings, the committee in executive session considered a number of alternative proposals, including Senator DOUGLAS' proposal to eliminate all the gold reserves and the proposals of Senator JAVITS and Senator DOMINICK to amend the gold-reserve requirements, but in somewhat different fashions from that proposed by the administration. None of these alternatives were adopted. Instead the committee, without dissent, voted to report the House version of the administration bill, and the report was filed on February 10. The hearings have now been printed in a volume of almost 300 pages which was available on February 15.

I should like to make it entirely clear at the outset that no question whatever was raised in the committee about maintenance of the commitment of the United States to redeem gold at $35 an ounce. There was no question as to the ultimate availability of our entire stock of gold to maintain the value of the U.S. dollar. The committee was glad to hear the Secretary of the Treasury and the Chairman of the Federal Reserve Board endorse these views, and the committee report and the supplemental views make it clear that there was no disagreement among committee members on these points.

The United States has a stock of about $15 billion of gold to back up these commitments. The United States also has the world's largest industrial output, the world's largest agricultural output, and the strongest and most-sought currency in the world. The President's request for an amendment to our gold-reserve requirements and the committee's approval of this request were not based on any sense of distress or of emergency. Instead, the proposal before the Senate today is designed to make it clear to all, at home and abroad, that the United States intends, without any reservation or qualification, to maintain the value of the dollar and to take all steps necessary to this end.

At the present time Federal Reserve banks must maintain reserves in gold certificates—representing gold in the Treasury—of at least 25 percent against deposits in Federal Reserve banks and Federal Reserve notes in circulation. These reserves have been required since 1945; before that time the reserve requirements were 40 percent in gold on notes and 35 percent in gold or lawful money on deposits.

The Federal Reserve Board is authorized to suspend these requirements, subject to certain taxes and penalties, but this power to suspend is intended to be used only on a temporary emergency basis. It has, in fact, been used only three times—in 1919, 1920, and 1933—and only briefly in each instance.

In 1949 the gold-certificate reserves were at their peak. They totaled $23.4 billion. Although deposit and note liabilities had expanded greatly in the war years, the ratio of gold-certificate reserves to such liabilities in 1949 was as high as 57.5 percent. The situation has changed greatly in the last 15 years, and especially in the last 7 years, as the result of an outflow of gold and an increase in Federal Reserve liabilities. Our gold-certificate reserves now amount to $14.8 billion compared to a total required reserve of $13.6 billion. Free gold-certificate reserves are down to $1.2 billion, and total free gold, including small amounts of additional gold in the Treasury, is less than $1.5 billion. The ratio of gold-certificate reserves to deposit and note liabilities is 27.2 percent—barely enough above the required 25 percent to give the Federal Reserve banks a reasonable operating margin.

This change over the past 15 years was accounted for partly by an increase of $3.4 billion in required reserves—the net result of many changes in the money supply and in member bank reserve requirements. The decline in our gold stock was much greater. Gold-certificates decreased over the past 15 years from $23.4 billion to $14.8 billion. There were many reasons for the unfavorable balance of payments which led to this decline—investments abroad, tourism, and so on, but the chief reason has been our foreign aid and military programs overseas which have totaled more than $105 billion.

At page 6 of the committee report appears a table showing the consolidated reserve position of the Federal Reserve banks for selected dates. The changing situation since 1934 is also illustrated by charts appearing at page 5 of the committee report.

All members of the committee agreed with the President, the Secretary of the Treasury, and the Chairman of the Federal Reserve Board that under these circumstances it was necessary to change our gold-reserve requirements. All members agreed that it would be misleading and unwise to leave the present gold-reserve requirements in effect and to use the suspension powers vested in the Federal Reserve Board. And all members agreed that any suggestion of failure to carry out our commitments to redeem dollars in gold could not be considered for a moment.

The two principal proposals considered by the committee were the administration bill to amend the gold-reserve requirements and Senator DOUGLAS' proposal to repeal them entirely. A majority of the committee felt that the administration's middle-of-the-road proposal was the wiser and sounder course.

In the first place, the Secretary of the Treasury and the Chairman of the Federal Reserve Board took the position that the administration proposal provided as much leeway as they now felt necessary. They took the position that, if sound economic policies are pursued at home, and firm and effective measures are taken to correct the balance-of-payments deficits, the administration proposal would provide ample leeway for the foreseeable future.

The majority of the committee saw no reason to go beyond the administration's recommendations in this sensitive and important field. When the outcome is uncertain, it is wise to do only what is necessary.

In the second place, the majority of the committee, while recognizing that since 1933 our laws have prohibited the redemption in gold of Federal Reserve notes or any other currency, took the position that a gold-reserve requirement is desirable. The fact that one of the original reasons for the gold reserve—internal redeemability—no longer exists is no reason to abandon the gold reserve if it serves some other useful purpose. Our history is full of instances where a tool designed for one purpose has served another and perhaps more important purpose long after the original one disappeared.

Maintenance of a gold-reserve requirement against Federal Reserve notes is meaningful and valuable because it provides a warning signal against excessive expansion of our money supply and currency or against depletion of our reservoir of gold needed to meet variations in our international payments.

If the money supply is increased greatly, this will be reflected in an expanded supply of currency. If the supply of currency exceeds the amount permissible under the gold-reserve requirement, the Federal Reserve Board can, under existing law which would not be amended by this bill, suspend the gold-reserve requirements on a temporary basis. An approach to such a limit will give clear notice that a review of our monetary situation is imperative. This

review may demonstrate that the money supply is not increasing by reason of either inflationary monetary policies or lack of attention to the balance of payments situation, but merely through the normal growth in the economy or changes in business practices calling for more currency. On the other hand, the review may show that the cause of the increase in currency is unduly lax monetary policies or inattention to our balance-of-payments problems. In either case, the Congress will be in a position to take whatever action may be appropriate.

The existence of the limit imposed by the gold-reserve requirement, flexible though it is, will make the Government hesitate to adopt policies which threaten to trespass on this limit. The knowledge that a day of reckoning will be forthcoming—that a request to the Congress for an amendment to the law must be made and must be justified—will have an effect upon the Government. This argument for the gold reserve, this argument for congressional control, is a recognition of the importance of the Congress in this field, a recognition of the constitutional provision giving Congress the power to coin money and fix the value thereof.

We count upon the President and the Secretary of the Treasury to exercise wisdom and restraint. We count upon an independent Federal Reserve Board to exercise wisdom and restraint. But, as James Madison said in the Federalist, referring to the separation of powers between the legislative, executive, and judicial branches:

> A dependence on the people, is no doubt, the primary control on the government; but experience has taught mankind the necessity of auxiliary precautions.

This is the so-called psychological reason for a gold reserve behind our currency. The public—the citizens whose votes control our Government—may be wiser than we think when they express their confidence in a currency backed at least in part by gold—linked to gold—a currency which cannot expand like the German mark in 1920 or the Brazilian cruzeiro in recent years, at least not without a review by the Congress under its constitutional power to fix the value of money.

The same is true of foreign holders of U.S. dollars. The requirement that a gold-reserve fund of more than $8 billion must be maintained serves as a protection for foreign holders of dollars. They know that in the final analysis this gold will be available for the redemption of dollars. But they also know that this gold may be frittered away unless vigorous action is taken to assure a sound dollar in the United States, unless sound wage and price policies are pursued in the United States, and unless adequate and effective measures are taken to end our balance-of-payments deficits.

Foreign holders of dollars know that these measures must be taken. And they know it is better for the United States to take these measures promptly and effectively, before our gold supply is gone. They know their dollars will be better protected if the United States takes the steps necessary to preserve a sound dollar at home and to end the balance-of-payments deficits while we still have about $15 billion of gold.

In conclusion I should like to emphasize particularly two points.

First. It is essential that we maintain a sound dollar. Industry and labor must follow moderate and responsible wage and price policies. Inflated wages and prices can hamper production, can reduce employment, and can cut down our sales abroad. For instance, one candidate for the presidency of the steelworkers union promised his members a wage settlement equal to that of the United Automobile Workers, and the other candidate, who may prove to be the winner, offered that he would get a better settlement. And the candidate who may be the winner also believes that after the union negotiators have reached a settlement with the management negotiators, any strike which may occur throughout the entire union must be continued until every local has agreed to accept the new contract. The steelworkers also control the production of aluminum and the chairman of the board of a large aluminum company tells me that a wage settlement for aluminum workers equal to that granted the automobile workers would absorb every penny of net profit of his company at present prices.

It necessarily follows that if the Steel Worker's Union is granted a wage increase even comparable to that for the automobile workers, one of two things will happen—either the expansion of steel and aluminum capacity will be curtailed because of diminishing profit margins, or the price of these products will have to be increased. And, while we had a very favorable balance of trade in 1964, any price inflation in the current calendar year will be calculated to curtail our sales abroad and, in doing so, to intensify our current balance-of-payments problem.

Flexible fiscal and monetary policies must be followed. Permanently unbalanced budgets and excessive credit can cause domestic and foreign problems for us. And it is essential to the maintenance of sound monetary policies to preserve the strength and independence of the Federal Reserve System. The President, the Secretary of the Treasury, and the Chairman of the Federal Reserve Board have recognized this, and the Congress has repeatedly recognized the need for an independent Federal Reserve Board, and we must continue to do so.

Second. Our balance-of-payments deficits must end. We have for years been aware of these deficits. We have deplored them. We have taken tentative and inadequate steps to reduce them. But we have not stopped them.

It is clear demonstration of the value of gold-reserve requirements that the necessity to amend them has brought home to the President, the Congress, and the country the fact that we must now end the balance-of-payments deficits. No better example of the value of a gold-reserve requirement could be shown.

The enactment of H.R. 3818 would not solve the problem. It would merely give time to the President and the Congress to end our balance-of-payments problem in an orderly and responsible fashion, while we still have a large stock of gold, a favorable balance of trade, and a prosperous and growing domestic economy.

Conditions are favorable for ending our balance-of-payments deficits. We must do so now and not wait until our stock of gold has vanished, our international financial position has weakened, and our balance of trade and domestic economy are in less satisfactory shape.

In the meantime the Federal Reserve and the Treasury must have a supply of gold free from fixed requirements adequate to meet prospective normal needs and emergency demands.

To provide this, the committee recommends to the Senate that H.R. 3818 as passed by the House and reported from the committee—the administration bill, recommended by the President, supported by the American Bankers Association, the Virginia Bankers Association, and other able witnesses—should be promptly passed by the Senate and sent to the President for signature.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the full text of the statement of General de Gaulle on February 4, last, concerning a return to the gold standard for all the nations of the world.

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

THE INTERNATIONAL MONETARY SYSTEM

Question. Mr. President, by converting a portion of its dollar holdings into gold, France has elicited certain reactions which have brought out the defects in the present monetary system. Do you advocate a reform in this system, and if so, how?

Question. My question, Mr. President, fits in with the preceding one. Can you specify your policy on foreign investments in France, and especially on American investments?

Answer. I shall try to explain my thoughts on these points.

As the Western European States, destroyed and ruined by the wars, recover their substance, their relative situation following their debilitation appears inadequate, even abusive and dangerous. Moreover, nothing in this statement implies that they, particularly France, are in any way unfriendly toward other countries, especially toward America. For the fact that these States wish, more each day, to act independently in every field of international relations is due merely to the nature of things. This is true of the monetary relations which have been practiced in the world since the ordeals undergone by Europe made it lose its equilibrium. I refer—is this not clear?—to the system which appeared following the First World War and which was established after the second.

We know that, starting with the Genoa Conference in 1922, this system had given two currencies, the pound and the dollar, the privilege of being held automatically as gold equivalents for all foreign payments, while the others were not. Later on, since the pound had been devalued in 1931 and the dollar in 1933, this extraordinary advantage could have seemed to be compromised. But America surmounted its great crisis. After that, the Second World War ruined the currencies in Europe by unleashing inflation there. As nearly all the world gold reserves were then held by the United States which, as the world supplier, had been able to maintain the value of its own currency, it could seem natural for other states to include dollars or gold without distinction in their

exchange reserves and for foreign balances of payments to be settled by transfers of American credits or currencies as well as gold. All the more so because America experienced no difficulty in settling its debts in gold if it was asked to do so. This international monetary system, this gold exchange standard, has consequently been accepted in practice since that time.

However, today it no longer seems to conform to reality, and it suddenly presents disadvantages which are increasingly encumbering it. Since the problem can be considered in the desired conditions of calm and objectivity—for there is nothing urgent or alarming about the present situation—this is the time to do so.

The conditions which formerly were able to give rise to the gold exchange standard have changed. The currencies of the Western European states are today restored, to the extent that the total gold reserves of the Six today equal those of the Americans. They would even exceed them if the Six decided to convert all their dollar holdings into gold. This means that the custom of ascribing a superior value to the dollar as an international currency no longer rests on its initial foundation—I mean America's possession of the largest share of the world's gold. But, in addition, the fact that many states in principle accept dollars on the same basis as gold so as to offset, if need be, the deficits in their favor in the American balance of payments, leads the United States to indebt itself abroad at no cost. Indeed, what it owes abroad, it pays for, at least partially, with dollars which it alone can issue, instead of paying entirely with gold, which has a real value, which must be earned to be possessed, and which cannot be transferred to others without risks and sacrifice. This unilateral facility which is granted to America is serving to cloud the idea that the dollar is an impartial and international medium of exchange, when it is a means of credit belonging to one state.

Obviously, this situation has other consequences, particularly the fact that the United States—since it is not required, at least entirely, to settle its payments deficits in gold according to the former rule which required States to take the measures, sometimes severe ones, necessary to correct their imbalances—suffered a deficit each year. Not because its total commercial exchanges were unfavorable, quite the contrary. Its exports of goods always exceed its imports. But this is also the case for dollars, for which outflows always exceed inflows. In other words, capital was created in America, by means of what must be called inflation, which in the form of dollar loans granted to States or to individuals, is exported outside. As, even in the United States, the increase in fiduciary currency which results as a side effect makes investments at home less profitable, there is a growing tendency in the United States to invest abroad. The result for certain countries is a sort of expropriation of some of their business firms.

Assuredly, such a practice has greatly facilitated, and further encourages to some extent, the manifold and substantial aid that the United States furnishes to numerous countries for their development, and from which we ourselves once benefited in large measure. But circumstances are such today that it is possible to wonder how far the difficulties would go if the States which hold dollars sooner or later reached the point where they wanted to convert them into gold. Even if such a widespread movement would never occur, the fact is that there is to a certain extent a fundamental imbalance.

For all these reasons, France recommends that the system be changed; we know that she did so, notably during the monetary conference in Tokyo. Given the worldwide upset that a crisis occurring in this domain would probably cause, we have, indeed, every reason to hope that in time the means for avoiding it will be taken. Therefore, we consider that international exchanges must be established, as was the case before the worldwide disasters, on an unquestionable monetary basis which does not bear the mark of any individual country.

What basis? Actually, it is difficult to envision in this regard any other criterion, any other standard than gold. Yes, gold, which does not change in nature, which can be made either into bars, ingots or coins, which has no nationality, which is considered, in all places and at all times, the immutable and fiduciary value par excellence. Furthermore, despite all that it was possible to imagine, say, write, or do in the midst of major events, it is a fact that even today no currency has any value except by direct or indirect relation to gold, real or supposed. Doubtless, no one would think of dictating to any country how to manage its domestic affairs. But the supreme law, the golden rule—and indeed it is pertinent to say it—that must be enforced and honored again in international economic relations, is the duty to balance, from one monetary area to another, by effective inflows and outflows of gold, the balance of payments resulting from their exchanges.

Certainly, the termination of the gold exchange standard without rude jolts, the reinstitution of the gold standard, the supplementary and transitional measures which could be indispensable, particularly for organizing international credit on this new basis, will have to be deliberately concerted among the states, especially those whose economic and financial capability gives them special responsibilities. Moreover, the frameworks already exist in which such studies and negotiations would normally be carried out. The International Monetary Fund, set up to guarantee, as much as it is possible, currency solidarity, would offer all states an appropriate meeting ground once it was no longer a matter of perpetuating the gold exchange standard, but of replacing it. The Group of Ten, which includes alongside the United States and Great Britain, on the one hand, France, Germany, Italy, the Netherlands, and Belgium, and on the other, Japan, Sweden, and Canada, would prepare the necessary proposals. Lastly, it would be up to the six states, which seem to be on the way toward achieving a European Economic Community, to formulate between them and to advocate outside the solid system which common sense recommends and which is in keeping with the reappearing power of our old Continent.

France, for her part, is ready to take an active share in the vast reform henceforth imposed in the interest of the entire world.

Mr. ROBERTSON. Mr. President, my understanding of the real meaning of that statement is that General de Gaulle thinks that the French franc should be rated by the trading nations of the world on a par with the U.S. dollar and the British pound.

Apparently he wants to accomplish this purpose by casting doubt on the ability of the United States and Great Britain to maintain the stability of their currencies. He would have all countries pay out gold freely and, it has been suggested, that to supply enough gold to operate on such a basis, it would be necessary to raise the world price of gold to two or three times the present value of $35 an ounce. This would increase the monetary value of all gold held in the world.

Such action, as the committee report on the bill before you states, "would destroy confidence in the future stability of the dollar, as well as of other currencies, and would hamper the vital use of the dollar as a key reserve currency for the entire world. Such an action would encourage private hoarding of gold and limit its availability for useful international monetary purposes. By an arbitrary move the monetary systems of the world would be flooded with reserves susceptible of promoting a greatly excessive expansion of credit with inflationary consequences. The results would be highly inequitable in their incidence on different people and different countries."

That is a quotation from the report on the bill which is on the desk of each Senator.

In recent months, France has demanded of us $350 million in gold. General de Gaulle has intimated that he will demand gold for part of $1 billion which his government now holds and also to cover any further acquisitions of dollars. But, before our Government honors a request from the French Government to that extent, I believe there will be some discussion in the Senate about the billions of dollars that France owes us, dating back to World War I.

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

Mr. ROBERTSON. I yield to the distinguished Senator from Mississippi.

Mr. STENNIS. First, Mr. President, I commend the Senator from Virginia for the fine work he and his committee have done on this bill, for the report, and for his speech, which is enough to satisfy me. I am sure it will satisfy a majority of the Senate. I may not be present later in the debate, so I wish the Senator would comment on a certain matter. The Senator from Virginia has referred to the bill and the fact that amendments will be proposed. He has pointed out, on page 11 of the copy of the speech I hold in my mind, the advantages of not repealing the requirement or of requiring some gold reserve. I understand that such a proposal will be offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. ROBERTSON. Yes. The Senator from Illinois presented to the committee an amendment repealing all of the gold reserve requirement and I expect he will bring it before the Senate for consideration.

Mr. STENNIS. If the Senator will address himself to that particular point, I should like to have him elaborate on it, and also on the amendment which may be proposed by the Senator from Colorado [Mr. DOMINICK].

Mr. ROBERTSON. I opposed Senator DOUGLAS' amendment in committee. The committee voted it down. I still oppose it.

In the first place, the amendment goes beyond what the administration recommends as necessary at the present time under the present circumstances. I see no reason and no need to go beyond what the administration recommends in this delicate and important field.

In the second place, it seems to me clear that our gold and our gold reserve requirements serve a valid and useful purpose, and the requirements should be continued. It was the gold outflow in the early 1960's which led President Kennedy to send his balance-of-payments message to the Congress, and it is the

further gold flow in the past 2 or 3 years, taking our gold reserves down to almost minimum legal requirements, which has made the President, the Congress, and the public aware of the need to do something about our balance-of-payments situation.

I will not elaborate on this point. It is fully discussed in the report and in the speech I made in bringing this bill to the floor.

I believe confidence in the dollar can best be preserved by prompt and decisive action today on the administration bill, which has been approved by the House and by the Banking and Currency Committee.

I shall not labor the point, but I repeat that from time immemorial gold has been esteemed. We first find it being used by a king whose name was Midas. He found a river where he could literally scoop up gold by the bucketful. So the story comes down to us that everything he touched turned into gold. It was not long before other people coveted that gold and they took his gold away.

There is a reference to gold in the Old Testament, where we read about Nebuchadnezzar, who sent an emissary to Jerusalem. A prophet had advised the King of Jerusalem that he should not show the gold he had there. But the King was proud and he showed him his gold vessels in the palace and in the temple. Nebuchadnezzar coveted that gold. So he went in and took the gold. His son, Belshazzar, was drinking from the gold vessels taken from Jerusalem when a Persian King named Darius killed him and took the gold from Babylon to Persia.

A Scotchman down in the valley said, referring to gold, "Senator, I like the kind of money that dogs can't chew up."

Everybody likes solid money. That is the reason we do not like to abandon this backing of gold.

Mr. STENNIS. I appreciate the Senator's fine exposition. It is sound and colorful.

Will the Senator permit me to refer to an amendment? I understand the Senator from Colorado [Mr. DOMINICK] intends to propose one. The Senator from Mississippi may have to be absent from the Chamber later, and that is the reason he brings up that question now.

Mr. ROBERTSON. That amendment was proposed in the committee, was discussed, and it was not accepted. It provided for the release of perhaps $2 billion of gold, less than the administration bill would release. The administration bill says, in effect, "This releases enough—$5 billion; do not release any more. It is necessary to release about as much as $5 billion." The theme of the administration bill is that it is better to keep gold against the currency in circulation than to take some of the requirement off Federal Reserve deposits and some off Federal Reserve notes. Some may say that if we take 5 or 10 or 15 percent off each, it will be only a matter of time before it will all be taken off. We are still holding to the theory that there is a 25-percent gold backing against currency in circulation. For that reason the committee turned down the Dominick amendment.

Mr. STENNIS. So the passage of the bill recommended by the Senator would not touch the system, except that it would release about $5 billion of gold that could be counted in our balance-of-payments quotations and would be eligible to be used, if necessary, to meet obligations.

Mr. ROBERTSON. The Senator is correct.

Mr. STENNIS. I thank the Senator from Virginia, and commend him for his very fine presentation.

Mr. DOMINICK. Mr. President, I am participating in this discussion. I say to the Senator from Virginia, in order to make the situation crystal clear to him, that what I am doing is proposing a reduction from 25 to 20 percent—a 5-percent reduction—for 2 years only, at the end of which time it would automatically come back up to 25 percent. During the interim period between now and the end of August, there would be a study committee designed to try to develop legislative proposals which would correct the situation in which we now find ourselves.

Specific legislative proposals to report back will be provided for, the purpose being to try to keep the administration in a position similar to the one it occupies in connection with the debt limit, where it is constantly faced with the necessity of taking steps either to try to balance the budget or to convince Congress that the temporary debt limit should be raised. This way, it would be faced with the situation of trying to tell us that there was a need, relative to the gold reserve requirements, why there was a need, and whether it proposed to do something about it.

Mr. ROBERTSON. Let me add for the benefit of the Senator from Mississippi that the administration and most of the bankers who testified, with whom I am acquainted, are very much opposed to the proposal to take a 5-percent bite at both sides for only 2 years. They asserted that it would lead to no end of trouble, that the thing to do would be to enact a permanent law in regard to the 25 percent on deposits, and then we would know where we stood.

Mr. JAVITS. Mr. President, the minority views were submitted by the Senator from Illinois [Mr. DOUGLAS], the Senator from Wisconsin [Mr. PROXMIRE], and the Senator from Minnesota [Mr. MONDALE], members of the committee who felt that in the interest of the stability of U.S. currency as the principal reserve of the world, the gold reserve requirement should be eliminated entirely and the country left free to work out its problems of world credit.

My proposal would reduce the gold reserve requirement against Federal Reserve notes to 15 percent and eliminate the reserve requirement against Federal Reserve deposit liabilities.

I am loath to proceed with an amendment until ascertaining the desires of the members of the committee who constituted the minority. It is for that reason that I shall suggest the absence of a quorum, in order to determine exactly how best to present the two issues involved—first the issue raised by the Senator from Colorado [Mr. DOMINICK], who proposes considerably less than the administration has recommended—and second, the issue raised by the minority views, and by myself, in a proposal to do somewhat more at this time.

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

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

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMINICK. Mr. President, I send to the desk an amendment in the nature of a substitute and ask that it be stated.

The PRESIDING OFFICER. The amendment in the nature of a substitute will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert a certain amendment in the nature of a substitute.

Mr. DOMINICK. Mr. President, I ask unanimous consent that reading of the amendment, in the nature of a substitute, be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment, in the nature of a substitute, submitted by Mr. DOMINICK, is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the first sentence of the third paragraph of section 16 of the Federal Reserve Act, as amended (12 U.S.C. 413), is amended by striking out '*Provided, however,* That when' and inserting in lieu thereof the following: '*Provided,* That during the period commencing on the effective date of this proviso and ending on the expiration of two years after such date every Federal Reserve bank shall maintain reserves in gold certificates of not less than 20 per centum against its deposits and reserves in gold certificates of not less than 20 per centum against its Federal Reserve notes in actual circulation. When'.

"SEC. 2. The first sentence of the fourth paragraph of section 16 of the Federal Reserve Act, as amended (12 U.S.C. 414), is amended by striking out '25 per centum'.

"SEC. 3. Section 11(c) of the Federal Reserve Act, as amended (12 U.S.C. 248(c)), is amended by striking out the period following the second proviso and inserting in lieu thereof the following: '*: Provided, however,* That during the period referred to in the proviso in the third paragraph of section 16 the foregoing reference to "25 per centum" shall be deemed to be "20 per centum", and the foregoing references to "20 per centum" shall be deemed to be "15 per centum".'

"SEC. 4. (a) There is hereby established a joint committee which shall be known as the Joint Committee on the Balance of Payments Deficit which shall be composed of five members of the Senate, of whom not more than three shall be members of the same political party, to be appointed by the President of the Senate, and five members of the House of Representatives, of whom not more than three shall be members of the same political party, to be appointed by the Speaker of the House of Representatives.

"(b) (1) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the

functions of the joint committee, and shall be filled in the same manner as in the case of the original selection.

"(2) The joint committee shall select a chairman and a vice chairman from among its members. In the absence of the chairman, the vice chairman shall act as chairman.

"(3) A majority of the joint committee shall constitute a quorum except that a lesser number, to be fixed by the joint committee, shall constitute a quorum for the purpose of administering oaths and taking sworn testimony.

"(c) (1) The joint committee shall make a full and complete study and investigation of the causes and effects of the balance of payments deficit experienced by the United States in recent years, of the adequacy of measures taken and proposed to reduce such deficit, and of the feasibility of adopting new or alternative measures for the reduction or elimination of such deficit.

"(2) The joint committee shall report the results of its study and investigation, together with its recommendations, to the Senate and the House of Representatives not later than August 31, 1965. Upon the filing by the joint committee of its report all authority conferred by this resolution shall terminate.

"(d) The joint committee or any fully authorized subcommittee thereof is authorized to hold such hearings; to sit and act at such times and places; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; to take such testimony; and to procure such printing and binding as it deems advisable. The provisions of sections 102 to 104, inclusive, of the Revised Statutes, as amended, shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

"(e) (1) The joint committee may appoint and fix the compensation of such experts, consultants, technicians, and staff employees as it deems necessary and advisable.

"(2) The joint committee is authorized to utilize the services, information, facilities, and personnel of any department or agency of the United States, on a reimbursable basis or otherwise, with the consent of the head of such department or agency. With the consent of any standing, select, or special committee of either House of the Congress, or any subcommittee thereof, the joint committee may utilize the facilities and the services of the staff of such committee or subcommittee whenever the chairman of the joint committee determines that such action is necessary and appropriate.

"(f) Members of the joint committee, and its employees and consultants, while traveling on official business for the joint committee within or outside the United States, shall be reimbursed for their actual and necessary expenses.

"(g) The expenses of the joint committee, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate from funds appropriated for the joint committee, upon vouchers approved by the chairman.

"Amend the title to read as follows: 'A bill to provide that for a two-year period the reserve requirement applicable to the deposit and note liabilities of Federal Reserve banks shall be 20 per centum in lieu of 25 per centum, and for other purposes'."

Mr. DOMINICK. Mr. President, for the purpose of obtaining a yea-and-nay vote on my amendment in the nature of a substitute, I suggest the absence of a quorum in order that enough Senators may be brought to the Chamber.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMINICK. I ask for the yeas and nays on the substitute amendment.

The yeas and nays were ordered.

Mr. DOMINICK. Mr. President, I approach the problem before the Senate with considerable reluctance; not with reluctance from the standpoint of discussing it out in the open, but with considerable reluctance in opposing in any way the philosophy of the distinguished chairman of the Banking and Currency Committee, the Senator from Virginia [Mr. ROBERTSON], for whom I have a high respect.

However, the proposal before us is an administration proposal. The trouble with the administration's proposal, as I see it, is that it deals only with one side of a specific problem, which is to provide enough gold so that the administration may have time, as Secretary Dillon said, to see what might happen with the international balance of payments. It does not in any way give any specifics as to how the problem should be cured, or any steps that should be taken to get at the root of the problem.

My substitute approaches the problem a little differently. First of all, the gold reserve behind the dollar is something which I, personally—and I believe most other Senators—believe is necessary in order to take care of the stability of our dollar. In other words, we need a gold reserve.

If we accept that fact, what we ought to do is find a procedure in which we will not continue to lose gold.

In order to make this point, and recognizing the dilemma in which we find ourselves at the present time, I would reduce both the Federal Reserve deposit gold requirement and the currency gold reserve requirement by 5 percent, on a temporary basis for 2 years. At the same time, if the amendment should be adopted, a select committee would be appointed from both Houses of Congress, to go into the problem of how we can best solve the international balance-of-payments problem from our own standpoint; whether we should cut down extremely and drastically on foreign aid, and whether we should try to take further steps toward balancing the budget.

The committee would report to Congress by the end of August of this year. In that way we would have adequate time within which to obtain the committee's recommendations and take some steps before another reduction in our gold reserve requirement would become necessary.

I made a statement to the Committee on Banking and Currency on this subject. If I may do so, I should like to incorporate a substantial part of it in the RECORD by reading from it at this point, because I believe it brings these matters out very clearly.

I said, first of all, that I wished to acknowledge that we are facing a problem, and that there is no doubt that we must take some steps to solve the problem. I said that the administration's program constitutes a "bandaid" and not a cure. I said it was a temporary expedient, solving nothing, and opening the way to substantial currency inflation. I said that, rather than increasing confidence in the stability of the dollar as its most optimistic supporters predict, its effect could be precisely the opposite.

I said further:

It is an obvious first step toward a completely managed monetary system wherein gold will ultimately be removed from all internal currency, making the value of the dollar thereafter subject to the arbitrary decisions of the fiscal managers, regardless of political party; and

While there may be valid objections to a complete return to a gold standard, history has repeatedly proven the inadequacies of a managed economy whose currency invariably ends up in a destructive inflationary cycle.

The problem we face is indeed serious, and I urge the administration to take upon itself the mantle of fiscal responsibility it has for so long shunned.

The recent cavalier attitudes toward sound economic policies are truly remarkable. The administration spokesmen have cavorted from one side of the spectrum to the other. At first, we were promised balanced budgets and then told they were an unnecessary vestige of the puritan ethic. At first, we were promised there would be no intentional deficit spending except in periods of national crisis and then this, too, was changed.

During the last few years, we have witnessed staggering increases in Federal expenditures despite the deficits resulting therefrom; a climbing national debt which is now over $312 billion, and a constant imbalance-of-payments situation. From these things, the public's attention was diverted first to statistical justification in terms of gross national product expansion, and more recently, to sloganeering programs and policies, while our international payment deficits continued and our gold supply dwindled.

Mr. President, recent figures indicate that our Treasury, as of February 10, 1965, has only $14,938 million of gold reserves, of which more than $13 billion is required under present statutes to back domestic currency and Federal Reserve deposits.

I might interject at this point to say that this is the first time in 25 years that this Nation's gold reserves have gone down below the $15 billion mark. They are below that mark now, and are still going down.

Considerably less than $2 billion is left in the gold reserves—I believe it is about $1.4 billion at this point—to meet the short-term dollar holdings of all the foreign governments in the world, which amount to more than $24 billion. So even if we had no gold reserve at all, as was suggested in the committee, by the Senator from Illinois [Mr. DOUGLAS], we do not have sufficient gold reserves to meet the demands of foreign creditors if they should all make their demands at once. I do not anticipate that that will happen, but we are under increasing pressure.

In July 1963, with the gracious consent of the chairman of the committee, I

made a trip to Europe to talk with the central bankers and private bankers of four of our Western creditor nations. I was in England, France, Switzerland, and Italy. So far as our existing supply of gold is concerned, any two of those nations at any one point could place us in a position in which we could not meet those obligations, or we would have to take emergency action under the powers now given to the Federal Reserve, in order to take away the present reserves behind our dollar. Any two of those nations could do that at any moment, and they could have done so at that point. On my return from the trip I prepared a brief report, which was printed by the committee. I ask unanimous consent that the report be printed at this point in the RECORD.

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

THE DOLLAR PROBLEM

(Report by Senator PETER H. DOMINICK on a factfinding trip to England, France, Switzerland, and Italy from July 22 to August 1, 1963)

U.S. SENATE, COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C., July 9, 1963.

Hon. DEAN RUSK,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: Senator PETER H. DOMINICK, a member of the Senate Committee on Banking and Currency, plans to travel abroad this summer, leaving the United States about July 22 and returning about August 1. He plans to visit a number of countries in Europe, including, but not limited to, England, France, West Germany, Switzerland, and Italy, for the purpose of looking into various matters of interest to, and under the jurisdiction of, this committee.

It is requested that Senator DOMINICK be authorized to use local currencies where available, in accordance with the provisions of section 502(b) of the Mutual Security Act of 1954, as amended.

This trip is being made in conformity with the carrying out of the duties of the committee as set forth in section 136 of the Legislative Reorganization Act of 1946.

Sincerely yours,

A. WILLIS ROBERTSON,
Chairman.

LETTER OF TRANSMITTAL

U.S. SENATE,
Washington, D.C., September 30, 1963.

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

DEAR MR. CHAIRMAN: Transmitted with this letter is a report which has been prepared for the Subcommittee on International Finance of the Senate Banking and Currency Committee. This report, entitled "The Dollar Problem," was prepared as a result of my factfinding trip to England, France, Switzerland, and Italy, from July 22 to August 1, 1963.

I am hopeful that this report will be extremely helpful to the members of the Subcommittee on International Finance and to other Members of Congress in their considerations of the continuing balance-of-payments deficits and the continuing losses in our gold reserves.

Sincerely yours,

PETER H. DOMINICK,
U.S. Senator.

THE DOLLAR PROBLEM

(A report on a factfinding trip to England, France, Switzerland, and Italy from July 22 to August 1, 1963, by Senator PETER H. DOMINICK, submitted to the Subcommittee on International Finance of the Senate Banking and Currency Committee)

Background

With many others, I have been increasingly disturbed over our continuing balance-of-payments deficits and the continuing losses in our gold reserves.

With the invaluable cooperation and consent of the chairman, Senator ROBERTSON; the subcommittee chairman, Senator CLARK, and the ranking Republican member, Senator BENNETT; I arranged through the State Department and through some personal contacts to discuss the problems noted above privately and informally with Treasury attachés, the respective Ambassadors, some private commercial interests and officers of the central banks in England, France, Switzerland, and Italy. I have retained in my file the names of all with whom discussions were held, and will be glad to make these available to any member, but because of the nature of the talks and this report it would be inappropriate to list them here.

At the outset, it might be helpful to set forth the dimension of the problems involved. Under the executive department's policy decision issued in 1934 foreign central banks may redeem their dollar holdings in gold held in our Treasury at a rate of $35 per ounce. Obviously if gold in the world market is worth more than $35 per ounce, it is advantageous to redeem dollars in gold. In the following table I is a list of the gold and dollar holdings of various countries and international organizations. As of the end of March, total potential claims against our gold exceeded $25 billion. Against this amount we then had $3.883 billion of free gold reserves over and above the approximately $12.5 billion required to back our currency.

TABLE I.—*Foreign gold and short-term dollar holdings as of Mar. 31, 1963*

[In millions of dollars]

	Gold	Short-term dollar holdings	Total
Austria	484	305	789
Belgium	1,372	183	1,555
Denmark	31	65	96
Finland	61	79	140
France	2,709	1,414	4,123
Germany	3,749	2,475	6,224
Greece	77	166	243
Italy	2,286	1,099	3,385
Netherlands	1,581	228	1,809
Norway	30	130	160
Portugal	476	157	633
Spain	514	190	704
Sweden	181	492	673
Switzerland	2,461	812	3,273
Turkey	140	22	162
United Kingdom	2,447	2,193	4,640
Other	322	241	563
Total	18,921	10,251	29,172
Canada	732	3,137	3,869
Latin America	1,153	2,445	3,598
Japan	304	2,233	2,537
Rest of world	2,271	2,082	4,353
Total foreign countries	23,381	20,148	43,529
International and regional	2,235	4,982	7,217
Grand total	25,616	25,130	50,746

Source: Board of Governors of the Federal Reserve System.

As of June 30, 1963, the comparable holdings of gold and dollar reserves held by foreign countries and international organizations were $25.896 billion and $25.825 billion, respectively, and our free gold reserves available to secure the foreign dollar holdings were only $3.459 billion.

In table II is a schedule showing our total gold reserves year by year from 1950. If these losses continue, we will be in technical bankruptcy within 2 to 3 years or be forced to lower the gold backing of our currency which might well start a further run on our remaining gold supply.

TABLE II.—*A schedule showing our total gold reserves year by year from 1950*

[In millions of dollars]

Year	Total gold stock	Month	Total gold stock
1950	22,820	1962—July	16,182
1951	22,873	August	16,139
1952	23,252	September	16,081
1953	22,091	October	16,026
1954	21,793	November	16,014
1955	21,753	December	16,057
1956	22,058	1963—January	15,974
1957	22,857	February	15,891
1958	20,582	March	15,946
1959	19,507	April	15,914
1960	17,804	May	15,854
1961	16,947	June	15,830
1962	16,057	July	15,667

Source: Federal Reserve Bulletin, August 1963, p. 1168.

The Federal Reserve Board has the authority to suspend, on a temporary basis only, the statutory 25-percent gold reserve backing our currency. This would certainly be considered an emergency situation, would undoubtedly create a dollar crisis, and would immediately trigger legislative action.

During calendar 1963 our imbalance of payments have been running at a deficit annual rate of $3.2 billion for the first quarter and $5.2 billion for the second quarter. The situation appears to be somewhat better in the third quarter, but the loss continues to be very serious.

Despite a favorable commercial trade balance, our imbalance of payments and the consequent gold losses continue, and can be traced to four fundamental expenditures and one economic factor: (1) Foreign economic aid; (2) military aid; (3) tourism; (4) capital investments in foreign securities; and (5) world gold consumption exceeding gold production. Although the balance-of-payments deficit may not be as large as reported, as statistically it includes short-term investments in other countries but not foreign short-term investments here, nevertheless the gold losses cannot be blinked away. A solution must be found.

It is plain, therefore, that the stability of the value of our dollar is in the hands of our creditors, the largest of these being, as shown in table I, France, Italy, West Germany, Switzerland, and the United Kingdom.

The timing of this trip was determined by the President's speech and proposed capital tax, the hearings held in July by the Joint Economic Subcommittee, and Senate duties.

General conclusions

1. Vigorous opposition by our creditors to any devaluation or reevaluation of our dollar.

2. Recognition by our creditors of the urgent need to correct our balance-of-payments deficits.

3. The President's proposed tax on use of our capital market for sale of foreign securities was badly timed, badly announced, and ineffective, particularly after the Canadian exemption was announced.

4. The increase in the Federal Reserve rediscount rate is helpful, but probably will not cure the long-term problem.

5. An increase in long-term interest rates would attract foreign capital and decrease gold losses.

6. A revaluation of our dollar would disturb France and Italy more than Switzerland and the United Kingdom, but would be matched promptly by all countries except Switzerland. The latter might try to reduce inflationary forces by raising the proportionate value of its franc by about 5 percent.

7. Balancing of our national budget and a dramatic cut in foreign economic aid would tend to stabilize the value of the dollar.

8. France shows increasing concern over purchases by U.S. citizens of controlling or substantial interests in key industries, but has not yet decided whether to invoke strictures on such transactions.

9. Switzerland will continue to "sterilize" dollar deposits from out of the country so that they cannot be invested in the country. In addition, it will continue to charge the depositor instead of paying interest on the deposit. Despite these steps, dollar deposits are increasing.

10. Gold production continues to fall behind gold consumption and gold hoardings, and the pressures on raising the price of gold to stimulate gold production increases each year. Any closing of the South African gold mines for commercial or political reasons would institute a sharp crisis in present currency transactions.

11. There is growing discussion in Europe of the need to adopt a universal Common Market reserve currency to back their own individual currencies. It would appear that this is a long-range program to fit into further political integration of the European countries. If it should come into effect, and this is still very doubtful, it would have an enormous impact on international trade and the currency systems of the United States and other countries of the free world not within the Common Market.

Recommendations

1. Hearings should be held to determine the advisability of amending section 16 of the Federal Reserve Act (the section setting up the 25-percent gold backing of our currency). These hearings would assist in publicizing our dilemma, the need for budget cuts, the advantages and disadvantages of metallic backing of our currency, the reasons for the gold ratio now in the law, and the measures used by other countries to stimulate gold production. These hearings should be held jointly with the Minerals, Materials, and Fuels Subcommittee of the Senate Interior Committee, which has jurisdiction over legislative matters dealing with gold production and the measures now or in the future needed to stimulate such production.

2. Consideration should be given to positive legislative steps to place our national budget in balance in order to reduce pressures on the dollar. These steps could take a number of different forms: e.g. (a) a joint effort by committees to tie any effective tax cut to a balanced budget; (b) recommendations for a joint budget committee; (c) a series of statements on the floor of the Senate to emphasize the problem with specific recommendations in reducing Federal expenditures by flat percentages; (d) hearings by the International Finance Subcommittee of the Senate Banking and Currency Committee and the Senate Foreign Relations Committee to determine more exactly recent changes in administration of the International Monetary Fund in connection with Senator JAVITS' resolution calling for an international monetary conference.

United Kingdom

South Africa produces over 70 percent of the world gold supply and provides legislative incentives to keep production profitable. Hence, any increase in the price of gold by revaluation of the dollar would further stimulate production and enhance the economy of that area. Failing this, there is a good possibility that the price-cost squeeze on gold now in effect will require many of the South African mines to close within the next 5 or 10 years. Since world consumption of gold for monetary, industrial, commercial, and artistic purposes, completely excluding the hoarders, substantially exceed world production of gold, any shutdown of these producers or a substantial proportion of them would create a real crisis in the London gold market and probably would result in further runs on our gold reserves.

The United Kingdom currency reserves are held in the approximate proportion of 90 percent gold and 10 percent dollars. This represents a considerably larger ratio of gold to dollars than France, Belgium, Sweden, and West Germany. Hence, a revaluation of the dollar, to which all were verbally opposed, would not affect the United Kingdom as much as those countries holding a larger proportion of dollars. If any revaluation of the dollar should take place, it should be in an amount high enough to reflect changes in prices since 1935; i.e., double the present price or more, as this would give a stable atmosphere to the new valuation while a more modest increase would lead to further instability with people of most countries expecting a further revaluation in the next few years.

Financing of our balance-of-payments deficits through the sale of bonds in foreign currencies provides some guarantee against revaluation of the dollar, but psychologically this can be pushed too far as it leads some to believe that such revaluation is presently being contemplated.

At least one person suggested that further consideration be given to Mooney's theory of establishment of universal reserves to back all free world currencies, the reserve to be managed by a small group similar to the executive group of the International Monetary Fund. However, there are problems involved in the creation of any additional international credit management group.

Another suggested that any revaluation include Cutherbertson's theory of arbitrarily apportioning gains and losses between countries holding gold and dollar reserves to avoid undue impact on any free world country which has held a large proportion of dollars in order to assist the United States in its effort to protect our free gold, and several stated that Dr. Jacques Rueff's theory of a return to the gold standard would unduly restrict liquidity and cause too much hardship to be practical. A majority of those contacted, not otherwise committed for political reasons, stated that the President's capital tax program has doubtful value from the U.S. point of view and is harmful to the United Kingdom's effort to expand its own economy. General approval was given to the raise in the rediscount rate.

There was general agreement on the premise that stability of the dollar and the pound depends to a large extent on psychological factors. Hence, balancing of our national budget and a sharp cut in foreign aid as one method to reduce expenditures would evidence our determination and tend to stabilize the dollar.

The United Kingdom's economy appears to be improving slowly. There is no immediate crisis in the pound and although the United Kingdom currency reserves appear somewhat low for financing her total trade, they are probably adequate for the moment, and are well balanced to avoid problems in the event we must revaluate the dollar. Since trade is so important, the ideological problems connected with trading with the Communists are dismissed as unrealistic, and in 1962 the United Kingdom had an imbalance of trade with the Soviet bloc of £98 million. The chance of changing this attitude at this time appears unlikely with existing political and domestic pressures within England.

France

France has cooperated with the United States in our dollar and gold problems to a great degree, even though she has been unwilling to purchase our short-term obligations repayable in French francs, and despite the political disagreements between President de Gaulle and President Kennedy. She has informally agreed to hold gold purchases to $30 million per month, but this eventually placed her in a position where the ratio of her own gold reserves was falling while dollar reserves increased. In addition, France has been prepaying the loans she received in 1945 and 1949, part of these being loans from the U.S. Treasury and part through the World Bank. These prepayments have substantially helped offset our balance-of-payments deficit. This in time will reduce the cushion which we have been using to balance our payments.

France's gold reserves had fallen below 67 percent of her total reserves as of July 1, 1963, the lowest ratio of any country except West Germany. To change this trend she has recently negotiated the purchase from the United States of an additional $112 million of gold. As of August 1, 1963, her reserves had been strengthened to the proportion of about 70 percent gold with the balance in dollars. There were some indications that the percentage of gold reserves would be increased to a 73-percent level as a slight hedge against a dollar crisis.

At the present moment, France has only $700 million of external debts, all owed to the United States, and barring unforeseen circumstances, it will continue to prepay this amount. Based on recent experience, the prepayment of these debts, plus regular amortization payments, should eliminate the external debt within the next 3 years.

Although France is becoming increasingly concerned over U.S. investments in key industries in France, she does not believe that the President's capital tax program was timely or strong enough and she feels that the United States will have to impose exchange controls. She heartily approves of the raise in the short-term rediscount rate. In a banking sense, France does not care to distinguish between private investment and governmental funds, and feels that the Government should control both avenues of financing at all times. In addition, it was stated that a sharp cut in foreign aid imposed by Congress would increase faith in our determination to protect the dollar and would thereby stabilize its value, even though some countries might object.

As in London, great emphasis was placed on the psychological factors involved in currency transactions and the need to reaffirm faith in the stability of the dollar. As a result, considerable reluctance to discuss possible reevaluation was evident. Dr. Jacques Rueff's theories of stabilizing currencies by a return to the gold standard were well known and dismissed as impractical and incorrect, and the problem of decreasing gold production was recognized but treated as relatively unimportant.

A revaluation of the dollar in terms of 1963 prices ($75 to $78 per ounce) would have an adverse political effect on France as it would result in penalizing one of the few countries that has been trying to assist us in our gold loss problems by retaining dollar reserves.

Obviously the penalty term is not realistic as it would merely involve loss of potential profit, not loss itself. In addition, two theories were expressed as to the possible effect of reevaluation on the gold hoardings in France, which are considered large, although no estimate of the amount involved was given. If it resulted in a reentry of the hoarded gold into the market, thus assisting in stabilizing the supply and demand for gold, it would also create strong inflationary pressures which are already in evidence and against which President de Gaulle is fighting.

On the other hand, the hoarders might feel that this was only the first step in the rise of the price of gold and continue to hoard gold against future price increases. In the former event, the additional gold would create inflationary problems, and in the latter event, it would fail to stimulate the needed gold supplies. It seemed evident that both theories were advanced to discourage any further talk on revaluation and to emphasize the basic belief in the integrity of a managed currency with no metallic backing, despite the historical record of the catastrophes which this created in relatively recent French and German history.

France's economy is growing rapidly and despite strenuous effort by the Government inflationary pressures are strong. Defense budget expenses are still high despite the end of the Algerian affair, because of the emphasis on development of nuclear weapons. It is doubtful whether France will join any nuclear test ban, as President de Gaulle's concept of history places France as the defender of Europe, and he is unwilling to turn that role over to the United States. Although the Communists poll a large number of votes, our Embassy personnel feel that their actual power is not strong. This is based on the theory that large numbers of dissatisfied French traditionally vote for the party on the extreme left of the ballot and this position has been preempted by the Communists. Hence, the vote is large, although the number of card-carrying Communists may be small.

Switzerland

The Swiss commercial banking system is, of course, worldwide in renown and in operation. There is little doubt that in the eyes of the world the Swiss franc is more stable than any other currency and, consequently, whenever there is a ripple of uncertainty as to the stability of the dollar or any European currency, the Swiss banks receive an inflow of capital. This has created problems for the Swiss economy, as well as many benefits. For 2½ years inflation of about 3 percent has been occurring in Switzerland, and it has worried many of the commercial and political leaders. Despite a continuing commercial trade deficit the overall balance of payments is favorable because of the large inflow of foreign capital. This foreign capital in turn increases the inflationary pressures and hence the Swiss have taken measures to curtail its scope. For some time regulations have been in effect requiring a foreign depositor to pay the Swiss banks for deposits made and all such deposits are "sterilized" (i.e., may not be used for any investment in Switzerland). On the very day of the announcement of President Kennedy's possible exemption of Canada from our capital tax, $3 million were deposited from the United States.

The Swiss Central Bank holds reserves in an approximate proportion of 96 percent gold to 4 percent dollars, and the overall holdings in Switzerland are closer to 110 percent gold. This in turn has created some liquidity problems for Switzerland, although no concerted drive is in process to increase dollar holdings. The Swiss have purchased U.S. bonds payable in Swiss francs rather than dollars in order to assist us in financing our balance-of-payments deficit without creating more pressure on our gold reserves, and is willing to repeat the process. It was clearly indicated that this was not a continuing offer in terms of time and that while the process might help us over the short-term hump, it would not clear the long-term bump.

My attention was called to a portion of a book written by Dr. Lary, of Princeton, discussing foreign trade problems and indicating that our statistical system of computing our balance-of-payments deficit was inaccurate. Apparently the Treasury includes in its computation all short-term outflows of capital, but does not offset this with the corresponding short-term capital inflows which in 1962 were estimated to equal $1.2 billion. Although this is an interesting fact, the critical balance-of-payments figure is never less than the amount of our gold outflow, which in 1962 equaled $833 million and is presently running higher than that on an annual rate basis.

Revaluation of the dollar in terms of gold would, of course, substantially increase Switzerland's credit base because of the very high amount of gold in its currency reserves. However, the inflationary pressures which this would create were believed to be far more dangerous. Therefore, the Swiss join the English and the French in recommending against it. If revaluation should occur, it is probable that all other countries except Switzerland would revaluate their own currency to maintain present proportionate values. Switzerland, to reduce inflationary pressures, might set its franc 3 to 5 percent higher than present comparative values.

Once again, psychological values in currency stabilization were emphasized. All emphasized that President Kennedy's proposed capital tax was too little, too late, and probably would act adversely to the NATO economy, particularly with the Canadian exemption and similar concessions which would be given to Japan, and all endorsed the raise in the rediscount rate. It was felt that a sharp cut in foreign aid by Congress would strengthen belief in the stability of the dollar and that some additional share of the cost of the military assistance should be absorbed by the countries assisted and their neighbors.

Additional suggestions for balancing our payments ranged from subsidizing interest rates in the United States for foreign investors and depositors, to imposition of exchange controls on capital investments abroad, although most were aware of the difficulties involved in enacting any such proposals. Once again sharp questions were asked about the need for continuing a nationally imbalanced budget and reference was made to the increase in our own gold reserves in 1956 and 1957 when the national budget was balanced or in slight surplus.

Italy

Italy has been growing economically very rapidly and this has put substantial pressure on wages and prices. The growth rate has been somewhat slowed recently but it is still progressing rapidly.

The Italian lira, like the French franc, is completely controlled by the Director of the Central Bank, and its value can be set at any level by his own decision and order. Although U.S. investments in Italy have been received somewhat more cordially than in France, the same fear of loss of control over key industries was expressed. No indication, however, was given that any direct restrictive measures would be imposed and the probability of this happening is small because of the overall need for capital investments for industrial and commercial growth.

Since the lira, like the other European currencies, is keyed in value to the dollar, any discussion of revaluing the dollar raises great concern. Italy's central reserves are apportioned approximately 78 percent gold and 22 percent dollars. Total reserves are not high in terms of their foreign trade, but appear adequate. It was stated strongly that revaluation of the dollar would be taken by the Communists in Italy as a sign of Western economic weakness and would substantially increase their power at the polls in the next election. Since they polled 25 percent of the total vote in this spring's election, this could be very serious. In addition, the relative low proportion of gold to dollars would mean a loss of potential profit and the Italians are no happier over this than were the French.

The attitude toward currency stabilization measures followed that of the other countries. It was felt that the proposed capital tax was too late and largely ineffective, that the rediscount raise was helpful, that the national budget must be balanced to stop our continuing gold losses, and that a cut in foreign aid funds would be a step in the right direction. Considerable skepticism was expressed about the need for any gold backing of the dollar and interest in a universal currency reserve managed by the central bankers of the Western Hemisphere was expressed. Examples of the disasters into which managed currencies have historically fallen were brushed aside on the basis of the integrity of the existing heads of the central banks, although no one undertook to guarantee either their longevity or tenure.

Summary

It seems apparent that there are a number of extremely serious problems which should be studied and acted upon before potential disaster becomes actual. The first involves the very fundamental question of whether gold is needed to back a stable currency. If it is, then we should so state as a matter of policy, take steps to stop our gold losses, and find a means to stimulate gold production particularly in the United States. If it is not, then we should take successive steps to lower or eliminate the required gold backing of our currency so that we can avoid a crisis which looms ahead and which is approaching ever more rapidly with our ever increasing imbalance in payments. The second is to publicize the need for balancing our national budget.

This report should not close without expressing my appreciation to the Embassy staff members who arranged many of the meetings and schedules and to the heads of the central banks who spoke freely and frankly. As I have stated to many of the people involved that our conversations were not for public record, but for my own information and that of committee members, I have not attributed any opinion, fact, or conclusion to any particular individual.

Respectfully submitted.

PETER H. DOMINICK,
U.S. Senator.

Mr. DOMINICK. All I tried to do in the process of traveling in Europe was to talk informally with people and gain some concept of what they felt we ought to do in order to correct our balance-of-payments situation and strengthen confidence in the dollar.

Two separate issues are involved. The very first thing every single one of them, without exception, said was, "Why do you not balance your budget?"

I said, "That is something we have been talking about for a long time, but we seem to have a great deal of difficulty in Congress in obtaining sufficient support to strengthen our budgetary system, to balance the budget, and thereby to create a hard dollar, as it used to be called, as a sound basis for world currency.

"If such action is politically impossible—and it certainly seems to be politically impossible at this point—the next thing we can do is to make a dramatic cut in foreign aid."

That is another thing that a great many of us have been trying to do for 2 or 3 years.

What has happened? Every time we make the effort, we are told by the administration, "We cannot afford to balance the budget, because if we do, we will

create some kind of deflation. We must continue deficit spending."

When we maintain that foreign aid ought to be reduced, we are told, "If you do that, you will ruin our position in the world." I do not believe that either of those things are true, but, politically speaking, we have been unable to accomplish either result. As a result, we continue to have an imbalance in our international transactions, and we continue to have deficit spending, which has a tendency to inflate the value of the dollar.

We know that some steps must be taken to ease the difficulties in which we are now placed. But if we merely make more free gold available on demand, which is what we are doing with the administration program, without enacting policies to change the reasons for that demand, what we are doing is saying, "We are in a bind. We are willing to provide short-term remedies as long as our gold lasts. When it is out, we will think about doing something else."

Frankly, that is the language of a government caught off base through its own inability or unwillingness to apply self-discipline.

I should like to refer to some charts which I have obtained from the Department of the Treasury and the Federal Reserve. In December 1963 there were $15,513 million of gold reserves—in round figures, around $15.5 billion.

By December of 1964, 1 year later, we had $15,388 million of gold reserves. We had lost about $280 million worth of gold.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question at this point?

Mr. DOMINICK. I am happy to yield.

Mr. LAUSCHE. Is it not a fact that during that period our Government was pressing our foreign long-term debtors for advance payments on their debt, and that during that period we also borrowed from our friends in order to minimize the impact of the dollars flowing out under the normal procedures?

Mr. DOMINICK. The Senator from Ohio is absolutely correct. In fact, when I was in France one of the points that was made, was that they had been prepaying their debt to us. I am talking about July of 1963. France had been deliberately holding down its call for gold for the dollars which they were holding; and their total gold reserves compared to their total reserves was at a lower ratio than that of England, Switzerland, or Germany. They were about on a par with Italy at that point.

Mr. LAUSCHE. I should like to have the Senator either confirm or reject the following statement: We were told that our balance-of-payments position during the past several years had markedly improved. However, during that time, we were borrowing hard currency from foreign countries, begging them to make advance payments on their long-term debts, and begging them not to call for gold.

Mr. DOMINICK. That is absolutely correct. I very much appreciate the contribution that the Senator from Ohio has made. He has called attention to a part of the problem, and one of the reasons why we are caught short now. We have been covering up our problem for 2 or 3 years. Now we are suddenly faced with it because of the demand, amongst others, of President de Gaulle of France, who has intensified his drive to try to get his reserve holdings in gold, after trying to cooperate with us for many years prior to the last few months.

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

Mr. DOMINICK. I am happy to yield.

Mr. LAUSCHE. I have sent to my office for a letter which I received from the Secretary of the Treasury showing what we were doing during that period to find a palliative or sedative without resorting to curative measures. I should like to have that letter placed in the RECORD. It will show the money we borrowed and the money we received in advance payment on the debt—all for the purpose of making it appear that we were not in trouble on balance of payments.

I have now received that letter. I read from it the following statement:

The U.S. Government has borrowed $250 million from the International Monetary Fund since January 1, 1962. Half of this amount was borrowed on February 13, 1964, and the other half on May 28, 1964.

That is the borrowing from the International Monetary Fund.

I read further from the letter:

Between January 1, 1962, and June 30, 1964, the U.S. Government received $1,028,500,000 of advanced payments on indebtedness due to the U.S. Government. Of this amount, about $133 million consisted of relatively small prepayments by the Export-Import Bank borrowers, and these prepayments were not associated with efforts to ease the U.S. balance of payments during the period.

I read still further:

The U.S. Government has issued $1,154 million of special nonmarketable foreign currency bonds to foreign central banks and governments since January 1, 1962, to help ease the balance-of-payments situation. Of this amount, $200 million has been repaid.

The U.S. Government also has outstanding $30 million of certificates of indebtedness denominated Swiss francs.

I ask unanimous consent that the letter be printed in the RECORD.

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

THE SECRETARY OF THE TREASURY,
Washington, July 30, 1964.

HON. FRANK J. LAUSCHE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LAUSCHE: I am glad to furnish information in reply to the questions contained in your letter dated July 27, 1964, concerning U.S. Government borrowing abroad. The summary answer to each question is given below and the details which you requested are shown in enclosures A and B.

The U.S. Government has borrowed $250 million from the International Monetary Fund since January 1, 1962. Half of this amount was borrowed on February 13, 1964, and the other half on May 28, 1964.

Between January 1, 1962, and June 30, 1964, the U.S. Government received $1,028.5 million of advance payments on indebtedness due to the U.S. Government. Of this amount, about $133 million consisted of relatively small prepayments by Export-Import Bank borrowers, and these prepayments were not associated with efforts to ease the U.S. balance-of-payments position during the period.

The U.S. Government has issued $1,154 million of special nonmarketable foreign currency bonds to foreign central banks and governments since January 1, 1962, to help ease the balance-of-payments situation. Of this amount $200 million has been repaid. The U.S. Government also has outstanding $30 million of certificates of indebtedness denominated in Swiss francs.

The U.S. Government has not borrowed money from other agencies to help the balance-of-payments situation.

The Federal Reserve System has established a network of short-term swap arrangements with various foreign central banks, under which mutual exchange of currencies may take place for limited periods of time in order to facilitate official operations in foreign exchange markets and avert speculative pressures on particular currencies.

Traditionally, foreign holders of liquid dollars have held sizable amounts of those dollars in the form of marketable Treasury securities as working balances, investments, and reserves.

Sincerely yours,

DOUGLAS DILLON.

Mr. LAUSCHE. I merely say that instead of getting to the root of the evil, instead of doing something constructive, we have been using palliatives and sedatives. Now we are up against a wall; we cannot move.

I feel certain that the Senator from Virginia [Mr. ROBERTSON] would not be advocating this measure in the Senate today except that there is no other place to go. We have fallen into a pit, and we cannot get out of it.

I still do not want to say that I shall vote for the measure; I think it would take us down the road of destruction, so far as the dollar is concerned.

Mr. DOMINICK. I deeply appreciate the further contribution that has been made by the Senator from Ohio. He has pinpointed some of the real issues involved in the discussion. This is a subject which most persons feel is so complicated that they do not want to try to understand it. Nevertheless, it may be one of the most important discussions we shall conduct during the progress of this session of Congress.

What we are trying to do is to determine whether we shall embark upon the initial step of a program to take away metallic backing from the dollar and create inflation in the dollar, or hold firm and take the necessary steps, hard though they may be, to try to do something to correct, in a preventative way, our imbalance of payments.

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

Mr. DOMINICK. I yield.

Mr. LAUSCHE. I interrupted the Senator from Colorado while he was discussing the difference in the gold reserves between 1962 and 1963. He had said, when I interrupted him, that the gold reserves were $15,800 million in 1963, and, as I recall, $15,700 million or $15,900 million in 1964.

Mr. DOMINICK. If I may correct that statement, in 1963 the gold reserves were $15,500 million; in 1964, $15,300 million, or a $200 million loss of gold.

But consider what has happened in the last month and a half. We have lost

$450 million in gold in that short time. For the first time in 25 years, as I have said, our gold reserves are below the $15 billion level.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. WILLIAMS of Delaware. In line with what the Senator from Ohio has said about the money we borrowed from European countries as a plan to check the outflow of gold, it should be stated that the money we have borrowed in the past 3 or 4 years from European countries was borrowed with a provision in the contracts that in effect promises to repay in $35-an-ounce gold. In other words, the lenders are guaranteed against any devaluation. For example, should there be a devaluation of gold by one-half or raise the price of gold to $70 an ounce, the U.S. Government would pay twice as much as originally borrowed. The lenders would be paid in $35-an-ounce gold.

Mr. DOMINICK. That is exactly correct. It is an extremely good point. If we devalue, we shall have to pay twice as much.

Mr. WILLIAMS of Delaware. We shall have to pay in direct proportion to the amount of devaluation.

It is significant to point out that American citizens who are buying Government bonds would receive no such protection. They would be penalized. If they were repaid for their Government bonds under a similar arrangement, they would be paid not double, but one-half of the amount they invested.

This is true because the purchasing value of their dollar would be arbitrarily cut in half.

This is an effect of devaluation that is far too often overlooked.

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

Mr. DOMINICK. I yield.

Mr. MUNDT. I am happy to join the Senator from Colorado in offering the amendment, because it seems to me that it moves in the direction of trying to correct the problem which the Senator from Ohio [Mr. LAUSCHE], has so eloquently and graphically described. Even the sponsors of the bill introduced by the Senator from Virginia [Mr. ROBERTSON], refer to it as stop-gap legislation. As I analyze the bill, it seems to me that the emphasis should be on "gap" instead of "stop," because the bill does not do much to close the gap; it merely recognizes that the gap exists and seeks to delay the evil day of ultimate settlement.

What the Senator from Colorado, the Senator from Ohio, and the Senator from South Dakota are interested in is doing something to stop the conditions which lead to the gap. This we are not doing effectively by the proposed legislation.

A little later in the day the Senate will have an opportunity to vote on another amendment, one which the Senator from Alaska [Mr. GRUENING], and I have sent to the desk, which is designed to stimulate American production of gold. We have gold "in them thar hills" in the United States. We can supply large additional amounts of gold once the mining of gold is made a profitable venture. So long as gold mining is to continue to be compensated at the rate of $35 an ounce, the price set in 1933, and must sustain the cost of production prices three decades later, at 1965 levels, it is only the rare gold miner who can afford to produce that precious metal.

While we are engaged in an economic and ideological contest with Russia, where gold production is rising, our gold production is declining, because of the failure on the part of our Government to do anything to make gold mining profitable or even successful.

One of the great benefits of the approach taken by the Senator from Colorado is, first, that it recognizes that there is little "stop" and mostly "gap" in the bill now before us; second, it provides for another review at a later time and also a stimulus to do something about getting at the root of the problem—at least, by producing available gold to try to solve the problem.

I congratulate the Senator from Colorado on his initiative in offering the amendment. I shall certainly support it. The Senate should go about the business of getting at the root of the problem.

The palliatives, the postponements, the deferments of an evil day we cannot even be sure will succeed to that extent, because when the evil day comes, conditions may, in fact, be worse because of our failure to go to the root of the problem now.

Mr. DOMINICK. Mr. President, I thoroughly appreciate the support of the amendment by the Senator from South Dakota. Once again, the real issue has been pinpointed.

The administration tells us it must have room to maneuver, and that the acceptance of its proposal will increase our free gold holdings by a factor of three or more, if this is correct. But is this necessarily what we want to do? It certainly is a maneuver; but what does it do? Among other things, it leaves Federal Reserve deposits in a position in which the Federal Reserve can inflate either by itself or through its member banks, and thus create more inflation.

We have been experiencing an increase in the issuance of Federal Reserve currency, both in notes and in total deposits. The Federal Reserve Board has supplied me with a table showing what has taken place in the increase of Federal Reserve notes, starting in 1914. Senators might be interested to know that in that year there were only $11 million of Federal Reserve notes, and $301 million of total deposits in Federal Reserve banks.

In the past year, there has been an increase of $3.5 billion of Federal Reserve notes outstanding, and also an increase of $1 billion in total deposits. So it is obvious that we are in an inflationary cycle.

Whenever we take off the gold reserve behind Federal Reserve deposits, we are simply accentuating the trouble.

Mr. President, I ask unanimous consent that the table supplied by the Federal Reserve may be printed at this point in my remarks.

The PRESIDING OFFICER (Mr. KENNEDY of New York in the chair). Without objection, it is so ordered.

The table is as follows:

End of year figures, 1941–64

[In millions of dollars]

Year	Federal Reserve notes	Total deposits
1914	11	301
1915	189	452
1916	275	879
1917	1,247	1,583
1918	2,659	1,808
1919	3,009	2,022
1920	3,336	1,861
1921	2,409	1,876
1922	2,396	1,974
1923	2,247	1,960
1924	1,862	2,311
1925	1,838	2,257
1926	1,851	2,276
1927	1,790	2,531
1928	1,838	2,440
1929	1,910	2,414
1930	1,664	2,517
1931	2,624	2,125
1932	2,739	2,561
1933	3,080	2,865
1934	3,221	4,405
1935	3,709	6,386
1936	4,284	7,109
1937	4,284	7,577
1938	4,452	10,088
1939	4,959	12,941
1940	5,931	16,127
1941	8,192	14,678
1942	12,193	15,194
1943	16,906	15,181
1944	21,731	16,411
1945	24,649	18,200
1946	24,945	17,353
1947	24,820	19,731
1948	24,161	22,791
1949	23,483	18,906
1950	23,587	19,810
1951	25,064	21,192
1952	26,250	21,344
1953	26,558	21,422
1954	26,253	20,371
1955	26,921	20,355
1956	27,476	20,249
1957	27,535	20,117
1958	27,872	19,526
1959	28,262	19,716
1960	28,449	18,336
1961	29,305	18,451
1962	30,643	18,722
1963	32,877	18,391
1964	35,343	19,456

Source: Financial Statistics Section, Division of Data Processing, Board of Governors of the Federal Reserve System.

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

Mr. DOMINICK. I yield.

Mr. SALTONSTALL. I have not heard all of the Senator's discussion, but it seems to me that two questions are involved. First, What are we to do about the gold backing of Federal deposits and currency? Second, Shall we make a study as to why we have an imbalance of payments with other countries: in other words, why our imports are constantly greater than our exports, necessitating the outflow of gold?

There is a gold outflow. It seems to me that the proposal of the Senator to have a congressional committee study the problem of our balance of payments is one point. The other point is whether we want to have gold behind the Federal Reserve deposits.

As I understand, some very responsible bankers do not believe that we should have any gold behind our deposits of currency. I believe that the principal reason for having gold behind it is mainly psychological. Therefore, it seems to me that this is a step which it is necessary to take now in order to meet the demands of other countries. If the Senator were to propose that a commission

be created to study the imbalance of payments, I should think he would be on extremely good ground. But I do not believe the two things should be considered together.

Mr. DOMINICK. Mr. President, I very much appreciate the comments made by the Senator from Massachusetts. First of all, our exports, so far as our commercial trade is concerned, as I am sure the Senator well knows, are far in excess of our imports. So we have a very favorable balance in that respect. But, our oversea commitment, so far as military aid and foreign defense are concerned, wipes that out. That, plus the short-term investments that we have abroad, has been giving us a constant and perpetual deficit in our balance-of-payments situation for a great many years.

Mr. SALTONSTALL. And the tourists also.

Mr. DOMINICK. And the tourists. There is a continuing outflow of gold in that situation. Other countries want to accumulate something besides dollars in their currency. So they take our dollars and ask for gold.

There has been a continuing decline in the amount of gold reserve. The two things are not necessarily related. First of all, we must take some action now. Our gold reserve is so low that we could be placed in a serious and embarrassing position by further calls for gold on a worldwide basis.

As the Senator from South Dakota stated, this is a palliative. We are now merely placing a band-aid on a running wound. We must get specific legislative proposals designed to do two things. It seems to me that one is to cure the imbalance of payments so far as our gold outflow is concerned. The other is to increase the oversea flow of dollars. The best and quickest way in which we can do that is to take active steps to balance our budget.

These two things were pointed out clearly in testimony given before the committee by Henry J. Taylor.

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

Mr. DOMINICK. I yield.

Mr. LAUSCHE. Mr. President, if the corrective measures described just now by the Senator from Colorado are not taken, what does the Senator anticipate will happen to the 25-percent gold support which is now behind the Federal Reserve $10 and $20 bills that we carry?

Mr. DOMINICK. I would suggest to the Senator that, without taking any steps in this matter, merely providing more gold would not be recognized, overseas at least, as an indication of strength in our obligation. This would be recognized as a weakness in the dollar. So, the demands for gold would accelerate. Then we shall be up against the same position. We shall have to take away the gold support which is over our dollars. Then a $1 bill will be a piece of paper. A $10 bill will be a piece of paper. A $20 bill will be nothing but paper. The value of our currency will be determined by fiscal managers here and elsewhere.

Mr. LAUSCHE. In other words, under existing law there is a 25-percent gold certificate supporting every Federal Reserve note that is issued.

Mr. DOMINICK. That is correct.

Mr. LAUSCHE. I believe that $35,343 million of Federal Reserve notes have been issued.

Mr. DOMINICK. That is correct, as of the end of 1964.

Mr. LAUSCHE. About $8,400 million in gold is required to support those notes.

Mr. DOMINICK. That is correct.

Mr. LAUSCHE. The bill pending before the Senate would not at all affect that gold support.

Mr. DOMINICK. That is correct.

Mr. LAUSCHE. But it is the belief of the Senator from Colorado—and it is my belief—that what we are doing today is a mere beginning. Since this is a palliative and does not get to the roots, I would say that before 2 years had passed there would be a bill before us seeking to remove the 25-percent gold support of the Federal Reserve notes.

What anchor would we then have, other than the fluctuating minds of individuals, against printing-press money?

Mr. DOMINICK. We would have absolutely nothing. I remember talking with some of the bankers in Italy in July 1963. I asked, "What determines the value of the lire?" The central banker said, "I do, all by myself."

I do not want any one man, regardless of political party, saying to the people of the United States that one man shall determine what the value of their earnings is. This is the wrong system for any country to operate upon.

Mr. LAUSCHE. Mr. President, is it not a fact that we now have what we would call a hitching post or an anchor which states to the officials in charge of the monitorization, "You cannot print more than $1 in paper currency for every 25 cents that you have in gold?"

Mr. DOMINICK. The Senator is correct.

Mr. LAUSCHE. Mr. President, this means that we would have a rule of law instead of the discretion of substantial, politically minded persons with fantastic ideas of what the Federal Government ought to do. But inasmuch as there is no money to support the currency, they would begin to print money to do the job.

Mr. DOMINICK. I completely agree with the Senator from Ohio. This colloquy sounds as though the Senator from Ohio and I had discussed this problem before we came to the Chamber. I assure my colleagues that this is not true. We had not even mentioned it to each other.

I have before me an article written by Prof. Karl Brandt, professor of economics policy, director, Food Research Institute, Stanford University. It was delivered on April 8, 1964, at the annual meeting of the Christian Freedom Foundation, Inc., in New York City. It is entitled, "The Relationship of Sound Money to Freedom."

The article brings out exactly what the Senator from Ohio has been talking about, with specific examples as to what has happened in other countries.

Professor Brandt is a distinguished citizen. He was a member of the German-American Economic Conference that was held in Berlin last November, which many of us attended. The article, discussing the effect of managed and inflated currency on people, concludes this way:

> Neither employers nor labor unions, neither farmers nor government employees, neither students nor retired people—irrespective of color or creed—will escape the severest consequences if by irresponsible pressure group tactics and something-for-nothing giddiness they precipitate events that follow in inevitable sequence. These are: First, renewed acceleration of inflation; second, its aftermath, severe depression; and third, its cure by expansion of the public sector of the economy, which costs a bitter toll of freedom. Since eternal vigilance is the only guarantee of liberty, the elite of civic-minded substantial citizens must have the danger of chronic inflation constantly on their conscience and guide public opinion accordingly.
>
> If in the course of a presidential election year our imbalanced international payments position should be glossed over and the urgently needed corrective action postponed indefinitely, our Nation may awaken eventually to the appalling realization of a dollar crisis of frightening proportions. Then the day of reckoning will call for hard-hitting emergency controls.

I ask unanimous consent to include the entire article at this point in the RECORD.

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

THE RELATIONSHIP OF SOUND MONEY TO FREEDOM—THE DANGERS OF INFLATION

(By Karl Brandt, professor of economic policy, director, Food Research Institute, Stanford University, delivered at the annual meeting of the Christian Freedom Foundation, Inc., New York City, April 8, 1964)

Mr. Chairman, ladies, and gentlemen, when Dr. Kershner honored me with the invitation to address you tonight on the subject of the importance of stopping inflation I had considerable doubt whether it would be possible for me to live up to the expectations of so well-informed and sophisticated an audience as this august assembly. The topic has been under public discussion for decades and still is. It seems virtually impossible to add any new factual information on it. Yet, economics is a social science that belongs in the realm of the humanities and deals with the means toward an end. The end is the pursuit of happiness by individuals and families within the frame of values of their society. In our country this frame of values is anchored in the Constitution and the Declaration of Independence. Particularly when dealing with matters of economic policy the economist is duty bound not only to consider what was and is being done, or what theoretically and technically could be done. He must use his judgment on what in the context of those undebatable values of his society ought to—nay, must—be done.

In the agonizing engagement of Western civilization on a worldwide scale with the forces of inhumane materialism, meeting the challenge, in essence, requires that we sift a few issues of strategic importance from a myriad of fascinating but trivial distractions for the curious intellect. What matters in this context in our time of truly apocalyptic peril is, therefore, not the pretentious juggling of technical aspects of price movements or speculative mathematical analyses of high potential rates of economic growth assertedly attainable by easy money policies and deficit financing of more defense expenditures and public works. Quite the contrary.

What is needed, in my view, is a sober, deadly earnest and courageous weighing of the moral issues that are at stake when inflation move continually and persistently—issues that penetrate to the very foundation of any political system of representative government by law. Deliberate controlled inflation is a legitimate institutional setting and a perfectly normal policy in any tyrannical system of totalitarian rule—irrespective of its origin, its ideological trimmings, or its specific materialistic power goals. Although inflation occurs also in political democracies it is neither compatible with the institutional setting nor can it be a legitimate policy. It is, on the contrary, one of the typical malaises and serious social and political diseases of the humane economy, and has been such ever since the French Revolution. Not only corrupt or perverted democratic systems contract the endemic disease but even very idealistic and civilized democratic regimes in most advanced countries tend to produce the germs spontaneously. To build antibodies and to gain immunity to it must be one of the primary concerns of the elite of civic-minded responsible citizens in any country where freedom in the Christian sense is to prevail.

This highly infectious and destructive disease of human societies frequently makes use of brilliant intellects among economists, as well as ambitious politicians, administrators and even businessmen, as bacteria carriers at large, who sometimes infect others unwittingly but more often quite consciously and deliberately seed the germs. The causes of this endemic social disease have their roots deep in human nature, namely in man's voracious appetite for the satisfaction of more wants than can at best be achieved within a certain span of time—involving thus, in terms of Christian theology, the venial but potentially mortal sins of avarice and sloth. In plain secular language we may say that the appetite for substantial benefits without a share in the costs is a human trait which is being exploited by politicians everywhere.

What follows is only partly based on what I learned in universities about banking, money, and public finance, from following professional economic literature in several languages, from many years of discourse with colleagues, statesmen, bankers, and businessmen, and particularly from the years of service on the President's Council of Economic Advisers at the White House. The greatest lessons about inflation were indelibly burned into my mind by bitter personal experience in my native country in the years from 1914 through 1923. But should I have needed additional reimmunization treatment, I received it free of charge during my service as economic adviser to the U.S. Military Government in Berlin in 1945-46 and subsequently as guest professor in the Universities of Heidelberg and Göttingen in the years 1947–48. Perpetual education continued with observations in France from 1945 through 1961, and in the last few years by observation of the Latin American countries, particularly Argentina and Brazil.

This education by intellectual exercise, experience, and forever alert perception of incontrovertible evidence has led me to the solemn conviction that inflation is a process which is bound to corrode and consume the basic element of cohesiveness, public morale, and esprit de corps of any decent society; namely, the faith of the people in the basic fairness and equity of the economic system and its functioning. It is by faith that individuals and societies live.

When it becomes chronic, inflation has such hideous, farflung, uncontrollable and even untraceable consequences throughout a national economy and in its foreign relations that their aggregate effect of perversion cannot fail to stir the resentment of law-abiding and decent people to the point of social and political unrest and upheaval. Contrary to the people's intent, it throws them into the hands of radical Socialists, Communists and other cynical exploiters of despair. The fact that some gain fortunes at the expense of others without any quid pro quo and that there are those who succeed in holding their own while the majority—particularly the so-called middle class—loses everything, infects even a reasonable, fairminded and harmonious citizenry with the suspicion that economic processes may be motivated by class struggle instincts and are organized as a conspiracy against the ordinary average citizen.

These statements may sound extreme and doctrinaire, and may be suspect as exaggerations designed to make a more subtle situation clearly evident. To my regret this is not the case. I shall try to prove that what I have said about inflation is a true and coldly rational appraisal of social and political processes that can be tested by the more or less drastic results of inflationary economic policies and practices in a number of unfortunate nations in various stages of industrial development.

By inflation we mean a continual rise of the general level of prices in a country, a process that diminishes the purchasing power of the unit of the national currency, irrespective of the specific causes in each case.

The real crux of this process is that in any national economy there are, aside from the multitudes of current transactions in the market exchange of goods, services, and capital; also multitudes of term obligations in exchange of goods and services, some of short, others of medium, long, or longest term. All of these term obligations by contract involve a payment or transfer of goods, services, or capital at one moment and in exchange for it goods, services, or money in a steady flow of installments over a certain period of time or one single payment at the expiration date. Such contractual relations are generally made in good faith for longer periods, because both parties assume relative stability of the general price level; i.e., of the purchasing power of the currency over the duration of the contractual relation. Such basic long-term average stability of the general price level is compatible with some random or cyclical fluctuation of prices over a longer period of years.

If, however, the general price level begins a continuous ascent, meaning that inflation becomes chronic, profound repercussions are unavoidable. This holds particularly as soon as even a part of the public begins to take such change in price relations into account in their actions. The immediate result of the price rise is an unearnd gain by all those who are assured of a contractual flow of goods or services for which they have made earlier payment or will make fixed istallment payments. Or, if the purchase contract provided for future payment against fixed installments, the recipient of the installments becomes the beneficiary of unearned income. The tenant who rented an apartment on a long lease gets the full value of the service against payments which decline in a real value due to the reduced purchasing power of the currency units. He who bought life insurance or an annuity against payments until retirement pays far more and receives far less in real value than both parties had agreed to. How drastic the changes will be depends on the rate at which inflation proceeds and on the time period of the obligation. However, it must be well considered that even as small an annual rise in the general price level as 2½ percent amounts to at least 25 percent in 10 years, even without taking into account the compounded interest on the excess in former premium payments. A schoolteacher who wants to retire on a life insurance policy and pays premium installments for 20 years receives in real purchasing power when she retires only one-half of what she paid for and what would have enabled her to retire. The shocking result is that she cannot retire and, in order not to starve must continue to work until she dies. This shows how inflation causes unemployment, because this recipient of shrunken dollars disemploys another person.

Selling bonds, i.e., fixed-interest obligations has the same results. Hence gradually higher interest or prices way below par must be offered to sell the bonds. In countries with recurrent or chronic inflation, interest rates of 12, 13, or more percent are typical.

These are only a very few of the most visible results of inflation. In their aggregate these direct effects inject a serious element of fraud into long-term obligations, insofar as both parties are not equally well informed about the continuation of inflation, or make different assumptions. But in countries like ours when suddenly enough people make up their mind that inflation is a built-in device in public policy they sell their bonds and buy stocks, driving stock prices sky high—until they collapse, as we had it in 1961–62.

In such transactions as mortgages on property, life insurance policies, leases of farms or homes or factory buildings, the public and the government constitute an invisible and for the time being silent, but nevertheless very real, third party with a solid commitment to enforce the contract, if need be by brute physical law enforcement. This is because in the case of default of one party the courts must enforce the execution of foreclosure and forced sale or other fulfillment of the obligation. Usually the courts ignore the deterioration of the purchasing power of the currency. They will fine and send anybody to jail who uses faulty scales, weights, or bashed-in milk cans, but they look aside when the measure of all economic value of exchange for all goods, services, and natural and manmade resources is adulterated, and the currency unit acquires a quality of being counterfeited in all its real functions as medium of exchange.

Let me relate what happened in one of the most abhorrent test cases of our time. Deep searching philosophical and theological efforts in many of the world's metropolitan centers of thought continue to try to reveal the remote ideological causes of the total perversion of justice and civic virtue to the point of genocide and unspeakable barbarism that took place within not more than 10 years in one of the few leading countries of the West: Germany. Such recent efforts attribute responsibility for the greatest disaster in the history of the West to ideological shifts. In an attempt to pin the guilt ultimately on all citizens the cause is traced to romanticism, the enlightenment, the youth movement, shortcomings of Protestant and Catholic theology, the philosophy of Hegel, Nietsche, and many other ideological factors. All of these searching historians, political scientists, sociologists, anthropologists, and philosophers seem to overlook the impact of that economic earthquake of the years 1919 through 1923 the accelerating inflation which made a Walpurgis Night of witches and demons out of a previously orderly and stable free enterprise market economy.

With the brief interruption of the short and limited Franco-Prussian War of 1870–71, the German Nation of 58 million people had lived for 100 years from the end of the Napoleonic War until 1914 by puritannical standards, with a growing and remarkably stable economy. The workers, particularly the rapidly expanding middle class of white-collar workers, shopkeepers, craftsmen, and small businessmen, civil servants, teachers, and professional people, lived frugally, saved, bought life insurance, and invested savings in other ways to give their children a better education and provide more security and opportunity for their families. When World War I engulfed them they were struck as if

by lightning out of a clear sky. In overwhelming unity all gave themselves and everything they owned to their country. The cream of the nation's youth volunteered. Citizens bought war bonds with their savings and gradually as the war of attrition dragged on delivered gold, wedding rings, and jewelery to the treasury. Housewives stripped their kitchens of copper and nickel pots and pans. Churches gave their bells for shells. At the end of more than 4 years of an exhausting war, 2 million of their men had died in battle and several million were crippled. Out of my class of 17 graduating from high school all but 4 of us died in combat duty. One-fourth of the best farmland in the east was lost and enormous reparations were imposed. But what followed was far worse. From 1919 through 1923—with civil war raging in major cities and Communist governments temporarily in power in several states, prices rose fantastically. Inflation was forced by gigantic federal, state, county, and municipal deficits and still rising budgets overloaded with social relief, reparation payments, and import needs. The Reichsbank and the courts stuck to the verdict "mark equals mark," meaning a banknote of 1 mark was the equivalent of 1 prewar mark that had been convertible into gold, just as our Government makes no differentiation between a dollar of prewar purchasing power and a current dollar of less than half that purchasing power when it calculates capital gains and taxes the gains.

I lived through all that. My parents had given their precious metals to the war effort and converted practically all savings into war bonds. Their life insurance, the insurance for my academic education, and all war bond savings were wiped out. In 1914 my father had loaned a physician the funds for equipping his clinic. The doctor repaid him in 1923 with the value of a few stamps.

In 1923, as manager of a farmers' cooperative I was paid according to civil service salary class X, which made me a pauper, because whatever raises were made in the city reached me with too much delay. But I had a motorcycle and could beat the inflation with its speed, because I received word over long-distance phone from Hamburg when the skyrocketing dollar had made another big jump and promptly went to buy in some small town something of real worth. For 1 year I lived mostly on the paper value of one electric motor I had bought. Of course, what I did was to pass the loss of purchasing power to him who sold me the goods. The farmers' cooperative association which employed me sold carloads of seed potatoes from the area between Hamburg and Bremen to farmers' cooperatives in the Rhineland. In 1923—the last phase of galloping inflation—to avoid losing the whole value by weeks of delayed payment, the board of directors sent me by express train to Bonn to collect the bill in cash. When I returned with a big suitcase full of paper marks, the following night the dollar had jumped again and more than half the real value was lost. A few days later I was a defense witness in a county court where a farmer was under the absurd indictment for usury because he had overcharged a few marks for potatoes. In selling the potatoes he lost actually a considerable part of his purchasing power. Little bank clerks and gigolos rode in expensive automobiles earned by repaying short-term debts in shrunken paper currency. Honest retailers, widows, formerly modestly wealthy people became paupers. When, in the midst of this bedlam, the French Army occupied the Ruhr to extort reparations and a young lieutenant who lost his nerve ordered machineguns fired on the crowd of striking workers at the Krupp steel plant in Essen, the leftwing pacifist workers turned nationalist and began to sabotage the French Army, while the first Nazi cells began to operate there.

In desperate revolt against this extortion of reparations in a stalled economy, the German Government deliberately wiped out the mark to one-billionth of its previous worth. The travesty of fairness, equity, and justice that was involved in this process gave the people who have lived by puritan ideals and faith in the symbols of lawful government the feeling that they were the victims of a hideous conspiracy by shrewd crooks in high and distant places of authority, like vampires that sucked the nation's shriveled wealth like blood from its arteries.

The evidence made such suspicion plausible to the farmer, the shopkeeper, the worker. Some people lost all their debts and had debt free real assets. Others had lost all their assets and acquired new debts which suddenly in November 1923, without warning, became hard stable debts at interest rates of 2 percent per month or more, i.e., 24 or 30 percent per annum. What made the end of inflation even more ominous was the fact that during the 4 years 1919–23 the farmers who had paid off most of their old mortgage debt had been urged by the Government and their organizations to increase production to prevent famine and had accumulated last minute new debts which they could not pay off prior to stabilization. In the last 6 months cities shifted to calculation in foreign currencies: Hamburg to pounds sterling, Bremen to U.S. dollars. Mortgage banks began to loan in terms of wheat or rye, and sold rye certification.

The chaos left by inflation was such that when the 4 following years of precarious prosperity privately financed by U.S. banks collapsed a destructive phase of deflation, or falling prices, rising taxes, and credit restriction made every third breadwinner unemployed. Then a mad corporal could begin to wreck Western civilization in a good deal of Europe and beyond, including most of all his own country. This time some 7 million Germans died and 100 million people all told.

However, when the mad corporal withdrew by suicide from the ruin he had caused, another phase of inflation ensued first under quadripartite and later tripartite military government. I suffered the pain of having to live through this renewed nightmare in the privileged position of an American economic adviser and later visiting professor. Cigarettes, lard, flour, CARE package contents, old clothes, kitchenware, or any useful consumer goods replaced the deteriorating currency—the paper mark.

The Germans knew the meaning of all this too well. More and more goods disappeared—even matches or sewing needles. In May 1948 I saw hundreds of workers sunbathing at Heidelberg on the banks of the Neckar River. They explained to me truthfully that they could not afford to work any longer because to get the soles of their only pair of worn shoes repaired in the black market cost more than 3 weeks' wages.

On June 20, 1948, the new German mark backed by the United States was introduced. In 3 days goods came out of hiding, and people ran for jobs. The restoration of the free market economy, based on fiscal and monetary responsibility and the reasonableness of the working population led within a few years to the triumph of a flourishing economy with a fabulous strength of monetary reserves.

But the German people have gone through the folly of inflation twice in a span of one generation, and they have no taste for more. If there is today in the Federal Republic of Germany, after Chancellor Adenauer and under Chancellor Ludwig Erhard, a real solid beginning of a decent society under God and His law, it has been built, with American support, on the foundation of the integrity of a stable currency.

Let me cite another country where people are in many ways far more sophisticated, and are far greater individualists than the Germans ever were: France. France too has gone through repeated phases of inflation caused by government expenditures far beyond revenues resulting from political pressure of the electorate. Combined with the freezing of rents for housing and farms and socialization of basic industries, it led to a vast capital flight into oversea investment and hoarding in nonproductive but stable value assets.

If France has finally been pulled out of this rut of stagnation at home and has a fabulous economic revival it is largely due to a policy of defending the currency after its devaluation, combined with a tax amnesty and the end of easy money and irresponsible fiscal and wage policies.

At the moment, inflation is rampant in large parts of Latin America, worst of all in Brazil. I just returned from several weeks spent partly in Venezuela, Colombia, Chile, Argentina, and Brazil. Before reaching Sao Paulo via Montevideo and Porto Allegre I read in the Pan American Airlines currency converter for March, April, and May that one U.S. dollar was worth 800 cruceiros. When changing a $10 bill at the hotel I received 1,670 cruceiros per dollar. In any one of the Brazilian cities on March 27 there was an outcry of the people trapped in a galloping inflation caused by utter laxity of fiscal and monetary policies. Civil servants and soldiers had pressed for a 60-percent wage increase. The deposed president, "Jango" Goulard, fixed it at 100 percent. The group worst hit is again the middle class, which in Brazil is almost at the same point as the Germans were in May 1948. Their women cannot afford to work in government offices or factories because the salary is far less than what a babysitter costs, or only a part of what the food costs to maintain household help. Capital goes into safe hiding either in urban real estate or in havens abroad.

Let me repeat verbatim what I said at a businessmen's conference in 1959 in a statement which the Governors of the Federal Reserve System sent to all banks in this country. It still holds today.[1]

"Inflation in the underdeveloped countries, which are for the most part primary producers, has been—from the beginning of the war up to the present—more severe and far more persistent than in the industrial countries. The U.N. Department of Economics and Social Affairs reported that even as late as the 1954–57 period, of 40 primary producing countries, 16 had annual rates of increase in their cost-of-living indexes of 6 to 26 percent; 18 had increases between 1 and 5 percent; and only 6 had no increase, or a decrease. Cost-of-living indexes are, of course, only rough measures of varying degrees of inflation. In view of the adherence of some economists and many politicans in the United States to the hypothesis that inflation is the price that has to be paid to attain rapid economic growth, it seems permissible to stipulate some of the impacts of inflation in underdeveloped countries and their secondary impact on the U.S. economy.

"In underdeveloped countries—as everywhere—inflation depreciates long-term obligations, enhances the values of physical assets and induces inadvertently revolutionary changes in the distribution of wealth and income. It deteriorates the balance of payments. It leads to a flight of the people from monetary assets to physical assets such as inventories of goods or real estate. It discourages thrift and the formation of capital, and puts a premium on hand-to-mouth living. It destroys or disorganizes the func-

[1] Cf. Karl Brandt, "The Threat of Inflation in the Underdeveloped World." Panel discussion at the Stanford Business Conference on Economic Growth and Inflation held at Stanford University July 20, 1959.

tioning of capital markets and thereby eliminates one of the direst necessities of any underdeveloped country. Worse than that, it drives capital existing in the country into other countries, while it prohibits capital imports. Inflation will scare and induce some capital into domestic investment, but not to the spots where it would contribute most to growth. Security becomes worth more than opportunity. Inflation bloats investment in inventories beyond the needs of the economy. But if the Government represses inflation by controls, then inventories may be depleted far below the needs of the economy.

If the Government uses import controls to save the balance of payments, the trade will sit on maximum stocks. Governments usually counter inflation by price controls. Any simpleton can write such ordinances with the severest penal code for enforcement. But since controls apply to selected goods or services, they distort the entire system of price relations. Anyone who has been in countries with persistent inflation in recent years will recall the often ridiculously low rates on postage, telegrams, or railroad tickets. This starves the service agencies and deteriorates investment and assets in such industries. Far worse is the danger of corruption in those branches of the public service engaged in rationing, allocation, and price and import controls. Small clerks suffering from loss of purchasing power of salaries so typical under inflation have little resistance to the temptation of bribes. Or the clerks of the public service organize in unions and push the government to more rapid wage-push inflation.

"The fact that raw material prices yield the main export revenues and have been subject to wide fluctuations has posed serious difficulties for many underdeveloped countries. But domestic inflation fed by excessive demand pressures and cost pressures, together with increases in the money supply, has spurted particularly when the terms of trade became favorable for the primary producing countries and export volume increased.

"The impact of such conditions on the American economy is simple and direct. If underdeveloped countries are beset by inflation they will eventually discover that their economic development has come to a halt and their country to the brink of serious trouble. Hence they will be tempted to press urgent requests for greater grants of U.S. financial aid, requests that tend to be strengthened by our fear that if such capital is not promptly forthcoming, the Communists will take over. The ordinary flow of private American investment capital into those underdeveloped countries is interrupted by the highly unstable conditions and the severe risks that inflation creates. Inflation may lift temporarily the burden of old debts, but it prohibits the opportunity to incur new ones. Hence inflation must be stopped by the underdeveloped countries for their own sake as well as that of the advanced industrial countries.

"Due to reduction of the weight of long-term debts and the resulting increase in debtors' equities, inflation covers up many mistakes in lending as well as faulty managerial decisions, so long as it continues. Hence businessmen anywhere must adjust their operations promptly when inflation comes to a halt.

"Inflation consumes the most precious substance on which any economic system depends: the confidence of the people that the rules of the game are fair and equitable and that long-term obligations are faithfully fulfilled. Inflation makes a fraud of such transactions and gives easy gains to some people at the expense of innocent others. This corrodes any society at its foundations, and unless the underdeveloped countries can be induced to stop inflation and to arrive at a stable money, they will not attain a healthy growth of their economy.

"After one generation of worldwide experience with the supposed magic of creating wealth by the mirror tricks of manipulated currencies and exchange controls, the mirage is fading out. Inflation has turned out to be the destructive force which alone, as Lenin said of it, has the power to destroy capitalism."

This is as up-to-date a statement as I can make today, almost 5 years later.

This leaves—to my regret—only one other nation's situation to cover. Charity should begin at home. Hence I have to turn the searchlight, not without pain, on what I consider the most crucial issue of our own domestic and foreign economic policy—an issue which has a great deal to do with the leadership and prestige of the United States in the free world.

Since the prewar years our country has gone through a phase of inflation, creating even in our prosperous society such profound changes that all responsible and patriotic citizens must take cognizance of the precarious situation and its demands for self-discipline by a free people. In order not to overtax your patience with figures I want to give you an example of what a bite inflation has taken out of our income. I shall cite the case of two married couples, each with two children, and ignore any State, local, or Federal taxes other than the Federal income and social security taxes.

Couple I [2] had in 1939 a gross income of $5,000. After deductions of $59 Federal income and social security taxes, $4,941 in income was left. In order to retain in 1964 the same purchasing power as in 1939 this couple would have to earn a gross income of $12,743. Federal income and social security taxes would be $1,749, while inflation takes a bite of $6,053 in lost purchasing power out of the remaining $10,994 after taxes.

Couple II had a 1939 gross income of $10,000. This left after taxes of $269 (Federal income and social security taxes) an income of $9,731. To retain in 1939 dollars the same purchasing power would require an equivalent 1964 gross income of $26,645. Out of this the couple would pay $4,994 Federal income and social security taxes. Inflation by lost purchasing power takes a bit of $11,920 (or 45 percent of the total income) out of the remaining $21,651.

Yet in view of extraordinary rises in State and local taxes and Federal taxes other than income and social security taxes the actual remaining income after taxes represents in most cases less than one-half of 1939 purchasing power. There is some slight leeway for interpolation due to improved quality of some goods not fully reflected in prices, due to greater discounts at retail, but in the opposite direction drastic price rises and less discounts on most services.

Measured by its comparative purchasing power vis-a-vis hard Eureopean currencies like the mark, the French and Belgian franc, the Portuguese escudo, or the Swiss franc, or such Asiatic currencies as the Japanese yen and the Hong Kong dollar, the U.S. dollar since 1958 has been overvalued, as—intermittently—the pound sterling has been. This leads to pricing U.S. products out of world markets and a loss of foreign exchange earnings from exports. It leads simultaneously to the increased pricing of foreign products into the domestic market of this country with the outflow of more dollars in payment of imports. Both shifts cause less employment than would otherwise be attainable, thus putting the brakes on healthy economic growth.

Simultaneously, interest rates for short-term funds in the United States have remained substantially below those in the British or continental European money markets. The consequence of these disparities, plus the overburdening of the U.S. Federal budget with unilateral transfers on behalf of foreign aid and exorbitant expenditures for military security for the free world, has been a continual deficit in the balance of payments during every one of the last 14 years, with only one exception, and the resulting shrinkage of currency reserves in gold and foreign exchange.

While we had in 1957 nearly $23 billion in currency reserves, they have now shrunk to $15.5 billion. If the dollar has not gone into an acute crisis of confidence and speculative assault this is due to extraordinary measures of mutual defense by the leading note-issuing banks in NATO countries. However, it must be realized that such support of a weakened and jeopardized currency by the governments of military allies who are economic and political competitors does not exactly strengthen the prestige or freedom of action of a great leading power like the United States.

This leaves still the open question: What is it that drives inflation and causes its acceleration or retardation?

Economists distinguish between cost-push inflation and demand-pull inflation, aside from printing press inflation. Any actions by individuals and groups, private or public, which force up costs find their reflection in rising prices. Strikes, slowdowns, poor work morale, wage increases without substantial increases in output per hour worked, high rates of sick leave, high corporate income taxes, raised prices of raw materials, energy, or specific services—all these are factors in cost-push inflation. Any sudden boosts in consumer purchasing power—particularly by wage increases beyond increased productivity, reduction in income and excise taxes, slashing down of prices in utility and public service charges beyond cost reduction, and lowering of interest rates on consumer credit—cause increased bidding for consumer goods and services. Whether this leads to price rises depends on the immobilized or dormant reserve capacity of the economy for producing more consumer goods and services. Once the reserve capacity in the form of labor, raw materials, plant and equipment is fully employed too many dollars begin to chase too few goods. Then prices rise rapidly and wage rates tend also to move upward. This is happening right now in Germany, France, and Italy. While it momentarily eases competitive position in the world market, it is dangerous to all free nations because it poses the threat of trade restrictions and return to foreign exchange controls, which suffocate trade expansion. Fortunately, France and Germany are beginning to use monetary and fiscal controls, and Italy has received $1 billion of currency aid to encourage her fight against inflation.

If in a situation of near full employment the government at all levels, Federal, State, county, and municipal, piles purchases and publicly financed projects on top of the excessive demand in the market the scenery is set for the inflationary bust of the boom. Real wages decline invariably during the boom—because prices always rise faster than wages.

This situation puts the first responsibility on the Federal Government, and beyond it on all government agencies. The classical and still the most reliable means to control inflation without the arbitrary brutality of national emergency measures that abolish freedom are fiscal and monetary policy. Tighter credit conditions, higher interest rates for short- and long-term loans, curtailment of all but the most vital public expenditures, enforcement of antimonopoly policies for all business, including cooperatives as well as labor unions, strengthening of competition, lowering of custom duties, countervailing power against unwarranted wage demands—all these are legitimate and

[2] Cf. National Industrial Conference Board, Inc., Road Map of Industry No. 1475, Apr. 3, 1964, "The Two-way Squeeze, 1964."

effective measures to control inflation. Their success creates the economic climate in which increasing productivity, innovation, and investment cause economic growth by decentralized private decisionmaking and enterprise, which in turn yield optimum employment opportunities.

But, again, charity begins at home: the Government must refrain from pushing inflation by deficit spending. It must balance the budget and reduce the public debt at all levels—in order to have leeway for giving support for expansion to the market economy when it begins to contract too far.

The trouble with this proposition is that in a democracy the economy is a political economy. The government can go no further in disciplining the comportment of all parties active in the economy, producers as well as the trade and the consumers, than what the electorate is willing to endorse at the ballot box. However, it is not at all true that because they have the prerogative to govern themselves the people are free to behave irresponsibly and without that self-discipline which freedom in the Christian sense implies.

Neither employers nor labor unions, neither farmers nor government employees, neither students nor retired people—irrespective of color or creed—will escape the severest consequences if by irresponsible pressure group tactics and something-for-nothing giddiness they precipitate events that follow in inevitable sequence. These are: first, renewed acceleration of inflation; second, its aftermath, severe depression; and third, its cure by expansion of the public sector of the economy, which costs a bitter toll of freedom. Since eternal vigilance is the only guarantee of liberty, the elite of civic-minded substantial citizens must have the danger of chronic inflation constantly on their conscience and guide public opinion accordingly.

If in the course of a presidential election year our imbalanced international payments position should be glossed over and the urgently needed corrective action postponed indefinitely, our Nation may awaken eventually to the appalling realization of a dollar crisis of freightening proportions. Then the day of reckoning will call for hard-hitting emergency controls. Such controls are all available in Government drawers for an emergency after an atomic attack on our country. Their use in any purely economic impasse excluding military attack would destroy the prestige and trust of all free world nations in the U.S. dollar as the international reserve currency and measure of all economic value. The controls would not only abrogate a great deal of the freedom which our people cherish, they would simultaneously spell more disunity among Western nations and once more—as after World War I in the early thirties—threaten the international credit structure with collapse and with it the system of mutual security and multilateral foreign trade expansion, on which the present prosperity of the free world depends. Soviet economists have never ceased to anticipate this windfall for their ailing cause.

Let me close by saying that it is painful to review our national affairs after the tragic events of last November in such somber tones. However, considering history not as a matter of materialistic determination but as a challenge to man's intelligence and social responsibility in accordance with his endowment of free will and the ability to distinguish between good and evil, I do not predict a slide into disaster as something predestined or unavoidable. All I am doing is to warn of the very real and imminent contingency.

Determination to avoid a happy-go-lucky drift into disaster must begin in the cells of our society: in the home—where inflation must be known to families as the curse of humanity and the temptation to subscribe to it recognized as the prompting of the devil. Such cultivation of reasonableness from the grassroots up must induce the Federal Government and its agencies, including particularly the Federal Reserve Board, the Bureau of the Budget, and the Secretary of the Treasury, to use their full authority for maintaining the integrity of our currency by monetary, banking, and fiscal controls. Guidelines and persuasion are no substitute for these tools of responsible state power on behalf of the welfare of the people and of peaceful foreign relations.

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

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

Mr. LAUSCHE. This problem started to become acute back in 1958, and it grew worse in 1959. Subsequent to that time there was an immediate alarm shown about it. My recollection is that recommendations were made that we take corrective measures. One was to balance the budget. Another involved tying into the foreign aid program a requirement that all money spent for equipment be spent in the United States. Third, by discouraging people from engaging in foreign tourism, and seeing the United States. Fourth, by reducing military expenditures. Fifth, by having labor and management maintain stable prices, so that we could compete with foreign competitors in world markets. To achieve that aim it was recommended that wage increases be limited to not more than the increased productivity of labor, and be not to exceed 3.2 percent. Other recommendations were made.

I ask the Senator to what extent vigorous pressure has been applied to keep the cost of goods from going up, through violation of the guidelines, beyond 3.2 percent, and to what extent we have carried into effect any of those recommendations.

Mr. DOMINICK. I do not believe we have carried out any of them. We have reduced the amount of the exemption of duties of goods tourists can bring into this country from abroad. We have reduced some of our military expenses overseas by eliminating our bases. Whether that was advisable or not is a question. We put into effect an interest equalization law, to which I was opposed, because I thought it would have the very effect it has had. It has further induced investors in this country to make investments abroad and take advantage of business abroad and thereby have long-term investments in Europe. Perhaps later they will come back into this country, but it causes at least a short-term problem. But we have not followed the other recommendations that the Senator referred to, and inflation continues.

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

Mr. DOMINICK. I yield.

Mr. LAUSCHE. In 1961, Per Jacobsson, now deceased, was President of the International Monetary Fund. In connection with the frightening fall in the balance of our payments and in the movement of our gold to foreign countries, he said the first thing the United States should do would be to put its fiscal house in order.

Mr. DOMINICK. That is correct.

Mr. LAUSCHE. We have done nothing in that direction. Greater desires which lead to this condition have been put into effect. That is the cause of our now being faced with the proposition that we must remove the gold support, which has been a philosophy of all economists as far back as we can read. It is the only way that we can have a stable dollar, and keep control over the flighty and uncertain minds of individuals, and tie them down immovably to a standard.

Mr. DOMINICK. I agree with the Senator from Ohio, who has given a clear-cut and forceful analysis of the problem.

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

Mr. DOMINICK. I yield.

Mr. JAVITS. I would like to ask the Senator this question. Fortunately, he is a man of some banking experience, so I have no fear of taxing his knowledge.

Mr. DOMINICK. Let me say, first, that I am a lawyer, and not a banker.

Mr. JAVITS. I know; but the Senator has had some financial experience.

Let me ask the Senator whether the debt of the United States, which is well over $300 billion in size, has any gold cover?

Mr. DOMINICK. The debt has not.

Mr. JAVITS. Nevertheless, is it not a fact that the prices of Government bonds are quite stable?

Mr. DOMINICK. They have varied from time to time. As the Senator knows, we have been raising interest on long-term bonds. The question has been whether or not we could even sell them.

Mr. JAVITS. So far we have sold upward of $300 billion worth. Those sales seemed to have stayed the same, and we have had no trouble refinancing them. There is no gold cover for that debt. The Senator agreed with that statement.

Mr. DOMINICK. That is correct.

Mr. JAVITS. I ask whether the Senator believes that the central mechanism for controlling the size of the economy or the operations of the Federal Reserve System is the gold cover.

Mr. DOMINICK. It is a combination of both. The Federal Reserve System is helpful in trying to stimulate the economy, and its flexibility over interest rates is very helpful. But there must be a solid backing behind currency to put a limit on pressures which are otherwise exerted to try to inflate money.

Mr. LAUSCHE. Mr. President, will the Senator yield to permit me to comment on that point?

Mr. DOMINICK. I yield.

Mr. LAUSCHE. The Federal Reserve Board has discretion in monetary matters, but there is a limitation on the discretion with respect to the 25 percent gold requirement. When the 25 percent gold cover is removed, the limitation is gone, and we have nothing left but the minds of the Federal Reserve Governors.

Mr. JAVITS. That is worshiping a calf of gold. That is what the Senator is doing.

Mr. LAUSCHE. This Senator is not worshiping a calf of gold. He is trying to show respect for the people who have money in banks.

Mr. JAVITS. The people who have money in the banks and who own Government bonds do not seem to be panicked. They have over $300 billion worth of bonds, including series E bonds, which cannot be cashed, unless one wishes to forfeit some interest for 10 years or more. They are not worried about the gold reserve requirement. The bankers of the world own $22 billion worth of calls on the U.S. Treasury. I do not see many of them, principally one man, De Gaulle, who is making a grandstand play, calling for the gold.

Mr. LAUSCHE. May I make a comment on banks owning Government bonds?

Mr. DOMINICK. I yield for that purpose.

Mr. LAUSCHE. In 1954 banking securities were 68 percent in cash and Government bonds. That is now down to 32 percent.

The banks are getting rid of bonds and investing in other types of securities, so that the ordinary citizen is buying bonds and he is the one who will be robbed.

Mr. JAVITS. With all due respect to the Senator from Ohio [Mr. LAUSCHE], I do not believe that anyone will be robbed because he bought U.S. bonds. I do not agree with that comment.

Mr. President, this is not the kind of matter in which one engages in sharply exacerbated debate, but I believe that it is important that we understand the merits of the controversy—if indeed there be one. If we are really going into it, we should do so in the interests of the people and in the interests of a wise policy for our Nation.

Federal Reserve notes have increased regularly by an approximate figure of $1.2 billion to $2 billion a year, in varying amounts.

Let me ask the Senator this question: If, according to the basis on which credit is expanded by the Federal Reserve System, namely, on the basis of production of goods and services in the United States, it is necessary to expand Federal Reserve note issues to support economic expansion of the United States, and those note issues press against that ceiling, namely, the ceiling of the 25-percent gold cover, as they threaten to do, should we refrain from issuing the currency? Should we cut back on commercial and industrial operations and not employ the people who have an opportunity to be employed? Would the Senator from Colorado tell me whether it is possible for us to do this?

Mr. DOMINICK. It most certainly is; and I will tell the Senator exactly why. I am not saying that 25 percent is the magic number. I am offering a reduction down to 20 percent on a 2-year basis, but unless we have a reserve behind it, all we do is give an opportunity to the fiscal managers to keep on creating currency—as the Senator from New York has stated—as widely as possible and in the interest of doing what they thought would be a great Government service. Soon the dollar would not be worth anything; it would devalue itself. It would inflate so that one would have to take a basketful down to the grocery store. That has already happened in France. One dollar in Indonesia can buy 300 gallons of gasoline. This is what inflation can do. This is one of the things that the reserve metallic limit behind the dollar can stop in this country.

Mr. JAVITS. The present gold reserve requirement does not represent the security of our currency, as is obvious from the fact that we have $15 billion-some-odd in gold which serves today as reserve against $53 billion in Federal Reserve notes and deposit liabilities and against which we have assumed over $28 billion in short-term liabilities to foreign governments and individuals as well as international and regional organizations. There is also the outstanding debt of the United States. If my memory serves me correctly, I believe this comes to a rough total of about $400 billion. If we are going to depend on this $15 billion in gold to insure confidence in our currency, the United States will be washed up quickly.

If I may state my views briefly, what gives us confidence in our currency? First is the production of goods and services in this country which is responsible for 50 percent of the production of hard goods in the world; second is the fact that we have a governmental mechanism in the Federal Reserve Board and the Federal Reserve banking systems which prevents us from printing currency, because currency and credit must be directly related to the production of goods and services.

Mr. DOMINICK. Only if they so do, the Senator will say it is sound common sense; but that does not say that this is what will be done.

Mr. JAVITS. We are the authors of the law. Unless we change the Federal Reserve System, that is the way it will go. That is the purpose of the guarantee of the soundness of the dollar, which is premier currency in the world.

The currency of France is reasonably stable. The currency of Germany is reasonably stable. The currency of Italy is also reasonably stable. All the currencies in those countries are stable; and not one has a legal gold reserve requirement. As a matter of fact, less than one-half of the central banks in the world have legal reserve requirements against their note and deposit liabilities.

Mr. DOMINICK. Those currencies are all based fundamentally, are they not, on gold being in their reserves? The currencies are supported by gold.

Mr. JAVITS. If we take off the shackles from our hands as to what we can do about money, we still have gold in our reserve. We have four times as much as France. We have approximately seven times as much as Italy. We have approximately three to four times as much as Germany. We still have 35 percent of the free world's official gold reserves. The fact is, if we should now artificially impose restrictions upon ourselves, we would be restraining ourselves from keeping pace with our own economic expansion. As bankers, we would be restraining ourselves from the liquidity of our own assets to meet our own liabilities.

It is impossible to justify tying our own hands and rendering ourselves unable to meet our own liabilities. The answer is that the Treasury Department recognizes the fact that there are still many people who worship the golden calf. But, according to an excellent banking authority, we should untie our hands in respect to gold.

Mr. DOMINICK. The Senator from New York——

Mr. JAVITS. If I may finish——

Mr. DOMINICK. I have the floor. I have perfect confidence in having discussion and debate back and forth with my distinguished friend the Senator from New York, but I am trying to make the point that the Senator from New York has an amendment of his own that he is going to present. I am entitled to have him ask me questions, but I believe that we should limit this colloquy as much as possible to questions and answers, rather than a series of speeches.

I yield to the Senator from New York.

Mr. JAVITS. Making a series of speeches is typical of the great club that we know as the Senate. Aside from that, I invite the comments of my friend from Colorado [Mr. DOMINICK] to the fundamental point, in considering the size of our gold reserves, so called, considering the claims upon it in currency and in obligations held by other central banks and the national debt, and so forth, are we or are we not better off freeing our hands, and having liquid assets rather than tying our own hands.

Mr. DOMINICK. I invite the attention of the Senator from New York to a speech which I believe will be of interest to him. I refer to remarks made by Mr. M. A. Kriz, who is the senior economist of the First National City Bank of New York, before the National Western Mining Conference, on February 6, 1965, in Denver, Colo.

The last paragraph of the scholarly and thoughtful paper he presented reads as follows:

> Let us keep uppermost in our minds the lessons of experience. The dollar rests on the large real resources and high productivity and efficiency of the American economy—

Which is just what my distinguished friend from New York has been saying—

> However, even with all its productive power to give real value to the dollar, the United States requires a strong gold reserve—a reserve large enough to give full assurance that the dollar will remain at all times a reliable currency, voluntarily sought and retained, and freeely usable, everywhere. This, in turn, requires vigilance, skill, and courage in the management of our monetary and fiscal affairs.

Mr. President, this is such an excellent speech that I ask unanimous consent to have it printed in the RECORD.

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

THE GOLD PICTURE TODAY

(Remarks by M. A. Kriz, senior economist, First National City Bank, at the National Western Mining Conference, Denver, Colo., Feb. 6, 1965)

I am pleased and honored to be with you today. Gold is an explosive topic. It stirs up passionate debate. Such a variety of highly contradictory opinions have been

held and propagated on the subject of gold that one can say that "gold has made even more people mad than love." We can, I am sure, look forward to a most stimulating afternoon.

Over the past 3 months, we have witnessed dramatic developments in the world gold picture: the sterling crisis, pressures of private demand for gold in jittery markets outside the United States, France's stepped-up purchases of gold from the U.S. Treasury, renewed weakening in the U.S. balance of payments, the decision of the administration to propose to Congress an easing of the 25 percent Federal Reserve gold requirement, and, on February 4, President de Gaulle's appeal to other leading nations to restore the gold standard. France's move raises a hornets' nest of intricate and delicate questions, technical as well as political. People want to know where we stand and where we are heading.

I

At the threshold of 1965, gold output in the world this side of the Iron and Bamboo Curtains is at an all-time high. You know much better than a New York bank economist the problems the gold mining industry in the United States has had to face since World War II. U.S. mines have been unable to contribute to the rise in world output. In fact, the increase in world gold output in the past decade is attributable entirely to South Africa. At some 29.3 million ounces, worth slightly more than $1 billion, output in South Africa last year was almost 150 percent higher than in 1953 when the expansion had begun.

South Africa accounts for approximately 70 percent of world gold output, which last year totaled about 40 million ounces, equal to $1.4 billion. In addition to the $1.4 billion from current output, the Western World last year received about $350 million worth of gold from Russia. The supplies of new gold thus totaled something like $1.8 billion—slightly less than in 1963 when Russia sold as much as $550 million worth of gold to purchase wheat in Canada, the United States and other countries.

What happened to the $1.8 billion of gold made available in 1964 from current output and Russian sales? About $1 billion was absorbed in private uses and holdings and some $700 million was added to gold stocks of governments and central banks.

Uses of gold in the arts and industry cannot be separated statistically from other private uses. In the United States, gold consumption, on a net basis, has in recent years amounted on the average to about $100 million a year. With U.S. production only half that amount, industrial and artistic needs are met, in a degree, by drawings on U.S. Treasury stocks.

As you know, there is no gold coinage in the United States and residents are not allowed to hold gold in monetary form except for coins of recognized numismatic value. The United Kingdom, South Africa and a few other countries also forbid their citizens to hold or trade in gold. It is in the world outside these countries that additions to private holdings of gold have absorbed something like three-quarters of a billion dollars worth of gold year after year over the past 5 years.

During the first 8 months of last year, private demand for gold, although persistent, had been relatively moderate. Over the last 4 months of 1964 and well into 1965, however, private demand has probably absorbed all available new supplies. The rise in demand has been influenced by such events as China's atomic explosion and the political changes in Russia; but the uncertainties about sterling, which culminated in a crisis in late November, and the renewed expectation that the established price of gold might be changed, are even more important. In addition, in many countries domestic political and inflationary problems have boomeranged against the national currency.

Early last month, the leakage in Washington of the administration's intent to request Congress to revise the 25 percent gold reserve requirement pushed the price of gold on the London market to as high as $35.20 per ounce, with the heaviest turnover since the Cuban crisis in October 1962. Later the same day, the U.S. Treasury issued a statement warning that the official gold price is "immutable" and that the London gold market is "under firm control;" subsequently, the price declined rapidly.

For the past few years, supply-demand conditions in the gold market have made it possible to hold the price practically stable through the interventions of the so-called London gold pool. This pool operates through the Bank of England acting as agent, with the United States having a 50 percent share in net losses or gains. In 1963 and during the first three quarters of 1964, the pool tended to purchase gold on balance; the United States acquired in this way sizable amounts of gold, which helped offset sales to France and other countries. In the past few months, enlarged private demands for gold have necessitated renewed official intervention—at some cost to United States and other countries' reserves.

To round off the picture, let me tell you what happened to the newly mined gold that found its way into the monetary stocks of governments and central banks—some $700 million last year. The bulk of this gold was added to the reserves of the leading nations of Western Europe, Germany and France in particular.

These countries also purchased gold from the U.S. Treasury. Four weeks ago, France announced that it would step up its purchases. Technically speaking, the French gold buying is not unusual. The stated objective is to maintain at 70 to 75 percent the proportion of gold in France's total gold and foreign exchange reserves. Comparatively, France holds less gold in its reserves than any other leading European country except Germany and Italy. In total amount, France's stock is smaller than Germany's.

From a broader point of view, France is believed to be increasingly reluctant to see a continuing rise in supplies of dollars in world markets on the ground that the growing liquidity interferes with its efforts to hold down domestic inflationary pressures. There is also the view that the continued buildup of short-term dollar holdings by European central banks helps the United States to finance private investments in Europe; this creates, in some cases, concern about the prospects of increasing American ownership of key national industries.

Continuing purchases of gold by foreign governments and central banks attest to the desire of those responsible for administering national monetary reserves to protect them against the hazards of depreciation. By building up gold stocks, governments also seek to enhance confidence in the nation's currency by people who, having lived through the inflations of the past half century, keep a weather eye on the state of the nation's monetary reserves as a vital indicator of the health of its domestic finances.

For the longer run, in the view of the finance ministers of the leading nations, gold will remain "the ultimate international reserve asset." They do not want to demonetize gold by international agreement, giving up their official gold reserves and making gold merely a commodity traded in free markets, with the price ultimately determined by the marginal cost of mining gold and the marginal revenue derived from sales of it to industry and the arts.

II

Neither the United States nor Western Europe (and, for that matter, Russia too) have thus any thought of removing gold from its place as the ultimate monetary reserve. This is reassuring for the future of gold. What does it mean?

It fundamentally means that, year after year, gold is expected to make a substantial contribution to international liquidity. By this esoteric and fashionable phrase, people must understand not the means of financing the flow of exports and imports throughout the world but rather actual gold and foreign exchange reserves of governments and central banks, and access to reserves through borrowings from other central banks and governments and from international financial institutions. Such reserves are needed to finance balance-of-payments deficits and thus provide time for needed readjustments.

It is to international liquidity in the latter sense that gold makes a decisive contribution. The $700 million of new gold added to world monetary gold stocks in 1964 represented an increase of about 1.7 percent—compared with 2.2 percent in 1963. With firm confidence in currencies—I am aware that this is wishful thinking at this juncture—official gold stocks could increase each year by perhaps as much as 2½ percent. Before 1914, during the heyday of the gold standard, the annual additions to monetary gold stocks out of new output were of the order of 3 percent.

The preference of governments and central banks for gold reflects the hard fact that gold cannot be "created" as paper money can and, for this reason, is superior to paper money as a store of enduring value. There are times and circumstances when no other money is acceptable.

While gold makes an essential contribution, it cannot alone meet all the needs for world monetary reserves. Under the gold exchange standard as it has developed over the past two decades, U.S. dollars—and also pounds sterling, especially in the sterling-area countries—help economize on gold. Today, gold accounts for about three-fifths of the total gold and foreign exchange reserves of governments and central banks.

Manmade reserves are easy to supply. At times, they are supplied in excessive amounts. This is the hard core of our international monetary ills. For the dollar cannot serve as international currency by divine right. It can only serve so long as it is sought and retained voluntarily by other nations. The more easily available, the less will it be in demand. Only a strong and reliable dollar, freely usable throughout the world and commanding universal respect, can be an international currency.

The problem cannot be solved by creating an Esperanto currency by some international body. The world needs, of course, international reserves for emergencies; but it already has a going institution—the International Monetary Fund—that, although lacking power to create money, has proved a responsible custodian of international reserves.

The search for new ways and means of insuring international liquidity has occasioned difference of views between the United States and the United Kingdom, on the one hand, and France and several other continental countries, on the other. The idea of an open or concealed shortage of international liquidity, understandably, has particular appeal in countries experiencing balance-of-payments deficits. The United States, without committing itself, prefers that any further additions to the world's arrangements for creating monetary reserves be established within the International Monetary Fund and focused on the provision of international credit. On the other hand, France advances the thought that it will eventually be necessary to provide a new kind of reserves along with gold and such dollars and other currencies as each country would wish to hold in its reserves. The French seek less dependence upon dollars and more upon gold,

with the new kind of reserve currency directly linked to gold.

Two days ago, President de Gaulle called for a restoration of the gold standard. There is, however, little sentiment to turn the clock back and restore the gold standard. In the world as it is today, with its pervasive political and social problems and, perhaps, unreasonably high expectations of economic growth, it is hard to visualize any gold standard at work without being "managed." And, if "managed," it would not, I think, differ very much from the international monetary arrangements we have today, except that a return to the gold standard—involving as it does the discontinuance of the use of the dollar and sterling as currencies in which other nations keep part of their reserves—would, most likely, revive the ghost of a shortage of international liquidity. As I have already mentioned, new gold added to world monetary gold stocks in 1964 represents an increase of about 1.7 percent—surely not enough to take care of the needs for steady year-to-year additions to monetary reserves. President de Gaulle failed to mention whether or not France would advocate a higher price of gold; this would, of course, increase the liquidity of those nations which are well stocked with gold. There is neither need for, nor a constructive purpose to be served by, raising the U.S. gold price.

There is no secret why France and other nations with balance-of-payments surpluses seek to enhance the place of gold in the international monetary system and are reluctant to grant to deficit countries automatic credits of indeterminate amounts for indeterminate duration. In the final analysis, credit facilities represent a potential draft on real resources; if used, they involve costs in the guise of goods and services supplied to deficit countries. The surplus countries also stress that, as far ahead as one can see, moves to increase international liquidity may accentuate upward pressures on demand, costs, and prices.

There must, of course, be enough reserves to provide time for needed readjustment in balance of payments among nations, but not so much as to breed worldwide inflation. What is disquieting about proposals for increasing supplies of manmade reserves is the implicit danger of making domestic inflations comfortable internationally. It would be all too easy to sink balance-of-payments deficits of nations into a sea of international liquidity.

At times, the shoe may pinch, particularly if nations indulge in inflation. But, in that event, something ought to pinch to communicate a sense of harsh reality to the need for a nation to keep its economic and financial house in order. Surely, international liquidity must be adequate; but it must also be allowed to run out for it is this ultimate sanction that makes it necessary for any country to frame its domestic plans and policies with continuing regard for the external repercussions of its own acts. In this sense, gold helps reinforce domestic discipline—something we must have if we want an orderly society.

These fundamental truths have once again been demonstrated by bitter experience over the recent past. The weakening in Britain's balance of payments in the latter part of last year, stemming in part from a greatly enlarged trade deficit but, basically, from a lack of confidence, in late November brought sterling within a hair's breadth of devaluation. To help support sterling, the finance ministers and central bankers of other leading nations extended credits of unprecedented magnitude to the United Kingdom. They had no choice but to underwrite the pound massively—the compelling fact was that they feared the consequences of a sterling devaluation for their own currencies. By helping save the pound, they acted in the self-enlightened interest of their nations. This is conclusive proof of international cooperation and mutual trust, an essential underpinning of world prosperity. It is also conclusive evidence that the international monetary system is capable of providing liquidity. The rub is that liquidity merely buys time. For the longer run, the curing of balance-of-payments deficits is even more essential than their financing.

III

Behind this general facade of international liquidity, what is the real position of the U.S. dollar?

People who speak in terms of a threatening gold deficiency for the United States often cite the fact that the Treasury gold stock, at $15.2 billion, is now less than the $30 billion of U.S. liabilities to foreign countries and international financial bodies. Statements of this sort—hard boiled as they seem to be—are not quite realistic. Of the total, international institutions hold about $6 billion; since their purpose is to help overcome monetary crises and speed up economic development, they would not cash their claims into gold. Foreign governments and central banks, holding almost $14 billion, have a stake in the maintenance of the present monetary system and would be expected to avoid unreasonable demands for gold so long as we work to limit our balance-of-payments deficit. The balance of some $11 billion represents short-term liabilities to foreign banks, traders, and investors; these consist, to a large though not ascertainable extent, of working balances and are not eligible for conversion into gold unless previously sold to central banks.

There are certain other factors in the underlying position of the dollar that must, I feel, be also mentioned to form good judgment. The United States has had over the past 7 years a large and seemingly intractable deficit in its international payments; but it has not lived beyond its means in the sense that it has been consuming or investing domestically more than it has been producing.

The large and growing surplus generated by the U.S. private economy on commercial goods and services (excluding those financed by Government aid) covers by a comfortable margin new private investments abroad, long as well as short term. In the accounts that are affected primarily by market forces—merchandise trade and services, and private investment—the United States thus had a surplus. This surplus is, however, not large enough to match the U.S. Government's defense outlays abroad and the foreign exchange costs of U.S. economic aid.

Bankers, businessmen, investors, and government officials abroad are aware of the underlying strength of the dollar. U.S. industrial efficiency is still the byword of the world. The domestic purchasing power of the dollar has registered a much smaller shrinkage than that of any other major currency. The best evidence that American industrial products are, for the most part, competitive in world markets is the tough bargaining we are witnessing in the current international trade negotiations. Bankers and investors abroad have greater faith in the lasting value of the dollar than in most of the leading currencies; this is evidenced by the fact that far more international lending is done in dollars than in any other currency and also by the continuing restrictions in countries with ample gold and dollar reserves to prevent their citizens from investing in the United States when they wish and in ways they prefer.

All of this sounds reassuring. But what is it really? The U.S. balance-of-payments deficit, as conventionally defined, amounted last year to about $3 billion—a disappointingly small improvement from the $3.3 billion in 1963. The large and stubborn deficit is a very serious matter. Because of the deficit, governments and central banks abroad, and also private bankers, traders, and investors, are continuously coming into possession of large amounts of dollars. We cannot depend on the willingness of foreign nations to be patient creditors and build up without limit holdings of dollars and special U.S. Treasury obligations denominated in buyers' currencies. Sooner or later, and, I think, it may well be quite soon, the rest of the world will be reluctant to add more dollars to its holdings. It may come to exchange them for gold from our stock which, though still amounting to about two-fifths of the world total, is not inexhaustible.

It is against this background that we must look at the administration's proposal that Congress free up about $5 billion of gold by excluding Federal Reserve deposit liabilities from the present 25-percent gold reserve requirement. There is a practical need for this action: to provide reassurance to foreign governments and central banks that the United States will continue to supply gold to them at the established price of $35 an ounce and thus protect the position of the dollar, firmly linked to gold, as the anchor of the international monetary system.

The administration bill has been given a friendly reception in congressional committees. Administration spokesmen indicated that the Federal Reserve needs a leeway to accommodate the money and credit needs of a growing economy. Furthermore, aside from the United States, there are only three countries where the statutory reserves must be held exclusively in gold—Belgium, South Africa, and Switzerland. In many countries, these requirements were repealed or suspended at the outbreak of World War II. A number of central banks established since the war, including the German Bundesbank, have no such requirements.

Arguments like these sound convincing. At the same time, however, it is also true that over the past few years the gold reserve requirement has been like a red light—a warning to watch our gold stock, hold inflation in check and keep spending abroad to what we can afford. What is in question, therefore, is how to devise an effective braking system to replace the gold reserve requirement. Perhaps we can get it if people become sensitive to erosion of the purchasing power of the dollar and insist on fiscal and wage discipline. Long-range confidence of the world in the dollar will depend more on the wisdom and courage of our monetary and fiscal authorities than on a statistical ratio.

Even if the gold ratio is eased, the United States will require a gold reserve large enough to give full assurance that the dollar will remain at all times a strong currency and command universal respect. The protection of our gold stock must remain a prime objective of U.S. Government actions and policies.

IV

To conclude, it is—I venture to say—indisputable that the U.S. dollar is still the best currency the world can offer. Why should it be devalued?

It can be stated categorically that the dollar will not be devalued in the absence of necessity and, so far as one can see, there is no necessity for it.

Most of the advocates of a higher gold price seek a simultaneous, perhaps uniform, worldwide gold upvaluation as part of a plan for improving the international monetary system.

To my mind, it is difficult to visualize any improvement that would be preceded by a gigantic devaluation of currencies. By spreading turmoil and creating distrust, repudiation by governments of the established price of gold would do irremediable damage to the incentive to hold currencies as reserves, which is an essential part of the system as it operates today.

Furthermore, the benefits from gold appreciation would be distributed haphazardly.

Gold-producing countries, nations holding the largest gold reserves and maintaining the highest proportion of gold in the total gold and foreign exchange reserves, and nations where private gold holdings are largest, would benefit most. Russia, probably the world's second largest gold producer and holder, would reap a huge windfall profit.

Most importantly: I can see only one rock of any solidity that stands as a barrier against a fairly serious degree of inflation—the fact that the U.S. Government is aware of, and shares, the aversion of a large body of public opinion to the depreciation of the dollar in terms of gold. Devaluation must be avoided in the interest of whatever chance there is for maintaining reasonable monetary stability.

Devaluation, nevertheless, could conceivably be forced upon the United States by external developments, just as it was in the 1930's when the price of gold was raised from $20.67 an ounce to $35, an increase of nearly 70 percent.

One hypothetical conjecture that can be visualized is a devaluation of sterling. Britain is not really very far out of line in terms of costs, prices and capabilities to sell in world markets. Tinkering with sterling is not the answer to Britain's problem. The British, as the Governor of the Bank of England, Lord Cromer, pointed out last week have just seen "into the abyss." "It is an uninviting prospect," he continued. "It is well that the people of this country should recognize the depth of the fall and the lack of friends at the bottom. But now, thanks to the lifeline held out to us by our friends, we have crept back from the edge and the future is what we make of it."

Nevertheless, it would be a rash person to say flatly that, by some bad luck or misguided policies, a situation could not develop in which a sterling devaluation might become an essential part of any future rehabilitation. This was, you may recall, the state of affairs in 1949 when a devaluation of sterling proved to be necessary to recognize the changed price-cost situation in which Britain had found itself as a result of inflation during the war and in the immediate postwar period.

Even in this conjecture of a sterling devaluation in response to changed price-cost relationships—and, I repeat, this is a hypothetical conjecture—there would be no built-in necessity for the dollar and other leading currencies to go down along with sterling. Much of the world could withstand the shock of a British devaluation.

As things are shaping up—full of uncertainties, as they always are—all of us are sure to have interesting times. This reminds me of a Chinese curse: "May you have most interesting times." I hope the years to come will not become "too" interesting.

Let us keep uppermost in our minds the lessons of experience. The dollar rests on the large real resources and high productivity and efficiency of the American economy. However, even with all its productive power to give real value to the dollar, the United States requires a strong gold reserve—a reserve large enough to give full assurance that the dollar will remain at all times a reliable currency, voluntarily sought and retained, and freely usable everywhere. This, in turn, requires vigilance, skill, and courage in the management of our monetary and fiscal affairs.

Mr. JAVITS. Mr. President, will the Senator from Colorado allow me to quote from the December 1964 First National City Bank letter.

Mr. DOMINICK. Of course.

Mr. JAVITS. It states, in part:

The time is approaching when the gold reserve requirement will have to be reconsidered on domestic grounds also.

There is the paradox that a reserve requirement to back domestic currency makes reserves unavailable for the intended purpose of settling international balances.

Since the dollar is no longer convertible into gold except in transactions with foreign governments and central banks, the need for a specific domestic cover is outdated * * *.

It seems to me that we are consistent in our views. I am for some sort of a reserve. I am not for saying to ourselves that the reserve is not usable.

Mr. WILLIAMS of Delaware. Mr. President, is it not a fact that since we devalued the dollar in the 1930's it has lost one-half of its purchasing power?

Mr. DOMINICK. Yes, I believe it is a little over that.

Mr. WILLIAMS of Delaware. Is it not also true that another factor to sound currency, aside from gold, is a government's demonstration of its ability to live within its income and thereby generate confidence in international circles and in its own people in the fiscal integrity of that government?

Mr. DOMINICK. The Senator is absolutely correct.

Mr. WILLIAMS of Delaware. Is it not also true that every government in Europe which has heretofore forgotten this point has ultimately devalued its currency?

Mr. DOMINICK. The Senator is correct.

Mr. WILLIAMS of Delaware. That applies to France, Germany, and all the other countries?

Mr. DOMINICK. The Senator is absolutely correct. We are faced with a real problem now with respect to the pound sterling. As the Senator knows, we had to come in with an emergency loan of almost $4 billion in order to support the pound sterling in late November of last year. By the end of December half of that emergency loan had already been used up. Although the pound sterling is temporarily strengthened, the recent conference which I attended in England shows that this may happen again because of their balance-of-payments problem; and then we shall be in real trouble. In other words, they had no gold basis behind their currency.

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

Mr. DOMINICK. I yield.

Mr. JAVITS. I do not know whether I understood the Senator from Delaware correctly. Is it his contention that the inflation of 50 percent in the dollar since the end of World War II is attributable to the fact that we do not have a gold cover of 50 percent?

Mr. WILLIAMS of Delaware. No; I did not say that. What I said is that since we have eliminated the gold cover we have also moved in the direction of planned deficits. My argument is that these points are related. As the Senator knows, we have balanced our budget in only 5 of the last 35 years. That is a factor which cannot be overlooked as we discuss this question of gold. The continued planned deficits are an important factor in causing trouble for any Government. These deficits result in an inflated dollar. With the issuance of large amounts of short-term notes we are in effect monetizing our national debt.

Of course the banks will buy the bonds. Why should they not buy them? Their deposits, which are their obligations, are payable in dollars whether the dollar is worth 1 cent or 100 cents.

The Senator from New York also knows that in this country, just as in the other countries, those who have large fortunes can protect themselves against inflation; they know how to place their fortunes in fixed equities. A man of large means can do this. The working man, who is dependent on his social security, his saving accounts, or a pension has no chance.

Inflation pauperizes the aged and the workers of any country.

We shall have to do something about our deficit spending. As the Senator from Colorado has pointed out, we must take some action, otherwise this bill will be an idle gesture. I think it is about time that we recognize that the pending bill does not in any way cure anything but only carries us over until another emergency, for perhaps 3 years or 5 years, and then we shall be back where we are now. This administration has completely overlooked the cause that brought about this situation. One of them is our continuing deficit spending, another is artificial interest rates.

I do not believe the Senator from New York can cite one country anywhere in the world that has been able to live beyond its income over an extended period of time without the ultimate deflation of its currency.

Mr. JAVITS. I believe we are arguing about apples and bananas. The Senator is discussing the question of a gold cover for the dollar in terms of the improvidence of governmental administration resulting in imbalanced budgets.

I believe we can have balanced budgets, and not have a single penny of gold specifically tied to the currency, and have it extremely strong. The best answer is the Germans, the French, and the Italians.

The Italians made their currency stable without a legal gold reserve requirement. They achieved the stability finally by putting their governmental apparatus in good order.

I could agree with the Senator on the necessity of continuing to struggle against domestic inflation without changing the argument with respect to gold which relates to retaining a domestic and international credit structure according to the day's requirements and the legitimate opportunities for expansion, considering the great limits, and availability of gold to us and to other countries.

That is why I speak of worshiping the calf of gold. If the Senator is arguing for paying a worker a dollar for his wage for a dollar produced, I could not disagree with the Senator. I agree with him thoroughly.

This is the very basis for a sound currency, not the gold that is buried at Fort Knox or in New York.

Mr. DOMINICK. I believe the Senator from Indiana has been trying to enter into this discussion. I should like to yield to him now.

Mr. HARTKE. Mr. President, I should like to ask the Senator a question. Do I correctly understand that the basis for his argument is the balance-of-payments question, and also the control of inflation?

Mr. DOMINICK. First the balance-of-payment question, and second, the appointment of a committee to find out what we should do to cure the problem and not merely put a salve on it.

Mr. HARTKE. I understand the Senator from Virginia to make no contention that the bill would correct or have any effect on the balance-of-payments problem. Is that correct?

Mr. ROBERTSON. The Senator from Indiana was not on the floor when I discussed this subject. If the Senator wishes me to repeat my statement, I shall do so. I shall be glad to do so at this time. I said:

Second, our balance-of-payments deficits must end. We have for years been aware of these deficits. We have deplored them. We have taken tentative and inadequate steps to reduce them. But we have not stopped them.

It is clear demonstration of the value of gold-reserve requirements that the necessity to amend them has brought home to the President, the Congress, and the country the fact that we must now end the balance-of-payments deficits. No better example of the value of a gold-reserve requirement could be shown.

The enactment of H.R. 3818 will not solve the problem. It will merely give time to the President and the Congress to end our balance-of-payments problem in an orderly and responsible fashion, while we still have a large stock of gold, a favorable balance of trade, and a prosperous and growing domestic economy.

Another distinguished Senator, who was not on the floor when I referred to the necessity of preserving the home-front on prices, called attention to the fact that the automobile settlements violated the President's criterion, and that the longshoremen's strike settlement violated the President's criterion. He might have added that the only difference between the two men competing for the leadership of the steel union is the degree of violation advocated. Mr. McDonald wishes to stay fairly close to the General Motors settlement, and Mr. Abel wants to go still further. There was no question about sticking to the President's guidelines.

The distinguished Senator from Indiana was not in the Chamber when I commented on that problem. It would be a good idea for me to make this point again:

First, it is essential that we maintain a sound dollar. Industry and labor must follow moderate and responsible wage and price policies. Inflated wages and prices can hamper production, can reduce employment, and can cut down our sales abroad. For instance, one candidate for the presidency of the steelworkers' union promised his members a wage settlement equal to that of the United Automobile Workers, and the other candidate, who may prove to be the winner, offered that he would get a better settlement. And the candidate who may be the winner, also believes that after the union negotiators have reached a settlement with the management negotiators, any strike which may occur throughout the entire union must be continued until every local has agreed to accept the new contract. The steelworkers also control the production of aluminum.

The chairman of the board of a large aluminum company tells me that a wage settlement for the workers equal to that granted the automobile workers would have absorbed every penny of net profit of his company at present prices.

While the measure does not immediately relate to the gold cover, some days ago I introduced a bill which would provide that under certain circumstances labor unions shall be as responsible under the antitrust laws as corporations when they engage in an industry strike calculated to beat us to our knees and wreck our economy. But we cannot act on that labor bill today, I believe. Observing those present, I am sure that there is no great desire to take up and settle that question. Neither can we settle the question whether to cut down on foreign aid. In connection with foreign aid, this year, possibly, a total of $7 billion will be appropriated. That amount, added to the $105 billion spent in the past and the $6.5 billion in the pipeline, without any new money, represents a great deal of aid and assistance to foreign countries.

I mention those points, but they are not burning issues in connection with this bill. The burning issue was correctly stated by the distinguished Senator from Colorado [Mr. DOMINICK], who, I understand, comes from a banking family and who served for 2 years on the Committee on Banking and Currency. I assume that he would still be on that committee if he had not preferred to transfer to the Committee on Commerce. Two years ago he went to Europe to discuss the gold problem and balance of payments with a number of bankers. When he came back he said, "We must take some action now." Is that correct?

Mr. DOMINICK. That is correct.

Mr. ROBERTSON. The Senator from New York [Mr. JAVITS] agrees to that. The Senator from Illinois [Mr. DOUGLAS] agrees to that. The administration agrees to that. I agree to that.

In the House there was only 1 day of hearings because all members of the committee agreed to that. There were only 2 or 3 hours of debate on the floor of the House because Members of the House agreed to that. There are few Senators on the floor of the Senate this afternoon to hear the debate because all Senators agree to that. The only question is, What action must be taken now? The Treasury Department has said, "The administration bill." The Federal Reserve Board has said, "The administration bill."

The distinguished Senator from Colorado submitted his amendment to the committee, but it did not receive a single vote.

He proposes to do something which would make an additional $2 billion available for 2 years. The administration has said that the thing to do now is to make $5 billion available.

The Senator also takes advantage of the fact that there are no rules requiring germaneness in the Senate—though there are some precedents—so that in a bill dealing with gold coverage he can propose that we authorize the appointment of a joint committee to study this subject.

Mr. President, we have a Committee on Banking and Currency. We have a Subcommittee on International Finance. I authorized that subcommittee to start work on a study of the balance-of-payments problem on the 23d of February. The hearing had to be canceled because the chairman of that subcommittee, the Senator from Maine [Mr. MUSKIE], was also chairman of another subcommittee, which had to start hearings on an air pollution bill.

But we have a committee for that purpose, and that committee has available to it the services of one of the finest experts on money and banking that any committee could have. He has had years of service with the Federal Reserve banks and the Federal Reserve Board. I assure the Senator from Colorado that while it is a little unusual to create a joint committee as a back door approach to a gold cover bill, it is quite unnecessary, because we have a subcommittee already set up for that purpose.

Mr. MUSKIE. Mr. President, will the Senator from Virginia yield?

Mr. DOMINICK. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. DOMINICK. I had yielded to the Senator from Indiana for a question. I am delighted to have him ask any questions that he desires.

Mr. HARTKE. We have firmly established the point that the question of balance of payments is not involved. So far as concerns the action proposed today, I think that is true. We cannot cure it. No one contends that we can cure it.

As I understand the second point of the argument of the Senator from Colorado, it deals with the question of inflation which would occur as a result of taking the action which is proposed in the administration bill, which has been supported and advocated by the Senator from Virginia. Is that correct?

Mr. DOMINICK. It is one further step than other proposals made by the administration, which have tended to create inflation of our dollar throughout a period of time.

Mr. HARTKE. I invite the attention of the Senator from Colorado to still a third factor.

What does the Senator think the result would be if we failed to take any action at this time? Failing any action at this time, what would be the result upon interest rates?

Mr. DOMINICK. What would be the result on interest rates if we took no action at all?

Mr. HARTKE. If we took no action at all.

Mr. DOMINICK. I have no idea what the effect on interest rates would be. We would have to take some action, because if France continues in her demands by turning all her dollars into gold, as De Gaulle, as recently as 2 days ago, said he was going to do, we shall find ourselves almost immediately without enough gold to meet the demand, and the Federal Reserve would have to lower

its requirements. It has the power to do so in an emergency.

Mr. HARTKE. Should the Federal Reserve lower its requirements, the net effect, so far as member banks are concerned, would be that the member banks would have to cash in some of their government holdings. Is that not correct?

Mr. DOMINICK. It would not mean that at all. It would merely mean that we would not have the same percentage of gold behind our dollars. The Federal Reserve now has the power, under an existing statute, in an emergency of the type discussed, to lower the percentage of reserve for a temporary period. What I am attempting to do is to suggest in an amendment that Congress take official action to do exactly what the Federal Reserve has the power to do.

Mr. HARTKE. When those reserves were lowered, member banks would have to sell some of their Government holdings.

Mr. DOMINICK. That is not so.

Mr. HARTKE. How would the member banks then increase their currency supply?

Mr. DOMINICK. They would not increase their currency supply, but we would have available gold in order to meet the demands of oversea creditors.

Mr. HARTKE. I understand that; but how would the Reserve banks increase their supply of credit unless they disposed of some of their securities?

Mr. DOMINICK. I am not sure I follow the Senator from Indiana. What we are talking about is the necessary percentage of gold behind the Federal Reserve. If we should lower the percentage of gold, we would automatically be given more freedom to expand lending capacity through deposits.

Mr. HARTKE. That is correct; and the converse is true. If we do not lower the requirements, we shall constrict the freedom.

Mr. DOMINICK. That is correct.

Mr. HARTKE. The net result would be ultimately to increase interest rates.

Mr. DOMINICK. No; I cannot see that the proposed action would increase interest rates immediately. Such a result is largely established by action on the discount rate by the Federal Reserve, as a rule. Member banks follow the path which is laid down by the Federal Reserve. Recently there was an increase in the interest rates, as the Senator knows, which was advocated and started by the Federal Reserve in order to try to offset some of the temporary loss of investments when people who hold moneys in the United States invest them for interest-bearing purposes in England, France, or Germany.

Mr. HARTKE. The Senator from Colorado does not seriously contend that ultimately interest rates would not increase as a result of the failure to reduce the reserve in the event that gold supply were reduced to a point at which there would be a temporary reduction under the authority vested in the Federal Reserve—aside from a demand that the member banks comply with the reserve which is on hand.

Mr. DOMINICK. With all due respect to the Senator from Indiana, I do not believe that the interest-rate situation is before the Senate. But if the Senator desires to have me to say something about it, I shall be glad to do so.

Mr. HARTKE. I am trying to determine what the Senator from Colorado believes the issues are. The Senator from Virginia [Mr. ROBERTSON] contends that the amendment of the Senator from Colorado on balance of payments is really not an issue in the matter before the Senate at the moment. Would it not be correct to say that the question of inflation is not a problem which could be controlled by the proposed action?

I am trying to find out exactly where there would be an effect upon the economy as a result of the action which would be taken under the bill before the Senate.

Mr. DOMINICK. The Senator from Indiana has pointed out specifically that the bill does not meet the problem.

Mr. HARTKE. That is correct.

Mr. DOMINICK. The problem is our imbalance of payments. All the bill does is to apply a poultice by providing ourselves with more gold, so that we can make further payments to our oversea creditors. This would accelerate the loss of gold, and put us in a worse condition.

My amendment is designed to provide enough leeway to make a study; and such a study should result in specific legislative proposals to cure the problem.

Mr. HARTKE. The Senator from Virginia proposes in his bill that a study be started by a subcommittee of the Committee on Banking and Currency. On the other hand, he is saying that, in the meantime, we should take the proposed action while the dollar is still strong, before we are driven into a position of sustaining repercussions. The question is whether we shall be able to work in a framework of deflation and complete repeal of the requirement of a gold reserve. The end result of his proposal would be the action proposed, rather than putting us in such a position that the people of the world will not know what we are going to do next.

Mr. ROBERTSON. The Senator is correct. The proposal the President has made now, to make $5 billion available, has the endorsement of the American Bankers Association, of almost all the bankers of the Nation, of the Treasury Department and their experts, and of the Federal Reserve Board and its experts.

The Senator from Virginia said in his opening statement that the bill is merely a poultice. It provides us with time, as the Senator from Indiana said, to work on the problem. The Senator from Virginia had planned to start hearings next week; but the subcommittee could not function in two places at once.

Mr. HARTKE. In other words, what we have come down to, what we are really talking about basically, is something we are all afraid could lead to inflation. I believe that failure to take the action proposed by the Senator from Virginia, which is the administration's proposal, would result in deflation.

The second point is the question of the balance of payments, which is not at issue.

So taking these items out, I believe that the only effect that adoption of the amendment of the Senator from Colorado would have would be an adverse one, which I do not support; that is, to raise the interest rates on every business and individual in the United States.

Mr. DOMINICK. I fail to see how reducing the amount of required gold reserves behind deposits and behind the currency would increase interest rates. That does not make any sense at all, based upon what the Senator from Indiana has just said, because I am not proposing to reduce reserves.

Mr. HARTKE. The Federal Reserve would reduce the reserves required by the member banks. In so doing, they would have to dispose of securities. The securities they would dispose of would be Government securities. This would be the natural result, because this is the only kind of securities, generally speaking, they can dispose of. The net result would be to increase interest rates. In my opinion, the net result of the amendment of the Senator from Colorado would then be to increase interest rates and decrease the number of deposits, put a damper on production, and be deflationary of our economy.

Mr. DOMINICK. It seems perfectly apparent to me that the Senator from Indiana is merely making a political speech and an attack on me, without having read the amendment.

Mr. HARTKE. I have read the amendment.

Mr. DOMINICK. What the Senator apparently does not understand is the economic system under which we operate.

Decreasing the required gold reserves behind Federal Reserve deposits and behind our currency could have no effect except to expand lending and lower interest rates. That is what I am trying to do.

Mr. SALTONSTALL. Mr. President, will the Senator from Colorado yield? I should like to ask the Senator from Virginia a question.

Mr. DOMINICK. Mr. President, I yield to the Senator from Massachusetts without losing my right to the floor.

Mr. SALTONSTALL. It seems to me that three questions are being raised here. The first is the question of the amount of gold reserves behind Federal Reserve deposits. Second, there is the question of the imbalance of payments. Third, there is the question of balancing the budget.

I have great respect for the Senator from Delaware [Mr. WILLIAMS], but I do not see that the last question enters into this subject at all. The Senator from Virginia has spoken about the intention of a subcommittee of the Committee on Banking and Currency to study the balance-of-payments question.

I believe the Senator from Colorado has made an excellent point in stating that there should be an immediate study. I agree with him. I believe the Senator from Virginia is probably correct in saying that it should be conducted by his committee. I do not question that.

The question of gold behind Federal Reserve deposits should not be involved in the study of imbalance of payments.

They are tied together, but they are not tied tightly.

I should like to ask the Senator from Virginia whether he will undertake this study through his committee? How soon will he undertake it? How extensive will he make it, so that we may have a report on the results shortly, as the Senator from Colorado has asked?

Mr. ROBERTSON. The joint committee that was to be established under the amendment was to have reported in August. I do not know when it was planned to start the investigation. I do not know where they would have obtained an economist as good as the one we have so they could start immediately. We had set the beginning of the study for next Tuesday. Unfortunately, the chairman of the subcommittee had set hearings at that time on air pollution. So I do not know how two sets of hearings could be conducted at the same time. However, the Subcommittee on International Finance will begin hearings, so far as I am concerned, next week. We shall obtain the best information we can and report it to the Senate as soon as we can do so.

As to balancing the budget, the Senator from Massachusetts [Mr. SALTONSTALL] is a senior member of the Committee on Appropriations. He knows, and I know, that we are not going to balance the budget. That is foregone. The only question is as to how big the deficit will be. Some say it will be $3 billion, some say $5 billion. In my opinion, it will be close to $8 billion.

Mr. SALTONSTALL. I do not believe that that subject enters into this discussion.

Mr. ROBERTSON. Of course not. We cannot settle that here. We know we are not going to balance the budget; we cannot settle that question yet. Neither can we settle the balance of payments. Yet it is a most vital issue now, because in the end it could undermine our currency.

We need a little time to maneuver and to consider the plans which the President proposes—10 of them. I shall go along with him. However, I favor reducing our foreign aid and asking our allies to contribute a little more in the area of military expenditures. Those issues must be faced; but we cannot do so in this bill.

Nearly everyone who appeared before our committee said that something must be done. The President suggested that the gold reserve be taken off all deposits, to release $5 billion. The Senator from Colorado [Mr. DOMINICK] says we should take 5 percent off both deposits and currency and release $2 billion.

Mr. DOMINICK. That is true.

Mr. ROBERTSON. The Senator from Illinois [Mr. DOUGLAS] says we should take 25 percent off of all and release the whole amount—about $13 billion. The Senator from New York [Mr. JAVITS], as I recall, suggested an amendment which would have released about $6 billion.

So everyone says that something ought to be done; but the best experts say that this is the way we ought to do it.

Mr. SALTONSTALL. Can we get from the Senator from Virginia a statement in the form of an assurance that if the subcommittee studies the problem, Congress will receive a report within a reasonable time, say in July or August, or before this session of Congress ends?

Mr. ROBERTSON. The Senator from Virginia promises that there will be a report. I cannot promise a settlement because I cannot control a settlement. Suppose that Congress were to vote to add $3.3 billion to foreign aid, when there is already $6.5 billion in the pipeline. I could report that I believe it is an unwise thing and that we cannot get anything but another deficit out of it. But what good would that do? I can understand the problem. I can report what I think and what the committee thinks ought to be done. That is all I can do.

Mr. SALTONSTALL. That is all that we can expect.

Mr. ROBERTSON. I thank the Senator.

Mr. DOMINICK. Mr. President, what the distinguished chairman has just said is a typical example of a very cogent reason for adopting my amendment. If the administration were to ask for greatly increased foreign aid, there would be very little that we could do to stop it. Under those circumstances, it would create more situations and a greater demand on our gold.

My point is that if we were to put this limitation in the bill, we would place a more severe restriction on the administration than we would if we were to take the administration bill. It would perhaps require the administration to cut down on some of the commitments which have created the problems.

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

Mr. DOMINICK. I yield.

Mr. ROBERTSON. General de Gaulle is threatening us with demanding gold for $1 billion. If we were to have $1 billion available in gold, he could take it away from us tomorrow. The administration states that we have not given it enough leeway. We need some margin to operate on.

Mr. DOMINICK. The total amount that he could ask for would be $1.3 billion. I propose to make an additional $2 billion available.

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

Mr. DOMINICK. I yield.

Mr. LAUSCHE. Mr. President, do I correctly understand the Senator from Virginia to say that we are confronted with a critical problem because we have only about $1.5 billion to meet potential demands of short-term creditors for $23 billion?

Mr. ROBERTSON. Mr. President, the outstanding demand, private and public together, is over $26 billion.

Mr. LAUSCHE. So, it is a critical problem that requires immediate action. Is that the position of the Senator from Virginia?

Mr. ROBERTSON. The Senator is correct. That is the position of the Senator from Colorado, who states that we must take some action now.

Mr. LAUSCHE. Mr. President, the Senator from Virginia states that if we take some action now it will give us time within which to meet this problem with corrective measures. What have we been doing in the past 4 years, since this problem has arisen?

Mr. ROBERTSON. We have been hiding our head like an ostrich in the sand and ignoring it.

Mr. LAUSCHE. May I ask the Senator if in his opinion the hiding of the head in the sand like an ostrich has not been a very critically wrong thing to do, and a thing about which we have not adequately informed the public?

Mr. ROBERTSON. Mr. President, I will let the Senator inform the public.

Mr. LAUSCHE. The Senator does not want to answer. I believe the Senator means that he concurs in the statement that I made.

Mr. DOMINICK. Mr. President, the administration has stated that this proposal would increase the confidence of our allies, friends, and creditors overseas in the value of the dollar. They say that therefore it would have a beneficial effect on their confidence in our dollar and thus cut down on the amount of our gold.

This is the sort of reasoning that has been advanced in support of this proposal. I suggest to my friends in the Senate that the reaction will be exactly the opposite, that the creditors overseas will say that the United States has gone so far down the road of inflation that they are required to reduce their reserves of gold behind their dollar in order to meet their obligations, which is a sign of weakness. As such, we had better get our gold reserves up in order to take care of a possible devaluation of the dollar at a later date.

There is substantial reasoning among the people in the economic fields overseas to support this type of reaction. It is reinforced, of course, by the action that we took at the International Monetary Fund Conference held in Tokyo in August of 1960, when it was proposed that an additional 25 percent assessment be placed on member nations of that Fund in order to provide adequate capital for the Fund.

It was proposed that the additional assessment be in gold. But we did not have enough gold to meet the assessment. We would have had to put $1 billion of our own in the fund, and then all the other accredited nations would have asked for their share of the gold from us. Since there are a great number of nations involved in the monetary fund—I am not sure how many, but there are a great many—it would have involved more gold than we had available over and beyond our reserves.

Secretary Dillon very properly said, "We cannot do it in this way. We shall have to do it in pledges of gold, rather than an actual deposit of gold." That is no indication of the weakness of our gold position so far as our creditors are concerned.

Mr. President, it strikes me that this is a very close outlook. I know that the adminstration states that by this action

we are saying that we shall give gold for the dollars that are turned in and that there will be no emergency.

The point I make is that there are two main reasons for the loss in gold. One is the imbalance of payments. The other is the lack of confidence in the dollar. If we take the proposed action, we shall be in grave danger of increasing the lack of confidence instead of decreasing it.

Mr. President, in the statement which I presented to the committee, I pointed out some of the things which I think are worthwhile. I repeat it for the benefit of Senators who were not present and have not had an opportunity to read that testimony. This is fundamentally a matter of alternative proposals that have been made.

Mr. President, in the statement which I gave the committee I made an analysis of the alternatives proposed here and what the effect is. It shows that as of December 1964 we had about $1.4 billion of so-called free gold to meet demands from oversea creditors.

Under the alternative which was proposed by the Senator from New York [Mr. JAVITS] before the committee, there would be about $7.3 billion of free gold, but this in turn would have reduced our gold backing behind both Federal Reserve deposits and Federal Reserve notes to 10 percent in the first case and 15 percent in the second.

The administration proposal would provide about $5.6 billion worth of free gold. The problem with this proposal is that it enables Congress and the administration to go to sleep over the very same problems we have now. If those problems continue, or accelerate, as they could easily do under this proposal, we shall be back in the same boat we are now in.

My proposal would provide $3.4 billion of free gold, only on a temporary basis. Of course, it would put a real "bind" on the administration. We would have to find some method—and very soon—for correcting the imbalance-of-payments situation, so we would get back some gold instead of letting it go. As I said previously, it is very similar to the situation of the debt limit. The debt limit has been raised about six times in the past 4 years. We shall have to raise it again. But every time we do, the administration has to come before Congress to justify what it is doing and to give Congress an opportunity to say how it feels. Congress has been more and more reluctant, as time goes on, to give consent to temporary increases in the national debt limit. Keeping the reserve limitation on a temporary basis would have the effect of keeping the administration up against the "blade," so it would have to justify what it is doing in order to have a further increase.

I do not care whether it is a Republican or Democratic administration; I say that, on the basis of sound fiscal policies, Congress should be notified and told about any gold situation behind our dollar so far as emergency or statutory treatment is concerned.

It is proposed that Congress grant the administration $7.3 billion of free gold. We have not had that much free gold since 1957. It does not seem to me it is very sensible to go to sleep on this problem, and let it continue. That is what would happen if we granted $7.3 billion in free gold. This is one of the main reasons why I ask that it be done on a temporary basis only.

I do not believe there is need for me to say much more here. I have before me an article entitled "The Gold Flow," written by B. Barret Griffith, which was published in the Financial Analysts Journal in May–June 1963. We have inserted in pencil certain figures for 1963 and 1964. I ask unanimous consent that the article be inserted in the RECORD at this point.

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

THE GOLD FLOW

(By B. Barret Griffith)

The opinion that "We are on the threshold of what could be an excitingly constructive and bullish era if we take the right steps to expand trade, profitably sell our so-called surpluses, and forget Economist Keynes (after all, we don't have to be hurt by honorably discharging our obligations in a realistic fashion)" was expressed in "The Gold Flow" article published in the July–August 1962 Financial Analysts Journal.

This opinion is still held by the writer, but his optimism is necessarily decreasing because Washington seems to be letting time slip by without admitting the errors of past purposeful monetary inflation, and agreeing to forsake Hellerious-Keynesian theories. Public and private debts at $1 trillion, and taxes, which continue to bleed away savings, have apparently become a mental burden and a psychological hazard to public confidence recently.

The public is more aware than it seemingly has been for years to the fact that our Federal Government finances itself by only three means: (1) taxes, (2) selling bonds, and (3) manufacturing money by creating bank deposits when our Federal Treasury sells Government bonds to banks, and thereby creates spendable checking account deposits. More observers are noting that commodity prices have been drifting for some time in the face of increasing debts.

The fear is taking hold in some quarters, that, like in 1929, prices might become a lot softer without debt increases and more, and ever faster purposeful monetary inflation. More and more people are recognizing monetary inflation and some seem to be fearful of a collapse unless the tempo of the inflation is stepped up. Washington seems to be of these sentiments.

Happily, the public, or at least a great many Americans outside Washington and urban areas, are seriously questioning policies that appear to favor more Federal Government spending and lower Federal taxes. Americans seem to be doubting that more can be poured from the jug than is put into the jug, regardless of who says that it can be done. Herein lies today's powerful bullish factors.

Great hope still lies in the real possibility that the American public will convince Washington that expanding trade demands a good hard currency available to all individuals; that the exchange of goods, after all, is a continuous thing with the only question being as to whether it is carried on peacefully, or by force; and that, as debtors, the United States of America, when it is freed from today's fallacies, can not only honorably discharge all of our obligations owed to foreigners; but also can pay off America's obligations to foreigners without suffering monetary chaos and depression.

Americans are looking forward to Washington reestablishing good hard currency in order for domestic and world trade to flourish. Americans appreciate that the selling price of gold may be raised internationally when past monetary errors are officially admitted. Because good hard money must become available to all, they are not alarmed.

U.S. gold reserve versus requirements and potential claims, 1922–62

[Dollar amounts in millions]

End of year	U.S. gold reserve	U.S. required gold reserves (A)	Foreign short-term dollar balances (B)	Total of (A) and (B)	Percent claims to gold
1922	$3,506	$1,686	$1,009	$2,695	76.9
1923	3,834	1,652	990	2,649	69.0
1924	4,090	1,599	1,237	2,836	69.3
1925	3,985	1,558	1,193	2,751	69.0
1926	4,083	1,564	1,639	3,203	78.4
1927	3,977	1,624	2,591	4,215	106.0
1928	3,746	1,621	2,673	4,102	109.5
1929	3,900	1,611	2,673	4,284	109.8
1930	4,225	1,562	2,336	3,897	92.2
1931	4,052	1,781	1,304	3,085	76.1
1932	4,405	1,967	746	2,713	61.6
1933	4,012	2,166	392	2,558	63.8
1934	8,259	2,729	670	3,399	41.2
1935	10,124	3,610	1,301	4,911	48.5
1936	11,422	4,101	1,623	5,724	50.1
1937	12,790	4,170	1,893	6,063	47.4
1938	14,591	5,099	2,158	7,257	49.7
1939	17,800	6,354	3,221	9,575	53.8
1940	22,042	7,897	3,938	11,835	53.7
1941	22,761	8,310	3,679	11,989	52.7
1942	22,739	9,977	4,205	14,202	62.5
1943	21,981	11,902	5,375	17,277	78.6
1944	20,631	14,350	5,820	21,170	102.6
1945	21,083	10,868	7,074	17,942	85.1
1946	21,706	10,731	6,481	18,429	84.9
1947	22,868	11,294	7,135	17,212	75.3
1948	24,399	11,894	7,756	19,650	80.5
1949	24,563	10,753	7,623	18,376	74.8
1950	22,820	11,055	9,222	20,227	88.6
1951	22,873	11,720	9,302	21,022	91.9
1952	23,252	12,055	10,731	22,786	98.0
1953	22,090	12,151	11,771	23,922	108.3
1954	21,793	11,812	12,923	24,735	113.5
1955	21,752	11,975	13,580	25,555	117.5
1956	22,058	12,120	16,428	28,548	129.4
1957	22,857	12,101	16,580	28,681	125.5
1958	20,582	12,036	17,637	29,673	144.2
1959	19,507	12,182	21,472	33,654	173.0
1960	17,804	11,882	23,665	35,547	199.7
1961	16,947	12,095	25,384	37,479	221.2
1962	16,057	12,497	[1] 29,094	41,591	259.0

[1] Includes $2,110,000,000 foreign holdings of Government bonds and $800,000,000 of debt to IMF which we must repay in gold at the $35 price, regardless of price of gold on repayment date.

Mr. DOMINICK. I have also an article by some very competent investment bankers and experts on the gold situation, originating in Paris, which tends to support my position that we are not going to increase confidence in the value of the dollar by taking the administration step; that we would, in fact, more seriously increase the rate of gold outflow. I think it is sufficiently important to include in the RECORD at this point, and I ask unanimous consent to do so.

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

MEMORANDUM FROM GASTON COBLENTZ—THE BATTLE IS JOINED

DRAMA ON GOLD MARKETS

To fully grasp the drama on the European gold markets in the last several days, consider the following nine points, most of which have understandably been omitted from official commentaries:

LARGER FRENCH CONVERSIONS?

1. France's move to increase its gold reserves and decrease its dollar holdings may not be exhausted by the conversion this winter of 300 million worth of dollars into gold, nor by the announced intention of

raising France's further monthly conversions of dollars somewhat above the recent $34 million rate per month. We would not exclude the possibility of France calling on the United States to exchange additional substantial amounts of dollars for gold this year or next.

FRENCH DEBT PREPAYMENTS

2. The U.S. Treasury has publicly inferred that France will not convert $660 million which it holds "to cover its outstanding debt to the United States," and that it will also retain $400 million as adequate working balances in dollars. Various indications do not conform with this prediction. Actually there are strong signs that the French Government may have reached a decision to completely halt advance prepayments of its debt to the United States. The ultimate meaning of such a decision would be that France foresees a possibility of repaying its debt, when due, in cheaper dollars—that is, cheaper in terms of gold. Theoretically, in order to obtain such cheaper dollars, France would have to convert the $660 million into gold at the present parity of $35 an ounce and later use revalued gold to repurchase devalued dollars for the debt settlement.

THE MAIN THRUST

3. The main implications of the current French move are twofold, we believe. First, a belief on the part of influential forces in France that a revaluation of gold is inevitable. France announced in Tokyo in September its aim of restoring the primacy of gold over sterling and the dollar. Recent French actions have been consistent with this stated goal. It has become clear to insiders that the sterling crisis in November greatly weakened the resistance of those elements of French officialdom who were most willing to cooperate in defense of sterling and the dollar against a gold revaluation.

Second, the interim development of so precarious a condition on the gold markets infers that the United States will be under pressure to throttle the outflow of capital investment dollars to Europe (that is, dollars which France and the rest of Europe can subsequently convert into gold, further diminishing U.S. gold reserves). In this instance, the objective is to repel what General de Gaulle called the economic "colonization."

POOL DEPLETION

4. So far the Russians have not been selling any large quantities of gold recently in London or elsewhere in Europe. It was the Soviet sale of massive amounts of gold which replenished the London gold pool (operated by the United States and the Western European central banks) during the last critical gold rush in the Cuban missile crisis 2½ years ago. Without Russian "assistance," the London gold pool will shortly be forced, if it has not already been, to draw gold from the reserves of the cooperating central banks, including the U.S. Treasury. Under existing arrangements, the United States will be obliged to contribute 50 percent of the gold needed to meet further speculative and hoarding demand. It may be that the post-Khrushchev Soviet Government has decided, this time, that its political and economic interest lies in withholding gold rather than supplying it.

OVER $37 AN OUNCE

5. The scope of the new European gold speculation became apparent on Friday, January 8, when gold reached $35.17—$35.20 in London. This pierced upward through the $35.13 level which was believed to be the barrier at which the central bankers wished to contain gold trading activities. In Paris, the same day, gold bullion rose momentarily to over $37.

FRENCH FRANCS INSTEAD OF DOLLARS

6. France within the past week abandoned its longtime practice of stating its monthly gold and foreign currency reserves in dollars, and instead for the first time formulated its national reserve totals in French francs.

U.S. 25-PERCENT GOLD COVER

7. In the turbulent atmosphere which prevailed in the past few days, the U.S. Treasury's confirmation of plans to decrease the 25-percent gold backing of the U.S. money supply was taken by the speculative forces as a sign of weakness. The prevailing atmosphere was described by the Financial Times of London, as one "in which any and every rumor, no matter how unfounded, can produce a raid on one currency or another or a move out of currencies into gold." Contrary to Washington's intent, the proposed decrease of the U.S. 25-percent cover was thus not hailed as proof that the United States would make good on its promise to deliver gold for dollars, but instead was taken by many as an indication that the U.S. gold supply will dwindle further, that Washington may ultimately be forced to embargo gold sales in order to halt the U.S. gold hemorrhage, the inevitable result of such an embargo being the revaluation of gold on the London market well above the present $35 price.

BRITISH DEEPER IN HOLE

8. The British pound, already in bad shape, was sucked into the vortex of the heightening gold speculation and the Bank of England has repeatedly been forced in the last few days to "intervene" to support sterling. This means that the British dipped still further into the $3 billion short-term emergency credits which they received from the United States and 10 other Western countries in November to forestall a sterling devaluation. These credits will be increasingly difficult for Britain to repay, and the British situation has, at least temporarily, deteriorated further.

CERTAIN CHANGES

9. The U.S. Treasury has suggested that the above accumulation of events do not reflect or imply any fundamental change in the basic supply and demand situation that has prevailed on the gold and foreign exchange markets in recent months. We would be inclined to qualify this by noting that certain changes have, in fact, occurred: First, foreign demand for gold has increased to the point of obliging the United States to accelerate steps toward decreasing the gold backing of the dollar. While this measure has been envisaged for at least 5 years, it has now become an immediate matter. Second, the cumulative pressure on sterling (excessive supply and inadequate demand) is actually threatening the extinction of the British pound as one of the world's two reserve currencies. Third, France appears to be altering its posture in the supply and demand equation.

POSSIBLE JOHNSON MOVE

If President Johnson in his forthcoming economic messages pledges to maintain the parity of the dollar at $35 an ounce, and if Britain's foreign trade balance shows a sharp improvement in February, it is quite possible that gold speculation will again subside for a time and that marginal losses will have been suffered by the large gold-oriented portion of the international financial community. However, we incline to believe that the battle over the gold price has now at last been joined in earnest, and that it will be renewed.

Mr. DOMINICK. Mr. President, I asked for the yeas and nays on this amendment because I think it is an important issue; and I believe the Senate has so far indicated that it is an important issue. There are a few persons who feel that if we adopt the administration's proposal, we are taking the first step toward currency without metallic backing.

Some might say, "What you are doing is the same thing—it is only a matter of degree." However, my proposal is only on a temporary basis, for 2 years, so the country can go back to a 25-percent gold cover.

I urge the support of the substitute.

Mr. ROBERTSON. Mr. President, the yeas and nays have been ordered. I was about to make a point of no quorum, so the Senate could proceed to vote on the amendment. I do not wish to debate it further; but if the Senator wishes to carry the debate on further and vote on the amendment tomorrow, it is agreeable to me.

Mr. ALLOTT. Mr. President——

Mr. ROBERTSON. Does the Senator from Colorado wish to address himself to the amendment?

Mr. ALLOTT. Yes.

First, Mr. President, I congratulate my colleague for his very fine speech on behalf of his amendment and also for his position, about which I myself feel very strongly. I am sure the Senator from Virginia is ready to vote upon this measure, but, in my opinion, if we debated it for a week, it would not be too much time to devote to the question.

I am privileged and proud to stand with my colleague from Colorado in his valiant effort to alert the American people to the course to which the apparent majority here in this Chamber want to commit this Nation.

As Senators know, this Chamber adjourned this past week for a brief recess so that those of us in the Republican Party might honor Abraham Lincoln, the founder of our party. I spent this recess in my home State of Colorado, where I spoke to one group after another, stressing the importance of one word—"principle." In my view, a man is nothing in this world if he does not fight for those things in which he believes. A man is nothing if he does not draw a line and say, "This far you shall go, but no further." So far as I am concerned, on the matter we debate today I have drawn the line and I shall not yield. While I have the deepest respect for the convictions of those here who do not share my feeling, and while it appears that the legislation before us may be approved, my own course is set.

Mr. President, to simplify the highly complex problem which we face today, this Nation simply would not be able to pay all its international debts in gold, at $35 an ounce, if demand were made. It is that simple, and that frightening. Consequently, we are called upon to take measures to bolster international confidence in the dollar—or at least the sponsors of this measure claim it will bolster confidence; I believe it will not—to demonstrate that we stand behind the dollar, so as to prevent a run on our gold supply. To that end we are asked to release our domestic gold reserve on deposits in Federal Reserve banks by a permanent change in the law.

But Senators know that this measure does not free enough gold to pay our creditors in full. Neither does the measure of which the chief advocate is the Senator from Illinois [Mr. DOUGLAS], who would go further and completely

and for all time abolish all domestic gold reserves. The simple truth is that there is not enough gold in the United States to pay our foreign creditors were they to demand payment for the dollars they hold.

It is clear that this bill is designed to allay fears abroad about our willingness to use domestic reserves to pay international obligations. I have no quarrel with that. I agree with the President's position that we must honor our international commitments down to the last bar of gold.

But, I do quarrel with the means he has chosen to demonstrate our intentions. I believe, first, that it does not, by itself, strengthen confidence in the dollar abroad. Quite the contrary, any hasty action with the far-reaching consequences of H.R. 3818, that could be construed by the Europeans as a "desperation" or "panic" move could shake the very foundation of confidence in the American dollar that has been carefully nurtured in the minds of the people of the world for three generations. I believe, second, that there is serious danger that with this measure in his pocket, the President and others in the administration may very likely forget the sense of urgency that now gnaws at us to solve the problem.

The basic problem in maintaining confidence in the dollar abroad is, of course, our unfavorable balance of payments, which over a period of years has drained our Treasury of gold. It may be, as many economists tell us, a short-term problem only. I am inclined to believe, as they do, that the large portion of the deficit in recent years attributable to foreign investments by our own people will, in the long run, show in our favor in the balance of payments. But the problem, be it short-term or long, is lack of gold due to our continuing deficit in international balance of payments. It is this problem which is left untouched by the bill before us, and which must be solved before we see any real restoration of confidence in the dollar. My colleague from Colorado has very forcefully pointed this out in his report of October 1963 to the Banking and Currency Committee. I commend that report to the attention of Senators, and I commend my colleague for his efforts in preparing it.

Any of us who have taken the time to read this carefully documented statement cannot help being impressed by its earnestness, its forthrightness, and the plain horsesense contained in it. This is a statement based upon personal investigation. He made a trip to Europe in July of 1963. He talked to the central bank officials and private bankers of four of our Western creditor nations. All of them—and this is contained in his very excellent report to Congress—agreed unanimously that the proper way to increase confidence in the dollar and decrease the gold outflow from this country was to bring the balance of payments into line. They agreed that the most important action we could take in this regard would be to balance the budget—something which seems to be out of fashion these days—and to make drastic cuts in foreign aid.

Let me say also that in talking with members of parliaments, particularly in Western Europe, and with many ministers of the governments there, and with businessmen as well, during the past 6 months—this included at least 50 such persons—I found a unanimous attitude in regard to the financial situation in the United States. The attitudes they expressed to me directly substantiate Senator DOMINICK'S report. None of them with whom I talked believes that we are going to cure our situation until we start balancing our budget and pulling in our belts a little.

Mr. President, it may be argued by proponents of this bill that the President has recently proposed steps to solve our balance-of-payments problem and that this should certainly satisfy our creditors in Europe. Let me reply that it would appear to be the consensus there, and to a considerable degree in the United States as well, that the steps proposed are nowhere near strong enough. Perhaps, under ordinary circumstances, we would not need to worry about the opinions of our European friends; but when we are debating a bill designed expressly to give them reassurance, their reactions are of the utmost importance.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks, three articles—one published in the February 22 issue of U.S. News & World Report, entitled "Experts' Verdict on L.B.J.'s Cure for Dollar: Not Enough," the second published in the Christian Science Monitor of February 16, headlined "U.S. Gold Slips Through Fingers," and the last one published in Life magazine of February 19, entitled "Sense in That Golden Nonsense."

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

(See exhibit 1.)

Mr. ALLOTT. Mr. President, we have heard a great deal about the deterrent effect of our defense system, and we have heard it said that in order to have a deterrent effect the threat of retaliation must be credible. Likewise, I say here that our efforts to restore confidence in the dollar, to have any effect, must be credible. To our friends abroad, this means that we must demonstrate our determination, not to use our gold supply in a profligate manner, as we have, but to face the hard realities of bringing our deficit in payments to a halt—by halting also our continuing deficits in the governmental budget if need be.

I recognize, Mr. President, that there are arguments over the root causes of our deficits in international accounts. However, I feel sure that there could be no serious disagreement with the fact that to some extent the deficits are due to continued inflation in this country—to an overexpansion of our supply of money. In this regard, I completely disagree with the theory of my good friend the Senator from New York [Mr. JAVITS], who spoke a while ago, while my colleague the Senator from Colorado [Mr. DOMINICK] had the floor.

This inflation, this overexpansion of our money supply, in turn, can be traced to our continuing unbalanced Government budget, the consequent growth in our national debt and the monetization of that debt. That, at least, is what the economists and bankers of Europe believe, as reported to the Senator from Colorado [Mr. DOMINICK], and to me.

Let me digress here for a moment, Mr. President, to recall the testimony before the Senate Banking and Currency Committee in 1945, when a decrease in the gold reserve requirements was being discussed. The witness at that time was the highly respected Marriner Eccles, then Chairman of the Board of Governors of the Federal Reserve System. He testified, in response to a question from Senator Taft, that inflation was due to deficit financing in the appropriations of the Government—the same thing the bankers of Europe, whose confidence we are trying to restore, told the Senator from Colorado [Mr. DOMINICK] a year and a half ago. I would also mention, as a matter of interest, that Mr. Eccles expressed the opinion at those same hearings that it would never be necessary again to lower the gold reserve requirement.

But to come back to our immediate problem, the action we take today if we pass H.R. 3818 may not be credible to those whom we are trying to impress, because it does not get at the basic problem, and what is worse, it could allay the fears and blind the senses of those in this country who now can see the danger signals flashed by the system of controls we presently have.

Let me speak for a moment, Mr. President, about those controls. I have studied the House committee report on H.R. 3818, I have studied the debate in the House of Representatives and I have searched the Senate committee report. Throughout all of these there runs the same theme: "The present 25-percent restriction is no longer necessary, in fact, it is meaningless, and anachronistic." I disagree. So long as we retain gold as the medium of international exchange, I believe that our domestic reserve requirements fulfill a most useful function. They flash the danger signals, as they have recently, and have been doing increasingly in the past 4 years, when our free reserves are running low, and warn us that we must do something about the problem before we dip into the "cushion" of our domestic reserves. Further, they put a brake on expansion of the money supply if we do not allow them to be overridden or if the problem is not cured.

I have no doubt that if the drain on reserves continues, and we do not take the steps necessary to halt the flow, the next proposal presented will be to repeal the requirement of the reserve for currency.

I do not believe there is anyone in this field today in the whole world who is not concerned that our sister nation, Great Britain, may be forced to devalue its currency within the next 2 or 3 months.

There are those who advocate that we repeal all gold reserve requirements today. Their position will gain strength from the precedent we will set today if we agree to completely abandon the reserve on bank deposits. This obviously would leave us with no domestic reserves, no builtin warning lights, no "cushion"

for paying foreign claims, no congressional jurisdiction over the problem. When that times comes, Mr. President, I suggest it will be time to change the motto on our currency to read "In the Federal Reserve Board We Trust," for we shall have no other control on unlimited expansion of our money supply—or, inflation, to use a better understood term.

Let me make my position clear. I believe that if we pass the pending bill as it is now constituted, within a matter of months—and in all likelihood before we conclude this session of Congress—we shall be voting upon a measure to take away the 25-percent backing for the currency.

Mr. LAUSCHE. Mr. President, I did not hear what the Senator said in his last statement. I wonder if he would be kind enough to repeat it.

Mr. ALLOTT. The last statement I read was:

> I suggest it will be time to change the motto on our currency to read "In the Federal Reserve Board We Trust," for we shall have no other control on unlimited expansion of our money supply.

I said further that I believe fully that if we should pass the bill today as it now stands, Congress will be asked before the session is over to withdraw the 25-percent reserve on the currency.

Mr. LAUSCHE. In other words, the principle of security for people who have the U.S. dollar, which has been in existence since 1913, I believe, will be abandoned, and whatever gold support there now is for the currency will no longer exist, because by the passage of the pending bill we will open the door to the next step, the removal of the 25-percent gold support on Federal Reserve notes, which each one of us carries as American dollars. Is that correct?

Mr. ALLOTT. The Senator is entirely correct in understanding what I have said, and he has stated it very well.

By passing the pending bill we will indeed open the floodgates for the further second step to withdraw the gold support.

Mr. President, I ask unanimous consent that I may yield to the Senator from Ohio so that he may ask a question of the distinguished Senator from Virginia.

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

Mr. LAUSCHE. Mr. President, what will the position of the Senator from Virginia be if there should come before this body in the near future a proposal that we remove the 25-percent gold support on the paper currency that we carry?

Mr. ROBERTSON. If such a proposal comes before this body in the near future, the chairman of the Banking and Currency Committee will strenuously object to it.

Mr. LAUSCHE. I am in complete agreement with what the Senator from Delaware said. I believe we would be indulging in guile of the worst type, and unbefitting Members of Congress, if we did not let the people know that this is merely the first step in the removal of the metallic gold support that we have on our Federal Reserve deposits and, still more important, on the paper which each of us carries.

Mr. ALLOTT. I thank the Senator. He is entirely correct.

Senators know there are proposals now to shear the Federal Reserve Board of its power—to make it "more responsive" politically. If this should come to pass, Mr. President, we shall be in the same position as was Germany in the thirties, limited in our economic expansion only by how fast our printing presses can run.

I feel I should make clear that this measure itself is inflationary. It does not depend on the next step, repealing the reserve requirement for currency, to make it so. By repealing the reserve on deposits we permit the creation of more demand deposits—bank loans, among other things. We also include no restriction on the use of the $4.9 billion thus freed; it can be transferred to the reserve for currency, so long as that reserve continues to be required, and we can then print $4 for very dollar's worth of gold transferred into that reserve. The committee report recognizes this fact, and assumes without discussion that part of the stock will be used for that very purpose.

This raises two corollary questions, which were discussed on the floor some time ago. I do not recall which of our colleagues said it, but I wish to make it perfectly clear that in an inflationary economy the man who has a large amount of money, or a fairly large amount of money, can take care of himself quite adequately. Those who are on social security, on pensions, or on retirement funds are the ones who get squeezed. Let us make no mistake about it. Inflation is the worst enemy of such people. If we do anything—and in the pending bill we are about to do it—which creates inflationary pressures, all we are doing is undermining the value of the social security system, about which we heard so much during the last election, and undermining all the pension systems of our States and all the private pensions in the country.

A second point was raised by the distinguished Senator from Indiana, concerning interest rates. He raised it in a colloquy with my colleague from Colorado [Mr. DOMINICK]. He seemed to have a great fear of raising interest rates and the necessity of raising interest rates to stop the flow of gold.

Let me make my own position absolutely clear. If it comes to a question of raising interest rates in order to stem the outflow of gold, I would rather do it many times than to take the gold backing from our Federal Reserve deposits.

I have confidence in the Federal Reserve Board. It is an institution of great integrity, composed of some of the finest men in the country. But they are not infallible and it is even possible that they are not completely immune to political pressure, particularly from a President who feels that he has a "boom" going in the economy and wants to preserve it at any cost. Couple this with the present proposals to weaken their autonomy—and regardless of the chances for actually carrying out those proposals, they constitute a threat—and I am seriously concerned. We must retain some statutory jurisdiction over the whole matter.

Mr. President, I recognize, as I said at the outset, that the situation is serious. While the situation had improved somewhat during 1964, with a total gold loss estimated at $125 million, the outflow to date this year is $450 million, according to the Wall Street Journal of last Friday. Further, in the latest issue of U.S. News & World Report, it is reported that:

> The loan total at all commercial banks jumped to $169.9 billion in January, after seasonal allowance. In dollar amount, the increase of $3.2 billion was the largest for any month on record. Outstanding credit at banks * * * has risen 9 percent in the past year, 38 percent since 1960.

We must do something, but as I have made clear, the "something" is not H.R. 3818.

I strongly favor the proposal put forward by my colleague from Colorado. It would not release as much gold from our domestic reserves as would the administration proposal. According to his figures, his proposal would release some $2.7 billion as against the $4.9 billion in the administration bill. But if an indication of our intention to use domestic reserves is what is desired, his proposal certainly is far stronger than H.R. 3818, affecting, as it does, the gold reserve against currency as well as against deposits. His proposal also has the advantage of not setting the precedent of complete repeal of a reserve requirement. It affirms the intent of Congress to retain its rightful jurisdiction in the matter. And it provides only a limited span of time so that the urgency of the situation will not be forgotten.

Mr. President, there is another question which is presented to us here today, and that is the independence of the legislative branch. Are we, once again, going to depend upon the faithless promises that things will be better if only we in the Congress will just go along this one more time? Do we not in the deepest recesses of our minds and hearts know that if we in the Congress take this action today and approve H.R. 3818, we shall be well on the road to setting a precedent and giving encouragement to those very forces who have put this country in its present, lamentable fiscal state? Do we really believe that the temporary measures, which the administration proposes to ease the present deficit in payments, will accomplish their goals so that within the foreseeable future we shall not be asked to go the whole way?

No, Mr. President, I think there are still a few of us in this Chamber who have been around long enough to know the course of precedents, and know that once a step is taken there is no turning back. Let us stand firm just once and say to these priests of the easy money temple, "We are determined to retain our rightful jurisdiction in this matter, to keep a sound and stable currency."

EXHIBIT 1

EXPERTS' VERDICT ON L.B.J.'S CURE FOR DOLLAR: NOT ENOUGH

Stronger measures are needed to defend the dollar than those just proposed by President Johnson.

That's the feeling among many experts in the United States and Europe.

The latest moves did bring some favorable comments. Canadian Finance Minister Walter Gordon called the President's message "reassuring."

Kurt Schmücker, West German Economics Minister, predicted that the Johnson measures "will be effective."

And yet the great majority of experts interviewed by U.S. News & World Report staff members took a darker view of the President's program.

Some sample comments—

From a top adviser to the French Government: "It is the same old story of treating symptoms but not the cause of the illness."

Says a leading British expert: "This new program to strengthen the dollar seems to me to be very weak."

This comment was made by Roy L. Reierson, chief economist for the Bankers Trust Co., of New York: "The President's message is disappointing, very inadequate to cope with a serious problem."

Listen to a banker in Zurich: "It is unfortunate that Washington once again turns to palliatives instead of choosing sound monetary policies. Credit restraint and higher interest rates are badly needed to cut your payments deficit. The future of the dollar will remain uncertain so long as Mr. Johnson clings to cheap-money doctrines."

The dollar now may come under new pressure, according to several European authorities. There is a feeling that more and more countries may follow the lead of France and unload dollars for gold.

Spain already is increasing its gold holdings. Germany has done so over the past year. Japan may follow suit.

Warns one Swiss banker: "Since the Johnson program leaves the dollar problem unsolved, European authorities will hardly be more willing to hold dollars."

These experts express doubt that the President's proposals for voluntary restraint on lending and investing abroad will work.

"The U.S. program depends heavily on exhortation and official arm twisting," says one British banker, adding: "These tactics certainly have not been effective here in Britain."

A banker in Geneva comments: "In practice, government-sponsored campaigns for voluntary restraint usually fail to show big results. We have seen this in Switzerland when we have tried to check the inflow of foreign capital through so-called gentlemen's agreements. There are simply not enough gentlemen in banking and business to stick to such agreements over long periods against their own best interests."

William Butler, vice president and economist for New York's Chase Manhattan Bank, makes this point:

"Washington officials are letting it be known that, if voluntary measures don't work, more drastic measures—presumably direct capital controls—will be taken.

"So long as there is a threat of controls, voluntary programs will not prove very effective.

"It is the threat of controls that is driving money out of the U.S. companies that have commitments abroad, and they are afraid that they won't be able to meet these commitments. The result is that money is flowing out every day in the tens of millions, even hundreds of millions of dollars."

Several Europeans cast doubts on the effectiveness of U.S. moves to clamp down on bank loans to foreigners.

"Even with the tax on long-term bank loans, money still will be more available and probably cheaper in New York than in Europe," says one official.

Other experts cited "loopholes" in rules covering bank loans that "the clever boys will find a way around."

All in all, the feeling among many experts is that the President's latest moves, while proving to be of some help, still will fall short of what is needed to shore up the dollar.

U.S. Gold Slips Through Fingers

(By David R. Francis)

New York.—President Johnson's balance-of-payments program is inadequate.

As a result, the United States will lose a lot of gold this year. Already this year's total drop in reserves has been $450 million. That compares with $150 million for all of last year.

President de Gaulle may be terribly old-fashioned in calling for a return to the gold standard. But he again has correctly analyzed world trends.

Continental Europe might be reaching the limit of its willingness to hold dollars or other American I O U's. This is not just a French quirk.

French Finance Minister Giscard d'Estaing's invitation a week ago to other nations to follow the French example and turn in the dollars and pounds they accumulate for gold could get considerable support.

General de Gaulle has insisted that West Germany show greater political independence from the United States. Now he will press for more monetary independence. But so far Chancellor Ludwig Erhard has not been willing to shake the monetary tree.

The general's great political weapon is the French position on a unified Germany.

Spain has already turned in some dollars for gold. Despite denials of a change in policy, there may be a further drain to the plains of Spain.

Belgium might also stake its claims for gold.

The United States is undoubtedly the greatest economic machine in the world. It is the General Motors of nations. But even gigantic General Motors must pay its bills.

Robert V. Roosa, former Treasury Under Secretary for Monetary Affairs and now in private business here, made an interesting point recently. He said that in the last year the American balance-of-payments deficit has been financed by the underdeveloped nations, not Europe. This is true. The Europeans don't want any more dollars.

Also, the monetary expert noted, for a decade or two to come, the United States will have strong foreign demands on its capital markets. The world will want to borrow money in this country where savings and money are relatively so abundant.

Some ways must be devised to neutralize these pressures on the U.S. balance of payments. Otherwise the deficit will continue to vex President Johnson.

His program was certainly a step in the right direction. But it did not go far enough.

One of the reasons so much money has left the country is that there is so much available for the banking system to lend. A slight tightening of the money supply would reduce the outflow.

President Johnson did not discuss the credit picture in his balance-of-payments message.

A few days earlier, however, he had indirectly advised the Washington press that he opposed tight money. At the same time, he said he might accept "somewhat" tightened credit to reduce the dollar outflow.

A sharp reduction in the net free reserves of commercial banks in the past week—one sign of the money supply—prompted some speculation that the Federal Reserve System is already moving toward tighter money.

More likely, according to other competent observers of the money market, the Fed is moving back to the credit position that prevailed before the raise in the discount rate during the November sterling crisis. It is still a position of basic ease.

Furthermore, there is some doubt as to the effectiveness of the President's call to businessmen and bankers to curb their investing and lending abroad voluntarily.

Business has responded with hearty words of cooperation. But they may not find it so easy to go against market influences when actual decisions are made.

"Moral suasion," as it is called, has not been too successful historically in this country. Yet in the international field it may be somewhat more workable because the big international banks and corporation are relatively few in number.

Even should the President's program be entirely successful, and as promised halve the deficit from last year's $3 billion level, it probably will not be enough to satisfy the continental Europeans. Thus the United States will lose gold.

Sense in That Golden Nonsense

A Charles de Gaulle press conference is known around the State Department as his "semiannual anti-American lecture." Last fortnight he used one to launch an assault on the dollar. The dollar, says De Gaulle, should be replaced as the international currency by something "which has a real value which must be earned to be possessed." And what is that? Gold.

"Yes, gold which does not change in nature * * * which has no nationality * * * the immutable and fiduciary value par excellence." Behind De Gaulle's words you could almost hear the stuff jingling in a million French mattresses, its hideout through the centuries. He wants gold restored to its throne because the Common Market countries now own almost as much gold as the United States and could own a lot more if they wanted to turn in their dollars for it.

Most money experts dismissed De Gaulle's "vast reform" as dreamy nonsense. U.S. Treasury officials called it "a retreat to 1931." Yet at always with De Gaulle's pronouncements, this one has a shrewd aim and much prophetic content. The subject of gold is not nonsense when the dollar is in trouble.

Under the prevailing "gold exchange standard" of international payments, the dollar has been generally accepted as a substitute for gold because the United States stands ready to buy or sell gold at $35 an ounce. For 7 years we have been mostly selling and our stock of gold, once $24.5 billion, is now scarcely $15 billion. Monetary experts have shown mounting uneasiness about this system. They question its ability to support an expanding world trade or to surmount another crisis like the run on the pound last autumn.

The currencies that finance most of the world's trade are the pound and the dollar. Unfortunately, Britain and the United States are themselves in chronic deficit in their own balance of payments, and the pound and dollar are losing the confidence of other industrial countries for this reason. De Gaulle even charges that the United States, as the only manufacturer of dollars, can and does create capital "by what must be called inflation" and thus "indebts itself abroad at no cost." He is in effect summoning all the hard-money men of Europe to declare their independence of the dollar.

Although most German, Dutch, Belgian, and even French money experts do not share De Gaulle's anti-Americanism, they do not like the behavior of the dollar either. "Seven successive years of deficit," warns Raymond Aron, "end up by shaking confidence in any money, even the dollar." Washington has known for months it must take sterner measures to end these deficits.

Last week the President announced the measures he has chosen. The one with the most public impact is to reduce the duty exemption on tourist purchases abroad. The one with the most business impact is to tax U.S. bank loans abroad, while also urging

banks and corporations to limit their "not essential" exports of capital. But while Johnson's words were determined ("the dollar is, and will remain, as good as gold"), the measures he proposes are more hortatory than muscular. Conspicuous by its absence is any use of the most powerful corrective of all, the Federal Reserve's influence on the total flow of dollars by way of bank reserve requirements and interest rates.

Johnson's reluctance to use monetary policy is due to his fear of dampening our domestic boom. But the increase in money and credit that has fed this boom may well be too rapid and ample. The longer we avoid the "classical medicine" of tighter credit, the more complex and irritating become Johnson's substitute half measures to end the dollar outflow—and the less persuasive to the European central bankers, whose good opinion is one of the dollar's major supports.

On the collaboration of these foreign bankers we must depend, not only to keep the present international monetary system stable, but to work out the needed improvements in it which De Gaulle's cries of "gold" have overdramatized. De Gaulle himself has not the power to undermine the dollar or to sever its links with Europe. But the United States can, by paltering with its own balance-of-payments deficits, gravely weaken the dollar's voice in its own future.

The PRESIDING OFFICER (Mr. MONDALE in the chair). The Chair recognizes the Senator from Virginia.

Mr. ROBERTSON. Mr. President, for 10 years I served on the Ways and Means Committee of the House of Representatives. During that time 12 tax bills were brought to the floor of the House, and the House passed 12 tax bills under what is called a "gag" rule. A gag rule is one under which a bill comes before the House and no amendment is in order. The reason why the House of Representatives has always considered tax bills under a gag rule is that a tax bill cannot be written on the floor of the House. Since there are 435 Representatives in that body, there may be 435 opinions as to what should be done. Of necessity, a tax bill must be considered for weeks and months in committee. Testimony of the best experts obtainable must be heard. Also the divergent views of those who will be required to pay the tax must be heard.

Then the committee goes into executive session. As the Senator from Georgia [Mr. TALMADGE] well knows, frequently the committee may spend 2 or 3 months in executive session, the members who have heard all the testimony, discussing the bill, and arguing with staff experts who know the fundamental principles of what should be done.

We have before us today a bill which is as technical as a tax bill. I do not believe that any Senator fully understands all the implications of what we are dealing with. I do not believe that anyone in this country has a categorical answer as to what is definitely the best thing to do. We have temporized with our unfavorable balance of payments for 15 years. During that time we have had a favorable balance in only 2 years. As I recently said, when I think of our lavishly pouring dollars abroad, I am reminded of Atlas, whose penalty for making war on Zeus was to carry the world on his shoulders. I have asked why, when we had won a war on behalf of freedom, we should voluntarily assume the burden of carrying the world on our shoulders. In essence, that is what we have been attempting to do. We have lavishly given loans and handouts to all the nations of the world except three, so that now, as a result, there are $26 billion or more of claims against the free reserve of $1.5 billion of gold.

We shall discuss the question later, but I invite the attention of the distinguished Senator from Ohio, who maintains that the proposal is the first step to complete repeal, to the fact that in the opinion of the experts—and I am not one of them, though I try to follow the best information and advice I can obtain—the proposed plan is the best plan that the experts can devise to prevent a demand of $26 billion being made against gold in the amount of $1.5 billion.

If such a demand should be made, our currency all over the world would be wrecked. Havoc would be created in a number of nations that use our currency as a supplemental backing for their own currency. The value of our dollar would be destroyed. Our promise to redeem dollars in gold would be repudiated, and no one could tell what the economic consequences would be.

Therefore, all of us who follow the views of the experts are agreed that something must be done. We must have a little leeway.

The Senator from Colorado has said, "We will give them an extra $1 or $2 billion of leeway, and then they must act fast."

The experts whom we have followed have said, "Take it all off the deposits right now but leave it on the currency. Tell the foreigners who hold our dollars we can meet their demands. And, do not forget, last year these same foreigners bought $22 billion of our goods. Where are they going to get something to eat if they do not come to us? Where are they going to get many of the things we manufacture if they do not come here?"

They cannot eat the gold. Many of them will still wish to spend the dollars in our country for things that they can obtain here and which they cannot obtain anywhere else.

We need a little time, however, to consider the facts. We cannot carry the world on our shoulders forever. While Atlas did so, presumably we do not have to do it; and neither can we do it.

The amendment of the Senator from Colorado [Mr. DOMINICK] would not provide the necessary firm and clear assurance to foreign governments and foreign central banks holding our dollars that we intend to support our dollars indefinitely at $35 to the ounce. This is true both because the amount is too small—the amount would only provide about an additional $2 billion instead of the additional $5 billion the administration bill provides, and because of the 2-year time limit which indicates only a half-hearted and limited assurance.

The 2-year limit might not provide sufficient time in order for the Government to make the necessary adjustments and changes to completely eliminate our balance-of-payments deficits. And even if our balance of payments could be brought into equilibrium in 1 year or 18 months, this would not be enough under the Dominick amendment. It would require that the gold flow be reversed within 2 years, so as to make up for any losses in the next year or two. I think this requirement is unrealistic.

Furthermore, it seems clear that as the end of the 2-year period approached foreign government and central banks would rush in to call for gold. It seems likely that the amendment would make things worse than better.

I am as anxious as the Senator from Colorado to have the Government take prompt, firm, and decisive steps to end our balance-of-payments deficits. But I do not think it will assist the Government to take these steps or to carry them out to have a 2-year limit on the time given to the Government to try them.

I should like to add that I have been advised by Mr. Martin, Chairman of the Federal Reserve Board, and Mr. Dillon, Secretary of the Treasury, that they strongly oppose this amendment.

Do I correctly understand that the Senate is ready to vote on the amendment?

Mr. DIRKSEN. I am ready to make a point of no quorum. I shall ask that the quorum call be sufficiently long to alert Senators to the fact that the Senate is ready to vote.

Mr. ROBERTSON. I believe Senators understand the amendment. I do not wish to continue the debate.

Mr. LAUSCHE. Mr. President, I wish to send an amendment to the desk.

The PRESIDING OFFICER. The Senator from Ohio may do so.

Mr. LAUSCHE. I send to the desk an amendment to the bill before the Senate. The amendment provides:

> That it is the policy of the Congress that the existing requirement that the Federal Reserve banks maintain reserves in gold certificates of not less than 25 per centum against their notes in circulation should be rigorously maintained and not relaxed at any time except in exceptional circumstances or a national emergency.

This amendment has nothing to do with the bank deposit amendment. It merely declares that it is the policy of Congress now, for the protection of persons holding dollars at their homes, in Government bonds, in annuities, and in banks, that they shall be assured that there will be a 25 percent gold support to fortify the strength of the dollars which they have saved and earned.

The PRESIDING OFFICER (Mr. MONDALE in the chair). Does the Senator from Ohio intend to propose his amendment at this time?

Mr. LAUSCHE. No.

Mr. DIRKSEN. Is the amendment being offered for consideration now?

Mr. LAUSCHE. No; only for information.

Mr. DIRKSEN. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Colorado [Mr. DOMINICK].

Mr. DIRKSEN. 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. DIRKSEN. Mr. President, I move that the order for the quorum call be rescinded.

The motion was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Colorado [Mr. DOMINICK]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska. [Mr. BARTLETT], the Senator from Nevada [Mr. BIBLE], the Senator from Pennsylvania [Mr. CLARK], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from Montana [Mr. MANSFIELD], the Senator from New Mexico [Mr. MONTOYA], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. Moss], the Senator from Tennessee [Mr. GORE], the Senator from Maryland [Mr. TYDINGS], the Senator from Maine [Mr. [MUSKIE], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Texas [Mr. YARBOROUGH], are absent on official business.

I also announce that the Senator from Georgia [Mr. RUSSELL] is absent because of illness.

I further announce that the Senator from Virginia [Mr. BYRD], the Senator from Tennessee [Mr. BASS], the Senator from North Carolina [Mr. ERVIN], the Senator from South Carolina [Mr. JOHNSTON], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator Montana [Mr. METCALF], and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. MORSE], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Rhode Island [Mr. PASTORE] would each vote "nay."

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Alaska would vote "nay."

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

On this vote, the Senator from Montana [Mr. MANSFIELD] is paired with the Senator from Idaho [Mr. JORDAN]. If present and voting, the Senator from Idaho would vote "yea," and the Senator from Montana would vote "nay."

On this vote, the Senator from Utah [Mr. Moss] is paired with the Senator from South Carolina [Mr. THURMOND]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Rhode Island [Mr. PELL] is paired with the Senator from Wyoming [Mr. SIMPSON]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Rhode Island would vote "nay."

On this vote, the Senator from Maryland [Mr. TYDINGS] is paired with the Senator from Iowa [Mr. MILLER]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Maryland would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Utah [Mr. BENNETT], the Senator from Arizona [Mr. FANNIN], the Senator from Idaho [Mr. JORDAN], and the Senator from Wyoming [Mr. SIMPSON] are absent on official business as members of the Mexico-United States Interparliamentary Group.

The Senators from Kentucky [Mr. COOPER and Mr. MORTON] and the Senator from Iowa [Mr. MILLER] are necessarily absent.

The Senator from California [Mr. KUCHEL] and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Alaska [Mr. BARTLETT]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Alaska would vote "nay."

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

On this vote, the Senator from Arizona [Mr. FANNIN] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from Idaho [Mr. JORDAN] is paired with the Senator from Montana [Mr. MANSFIELD]. If present and voting, the Senator from Idaho would vote "yea," and the Senator from Montana would vote "nay."

On this vote, the Senator from Iowa [Mr. MILLER] is paired with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Maryland would vote "nay."

On this vote, the Senator from Wyoming [Mr. SIMPSON] is paired with the Senator from Rhode Island [Mr. PELL]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Rhode Island would vote "nay."

On this vote, the Senator from South Carolina [Mr. THURMOND] is paired with the Senator from Utah [Mr. Moss]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Utah would vote "nay."

The result was announced—yeas 16, nays 48, as follows:

[No. 20 Leg.]

YEAS—16

Allott	Lausche	Scott
Cotton	Magnuson	Tower
Curtis	Mundt	Williams, Del.
Dominick	Murphy	Young, N. Dak.
Hickenlooper	Pearson	
Hruska	Prouty	

NAYS—48

Bayh	Harris	McNamara
Boggs	Hart	Mondale
Brewster	Hartke	Monroney
Burdick	Hill	Nelson
Byrd, W. Va.	Holland	Proxmire
Cannon	Inouye	Randolph
Carlson	Jackson	Ribicoff
Case	Javits	Robertson
Church	Kennedy, N.Y.	Saltonstall
Dirksen	Long, Mo.	Smathers
Dodd	Long, La.	Smith
Douglas	McCarthy	Stennis
Eastland	McClellan	Symington
Ellender	McGee	Talmadge
Fong	McGovern	Williams, N.J.
Fulbright	McIntyre	Young, Ohio

NOT VOTING—36

Aiken	Gruening	Morton
Anderson	Hayden	Moss
Bartlett	Johnston	Muskie
Bass	Jordan, N.C.	Neuberger
Bennett	Jordan, Idaho	Pastore
Bible	Kennedy, Mass.	Pell
Byrd, Va.	Kuchel	Russell
Clark	Mansfield	Simpson
Cooper	Metcalf	Sparkman
Ervin	Miller	Thurmond
Fannin	Montoya	Tydings
Gore	Morse	Yarborough

So Mr. DOMINICK's amendment in the nature of a substitute was rejected.

Mr. PEARSON. Mr. President, the distinguished junior Senator from Arizona [Mr. FANNIN] is necessarily absent today. He has prepared a statement, not on the amendment under debate, but on the bill.

I ask unanimous consent that the statement of the junior Senator from Arizona be printed at this point in the RECORD.

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

STATEMENT OF SENATOR FANNIN

I share the administration's concern over the nagging persistence of the deficit in our balance of payments and what it is doing to our dwindling gold reserves. We must face the unpleasant fact that the stability of the dollar and the international financial integrity of the United States are threatened.

I shall support H.R. 3818 to remove the 25-percent gold reserve for Federal Reserve bank deposits, because in all candor the Congress has no alternative. The dollars already have been invested, spent or given away abroad.

The holders of these dollars, both central banking institutions and private organizations, have every right to demand their convertibility into gold. We must make the necessary gold available to demonstrate that the United States will not hesitate to take whatever steps are required to keep the dollar "as good as gold" in international trade.

I sincerely hope that by making this approximately $4.9 billion of additional gold available for exchange we can accomplish the desired objectives of bolstering confidence in the dollar and reducing the pressure for exchange of dollar holdings by foreign creditors.

However, I cannot agree with those who want to go further at this time and remove the 25-percent gold reserve required for the $35.3 billion of Federal Reserve notes in cir-

culation. This would eliminate the last vestige of legal, built-in restraint against cheapening of the dollar by undue expansion of our currency supply.

Some advocates of this course would have us believe that the present fractional gold reserve for our currency is of dubious psychological value at best. However, when administrations continue to spend more money than we take in, both at home and abroad, any kind of restraint is better than none.

I have in my wallet a souvenir of a trip I made to Brazil in November of 1960 as a member of a national Governors' conference delegation. Secretary Hodges and Secretary Freeman will recall this journey with me when they were serving as Governors of their respective States.

In 1950 this 500-Cruzeiro note was worth $27.30 American—a postwar high. By the end of 1964 this same piece of paper was worth only three and a half cents. I keep this little memento of my Brazilian trip as a personal reminder of what can happen to the money of any nation that does not manage its fiscal affairs with prudence and regard for economic fundamentals.

To those who say "It couldn't happen here," I would remind them that many proud and prosperous peoples said the same thing in bygone times—only to suffer the agonizing experience of being wrong.

Failure to maintain the value of the dollar, by whatever means are necessary, would be the most cruel hoax any administration could play upon the American people. It would be a tragic breach of confidence to the millions of Americans who have saved and invested for their future, including the thousands of citizens who have come to my State of Arizona to enjoy their retirement years. They have a right to expect that their fixed-income dollars will buy as much tomorrow as they do today.

Let us not delude ourselves or the American people that H.R. 3818 is anything more than a stopgap emergency measure. It gives us a breathing spell, but not for very long.

In July of 1963 the late President Kennedy spoke optimistically of reducing the balance-of-payments deficit by $2 billion over a period of 18 months. The deficit then was $2.6 billion. Last year it was about $3 billion. The deficit most assuredly is still with us and it will continue to grow unless positive corrective measures are taken to bring what we spend abroad more into line with what we earn.

No less an authority than the former Under Secretary of the Treasury, Mr. Robert V. Roosa, has commented on this point in the February 8 issue of U.S. News & World Report. As he so ably emphasizes in the interview, the United States simply cannot continue to spend more than it earns in this world without a day of reckoning. And this is what we have been doing for longer than many of us care to remember.

American industry has made commendable progress in the battle to sell more goods abroad. In terms of dollars our exports have increased substantially. But the volume of international trade also has grown remarkably in the last 10 years—something on the order of 100 percent or more.

Before World War II—in 1937 for example—the United States could claim nearly 16 percent of total world markets. For the first 9 months of 1964, figures from the Department of Commerce indicate our share of world markets is running about 19 to 20 percent. Obviously, there is room for a lot of improvement in this sector.

The President has submitted a series of proposals involving both legislation and voluntary action on the part of business and industry to bring our payments situation into balance.

No doubt these measures will soon be before us for our consideration. I am indebted to the Senator from Illinois, who is a learned economist, for his remarks on these proposals last week.

In particular, I am grateful to him for pointing out that foreign economic assistance is the largest single cause of the deficit in the balance of payments, and it might well be wise to insist that some of the affluent nations of Western Europe shoulder a larger share of this burden.

Mr. YOUNG of Ohio. Mr. President, it is widely accepted that the legal reserve gold requirements of our American money supply may be modified.

Twenty-five percent gold reserve is now required on notes and deposits. With an expanding economy, deposits have risen to an alltime high. There is pressure on the gold reserve. In fact, the executive vice president of the American Bankers Association in a speech last January 20 supported the proposal to relax requirements but did state that the gold reserve should not altogether be removed.

Opposition to changing the present law is unsound. It perpetuates the myth that our monetary system is dependent upon gold reserve. Our money is dependent upon the productivity of our country. American people know that we are not on the gold standard. Information that it is proposed to reduce gold reserve behind Federal Reserve deposits has not created even a ripple of fear. Gold is rarely a prime asset. If this proposed action is taken, it will serve to notify financial leaders the Nation over that this Nation is prepared to use its full economic power. This would be reassuring. We should take out of cold storage not just the $5 billion now being held against deposits in the Federal Reserve System but we should remove additional gold held as reserve behind Federal Reserve notes.

I recommend that we do this within the near future. We would thereby release approximately $13 billion in gold we presently have in storage. Part of all of this gold could then be used to serve three purposes; first, strengthening the dollar, which is at a premium throughout the world; second, provide liquidity throughout the great trading area dependent primarily upon the U.S. dollar; and third, our position would be strengthened in the economic cold war in which we are engaged. My research indicates that the foregoing policy is in accord with the recommendations of monetary experts and economists. I am supporting the administration proposal.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a statement on the gold cover made by the senior Senator from Pennsylvania [Mr. CLARK], former chairman of the Subcommittee on International Finance of the Committee on Banking and Currency, be printed in the RECORD at this point.

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

STATEMENT BY SENATOR CLARK

I support the administration's request that the present gold cover requirements for Federal Reserve deposits be eliminated—I support it, but I would have preferred that the request had gone further and removed the cover from Federal Reserve notes as well.

"Within the not-too-distant future, in 4 years perhaps unless there is a marked improvement in our balance of payments, it will be necessary to eliminate completely the gold backing of both Federal Reserve notes and deposits in order to free our gold reserves to meet international claims. We may as well do now what will become necessary a few years hence.

I am well aware of the psychological reasons which have led to this piecemeal action. I am well aware that many Members of Congress and the general public feel that there is some immutable connection between our gold reserves and the soundness of the dollar. I am well aware that it may be necessary to cater to this mistaken notion in order not to shake confidence in our currency. I am well aware of all this, but I do not like it. I agree completely with the views of Senators DOUGLAS, PROXMIRE, and MONDALE in the report on the bill when they assert that we should not accept the notion that there is some necessary and immutable connection between the soundness of the dollar and gold. "We should try to transform irrational tradition into rational practice, and not continuously accede to irrationality. Our Nation is best served if policy is aimed at the level of our most enlightened citizens, not our least enlightened," they wrote, and I agree wholeheartedly.

As best I can determine, only four other nations require their central banks to maintain minimum gold reserves against liabilities: South Africa, Switzerland, Belgium, and Venezuela. None of them bears major international responsibilities and the currencies of a good many other countries which have no such requirement are as "hard" or "harder."

In the face of increasing currency and credit demands in our expanding economy, the gold cover no longer makes any sense. It only hamstrings our money supply and limits our ability to maintain expansion and reduce unemployment. It is time we freed ourselves from these limitations. All of our gold reserves should be freed to meet our international obligations and strengthen the dollar in international exchange.

Even after we have done so, however, we will not have solved the fundamental balance-of-payments problem with which we are confronted. By freeing that portion of our gold reserves required to meet domestic needs we do indeed free more of our gold for international claims. But the international demands on our gold will continue and, in all likelihood, so will the deficit in our balance of payments, although hopefully at a much lesser level.

Why? Because for the last 20 years—ever since the end of World War II—the United States has been playing policeman and banker to the world. In that role it has been essential that we run a balance-of-payments deficit in order to maintain international liquidity and the flow of trade. It has been the United States, and to a much lesser extent, Great Britain, which have had to meet the world's credit gap.

So long as the United States held most of the world's gold reserves, this was fair enough. But as the war-ravaged nations of Europe have managed to get back on their feet, thanks in large part to such enlightened American policies as the Marshall plan, their capital, which once fled to our shores for safety, is returning home again. Today, the gold reserves of Western Europe are roughly equal to our own. And the United States can no longer be expected to serve as the world's central bank. As Walter Lippmann observed in the February 16 Washington Post, "As the world's main substitute for a central banker, we are now faced with the fundamental problem of any banker, which

is to keep his depositors convinced that they have nothing to gain and perhaps something to lose by demanding cash and starting a run on the bank."

The United States is being asked to continue to serve as the world's major source of credit while approaching conditions at home which may require the imposition of restraints that will slow down economic expansion and increase levels of unemployment—unemployment which has been persistently too high since 1957. No nation should be asked to bear such a burden or be confronted with such a choice.

The time has come to shift that burden. And the only shift that can occur is to a new international monetary system. President Johnson said as much in his message on the balance of payments last week. He urged that "we press forward with our studies and beyond to action—evolving arrangements which will continue to meet the needs of a fast-moving world economy."

On this point at least, President de Gaulle appears to agree. At his press conference in Paris on February 4, President de Gaulle suggested that the present gold exchange standards no longer corresponds to present realities. This is true.

He argued that the conditions that gave birth to the gold standard have been modified. True again.

He pointed out that the currencies of Western Europe have been restored so that Europe's gold reserves now approximate our own. This is a fact.

He maintained that the preeminence of the dollar arose from our possession of most of the world's gold. This is indisputable.

He stated that international trade must be based on a monetary system bearing the stamp of no particular country. With that I wholeheartedly agree.

He recommended that the creditor states embark upon a special study, through the International Monetary Fund, to determine the framework for a new international monetary system. President Johnson has asked for as much.

But when General de Gaulle flatly asserts that the only basis for a true international monetary system is gold, he is dead wrong and we can only assume that he is engaging in some form of droll Gaullic humor.

The gold standard has been tried and tested and it has failed. As the President observed in his message last week, "To go back to a system based on gold alone—to a system which brought us all to disaster in the early 1930's—is not an answer the world would, or should, accept."

But we should not allow General de Gaulle's invocation of the "golden rule" to deter us from earnest and concrete efforts directed toward the establishment of a workable international monetary system.

There are blueprints which can guide us toward such a system. The most promising is the Triffin plan outlined before the Joint Economic Committee in 1959 by Prof. Robert Triffin, of Yale University.

The Triffin plan would provide for the internationalization of the world's monetary reserves. No one nation would have to bear the responsibility of serving as the world's banker and creditor. It would free domestic economic policy from some of the severe limitations imposed under the current system.

As Mr. Triffin pointed out in his testimony, under the existing system, even if the United States were able to solve its balance-of-payments deficit, two urgent problems would remain:

"1. It would deprive * * * the rest of the world of the major source by far—two-thirds to three-fourths—from which international liquidity requirements of an expanding world economy have been met in recent years, in the face of a totally inadequate supply of monetary gold, and

"2. The huge legacy of short-term foreign indebtedness already inherited by us from the past is likely to place a heavy handicap on policies for economic growth and stability in this country."

He made these statements 5 years ago and they are even more true today.

The root of the evil in the present international monetary system, Mr. Triffin argued, is the so-called gold exchange standard in which most countries have been willing to accumulate substantial portions of their monetary reserves in foreign exchange—primarily our dollars and pounds sterling. "The trouble with this," he asserts, "is that it is bound to undermine more and more dangerously the international liquidity position of the currencies used as reserves by other countries and, by way of consequence, to impart an increasing vulnerability to the world monetary superstructure built upon these so-called key currencies. And," he adds in language which deserves emphasis in this current debate, "the additions to international liquidity made possible by the system are entirely dependent upon the willingness of the key currency countries to allow their own net reserve position to deteriorate, by letting their short-term liabilities to foreigners grow persistently and indefinitely at a faster pace than their own gold assets."

It was precisely this state of affairs which led to the collapse of the world monetary system in the early 1930's. It must not be allowed to happen again.

In my opinion, it is time for the United States to take the lead in urging the creation of a new international monetary system modeled in its major features upon the Triffin plan. I urge the President to take General de Gaulle upon his plea for a new world monetary system and to schedule serious study and negotiations in the very near future.

The United States can no longer be asked to sacrifice its own economic viability in order to maintain international credit and trade. This is an international responsibility. The world community must assume that responsibility and it must do so before the international economy is jeopardized once more by a monetary crisis as it was 35 years ago.

We were warned 5 years ago by many experts in testimony before the Joint Economic Committee that the present state of affairs would soon be reached. Now it is upon us. We cannot afford to procrastinate any longer.

Our key problem is not the gold cover nor the balance of payments, but the present international financial arrangements which create such problems for us. Let us treat the disease and not the symptoms.

ORDER OF BUSINESS

Mr. DIRKSEN. Mr. President, while Senators are in the Chamber, I understand that the distinguished senior Senator from Idaho [Mr. CHURCH] will address the Senate for probably an hour or more. He will be followed, I believe, by the distinguished junior Senator from South Dakota [Mr. MCGOVERN].

I inquire of the acting majority leader whether he anticipates any more record votes, because those two speeches will take us well beyond 6 o'clock, assuming, of course, that there would be interpositions in the course of the discussion.

Mr. LONG of Louisiana. Mr. President, I hope that the Senate may be able to conclude consideration of the bill tonight. We have already agreed to a unanimous-consent request. We assumed that consideration of the bill would be concluded today.

I know about the plans that Senators have made. If there is no other way, we shall suspend and come back tomorrow. But, I hope that we may be able to accomplish something, and give Senators adequate notice so that they will know when the next vote will come. Senators can continue to speak and we will give others adequate notice so that they can return for a yea-and-nay vote.

Mr. MCGEE. Mr. President, I serve notice that in connection with the remarks of the senior Senator from Idaho [Mr. CHURCH], I have some extended remarks to make on the same problem. I should appreciate the opportunity to go into that subject tonight. I hope that helps in resolving the uncertainty in the mind of the acting majority leader.

Mr. LONG of Louisiana. Mr. President, I had inquired as to the possibility of a unanimous-consent agreement. Under the circumstances, it is not possible. It would be objected to. That being the case, I have discussed the situation with the distinguished chairman of the committee, the junior Senator from Virginia. His judgment is that the Senate would do better if it were to come back tomorrow and seek to finish consideration of the bill then.

Mr. ROBERTSON. I am sure that many Senators have engagements and will not be here after 6:30, and I do not see why we should proceed if we could not obtain a quorum.

Mr. LONG of Louisiana. Under the circumstances I think it would be better to resume consideration of the bill tomorrow and seek to complete action then. I would hope that tomorrow we would be able to finish action on this bill and the other bills which have been referred to, but I do not believe there is too much hope for that.

Mr. SMATHERS. Mr. President, does the acting majority leader know how many amendments there are?

Mr. LONG of Louisiana. There would be a vote on two more amendments and perhaps a vote on passage of the bill. While my heart is with the Senator from Florida, I believe he would find that absenteeism would be so pronounced after 7 o'clock that it would be necessary to come back and complete action on the bill tomorrow.

I hope there would be no objection to modifying the unanimous consent previously entered, in order that action on the bill could be finished tomorrow.

Mr. DIRKSEN. Mr. President, one more inquiry. I understand an order was obtained for the Senate to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. The Senator is correct.

HEARINGS BY THE COMMITTEE ON BANKING AND CURRENCY ON U.S. BALANCE OF PAYMENTS

Mr. DOUGLAS. Mr. President, the chairman of the Committee on Banking and Currency announced that he was starting hearings next week, or soon thereafter, on the question of balance of payments. In order to assist the committee and Members of this body in studying that question, I ask unanimous

consent that there may be printed the titles, page references, and years of issue of some 16 studies issued by the Joint Economic Committee. We shall be glad to get these publications to the chairman of the Committee on Banking and Currency for such use as he may wish to make of them. They weigh, in all, about 8 pounds; and I feel that they will help the Committee on Banking and Currency in the hearings that may conducted.

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

JOINT ECONOMIC COMMITTEE PUBLICATIONS ON THE U.S. BALANCE OF PAYMENTS

"International Influences on the American Economy," June 1959.

"International Effects of U.S. Economic Policy," by Edward M. Bernstein, January 1960.

"International Payments Imbalances and Need for Strengthening International Financial Arrangements"; hearings before Subcommittee on International Exchange and Payments, May, June, 1961.

"International Payments Imbalances and Need for Strengthening International Financial Arrangements"; report of the Subcommittee on International Exchange and Payments, August 1961.

"Factors Affecting the U.S. Balance of Payments"; studies prepared for the Subcommittee on International Exchange and Payments, December 1962.

"Outlook for the U.S. Balance of Payments"; hearings before the Subcommittee on International Exchange and Payments, December 1962.

"U.S. Payments Policies Consistent with Domestic Objectives of Maximum Employment and Growth"; report of the Subcommittee on International Exchange and Payments, December 1962.

"Current Problems and Policies," July 1963; hearings on the U.S. balance of payments, part 1.

"Outlook for the U.S. Balance of Payments"; hearings on the U.S. balance of payments, part 2, July 1963.

"The International Monetary System: Functioning and Possible Reform"; hearings on the U.S. balance of payments, part 3, November 1963.

"The U.S. Balance of Payments—Perspectives and Policies," November 1963.

"The U.S. Balance of Payments: Statements by Economists, Bankers, and Others on the Brookings Institution Study, 'The U.S. Balance of Payments in 1968.'" November 1963.

"A Description and Analysis of Certain Euroepan Capital Markets," January 1964.

"The U.S. Balance of Payments," March 1964.

"Discriminatory Ocean Freight Rates and the Balance of Payments"; part IV, hearings, March 1964.

"Discriminatory Ocean Freight Rates and the Balance of Payments"; hearings, part V, appendix, September 1964.

EXECUTIVE BUSINESS

As in executive session,

Mr. MONRONEY. Mr. President, I have conferred with the minority leader and with the minority members of the Committee on Post Office and Civil Service on this request. I ask unanimous consent, as in executive session, to report from the Committee on Post Office and Civil Service the nomination of John A. Gronouski, of Wisconsin, to be Postmaster General, and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the Senate will proceed as in executive session.

If there be no committee reports, the nomination will be stated.

POSTMASTER GENERAL

The legislative clerk read the nomination of John A. Gronouski, of Wisconsin, to be Postmaster General.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination

There being no objection, the Senate proceeded to consider the nomination.

Mr. MONRONEY. Mr. President, the committee unanimously reported favorably the confirmation of the nomination of Postmaster General. We are taking this unusual action since the term of the Postmaster would automatically expire on Friday. In order to have continuity of contracts and other important business, it is necessary that we act now, so the confirmation can reach the White House in time for the Postmaster General to be installed in office at the expiration of his present term.

On behalf of the chairman of the full Committee on Post Office and Civil Service, the Senator from South Carolina [Mr. JOHNSTON], I should like to read this statement, as the Senator from South Carolina is unable to be present:

STATEMENT BY SENATOR OLIN D. JOHNSTON ON THE NOMINATION OF MR. JOHN A. GRONOUSKI TO BE POSTMASTER GENERAL, FEBRUARY 17, 1965

I am very pleased that President Johnson has reappointed John Gronouski to be Postmaster General. I wish it were possible for me to be in the Senate to vote for his confirmation.

He has served as Postmaster General ably and well since his appointment in 1963, demonstrating an unusual ability to attack problems head on and frequently to find solutions. He has brought to his position the talents of a scholar and the energies and directness of an outstanding administrator.

As chairman of the Post Office and Civil Service Committee, I have dealt for many years with the complicated web of postal affairs, and I feel that we are indeed fortunate to have a man of John Gronouski's demonstrated abilities to seek solutions to our postal problems. My relations with the Postmaster General have always been marked by great cordiality and cooperation on his part, and I look forward to their continuation.

John Gronouski has my every good wish as his new term of office begins.

I have just read a statement by the distinguished chairman of the committee, who is absent because of illness. Republicans as well as Democrats spoke glowingly of the services Mr. Gronouski has rendered during the time he has been Postmaster General since his appointment in 1963.

Mr. LONG of Louisiana. Mr. President, I concur in everything the Senator from Oklahoma has said. I believe Postmaster General Gronouski is making a magnificent record. He has performed his tasks far beyond the call of duty. I say this as one who has had an opportunity to know the extent to which he has gone in traveling about the country fulfilling his responsibilities and duties. I believe he is entitled to the highest commendation we can give him. I am extremely honored to support the nomination.

Mr. MONRONEY. I appreciate what the Senator from Louisiana has said. During the service of the Postmaster General he has visited in practically all the 50 States, where his farflung enterprise is situated. He has seen many of the men whose task it is to move the millions of pieces of mail and who comprise the postal service.

I ask for a vote on the nomination.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the confirmation of this nomination?

The nomination was confirmed.

Mr. MONRONEY. Mr. President, I ask that the President be notified immediately of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

LEGISLATIVE SESSION

Mr. MONRONEY. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

OUR OVERINVOLVEMENT IN AFRICA AND ASIA—A CRITICAL APPRAISAL OF AMERICAN FOREIGN POLICY IN EX-COLONIAL REGIONS OF THE WORLD

PART I: FROM ONE EXTREME TO ANOTHER

Mr. CHURCH. Mr. President, "we can never again stand aside prideful in isolation," so spoke Lyndon B. Johnson at his inauguration.

All Americans should agree with the President. Head-in-the-sand isolationism died a generation ago. It isn't likely to be resurrected. The ranks of those who believe that the United States can ever again withdraw from world affairs have been rightly decimated.

As a confirmed internationalist, I favor strong American support for the United Nations. I believe in a sensible foreign aid program to help lift depressed living standards in the underdeveloped world. In the Senate, I have voted consistently to extend the use of our surplus food in hungry lands, and to enlarge the Peace Corps as living work-a-day evidence of American good will.

But the pendulum of our foreign policy can swing from one extreme to the other. Once we thought that anything which happened abroad was none of our business; now we evidently think that everything which happens abroad has become our business. In the span of 30 years, an excess of isolationism has been transformed into an excess of interventionism.

Since the days of the Marshall plan, the United States has constantly expanded the scope of its commitment to foreign governments. From Western Europe, we have moved into Africa, the Middle East, and the Far East, until the

dimension of our involvement has become global. Our troops are now stationed in no less than 30 countries, we are pledged to defend 42, and we are extending aid, in one form or another, to nearly 100 nations. As a result of this proliferation, Walter Lippmann writes:

> We have become grossly overextended in regions where we have no primary vital interest. We have scattered our assistance to such a degree that we help everybody a little and nobody enough.

Why have we spread ourselves so thin? What compulsion draws us, ever deeper, into the internal affairs of so many countries in Africa and Asia, having so remote a connection with the vital interests of the United States?

The answer, I think, stems from our intensely ideological view of the cold war. We have come to treat "communism," regardless of what form it may take in any given country, as the enemy. We fancy ourselves as guardian of the "free" world, though most of it is not free, and never has been. We seek to immunize this world against further Communist infection through massive injections of American aid, and, wherever necessary, through direct American intervention. Such a vast undertaking has at least two defects: First, it exceeds our national capability; second, among the newly emerging nations, where the specter of Western imperialism is dreaded more than communism, such a policy can be self-defeating. As a seasoned, friendly foreign diplomat recently put it:

> The United States is getting involved in situations where no one—not even a nation of saints—would be welcome.

This is not to say that we should write off Africa or Asia. It is to say that a foreign policy of intervention, which was right for Western Europe, is apt to be wrong for those continents which have just thrown off European rule.

To begin with, the stakes in Europe were different. Had so rich an industrial prize as Western Europe ever fallen into Russian hands, the actual balance of power in the world would have shifted from us to the Soviet Union. We were obliged to regard the dividing line in Europe as though it were an American frontier, to commit our nuclear arsenal to its defense, and to station an army of American troops in West Germany as "tripwire" evidence of our determination to defend that country as though it were our own.

No nation goes this far unless its very survival hangs in the balance.

Even so, our intervention in Europe would not have succeeded without a strong mutual purpose. We were welcomed back to war-devastated Europe in 1945 to be a nuclear sentinel against further Russian aggression. It was the expansion of hostile Russian power which summoned us, not the color of the Red banner, or our distaste for the way of life inside the Soviet Union. There was no confusion among the NATO allies as to the identity of the enemy. As long as the Russian threat remained imminent, we all faced in the same direction, united by a single will.

There was still another reason for the success of our intervention in Europe—a condition so obvious that it is often overlooked, and yet so fundamental that its absence in Africa and Asia accounts for most of our setbacks on these continents. In Europe, we stood among people with whom we shared a common ancestry, whose political and economic systems were similar to our own, and whose traditional values derived from the same mainstream of historical experience that we call Western civilization. This cultural bond meant that most Europeans generally shared our aims and our point of view.

But if the inhabitants of Western Europe tend to see the world as we do, as a global arena in which "free" people are arrayed against Communists, it does not follow that Africans and Asians share this view. They have been participants in a different revolution, more potent and widespread than the Communist brand—a revolution foreshadowed two centuries ago, by the American War for Independence, and whipped into flame by Woodrow Wilson's ringing reaffirmation of the right of self-determination. Neither Marx nor Lenin fathered the revolt against colonialism, and we need not permit their successors, in Moscow or Peiping, to exploit the colonial issue to Communist advantage.

To avoid this, we must understand that, for most Africans and Asians, our concept of self-government and individual freedom is totally unreal, having never been experienced. In many, if not most, of these emergent lands, it is capitalism, not communism, which is the ugly word. The very term evokes images of the old colonial plantation and white man supremacy. Furthermore, any attempt to acquaint Africa and Asia with the miracles of modern capitalism, as witnessed in such places as the United States, Western Europe, and Japan, is relatively meaningless. The underdeveloped world lacks the private capital with which to industrialize. Government is often the only source available to underwrite development programs. Thus, popular repugnance to capitalism combines with economic necessity to cause most of the new governments in Africa and Asia to proclaim themselves Socialist states.

Because these facts are so well known, it puzzles me that American foreign policy in Africa and Asia has not been tied to them. We have plunged into these former colonial regions as though we had been designated on high to act as trustee in bankruptcy for the broken empires.

First of all, we strained relations by trying to induce governments to line up with us in the cold war, a struggle in which few felt any real interest. Forgetting that we ourselves had insisted upon our right to stay neutral for most of our history, we assailed "neutralism" as a kind of Communist trick. Later, having painfully learned that cold war neutrality always served as a badge of, and sometimes even as an umbrella for, independence, we changed tune, but, even then, we kept on administering our aid programs in ways designed to freeze out the Russians and Chinese.

In regions craving aid from any source, our freeze-out policy was bound to give rise to cries of undue interference. Soon, African and Asian governments were demanding aid "without strings attached," while accusing the United States of practicing "neo-colonialism." Worse still, sensing that we feared competition from Communist sources, many a government craftily raised the "ante" on us, threatening to go to the Reds for help if we failed to meet some new demand.

Neither AID nor the State Department will acknowledge submitting to this sort of diplomatic blackmail in the handling of our foreign aid program. But I have no doubt about it. Too often I have questioned an American Ambassador about a misfit project in some forlorn little country, only to be told: "If we hadn't done it, the Russians would have been asked." Knuckling under to such crude pressures has caused our prestige to go down, even as our costs have gone up.

Worst of all, we have permitted ourselves to be drawn into the internal political affairs of so many African and Asian countries that anti-American feeling is rising at an alarming rate. Our embassies are being subjected to increasingly frequent attacks, our information libraries are being sacked, and demagogs from Cairo to Djakarta court popular favor by rebuking us. Afro-Asian delegates at the U.N. castigate us with words of extraordinary violence. Clearly, the policy of intervening too much in the volatile ex-colonial regions of Africa and Asia, is backfiring on the United States.

PART II: MISTAKES IN AFRICA

Much of this could have been avoided. I visited Africa in 1960, immediately after John F. Kennedy's election, in company with two of my colleagues and the President's youngest brother, Ted. Wherever our presence became known, eager crowds would gather to shout, "Kennedy, Kennedy." The word had spread through Africa that the newly elected President of the United States had, as a Senator in 1957, spoken up for Algeria in her war for independence against France. For the first time, our country was being identified, by Arab and Black alike, with legitimate African aspirations. Opportunity was beckoning our way.

If we had continued to champion African nationalism, the cause that counts with the people; if we had declared ourselves strongly in favor of rightful independence for the Portuguese Territories, the flaming issue in Africa today; if we had held ourselves at arms length from the shifting factional fights for power within the seething young African countries, regardless of the labels chosen to solicit outside support, I have no doubt that our influence in Africa would have kept on growing.

But we have not yet managed to harness our zeal. Rational restraints give way to emotional involvement, which, in turn, leads to more intervention. Fortunately, the Russians have made the same mistake in Africa, and now the Chinese seem eager to repeat

it. Here are two examples, one Russian, one American, which constitute, in my judgment, showcase illustrations of how not to conduct a winning foreign policy in Africa:

Six years ago, Nikita Khrushchev scurried to the rescue of Sekou Touré, strong man of Guinea, after this little west African country had been stripped bare by the departing French. It seemed a perfect marriage, since the Guinean leaders, raised in the radical tradition of the French labor movement, were Marxists anyway, and anxious to establish a model Marxist state.

When I arrived in Conakry, the country's capital, in December of 1960, Guinea had taken on all the appearances of a satellite. The government had been persuaded to abandon the franc in order to impede further trade with the West, and the entire economy seemed welded into the Red bloc. Communist advisers sat beside every Government minister. Numerous Red-donated projects were under construction, including a big printing plant, and the place swarmed with Communist technicians, transplanted from countries behind the Iron Curtain. Guinea had plainly been taken over.

Into this captured country, President Kennedy sent a young Ambassador, Bill Atwood. His instructions were to play it cool. He was not to lecture the Guinean dictator on the virtues of democracy, or belabor his commissars with the glories of free enterprise. He was to say it was their business, not ours, to choose the system they preferred; that we were interested only in helping them, in a modest way, with some of their problems of human suffering. Kennedy felt, if we did not press too hard, that Guinea would soon discover the Russians were not 9 feet tall.

And so it happened. It was not long before Guinea began to resent the heavy-handed interference of the Russians. Relations became so strained that the Soviet Ambassador was declared persona non grata, and ordered to leave the country. Meanwhile, Guinea began to reassume control over her own course. Today, her attitude toward the United States is much improved, and her ties with the West are growing again.

The mistake of too much intervention, which the Russians made in Guinea, we seem determined to duplicate in the Congo. Africans wonder why the United States, having no historic, economic, or security interests in the Congo, should so involve itself in that country's civil war. I also wonder why.

I know, of course, that the State Department regards the Congo rebels as a Communist front, though their source of supply—Algerian and Egyptian—would seem African enough. Our own envoy in Stanleyville, whose long agony with the rebels was climaxed when they forced him to eat an American flag, declared, after his rescue, that he believed the rebellion to be purely African, not Communist, in character. His statement met a response of stony silence from the American press.

For the fact is that our embrace with Moise Tshombe is popular in the United States. We see him as a vociferous anti-Communist. What matters, however, is how the Africans see him. And African animosity toward Tshombe is so intense that he is even barred from associating with other African leaders, having been physically excluded from their meetings. To them, he is the African equivalent of an "Uncle Tom," a puppet of the imperialists who uses white mercenaries to subdue his own countrymen. I doubt that Tshombe will ever win African acceptance. Our involvement with him serves only to turn the tide of African opinion increasingly against us.

PART III. THE LESSON OF PAKISTAN

Regrettably, we are creating similar problems for ourselves in Asia by the same excess of interventionism. Pakistan is a classic example. At fantastic cost, we undertook to enlarge and modernize the armed forces of Pakistan. Our theory was that this assistance would bolster the country's defenses against Russia, but it was India, contesting with Pakistan over Kashmir, which felt threatened.

Still, we persisted. After all, was not Ayub Khan, that strapping, Sandhurst-educated army man, a ruddy good chap? He had appeared before a joint session of the Congress, and addressed us in the reassuring accents of a British country squire. On the Communist issue, the Indians seemed much too conciliatory, but we felt sure Ayub Khan could be depended upon, come what may. He himself said so. To the Congress, he intoned:

> Let me tell you, that if there is real trouble, there is no other country in Asia on whom you will be able to count. The only people who will stand by you are the people of Pakistan.

That is past history now. Having used us for his purpose, Ayub Khan was the first to flirt with Red China, when India was attacked. The fervent courtship of Pakistan only lost us favor there. In the recent elections, the main issue between the two presidential candidates was who was the most anti-American; Ayub Khan won.

PART IV: OUR DILEMMA IN VIETNAM

To the case against excessive American intervention in Africa and Asia, the State Department has a stock answer: The Communists will not let us quit. South Vietnam is pointed to as the proof of our dilemma. If we permit the Vietcong to overthrow the Saigon Government, then the gates are open, so the argument goes, to successful Communist subversion of all the other governments in southeast Asia.

But the hard fact is that there are limits to what we can do in helping any Government surmount a Communist uprising. If the people themselves will not support the Government in power, we cannot save it. We can give arms, money, food, and supplies, but the outcome will depend, in the final analysis, upon the character of the Government helped, and the extent to which the people are willing to rally behind it.

The Saigon Government is losing its war, not for lack of equipment, but for lack of internal cohesion. The Vietcong grow stronger, not because they are better supplied than Saigon, but because they are united in their will to fight. This spirit cannot be imported; it must come from within. It is nothing that we Americans can supply from our side of the Pacific. The weakness in South Vietnam emanates from Saigon itself, where we, as foreigners, are powerless to unite the spoiling factions. A family feud is never settled by outsiders. Only the Vietnamese themselves can furnish the solution.

As to the other governments in southeast Asia, they are not so many dominoes in a row. They differ, one from another, in popular support, and in capacity to resist Communist subversion. The Malayans, with British help, because of their own determined resistance to communism, successfully put down a long and bloody insurrection. Guerrilla wars—even when nourished from without—can be won by sitting governments, but only in countries where shelter for the enemy is not furnished by the people themselves.

Our reason for being in the Orient is not that of fashioning Asian governments. It is not communism, as such, which accounts for our presence in the Far East, but rather the containment of Peiping. This can be best accomplished if China is ringed with stable, independent governments, which refuse to be the pawns of Chinese ambition. As Yugoslavia has proved in Europe vis-a-vis Russia, even a Communist government can play such a role.

Due to the degree of our involvement in the internal affairs of southeast Asia, an area where China has been feared and resisted for centuries, the Peiping government is now able to pose as champion of Asia for the Asians, defying the United States in the name of opposing the revival of Western imperialism.

Chou En-lai had reason to rub his hands with glee when he said recently to a foreign visitor:

> Once we worried about southeast Asia. We don't anymore. The Americans are rapidly solving our problems for us.

It would be to our national advantage, then, to seek an international agreement for the neutralization of the whole great region that used to be French Indochina. The transitional phase of such a settlement might be policed by the United Nations, or by a special high commission set up to preside over a cease-fire in South Vietnam, to supervise the withdrawal of all foreign troops from both sides, and to maintain order, while an independent and unalined new government is formed by the Vietnamese themselves.

The neutrality of the whole region could be guaranteed by the signatories to the international agreement. Thus, the military might of the United States would remain available as a deterrent against Chinese aggression from the north, which is—or ought to be—our governing national objective in southeast Asia anyway.

In like manner, we may find it in our national interest to pledge our armed might behind the defense of India, Thailand, or some other Asian government, against any future Chinese attack, that these governments might avoid the

need for developing nuclear shields of their own, while we avoid the dangers of further proliferation of nuclear arsenals. This kind of guarantee, which would be a real deterrent to Chinese military aggression, lies within our capability, and would preclude a power vacuum in Asia, so feared by the architects of our present policy. If this kind of defense commitment is sufficient to prevent an overt Chinese attack upon, say, India or Thailand, it ought to suffice for the rest of southeast Asia as well.

To those who protest that such a policy will fail to protect against growing Chinese influence over such countries as Laos, Cambodia, Burma, or Vietnam, brought on through intensified Communist subversion from within these countries, I submit that the scoreboard on our present policy of direct intervention in southeast Asia shows that we are now losing this contest. Burma and Cambodia, though both non-Communist Governments, have been moving steadily closer to China. Laos is in limbo, after an American involvement, at heavy cost, in that country's internal affairs, turned sour. The war in Vietnam, despite Saigon's preponderant military advantage, is going from bad to worse.

This somber truth is underlined in the events of the past fortnight—the stepped-up Vietcong attacks upon American bases in South Vietnam, and the consequent loss of more American lives. We must hope that our retaliatory bombings of military installations in North Vietnam, intended to demonstrate the strength of our will and purpose, may persuade Hanoi and Peiping that the United States is not, and never has been, a paper tiger. Having made a solemn commitment to Saigon, we intend to keep it. The military might we can bring to bear upon North Vietnam is formidable indeed, and so it would behoove the Communists to explore with us the way to a peaceful solution in southeast Asia.

As the beat of the war drums intensifies, and passions rise on both sides, I recognize that negotiation becomes more difficult. Already cries of "appeasement" are being directed at anyone who speaks up for a negotiated settlement of this escalating war. So soon the country seems to have forgotten the wise words of John F. Kennedy, that we should never negotiate out of fear, but never fear to negotiate.

All of us recognize the heavy burden of decision which our President bears. And we would do well to remember that the seal of his office is an American eagle, clutching a bundle of arrows in one claw and an olive branch in the other. The judicious use of both the arrows and the olive branch represents our best hope for avoiding a widening war in Asia.

Those who would use the arrows alone are actually calling for war. The systematic and sustained bombing of North Vietnam, unattended by any proffered recourse to the bargaining table, can only lead us into war. North Vietnam, lacking air and sea power, must answer on the ground. Her response, in the form of added military pressures against the south, Saigon can hardly be expected to withstand. As a consequence, the next step will be to send American land forces into battle, thus converting the struggle into an American war on the Asian mainland. That China will, sooner or later, enter such a war, I have no doubt.

Let those who urge this course upon us answer for its consequences. A spreading war on the Asian mainland, pitting American troops against Asian troops, is a war we cannot finish. In the end, after a tragic trail of casualties out of all proportion to our real national interest, we will have to negotiate a settlement with the Communists, even as such a truce was finally negotiated in Korea. The question really is not whether we should negotiate, but when.

To those who say that we must not parley now, because we would bargain from a position of weakness, I reply that they take too restricted a view of our strategic position in southeast Asia. They look only to the plight of the war in South Vietnam, forgetting that American power in southeast Asia rests not upon the weakness of Saigon, but upon the strength of our own possession of the sea and air. Our recent retaliatory blows should make it clear to Hanoi and Peiping that we will not quit under fire, nor withdraw, nor submit to Communist coercion. We can strike back with relative impunity, from floating bases which are beyond Communist reach, and inflict heavy punishment upon them. Ours is not a position of weakness from which to deal.

So I would hope that the President of the United States will undertake to use, not only his arrows, but his olive branch as well. Willingness to parley is not a sign of weakness, but the symbol of strength, nor should it destroy what remains of the fighting morale of the South Vietnamese. Negotiations preceded the end of the fighting in Korea by nearly 2 years. In South Vietnam, the active bargaining for a peaceful solution could even lift morale by offering some hope to the people that there might come an end to their ordeal. Moreover, an attempt to reach a peaceful settlement would not be incompatible with the keeping of our pledge to give military aid and advice to the Saigon Government.

PART V: SUMMARY AND CONCLUSION

Although it is natural for our attention to be fixed upon the gathering crisis in Vietnam, I nonetheless commenced this address with the purpose of undertaking a general review of American foreign policy throughout the whole of the ex-colonial world. My thesis has been that we have allowed ourselves to become overinvolved in both Africa and Asia. In saying this, I fully recognize that the United States cannot withdraw to seek refuge within some happy hunting ground of our own choosing.

But it is mandatory, in these former colonial areas, that we establish foreign policy goals which are not beyond our reach; that we observe priorities which correspond with our real national interests; that we concern ourselves less with other peoples' ideologies, and that we adopt techniques which are sensitive to, and compatible with, the prevailing sentiment of the people in each great region of the world. Measured by these criteria, we are too deeply involved in the internal affairs of the emerging nations in Africa and Asia.

I believe that President Johnson intends, in a prudent and responsible way, to redress the balance. His emphasis on attending to the neglected problems at home in sensible. The longrun influences we exert abroad will hinge, in large measure, upon the kind of society we build in our own land.

In any reappraisal of American foreign policy in the underdeveloped world, so recently freed from colonial bondage, we would do well to recall the wise words of President Kennedy, spoken in November of 1961:

> We must face the fact that the United States is neither omnipotent nor omniscient, that we cannot always impose our will on the other 94 percent of mankind, that we cannot right every wrong or reverse every adversity, and that therefore, there cannot be an American solution to every world problem.

Mr. President, I ask unanimous consent to have printed in the RECORD the following articles: Two excellent columns written by James Reston and published in the February 12 and February 14 issues of the New York Times, respectively; and an article written by Mr. Roscoe Drummond, captioned "Missing Ingredient in Our Vietnam Policy," and published in the Washington Post this morning, February 17.

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

[From the New York Times, Feb. 12, 1965]

WASHINGTON: WHAT ARE OUR AIMS IN VIETNAM?

(By James Reston)

WASHINGTON, February 11.—The first casualty in every shooting war is commonsense, and the second is free and open discussion.

An extraordinary situation now exists in Vietnam. A conscripted American armed force is now engaged in increasingly severe air raids in North Vietnam without even a speech by the President in explanation of his present thinking on the crisis.

The big black limousines arrive and depart from the White House. Brief statements are issued by press officers on the latest military operations and casualties. Influential legislators express the gravest apprehension in private about the trend of events, but most of them remain silent on the floor of Congress.

Meanwhile, the propaganda machine is beginning to turn over, the the front pages are filling up with pictures of the American wounded and those almost meaningless aerial photographs of villages burning in the jungle.

THE AMBIGUITIES

This is no time to be dogmatic about what should be done in Vietnam. Nobody but the President and his most intimate advisers has enough information about the situation in Saigon, Hanoi, Peiping, and Moscow to pass judgment, and his advisers are deeply divided on the best course of action.

But the least the President can do is to go before the country and explain his objectives. "There can be and there must be," he said in a campaign speech on Vietnam last August 5—which is about the only speech he has made on the subject—"no doubt about the

policy and no doubt about the purpose." But there is doubt all over Washington tonight about both America's policy and purpose.

At various times we have been told that our purpose was merely (1) to help the South Vietnamese Government help itself; and then, again, it was (2) to defend the "vital security interests" of the United States; (3) to stop the Communist infiltration below the 17th parallel; (4) to prevent the conquest of all of southeast Asia from Chinese Communist domination, and (5) to win a victory over the aggressors.

SLOWDOWN OR SHOWDOWN?

Sometimes one of these quite different aims has been given, sometimes another, and in absence of an up-to-date explanation by the President of where he is going now, there is a babble of influential voices in Washington, some of them concerned to avoid risk of war with China and some insisting that it is better to have a showdown with China now than later when she will be stronger.

There is widespread support here for a policy of making clear to the Communists that the United States cannot be attacked with impunity and that the cost of a Communist victory in South Vietnam would cost the Communists more than it is worth.

It is also generally recognized in the capital that the chaos in the South Vietnamese Government was leading to a political collapse, that that trend had to be reversed, and that failure to punish the Communist aggressors for hitting our bases would have been interpreted all over the world as a weakness that would have demoralized the South Vietnamese.

Accordingly, very few people here would deny that the United States, as a result of its limited policy of retaliation against bases in the south of North Vietnam, has placed itself in a stronger position to negotiate a settlement, but is this the President's purpose?

THE CHINA BORDER

Before long there will be few bases to bomb in the south of Communist Vietnam. The farther north we bomb, the closer we will come to the Red China border and the greater will be the danger of a Communist Chinese response, maybe in Vietnam, but also maybe in Korea, where China's manpower would be more effective.

"The Chinese people cannot stand idly by," said Peiping 10 days after the American Army crossed the 38th parallel in Korea in 1950, and we brushed it off in a mood very similar to the mood here now. "The 650 million Chinese people," said Peiping again this week, "will definitely not stand idly by and are well prepared in this respect."

DON'T THINK: ACT

Despite the similarity of the two statements, the risk of Chinese intervention is not rated very high here, so long as the bombing does not get close to the China border, but as things now stand events are increasingly deciding what we do, and the longer this elaborate game of "chicken" goes on, the farther north we are likely to go.

Even if we forget the Communist Chinese, we are having a bad enough time with the North Vietnamese guerrillas—a highly trained but comparatively small force—but what do we do if our bombings provoke the regular North Vietnamese Army of a quarter of a million men into an invasion of South Vietnam against 23,000 "advisers"?

In such a situation it is easier to act than think, and the satisfaction of acting is probably greater. A policy of retaliation to negotiate from a position of strength and equality would be widely supported here, but we do not know whether this is what the President has in mind, and we do know that some of his aids want far, far more.

[From the New York Times, Feb. 14, 1965]

WASHINGTON: THE UNDECLARED AND UNEXPLAINED WAR

(By James Reston)

WASHINGTON, February 13.—The time has come to call a spade a bloody shovel. This country is in an undeclared and unexplained war in Vietnam. Our masters have a lot of long and fancy names for it, like escalation and retaliation, but it is war just the same.

The cause of the war is plain enough. The North Vietnamese Communists, with the aid of Red China and to a lesser extent the Soviet Union, have sent their guerrillas into South Vietnam in violation of the 1954 and 1962 Geneva agreements, for the express purpose of taking over the Government and territory of South Vietnam.

AMERICA'S RESPONSE

The course of the war is equally plain. We were getting licked in South Vietnam. The Communists were steadily defeating the South Vietnamese armed forces, terrorizing a war-weary and indifferent population, and taking advantage of a divided and quarrelsome South Vietnamese Government.

More than that, the Communists were stepping up their attacks on the bases and barracks which serve the 23,000 American troops in South Vietnam, and it was in response to this that President Johnson ordered the bombing attacks on the Communist military installations in the south of North Vietnamese territory.

Very few people here question the necessity for a limited expansion of the war by U.S. bombers into Communist territory. The American and South Vietnamese position was crumbling fast, and the political and strategic consequences of defeat would have been serious for the free world all over Asia.

There is a point, however, where this exercise will become critical. As the military targets in the southern part of Communist Vietnam are knocked out, and our bombers move northward, they will soon come within the range of the North Vietnamese and Red Chinese MIG fighters, and if we get into that situation, the pressure for attacks on the airbases in North Vietnam and South China will steeply increase.

The immediate problem, therefore, is how to put enough pressure on the North Vietnamese to bring them into negotiations for a settlement of the war, without provoking a mass Communist counterattack we are in no position to meet.

This is a delicate and highly dangerous situation. The United States has the air and naval power to wipe out North Vietnam and the Chinese Air Force, if it comes into the battle. But the North Vietnamese have a quarter of a million men under arms who have never been committed to the battle at all, and few observers in Washington believe this force could be stopped without the intervention of a very large American Army on the ground.

THE SILENT WHITE HOUSE

Nobody has made all this clear to the American people. President Johnson has not made a major speech on the details of this war since he entered the White House. Neither did President Kennedy. We have had one long speech on the subject by Secretary of Defense McNamara on March 26 of last year, and a lot of statements here and in Saigon, many of them highly optimistic and misleading. But the fact is that we are in a war that is not only undeclared and unexplained, but that has not even been widely debated in the Congress or the country.

The whole history of this century testifies to the difficulty of predicting the consequences of war. We imposed a policy of unconditional surrender on the Kaiser only to find that the two greater menaces of communism and nazism took his place. One of the main objectives of the two World Wars was the freedom of Eastern Europe, which ended up with less freedom under the Communists than it had before.

LIMITING THE WAR

Few people here question that President Johnson wants to limit the war in Vietnam and avoid a ground war on the continent of Asia, but the future is not wholly in his control. He may be bombing merely to force a negotiated settlement, but the Chinese and the North Vietnamese don't know that. In fact, neither do the American people, whose airmen are carrying out the President's orders.

Nor, for that matter, do the allies, who are treaty bound to support us if we get into a larger war in southeast Asia. They will undoubtedly support a policy of limited retaliation in North Vietnam if it is for the purpose of negotiating a settlement, but they will not support us for long unless we define and limit our aims.

The implications of this war, then, extend far beyond Vietnam. President Johnson's hopes of building a strong alliance with Japan and the other free nations of Asia are not likely to be promoted by replaying the old script of American planes once more bombing Asians.

He has started on a massive program of reconstruction and development at home, but he can forget about his Great Society if he gets bogged down in a major land war in Asia on territory favorable to the enemy. Freedom expands in peace and authoritarian government in war, and this is precisely the danger now, for the Communists have the manpower to cause us an almost unmanageable situation not only in Vietnam but in Korea, and force us into a war that could divert our energies from the larger constructive purposes of the Nation.

In this situation it is difficult to understand why the problem is not discussed more openly by the President, why the terms of an honorable settlement are not defined, and why the negotiating efforts of the Secretary General of the United Nations and other world statesmen are so blithely brushed aside.

It is true that the instability, weakness and sensitivities of the South Vietnamese Government have to be kept in mind but nobody is suggesting a sellout at their expense. The talk here is not about a Munich agreement but a Korean agreement in which South Vietnam, like South Korea, would be in a better position to order its own life.

This would not be ideal, but it would be better for the South Vietnamese and for the United States than what we have now, and it would be better for North Vietnam and China than a larger war.

CHINA'S DANGER

For if this dangerous game gets out of hand, it is not likely that China's new industries, including her atomic installations at Taklamakan Desert in Central Sinkiang, will be spared. What her manpower can grab beyond her borders would be worth far less than what she would lose at home.

Somebody, however, has to make a move to reverse the trend and stop the present crooked course. For the moment, we seem to be standing mute in Washington, paralyzed before a great issue, and merely digging our thought deeper into the accustomed military rut.

[From the Washington Post, Feb. 17, 1965]

VIETNAM POLICY—THE MISSING INGREDIENT

(By Roscoe Drummond)

There is a missing ingredient in American policy in Vietnam.

From everything which has been said—and left unsaid—by the White House, the evidence is that President Johnson:

Intends to step up the retaliation enough to persuade North Vietnam that the aggression will be too costly to continue.

Wants to avoid intensifying it to the degree that it will lead to all-out war.

In a word, if I read correctly Mr. Johnson's words and actions, they mean that the United States aims to expand the war for a limited purpose and to avoid expanding the war beyond that purpose.

The purpose: to bring North Vietnam to accept a settlement that would insure the independence of South Vietnam, to which Hanoi pledged itself in 1954 and again in 1962.

Has this riskful and delicate operation got any fair chance of success?

It may have, but only if the missing ingredient is forthcoming at the right time.

The missing ingredient, which it seems to me, must accompany new air thrusts against North Vietnam, is a major U.S. peace offensive, to make it clear that we seek only an end to the aggression, that we have no desire to inflict unnecessary blows, that our sole objective is a settlement mutually tolerable to both sides—whenever Hanoi will cease and desist.

I am not talking about an appeasement peace. There is no reason to believe the White House has any such thing in mind. But I am suggesting that, if the Johnson aim of a controlled expansion of the fighting as an essential persuader to Hanoi is to succeed, there must simultaneously be a peace offensive to convince Hanoi that it has a reasonable acceptable alternative to all-out war.

More military action by itself could well bring unlimited expansion of the war.

A peace offensive by itself could only bring an intolerable appeasement.

Together they make sense—and could make headway toward the President's goal.

It is not likely that Ho Chi Minh and the Vietcong would be persuaded by either war action or peace action alone. The reason is that Hanoi and Peiping have long been convinced that the United States would not have the will and the patience to hang on, that the South Vietnamese Government was getting weaker, and that it would be foolish—for them—to give away at the conference table what they felt sure they were winning on the battlefield.

No wonder Ho Chi Minh has shown no interest in negotiation. For months we have talked stronger than we have acted. We have warned—and done little. We have conferred with ourselves—and done little. Now we are beginning to act more meaningfully.

But to bring North Vietnam to the conference table will take more than the few retaliations we have lately made. It will undoubtedly take persistent and heavy military pressure from the air and naval resources we have mobilized in the area. If Ho Chi Minh is to be persuaded to accept anybody's invitation to the conference table, it will have to be made clear that the only practical choice is between ending the war or suffering widespread devastation.

It is profoundly riskful to think we can expand the war in Vietnam and control its expansion at the same time. We must do it with our eyes open.

The only way this can be done with the least risk is to mount a peace offensive which would make our purpose clear and credible to allies and enemies alike.

My assumption is that such plans are well advanced within the Johnson administration and that the President is waiting for the proper time.

Mr. McGOVERN obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator from South Dakota yield?

Mr. McGOVERN. I yield, without losing my right to the floor.

Mr. DIRKSEN. I wish to say to the distinguished Senator from Idaho that I had hoped to address some remarks to the Senate sometime today in response to his address. I doubt whether, within the compass of time and the duties still before me, I shall have the opportunity to do so. However, I trust that there may be an opportunity tomorrow to respond to some portions of the Senator's address.

Mr. CHURCH. I thank the Senator from Illinois for his comment. I shall look forward with interest to whatever he may say on the subject tomorrow.

Mr. McGEE. Mr. President, I commend the Senator from Idaho on his statement. I say to the distinguished minority leader, for whatever it is worth, that, not on the high level he occupies, but on the very low level of my own status here, I hope to respond yet this evening to this very excellent discussion of policy, with which I take some issue, and that I shall await with eagerness the comments of the Senator from Illinois tomorrow, because his comments are often of great guidance to us who indulge in discussions of this type.

Mr. DIRKSEN. My friend from Wyoming must never demean his position or prestige, because, in my judgment, he occupies a high plateau and a place of high confidence in these great halls. I am always prepared to listen to him with the greatest of circumspection and humility.

I often sit at his feet to listen, knowing, of course, that he has occupied high places on a university faculty and has given much time during his life to a study of historic trends. So I am confident that I can listen and learn.

Mr. McGEE. I thank the Senator from Illinois for his comments. Probably I should quit while I am ahead. However, for the RECORD, I wanted to have an understanding. Do I correctly understand that the Senator from South Dakota intends to project his thoughts, roughly along the same line, and that it might be to the advantage of the discussion if I were to withhold my questions and my comments until, perhaps, his remarks were also a part of the RECORD?

Mr. McGOVERN. I plan to speak for 12 or 15 minutes. If the Senator from Wyoming wishes to make his remarks first, I shall be glad to defer to him.

Mr. McGEE. In the interest of being orderly and talking about the same subject, so that we shall not have to switch back and forth, as if we were watching a tennis match, it might be better if both speeches were in the RECORD.

Mr. CHURCH. I am advised by the senior Senator from Missouri that he wishes to ask a question or two. Then I shall be happy to yield the floor, unless the Senator wishes to propound questions to the distinguished Senator from South Dakota.

The PRESIDING OFFICER. The Chair has recognized the Senator from South Dakota.

Mr. McGOVERN. I yield to the Senator from Idaho.

Mr. CHURCH. I thank the Senator from South Dakota.

Mr. SYMINGTON. Mr. President, will the Senator from Idaho yield for a question?

Mr. CHURCH. I shall be happy to yield.

Mr. SYMINGTON. First, although it has not been possible for me to be in the Chamber during all of the Senator's remarks, I am pleased to have had the opportunity to read his thought-provoking address. I hope that every Member of the Senate will also read it.

The question I should like to ask is one to which I am sure the distinguished Senator has given much attention in constructing the philosophy that he has so ably presented this evening; that is, exactly what does he think we can do from the standpoint of relative disengagement in South Vietnam as against maintaining the status quo or moving more definitely to the north?

Mr. CHURCH. First, I should say that I have not advocated withdrawal from South Vietnam or any repudiation of the pledges we have made to the Saigon Government. In every instance that I have spoken on this subject, I have tried, at least, to make it clear that this country keeps its commitments, and that the United States, under mounting Communist pressure, ought not to withdraw from South Vietnam.

I have also spoken up on several occasions in support of the action that President Johnson has taken in ordering bombings in retaliation for the increased attacks upon American personnel.

As a prelude to the response that I shall make to the Senator, let me again say that I support the President in what he has done thus far.

When the President ordered these bombings, clearly his action was intended to demonstrate the strength of American will and purpose. It was intended to show Hanoi and Peiping that the United States is not a paper tiger, and that we will not be forced out of South Vietnam by stepped-up Communist coercion.

The necessary correlate to this position, it seems to me, is a willingness to make clear to the world the conditions for peace in southeast Asia. We should define with clarity and precision what our objectives are in being there. I submit, with all deference to the State Department, that there has not yet been a consistent, clear-cut definition of the American purpose. The confusion has been compounded by conflicting statements as to our purpose.

If our objective is to immunize southeast Asia from Chinese interest or activity, to dam off this part of the world from what has traditionally been a sphere of influence for China, then I say that our goal is unrealistic and foredoomed to failure, in the long course of events. China is the biggest power in Asia. It is a dominant force. China desires to reestablish a sphere of influence in southeast Asia like that she maintained under the Chinese emperors.

If we were to say that it is American policy—if it were in fact our purpose—to immunize southeast Asia from Chinese influence, this is a policy which will not

succeed. It runs contrary to the physical power relationships in Asia. It would be as though the Chinese were to say to us, "Quit trying to assert a dominant American interest in Mexico." I do not believe this is the policy. Rather, our purpose in Asia, is the containment of China. We went back to Western Europe to prevent further Russian expansion. Our presence in Asia is related to the containment of Peiping.

Now, the best way to contain the power of Peiping is to ring China with independent, stable governments. I do not think that, in the long run, we shall be able to determine what the character of these governments will be. I do not believe that this matters so much as the independence of those governments.

Therefore, I should think that it would be in the interest of the United States to begin to do in Asia what we have long been doing in Europe—recognizing that the satellite countries are restless, that they are not all alike, not dominated by the Kremlin to the same degree. We are watching each one working its way out from under the Kremlin's grip, recognizing that Tito's Yugoslavia is, in fact, largely independent from the direction and control of Russia.

I cannot see why, in the face of what has happened to the Communist satellites in Europe, the same experience will not also occur in Asia. Therefore, I should like, in answer to the question of the senior Senator from Missouri, to state that the struggle in southeast Asia is one which eventually must find a political, rather than a military, settlement.

In a widened military involvement, we can lose many men. We lost 157,000, dead and wounded, in Korea. The fighting cost us $18 billion. But, in the end, we had to go to the conference table. There had to be a political settlement. So it is with southeast Asia.

So, I should hope that our Government would make clear that a peaceful settlement is our objective in southeast Asia; that we are willing to consider—either through the intervention of the United Nations, or through another Geneva Conference—the prospects for a political solution in southeast Asia which would neutralize the area and provide for the orderly withdrawal of all foreign troops. We could guarantee the integrity of that neutrality with the full strength of American might. This would be using American military power in a way that could be effective, as a deterrent to Chinese encroachment upon her neighbors.

I submit that our present policy, on the scoreboard, is not one to give us reassurance, for Chinese hegemony grows in southeast Asia every day.

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

Mr. CHURCH. I yield.

Mr. SYMINGTON. I appreciate the lucid presentation of the senior Senator from Idaho on the subject. I mentioned before that I think he has made a magnificent address.

I am looking for some practical applications of his concept. For example, I would like to see more trade and less aid as an American policy. I mentioned earlier today that when I asked the former Secretary of Commerce, Mr. Hodges, and the present Secretary of the Treasury, Mr. Dillon, if they knew of any highly developed country in the free world, that was not doing its best to get as much trade as possible from behind the Iron Curtain, both in exports to those countries and imports from them, they both said no, that our country was the only country that, for ideological or any other reasons, was not trying to improve its trade position.

I also mentioned that I felt trade was perhaps the best way in which to obtain a better understanding between nations, and the normal relationship between businessmen who are looking forward to an arrangement that both sides consider satisfactory.

It is a little ridiculous for us to keep nearly a million military people, counting their dependents, living in Germany, as we have for so many years. We should, in the interest of our balance-of-payments problem, withdraw a large number of those people. I am confident that would not affect anything from the standpoint of our commitments.

But what I would like to ask my able friend from Idaho is, What does he think would be the best specific course that we could take at this time in South Vietnam? If I have any disagreement with him, it is over the statement that the President should emphasize his desire for peace. I am sure the Senator agrees that the President has emphasized his desire for peace in that part of the world, as well as all other parts of the world.

Mr. CHURCH. The Senator is correct. My point is that we should accompany the stepped-up military moves with a peace initiative, making clear what we regard the essential prerequisites to be for an acceptable political settlement that will bring peace to southeast Asia and provide for an independent and unalined Vietnam.

The Senator knows it is not possible for any Member of the Senate to specify the exact form that our proposal might take or what we might finally agree to at the conference table.

Mr. SYMINGTON. The question I wish to ask the distinguished Senator is what bargaining table he has in mind, and where.

Mr. CHURCH. I cite the fact that we went to Geneva over Laos. We had spent $325 million to build a Laotian army that refused to fight. The war in Laos was going against us. In another 60 days, the country would have fallen into the lap of the Communists. President Kennedy took us to the Geneva conference table. Today, there is no one, including our Ambassador in Saigon, who does not say that the situation in Laos, after the neutralization worked out at the Geneva conference table, is better than it was before. This is an indication of what can be done through negotiations.

Mr. SYMINGTON. The only reason I am asking the question is that I am very much impressed with the statement of my friend and colleague on the Foreign Relations Committee. Would the Senator think of starting with a conference at Geneva; and if so, who should be at the bargaining table?

Mr. CHURCH. These are matters which should be left to the President, of necessity. We entered negotiations over Laos at the point of failure, when continuation of the war would have meant a Communist seizure of the country. We may be in a somewhat similar situation in South Vietnam. But I would have the President indicate what the prerequisites might be for going to the bargaining table. I am not in a position to specify these conditions on the Senate floor, which only the President and the Secretary of State could properly undertake to do, but I am sure they would do it in a manner safeguarding American interests.

We have had several opportunities. Mr. U Thant has urged using the good offices of the United Nations in seeking a solution of the Vietnam issue. President de Gaulle has made suggestions. I am sure other opportunities will arise, because neither side can win a clean victory in southeast Asia, and neither side really wants war. Korea was a lesson for all. There was no victory for us in Korea. Neither would there be from widening the war in southeast Asia. In a situation where both sides stand to lose so much in a war which neither wants, it seems to me the opportunity is ripe to reach a political settlement, to use the olive branch of the Presidential Seal, even as we use the arrows.

Mr. SYMINGTON. I thank the Senator for his kindness in listening to my questions.

Mr. CHURCH. I thank the Senator for asking them.

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

Mr. CHURCH. I yield.

Mr. McGEE. First, I would make a matter of public record the fact that the Senator from Idaho and I learned many of these lessons together, side by side, in the countries that seem to be having so much trouble.

Mr. CHURCH. In connection with an article of mine that was published in the New York Times Magazine on Sunday, there is a picture in which the Senator from Wyoming appears with the Senator from Idaho, taken in Vietnam. I do not want that picture to implicate the Senator from Wyoming in the article or in the views I am expressing this afternoon.

Mr. McGEE. Basically, it comes as a matter of compliment to the Senator from Wyoming in view of the high level of the remarks submitted by the Senator from Idaho. Our experiences together in Africa, Asia, and Saigon in particular, have deeply affected the thinking of both of us.

The real point of my interruption is to address myself to the excellent statement the Senator has made in regard to why we are in Vietnam. Why are we there as compared to the situation in Western Europe, when, after the war, we were all eager to go home? We were determined to contain the Russians. We had the courage to prevent the Russians from moving ahead. The Senator

pointed out that there is a difference between Vietnam and Western Europe, the difference being in the sophistication of the people. Those people are capable of a correct assessment of the situation. But what I think he suggests is that when the chips were down in Western Europe, we did not say: "This is a matter of interest to us. We are ready to fight, but let us sit down and talk about it." Instead, we served notice on Moscow that starting in Western Europe, with West Germany and in Berlin, we were ready to fight now if the Russians intended to try to move into those areas. We made it unalterably clear that that was our position. The consequence was that the Russians backed off.

Two years earlier, we did the same thing in Greece where, it is true, the Government did not have the support of the people. For the most part, Greece was in the throes of a civil war, on a considerably higher level than the one now going on in Vietnam, but civil war, nonetheless.

The question that took first priority was the encroachment from the north of Communist forces across the border. We had to back not the good guys but the bad guys in Greece—to put it simply in the vernacular. We did not back the people. We backed the monarchy; we backed those who happened to be in the driver's seat at that moment. We took a chance on Greece raising its level of economy and in improving the quality of its own government. It was a case of putting first things first. As a result of the strong position which we made clear was ours in Greece, the Russians backed off.

I submit that the analogy is now valid in Vietnam. It has been valid all along. It was valid when we went in, immediately after 1954. To complete the point in Vietnam, what worked under the Communist pressure from Moscow in 1946, 1947, and 1948, has to work in different terms, but still work now—that is, we must make it clear that in Vietnam, much as we would like to see a different government and even a democratic government for them, the first thing we insist upon is that there be no additional encroachment by forces from the north.

I believe that the moment we try to lop the whole area into the category of a discussion, we then are daring to negotiate the status of the line that really was a sacred line in Germany, in Berlin, and in Greece.

There should be the same sacred line in Vietnam. Even though we went to the conference table, after the fighting in Korea, we drew a line that was consistent with our purpose—respecting the agreement that had already been reached there; and we stabilized the picture even though it involved the presence of American troops. But a divided Korea, two Berlins, two Germanys, two Chinas, and two Vietnams seem to be our starting place, and not our negotiable area.

For that reason, I suggest that the Senator's wise drawing of the issue in Europe and in stopping Russian communism pertains equally in the drawing of the line in southeast Asia.

Mr. CHURCH. Mr. President, in response to the very able statement of the Senator from Wyoming [Mr. McGEE], let me say, first of all, that I fear it illustrates the danger of argument by analogies which really are not based upon the same underlying facts.

It also tends to point up the need for a more precise definition of American objectives in southeast Asia.

I say with all deference to the Senator from Wyoming that I have the same trouble with his statement that I have with statements made by the State Department on the situation in southeast Asia. There were very good reasons for the success of our containment policy in Europe. I believe it is important to draw a sharp distinction between Europe and southeast Asia, and not to paint the picture in broad-brush strokes, as though there were no difference between Western Europe and Russian expansionism after World War II, and the kind of problem we are facing in the jungles of Vietnam today.

I suggest that the difference is as great as that between Western Europe and southeast Asia in terms of the people, of values, of governmental systems, and of outlook. Therefore, to say that this is all one big problem, and that the same policy of containment that worked 15 years ago in Europe is going to work in southeast Asia today is, to me, a fundamental error.

The reason why our policy has failed to produce the desired results in so many parts of Asia and Africa is that there is so different an attitude in Africa and Asia toward the Western World.

These continents have just emerged from centuries of colonial bondage. I served in Burma, in India, and in China during the war. The only common link among the people I encountered was their great resentment of the white man.

These factors, which count for so much in Asia, were not present in Europe. There, we Americans were, more or less, of the same family. We were part of the same mainspring of Western civilization. We had cultural values, economic and political systems sufficiently alike, so that we shared a common repugnance to communism. I do not believe it follows that Africans or Asians feel the same way, or see communism in the same light that we do. I believe that these factors are so fundamental that they must be taken into account if an intelligent American policy is to be formulated for so different a part of the world.

The Senator states that we must draw the line in South Vietnam the way the line was drawn in Europe. I say that if I had a better idea of exactly what our objective is in southeast Asia, I would have a better basis for evaluating our policy. So would the Senator from Wyoming [Mr. McGEE]; so would the Senator from South Dakota [Mr. McGOVERN]; and so would the people of the United States, who will have to fight, should it come to that.

I suggest that in Vietnam we are confronted with a different kind of problem. Everyone who writes about it, agrees to this.

At the moment, the Chinese are not there. They have not come down with their armies. They have not dropped the Bamboo Curtain on southeast Asia and backed it up with Chinese divisions. The war in Vietnam has been between North Vietnam and South Vietnam, to determine whether the country will be reunited, and under what kind of government. Thus far, most of the combatants have been South Vietnamese. The pro-Communist South Vietnamese, called the Vietcong; and the anti-Communist South Vietnamese, rallied—if that is not too strong a word—around whatever government is sitting in Saigon. It has been essentially a civil war, even though aided and abetted from the north.

What north are we talking about?

We are talking about Hanoi. The most significant help Peiping has given, thus far, is some Mig fighters, sent down recently. Most of the Chinese participation, so far, has been verbal service to the cause. There has been some instruction on the art of guerrilla warfare, but the Chinese are not there in any physical sense, certainly not to the same degree that we are there in a physical sense. This is essentially a war among the Vietnamese.

I submit to the Senator from Wyoming that the Chinese doubtlessly desire the communization of Vietnam, but the method is insurrection, and the people involved in that subversive effort are Vietnamese.

If we believe that a white Western nation can intervene and take over this kind of war, convert it into an American war, and then settle it in any durable way, I simply disagree.

There are limits to what we can do in assisting a country which is gripped in insurrection involving brother against brother.

Since there are limitations, let us recognize them. Let us define our goals. Let us decide what we are really out to do. Then let us see if that can be done through the processes of negotiation.

I have tried to make it clear that, in gaining this objective, American power must be brought to bear. I have endorsed what the President has done in his use of American power. I believe a widening war may be averted through the judicious use of power, and with a policy that clearly undertakes to mark the course to the bargaining table, where we can ascertain whether or not our objectives can be attained.

Mr. McGEE. Mr. President, will the Senator yield further?

Mr. CHURCH. I yield.

Mr. McGEE. The Senator from Idaho is so eloquent and well informed on this question that I am reluctant even to press the matter further. I believe he makes an excellent point when he says that communism in Asia and in Africa is a far different thing to these people than it was to the residents of Western Europe. I believe we would all get closer to the nub of the real problem that faces us now in Asia if we would not talk so much about communism and talk more about power politics.

Mr. CHURCH. I agree with the Senator.

Mr. McGEE. Herein we find the explanations not only for the American presence, but the goal that should epitomize the American past.

In the wake of World War II, if I may submit the historical parallel, the nations of the world fell into the throes of the same historic conflict that followed in the wake of nearly every one of the great wars of history, and that is to put back together again the pieces and to reconstitute some kind of accepted balance of power as man's only substitute for continuing war up to this time.

World War II was especially harsh on the conventional balance of power. Not only had three nations gone down to defeat; namely, Italy, Germany, Japan, but even two of the victorious powers were so strapped by the war that they could not continue their historic relationships. I speak, of course, of our allies, France and England.

Nonetheless it behooves us to do what we can, as one of the Allies, one of the victors, to try to reconstitute a balance that will be as favorable to our common cause as possible. That is what has been taking place since 1945. That is what happened in Berlin, in West Germany, in Greece, and around the globe, to such an extent that it is possible to draw a firm line all the way from Finland, down across Eastern Europe, across Greece and Turkey, Iraq and Iran, Pakistan and India, all the way to the China Sea, except for the embarrassing fluid gap that still exists. Neither side has been able to firm up conditions in southeast Asia.

What I am saying to the Senator is not that I disagree with the imperativeness of negotiation; but I believe in negotiation at the right time, and that now is not that time.

We must close the last remaining gap. Although conditions in Vietnam are entirely different in many ways than they were in Europe or than they are in Latin America or anywhere else, the one thing that is present that was present in Europe and is present in the other areas around the fringe of either Soviet imperialistic design or of the Chinese is sheer political calculation.

It should have been spelled out before this time, for in my judgment, if we, through a policy of hesitation, or a policy of premature negotiation, make it possible for the Chinese, as a case in point, to move into southeast Asia, however surreptitiously, we jeopardize the political balance in the world.

That empire in southeast Asia is the last large resource area outside the control of any one of the major powers on the globe. In the hands of one it becomes a power calculation that can upset the balance in the world.

Before we can talk or negotiate, we must make certain that there is no equivocation about where we stand and about where we have drawn the line.

President Kennedy said that we can always negotiate freely, but we must not negotiate freedom.

I believe this must be the issue laid down on the firming of the line on this, the last segment of a power vacuum in the world. Then we shall be in a position to start talking about the kind of world we want.

Mr. CHURCH. In response to——

Mr. McGEE. May I finish? As we draw that line, we are only completing the sequence of the policy bases and the power commitments for the benefit of a balance in the world that was begun back in 1946. I believe the price we have already paid for this opportunity ought to give us pause about slowing down until we have fully reconstituted the balance in the world.

I believe that the condition of the Vietnamese people, and the direction in which their future may be going, are at this stage secondary, not primary. I believe that is where we become confused. We must keep first things first, as we did in Greece in the civil war there.

Mr. CHURCH. The Senator intends to speak later in further extension of his thoughts. I merely wish to restate briefly what I have said. I understand the Senator from South Dakota [Mr. McGOVERN] has been waiting patiently to make his speech; and other Senators may wish to speak also.

China is not now in Vietnam—either in North Vietnam or in South Vietnam. We are now demonstrating the strength of the American position in southeast Asia stemming from our domination of the air and the sea. Therefore, I do not believe that we would negotiate from weakness.

The danger of using our military strength alone and extending the bombing northward, unaccompanied by any preferred recourse to the bargaining table, can lead only to a worsening situation.

Once the bombing goes further north, the danger increases that North Vietnam must respond; and the only means she has is on the ground. Saigon is obviously too weak to withstand such further pressures. So the demand will follow for American ground troops. The last time we had a similar experience, this led to Chinese involvement. We can go down that road again, with all the attendant pain, cost, and tragedy. But, in the end, we shall come back to the conference table, as we did in Korea, with China as well as North Vietnam to contend with; and large parts of southeast Asia in Chinese occupation.

That kind of situation would not auger well for a satisfactory settlement. I disagree with the Senator from Wyoming when he says that we should wait until some time later, until after the military situation has changed. It seems to me that, given a spreading war, the military situation will only worsen. So, I think we should combine our military effort in South Vietnam with an indicated willingness to negotiate.

Since I have kept the Senator from South Dakota waiting, which has not been fair to him, I should like to yield to him now so that he can deliver his speech. Then I shall be happy to remain to discuss these questions further with the Senator from Wyoming after the Senator from South Dakota has concluded.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. McGEE. Mr. President, will the Senator from South Dakota yield to me for 1 minute?

Mr. McGOVERN. I am happy to yield to the Senator from Wyoming.

Mr. McGEE. The Senator from Idaho has given a great deal of thought to the subject, as I have also. I shall have some additional suggestions to make for discussion purposes which I believe will meet the kind of objections that he has raised, or answer the serious questions that he has posed and which bother him at the present time. I wish only to express the hope that no one will leave out of any calculation the idea what we are talking about is Hanoi, and that the Chinese mainland and Government are not specifically involved. We know that China has not joined its armies with the Vietcong yet.

Mr. CHURCH. China is indeed the reason for our presence in southeast Asia. I have expressed doubts as to whether our policy is properly directed toward the effective containment of Peiping. The Chinese involvement in southeast Asia could become a great deal worse than it is today.

I yield to the Senator from Wyoming.

Mr. McGEE. I thank the Senator from South Dakota for his indulgence.

Mr. McGOVERN. It has been a great educational experience on the part of the Senator from South Dakota. Before I begin my remarks, I should like to yield briefly to the Senator from Wisconsin.

Mr. NELSON. Mr. President, I commend the Senator from Idaho for an exceptionally fine speech. This is a most thoughtful presentation by a practical, hardheaded internationalist. The Senator from Idaho vigorously supports our position in the world as the defender of freedom. He speaks as one who seeks to strengthen our role and improve our position in international affairs.

His words are a refreshing and thoughtful contribution to the dialog on our role in Vietnam.

I shall not attempt to elaborate on the thoughts expressed by him. He covered that ground thoroughly enough. However, one aspect of this continuing and ever-changing dialog on our role in Vietnam is worthy of attention. That aspect is: What is the conception of our presence in South Vietnam? and, should we change it?

Increasingly, in recent months, we have heard the voices of many who seem to have the view that the war there is in fact our war and that we should and must make the necessary investment of men and material to win at whatever the cost.

If that is our mission there, as some seem to believe, the rules of the game have been rather dramatically changed. I do not think our mission has been changed and I do not think it should be.

From the very beginning of our involvement it has been clear that our mission is a very limited one. Three Presidents have clearly stated the proposition that our role is simply to give aid

and technical advice with the objective of helping establish an independent, viable regime that is capable of managing its own affairs.

On October 23, 1954, when President Eisenhower first offered aid to Vietnam, he stated:

> The purpose of this offer is to assist the Government of Vietnam in developing and maintaining a strong, viable state, capable of resisting attempted subversion or aggression through military means. The Government of the United States expects that this aid will be met by performance on the part of the Government of Vietnam in undertaking needed reforms.

On September 2, 1963, President Kennedy reaffirmed this policy:

> I don't think that unless a greater effort is made by the Government to win popular support that the war can be won out there. In the final analysis, it is their war. They are the ones who have to win it or lose it. We can help them, we can give them equipment, we can send our men out there as advisers, but they have to win it—the people of Vietnam—against the Communists. We are prepared to continue to assist them, but I don't think that the war can be won unless the people support the effort.

And on August 12, 1965, President Johnson described the primary pattern of our effort over the last 10 years:

> First, that the South Vietnamese have the basic responsibility for the defense of their own freedom.

When we first agreed to help South Vietnam, French armies had just suffered a disastrous defeat at Dienbienphu. After spending an estimated $8.5 billion, after committing more than 400,000 first-rate soldiers, and after suffering 240,000 casualties, the French learned it is almost impossible to win a jungle war in Asia, except at incredible cost. As the Senator from Arkansas [Mr. FULBRIGHT], chairman of the Foreign Relations Committee, recently told the Senate, most responsible American officials realize that "it would be very unwise under any circumstances to put a large land army on the Asian Continent."

Our national policy has been to help with advice and material, but not to substitute our forces for those of the South Vietnamese Government, nor to join with them in a land war, nor to fight their war for them. Our military personnel in Vietnam number only 24,000.

Based on our experience of 10 years in Vietnam it clearly would be folly to expand our mission or the original concept of our involvement. When we became engaged there in 1954 I do not think anyone expected we would still be there in 1965. Certainly we do not intend to stay there until 1975. At some stage we must make a decision on whether it is possible to achieve our original objective. The accumulated evidence indicates we cannot. If this is correct it is in our national self-interest to seek ways and means of negotiating a constructive settlement. The President, of course, is in the best position to make the necessary tactical judgments to accomplish this end.

Whatever the final result in South Vietnam I think it is a necessary part of the educational process for us as Americans to recognize that in our relatively new role as leader of the free world we will be continually engaged in difficult risks and gambles in remote spots all over the globe. We will in the future as we have in the past take many risks in which the chances of success are much less than 50–50. The fact that we gamble in behalf of freedom some place and lose does not mean we should not have tried. If we never take any risks for fear of losing, we will never lose anything except our leadership of the free world.

Mr. President, I have in my hand a very thoughtful editorial published in the Milwaukee Journal. 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:

NEGOTIATE NOW IN VIETNAM

There is no future in what has been happening the last few days in Vietnam except the wider war that has been American policy and interest to avoid. As we retaliate against stronger Vietcong activity in South Vietnam with heavier and deeper aerial attacks upon North Vietnam, we extend an ever more pressing invitation for the Chinese Communists to intervene forcibly. To say that they will not do so is to forget that this country made just such a misjudgment in Korea.

The problem is not that we couldn't win a war against China. We have the power to do it. But for what purpose? It would involve us massively in a remote area of the world where our national interest and security are not involved in any paramount degree. It would risk the danger of nuclear war—for the Soviet Union, whatever its differences with China, could not long stand by without at least material aid to the Communist side.

The dangers are too great and the goals too unimportant for us to push on into full scale war. It is not as if we had allies of strong will and determination at our side. The South Vietnamese as a whole do not have their hearts in this enterprise. Our European allies do not believe that we belong in southeast Asia.

We are like a musclebound giant being besieged by gnats. We have overwhelming power but no way or reason to use it. The war is really a grueling ground action in the jungles and rice paddies.

Henry Cabot Lodge, former Ambassador to Vietnam, argues that retaliation against North Vietnam is proper when we are attacked but it cannot win the war. He thinks it is impossible to seal the borders of South Vietnam. He told U.S. News & World Report that "even if you had a 100-percent score in bombing supply lines I still don't think you could win this struggle in South Vietnam by just doing that."

Where do we go from here? Logically to a negotiated settlement. Lodge sees little possibility of this, but this country certainly should not be reluctant to say that it is ready to seek a settlement at the conference table. Nothing could be lost by recalling the Geneva pact powers for negotiation. President de Gaulle is right when he says that southeast Asia should be a neutral zone and that steps should be taken now to that end.

Certainly Russia wants no war. In all probability China doesn't, and North Vietnam certainly doesn't want Chinese soldiers in its territory. A negotiated peace is vital. It is the only alternative now to expanding war. And peace must remain our goal.

Mr. NELSON. I thank the Senator from South Dakota.

Mr. McGOVERN. Mr. President, the Senate and the entire Nation is indebted to the Senator from Idaho [Mr. CHURCH] for the high level foreign policy debate that he has introduced in the Senate today. The Senate has a constitutional responsibility for the conduct of foreign policy and in a dialog with the President of the United States. We violate not only our constitutional responsibility, but, beyond that, we jeopardize the national interest when we remain silent at a time of great significance to the Nation in terms of our relations with other countries.

I cannot think of any time in recent years when we have been confronted with more crucial changes in the field of foreign policy than we are at this very hour. The greatest disservice Senators could render to the President of the United States and to the country as a whole would be to remain silent at a time when we have an especially urgent responsibility to share our views and our convictions on important issues that might affect the future of our country and the peace of the world. So every citizen of our country is indebted to the Senator from Idaho, a thoughtful and realistic member of the Committee on Foreign Relations, for giving us the benefit of his views today on important subjects affecting not only the continents of Africa and Asia, but also our own security. I commend him for that, and for many other helpful initiatives that he has taken in the field of foreign policy.

I say the same thing to the Senator from Wyoming, who has helped to conduct the debate and the dialog today in a constructive manner. We all look forward to his further remarks, as well as to the dissenting views that have been promised by the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], tomorrow. These differences of opinion and their expression on the floor of the Senate are helpful not only in clarifying our own views, but also in broadening the area of operations of our President at this very difficult time.

I wish to make it very clear that my position with regard to negotiation in South Vietnam is exactly the same, as I understand it, as the position of the Senator from Idaho. It has been interesting that this week the American people have indicated in a Gallup poll that by a margin of more than 60 percent they support the retaliatory air strikes ordered by the President. But those same people, less than 3 weeks ago, indicated by an amazing percentage of 81 percent that they also favor an initiative by the President of the United States in arranging a conference of southeast Asia, China, and other interested powers to see if some kind of a peace settlement can be worked out. Both those views reflect my own thinking, and they are not contradictory. It is perfectly possible to uphold the President's hand at a time when he is ordering selective air strikes in retaliation against attacks upon American forces, and at the same time to urge our President to use that high office in arranging a conference in which the possibilities of negotiation can be explored.

It is on that basis that I should like to take my stand today, as I did on the Senate floor a month ago and at the time of the Gulf of Tonkin crisis last summer.

Obviously, there is nothing contradictory about favoring decisive military action in Vietnam today at the same time that we hold open the door and in fact seek initiatives to bring about a conference to explore the possibilities of negotiation.

As the Senator from Idaho [Mr. CHURCH] said, we cannot run out unilaterally on our commitment to the Government of Saigon, to which we have pledged our continued support in that area. I could not agree with certain proposals that have been made, that we merely withdraw with no notice to the Government of Saigon or to our allies. These are matters that have to be negotiated and discussed not only with the Government of Saigon, but with other great powers that have an interest in this part of the world, and, of course, that includes the Government of mainland China.

In the Gallup poll of January 31, the people were asked:

> Do you favor efforts by President Johnson to arrange a conference with leaders of southeast Asia, including China, to see if a peace agreement can be worked out?

It is interesting to me to observe that 81 percent of the American people said that that was what they favored. Eleven percent dissented. Eight percent had no opinion. I cannot recall any controversial foreign policy in recent years in which 81 percent of the people lined up on either side.

Public opinion expression ought to be considered carefully by our policymakers in the State Department and elsewhere throughout the Government.

President Johnson has consistently acted with restraint in Vietnam. He ordered retaliatory air strikes against North Vietnam only after careful consideration of all the factors involved in this complex crisis. The American people have demonstrated their support of the President's action.

But doubtless no one recognizes more clearly than the President that bombing attacks in the north will not solve the guerrilla struggle in the south. I hope that such tactics are aimed at increasing pressure on the North Vietnam Government and perhaps on the Chinese for negotiation rather than following the false hope that military victory is possible for either side.

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

Mr. McGOVERN. I am happy to yield.

Mr. CHURCH. I commend the Senator from South Dakota for the statement he is making. I associate myself with the remarks he has made with respect to the restraint that the President has shown in dealing with this dangerous, vexatious problem. All of us know that the problem has been long in the making. All of us understand the difficulty of the President's situation. But I am confident that the President is earnestly attempting to avoid a widening war in Asia. He remembers, as we all do, the experience in Korea. He remembers the statement of Gen. Douglas MacArthur afterward, warning against the endless attrition of sending American troops into battle on the Asian mainland. Therefore, I believe the President is endeavoring to find a way to reach a satisfactory settlement in southeast Asia that will not lead us into another Korean war.

I wish to be associated with the remarks the Senator has made with respect to the prudent restraint the President has attempted to use as he deals with this difficult problem.

Mr. McGOVERN. I thank the Senator from Idaho for his comments.

This is the kind of struggle that is not affected much, if at all, by bombings a thousand miles away from the fighting. The guerrillas are largely equipped with American equipment that has been captured from the South Vietnamese, whom we have equipped. The guerrillas have demonstrated that they are capable of living off the countryside, with little outside support. The guerrilla strength is strongest a thousand miles away from the North Vietnam border. If the guerrillas do not always enjoy the cooperation of the general populace in South Vietnam, neither do they seem to encounter much grassroots resistance.

This is basically a political fight, as the Senator from Idaho has said, that in the long run will have to be settled by the Vietnamese people rather than by outsiders.

Unfortunately, our deepening military involvement in Vietnam, however well meaning—and our intentions were good when we became involved in this struggle some 11 years ago—has drawn to us much of the resentment which the Vietnamese developed over the years against France, Japan, and other intervening powers. Our military embrace of the South Vietnam rulers may actually have opened the way for Communist gains in southeast Asia and delayed the development of responsible government.

So however unfair it may seem to us, many of the same political factors that brought the French forces into disrepute and eventual defeat in southeast Asia are now operating against us. Those factors could not be controlled in the 1950's, even by an enormous investment of French military power, including 400,000 French soldiers.

The late beloved President Kennedy has been quoted several times on the floor of the Senate this afternoon. It is interesting, but perhaps somewhat ironical, that on April 6, 1954—almost 11 years ago—the then junior Senator from Massachusetts, John F. Kennedy, took the floor of the Senate, at a time when the French had been fighting in the same area for some 8 years, and said:

> But to pour money, materiel, and men into the jungles of Indochina without at least a remote prospect of victory would be dangerously futile and self-destructive. Of course, all discussion of "united action" assumes the inevitability of such victory, but such assumptions are not unlike similar predictions of confidence which have lulled the American people for many years and which, if continued, would present an improper basis for determining the extent of American participation.

The then Senator Kennedy continued:

> Moreover, without political independence for the associated states—
>
> Meaning the states of Indochina—
>
> the other Asian nations have made it clear that they regard this as a war of colonialism and the "united action" which is said to be so desperately needed for victory in that area is likely to end up as unilateral action by our own country.

That is exactly what has happened. We are getting precious little help from any other country in the long, expensive, bloody struggle in southeast Asia.

Mr. CHURCH. Mr. President, will the Senator from South Dakota yield?

Mr. McGOVERN. I am happy to yield.

Mr. CHURCH. It would be well to contrast the situation that existed at the time of the Korean trouble with the nature of our involvement in South Vietnam today. In Korea, the invasion of the south by the north constituted a clear violation of the peace system that the United Nations was established to maintain. The United Nations responded. The United States undertook to defend South Korea in the name of the United Nations, with the full support of world opinion and, indeed, with token forces contributed by a number of other nations.

True, the physical burden was largely ours; but the action was carried under the aegis of the world community. Today, owing to the different character of the war in South Vietnam, the world community does not look upon it as we do. Otherwise, we would probably be in South Vietnam today under the flag of the United Nations, with the active collaboration and support of other countries, and with the full approbation of world opinion.

The very difference in the situation bears out the position taken by the Senator from South Dakota in the excellent address that he is making on the floor of the Senate today.

Mr. McGOVERN. Mr. President, the point of the Senator with reference to the Korean conflict and the contrast there is well taken. There is one further contrast to which he alluded in his remarks today. That is that whereas in Korea we had the support of our U.N. colleagues for our military involvement, in this instance not only is such support absent, but we also have the leading officer of the United Nations, Secretary General U. Thant, urging the two sides of the Vietnamese conflict to get together and try to work out some kind of negotiated settlement.

There is one other lesson that we should remember about the Korean conflict. There are those who are willing to risk escalation on the theory that any amount of acceleration of the war on our part presents us with no real danger as far as Red China is concerned. These individuals glibly predict that a show of force on our part presents us with no threat of increasing Chinese involvement. They predict that somehow the Chinese will wander away if we just commit enough military power.

The lesson of Korea is that, if pushed far enough, we can indeed provoke hordes of Chinese soldiers to enter the conflict. The Chinese soldiers swarmed into Korea 1 million strong in 1951–52, which is the same kind of threat that is

always present with reference to the very dangerous situation in southeast Asia. That is a lesson we ought not to forget.

Mr. CHURCH. Mr. President, will the Senator yield further?

Mr. McGOVERN. I yield.

Mr. CHURCH. In the event that the war should continue in Vietnam without any recourse to the bargaining table, so that both sides would have to respond in terms of an ever higher level of military involvement, in addition to the prospect of a massive Chinese movement into southeast Asia, do we not also need to consider the increasing likelihood that China and the Soviet Union, under the pressure of this mounting war, would tend to be welded back together, so that the Communist world could present a united front against the United States?

This is a factor of enormous importance to the future of our relationship with the Soviet Union which needs to be weighed carefully in the balance as we decide how to proceed in Vietnam.

Mr. McGOVERN. Mr. President, the Senator has touched on one of the most fundamental questions in this whole crisis area. It would be the saddest of misfortunes if, at a time when the Communist world appears to be in disarray and the monolithic Communist bloc which once confronted us has been shattered, we were to provide through our actions the vehicle that united these very Communist governments. I can see that very thing happening in the event of an all-out war in southeast Asia. It would cause our Communist rivals to close ranks as nothing else could. Beyond that, we would have set back the cause of a detente of peaceful relationship of the kind that we hope has been developing between Red China and the Soviet Union.

I continue with two or three additional sentences from the speech delivered by Senator John F. Kennedy 11 years ago. Referring to the possibility of American intervention in southeast Asia, he said:

> Such intervention, without participation by the armed forces of the other nations of Asia, without the support of the great masses of the peoples of the associated states, with increasing reluctance and discouragement on the part of the French—and, I might add, with hordes of Chinese Communist troops poised just across the border in anticipation of our unilateral entry into their kind of battleground—such intervention would be virtually impossible in the type of military situation which prevails.

I shall read one final statement—and this is a most prophetic statement. It reads:

> Every year we are given three sets of assurances: first, that the independence of the associated states is now complete; second, that the independence of the associated states will soon be completed under steps now being undertaken; and, third, that military victory for the French Union forces in Indochina is assured, or is just around the corner, or lies 2 years off. But the stringent limitations upon the status of the associated states as sovereign states remain; and the fact that military victory has not yet been achieved is largely the result of these limitations. Repeated failure of these prophecies has, however, in no way diminished the frequency of their reiteration, and they have caused this Nation to delay definitive action until now the opportunity for any desirable solution may well be past.

Mr. President, it may very well be, 11 years later, that the opportune time for negotiations has been passed. But I do not believe so. The difference of opinion that the senior Senator from Idaho and I have with the Senator from Wyoming is that we think the time for the United States to explore the possibility of a negotiated settlement is now, before the forces are out of control and before a trend is started that might lead to world war III.

A month after the Senator from Massachusetts delivered that speech, with predictions of victory reverberating from the French, Dienbienphu took place. The French resistance collapsed, and the stage was set for a forced withdrawal of the French forces in Indochina. How ironical it is that more than a decade later, the same advice that we were giving the French in 1954 is now being given to us by President de Gaulle—that we cannot win a military victory, given the political conditions that exist in southeast Asia; that we cannot win when there is not a responsible political force in control in that part of the world; that guerrilla tactics of this kind do not lend themselves to a continued military solution; and that what is needed is a political settlement. Apparently the fight in southeast Asia has swung full cycle.

It is doubtful that our continued military involvement in the sixties will prove to be any more successful than the military involvement of the French was in 1954. We have already sacrificed over 300 American lives and $4 billion in the Vietnamese war. Perhaps that would not be too big a price to pay if we had been able to stabilize the political and military situation with that investment. But the facts are that both the political and military situations have worsened as we have become steadily more involved.

Far from losing face, I say that if we were to take the initiative in ending the fighting in southeast Asia now, it would reaffirm the fundamental desire of the American people for world peace. There is not any thought in the minds of the people around the world that is any more precious than the hope for peace. There is not any nation that would win any more prestige and support throughout the world than the nation that champions constructive steps in the cause of peace.

It is not appeasement to recognize that the problem of southeast Asia does not lend itself to a military solution. It is not appeasement for the mightiest military power in the history of the world to recognize the limits of that power and to commit it reasonably and wisely. Positive steps toward peace will do more than retaliatory air strikes to replenish the reservoir of good will which is America's greatest source of strength in Asia and throughout the world.

It seems evident that neither we nor the other side can score a decisive victory in the kind of political guerrilla war that has cursed Vietnam since the end of World War II.

The statement that we cannot score a decisive victory is balanced by the statement that neither can they have a decisive victory. The North Vietnamese and the Chinese have enormous land armies capable of holding out in the jungles for decades if they should ever be drawn on a large scale into the conflict in southeast Asia. U.S. military strength in the Far East, on the other hand, is largely naval and air power which does not lend itself to an Asiatic land war. We could pulverize the great cities of China and North Vietnam and still not end the guerrilla warfare, or encourage the establishment of effective local government.

Although both sides will have to make concessions, both will stand to gain from a ceasefire and a negotiated settlement. Neither continued fighting nor negotiation can guarantee that governments in southeast Asia will be alined with the West. But it is not our mission to play policeman for the world. In the long run, only the people of southeast Asia can decide the political ideology under which they will live.

Even if one were to admit the danger of anti-Western governments coming to power in some of the southeast Asia states, it does not necessarily follow that those governments would be puppets of Red China. It is more than likely, given their historic resistance to China, that these states would resist Chinese encroachment with at least as much vigor as the states along the Soviet frontier in eastern Europe are now resisting Russian dictation.

Neither does it follow that American withdrawal from Vietnam means the end of our military power in Asia.

We hear rash predictions that the Communist takeover of southeast Asia means a series of domino incidents that will push us to Hawaii or California. But our real military power will remain in our naval air units offshore.

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

Mr. McGOVERN. I am happy to yield to the Senator from Idaho.

Mr. CHURCH. Nothing has been said about the character of our problem in southeast Asia that so reflects how heat can be substituted for light than the notion that South Vietnam is the last stand for the United States beyond the shores of Hawaii, or even the gates of Seattle. If there is nothing but a vacuum between Saigon and Seattle, indeed we are in a perilous situation; but I had thought that the American Navy dominated the Pacific, and I had thought that the Pacific Ocean was a sizable moat to protect the security interests of the United States. We must try to view this situation in perspective if we are to do our duty.

Mr. McGOVERN. It is quite evident that the United States is and will remain for the foreseeable future, regardless of what happens in Vietnam, the strongest military power in the Pacific. We have the power to utterly devastate Red China, which hardly means that we would be negotiating from a position of weakness no matter what happens in Vietnam. No nation really believes that the United States is "a paper tiger," and

no nation will believe any such nonsense should we try to negotiate a settlement in southeast Asia or should the South Vietnamese work out a settlement with the Vietcong on their own.

Indeed, it is quite possible, even probable, that we may have greater military, political, and economic flexibility and real power once we are free from entanglement in this costly and indecisive involvement in the jungles of southeast Asia.

Likewise, we can continue to play a strong political role in Asia by strengthening our relations with such key countries as Japan, the Philippines, India, Pakistan, Australia, and New Zealand. All of these countries plus the Russians and our European allies have an interest in joining with us to stabilize southeast Asia—perhaps with the aid of a significant United Nations presence.

If efforts at negotiation fail, and we have to continue the fighting we would have lost nothing of substance militarily, and our political position might be stronger. The American people are supporting the President's actions in Vietnam, but my mail indicates by a margin of 15 to 1 that the people also favor efforts on our part to negotiate a ceasefire and a settlement in Vietnam.

I have heard one of our commentators, sometime during the course of the day, make the statement that the mail coming to Members of Congress on this subject is Communist-inspired. I shall not take the time to read a long list of letters from people in my own State, from people who I know are good Americans, and from other States, letters from persons whose names are familiar to me, whose Americanism I do not question. I remind this commentator, who states that mail favoring negotiation efforts is Communist-inspired, that 81 percent of the American public favored a conference of the concerned nations. So it would be questioning the intelligence of the American people to say that 81 percent of them are being led around by the nose by Communist-inspired efforts.

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

Mr. McGOVERN. I yield.

Mr. McGEE. The Senator from South Dakota has been a leader in trying to make clear that statements made repeatedly by some persons who claim that some views which are controversial are Communist inspired, are not omniscient.

I know of nothing that could be more ridiculous than the charge that these letters were anything but sincere. If we wished to argue that the Communists were smart, we could argue that the Russians were writing these letters so that we would go to war against China in order to have us bogged down in the wrong place with the wrong country at the wrong time.

I commend the Senator from South Dakota for not refusing to let a few genuine, sincere Americans express what is in their hearts, and to take it as an honest expression of conviction, such as the kind of conviction reflected on the floor of the Senate in this discussion on both sides today, which is the only way we can arrive at what we hope will be rational and reasonable answers.

Mr. McGOVERN. I thank the Senator from Wyoming for his helpful comments.

Mr. President, before I yield the floor, there are some articles I ask unanimous consent to have printed in the RECORD following my remarks: Three columns written by Walter Lippmann, one dated February 11, 1964, one dated February 9, 1965, and a column published in Newsweek magazine on February 15, 1965; an editorial entitled "Errors on Vietnam," published in the St. Louis Post Dispatch; an article written by Joseph Kraft, entitled "Political Track Needed in Vietnam" and published in the Evening Star on February 12, 1965; an editorial published in the New York Times on February 11, 1965, entitled "Black Day in Vietnam"; an article written by James Reston, entitled "Washington: The Undeclared and Unexplained War," and published in the New York Times on February 14, 1965; together with the lead editorial published in the same issue of the New York Times entitled "Greatness by Restraint."

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

[From the Chicago (Ill.) Sun-Times, Feb. 11, 1965]

UNITED STATES SHOULD NOT SHUN A PARLEY

(By Walter Lippmann)

WASHINGTON.—The reaction of the Red Chinese to our air strike is very interesting. The Peiping People's Daily is, as one might expect, very angry: "We are waiting for you in battle array * * * If you insist on imposing the war on us, heavy rebuffs are in store for you." There is little doubt about what the Peiping Chinese have in mind: They are thinking first of an American invasion on the ground into North Vietnam, and they are saying that if this occurs, they will intervene on the ground and give us a "heavy rebuff."

The important thing about this reaction is that it reveals how much the Chinese are land animals. It reveals a preoccupation with the only kind of war they are capable of fighting effectively, a war on the ground. There is no direct reaction to what actually happened—an air strike from carriers at sea.

But we must not assume from this that the Red Chinese regard themselves as incapable of fighting back. We must assume, on the contrary, that the Chinese military leaders, who have to be taken seriously, are considering how they can use the military instrument which they possess—land power—to answer the United States.

We must therefore reckon with the possibility that Chinese infantry might enter North Vietnam, perhaps also Laos and Thailand, and even Korea. This is likely to be the answer if the war is escalated to the point where North Vietnam is being devastated. The Chinese proved in the Korean war that their infantry cannot be stopped even by prolonged and continuous bombing. In the end, the Korean war had to be fought on the ground until it was settled by negotiation.

It is plain that time is running out for the policy which President Johnson worked out when he inherited the Vietnamese commitment. The policy was not to go north, as we have now done, and not to withdraw, but to stand pat and hope that our adversaries would grow tired of the war. It was a policy to postpone and avoid the necessity of making a decision—of choosing between widening the war and confronting China on the one hand, and on the other hand reviving the negotiations, which were never completed after the French defeat in 1954.

The choice is a horrid one. A war with China would be an incalculable risk. In a negotiated settlement, which would be followed by our withdrawal from the mainland, southeast Asia might slip within the Chinese sphere of influence unless the Soviet Union, Japan, India, and the United States were able to exert a countervailing influence.

The policy of avoiding a decision had a popular consensus behind it and it was useful in that it insulated the election from becoming a harum-scarum brawl about Vietnam. But desirable as the politics of consensus is for dealing with domestic issues, for pressing problems in the realm of great power politics there must be a decision and choice.

The choice which has to be decided is between full-scale war and a negotiated truce. Mr. Johnson must not make the mistake of former President Harry S. Truman who let himself be persuaded by Gen. Douglas MacArthur that the Chinese would not be able to fight if we widened the war to their frontier on the Yalu River.

The military policy of holding on in South Vietnam, supplemented with retaliatory strikes, needs to be accompanied by a full-scale peace offensive. The United States ought not to be afraid to say and should not hesitate to say that it is seeking a negotiated settlement in southeast Asia. The peace offensive should be an appeal to the Russians, the Japanese, the Indians, the British, the French, and the Chinese to bring diplomacy to bear upon the warlike condition in Asia. The administration has always shrunk from talking about a negotiated peace.

But, as a matter of fact, the only rational objective of the policy we are following is to induce North Vietnam and its Chinese mentor to look to a negotiated settlement. Nobody in his right mind can imagine that this kind of war can be "won," that is to say ended by the unconditional surrender of the Communists. The administration has been willing to say privately that the reason we continue the war in South Vietnam is in order to put ourselves in a better bargaining position.

The retaliatory air strikes should help some. But the President's great predecessors, Woodrow Wilson and Franklin D. Roosevelt, never thought that they could have a military solution without at the same time a diplomatic offensive.

[From the Washington (D.C.) Post, Feb. 9, 1965]

THE VIETNAMESE AFFAIR

(By Walter Lippmann)

It is hard to believe that the raid on the American installations in South Vietnam was not closely related to Prime Minister Kosygin's visit to North Vietnam. It is hard to believe, too, that Mr. Kosygin would have picked the day after his arrival in Hanoi to touch off the raid. He was in no position to help the Vietcong to carry out the raid nor to protect North Vietnam against American retaliation. It is most probable, therefore, that the affair was ordered and directed by men who intended to spoil Mr. Kosygin's mission in southeast Asia and to interfere with his role as a principal power in bringing about a negotiated settlement.

Most probably, therefore, the gambit was directed both against the Soviet Union and the United States, which happen to have a parallel interest in preventing a big war in Eastern Asia and of containing the expansion of China. The administration is no doubt right in interpreting the raid on Pleiku as a test of American will. Had the United States refrained from retaliating, the Chinese and their supporters in Asia and

elsewhere would have called it a demonstration that the United States is a paper tiger, and that therefore the Soviet policy of peaceable coexistence is unnecessary and absurd. The other side of the calculation was that if the United States reacted, as in fact it did react, it would demonstrate that in Asia the Soviet Union is a paper tiger unable to defend its clients.

From the Chinese point of view the gambit worked successfully. It showed, on the one hand, that the Americans are highly vulnerable on the ground in South Vietnam; it showed on the other hand that the Soviet Union has no power to protect East Asia against the United States.

Much depends on what lessons are drawn in Moscow, Peiping, and Hanoi and Washington from the affair.

We have had a very clear demonstration of the strategic reality in southeast Asia. The American Army at Pleiku was unable to protect itself against a comparatively small guerrilla attack, against a force estimated officially at about two squads and one platoon. The American forces got no warning of the attack from the Vietnamese people in the nearby hamlets where the raid was prepared. It got no protection from the Vietnamese security guards. In fact, when asked at his Sunday press conference whether the United States could not protect its own forces in South Vietnam, Secretary McNamara replied that he did not "believe it will ever be possible—and I think when I say this I reflect the views of our Joint Chiefs—to protect our forces against sneak attacks of that kind." Sneak attacks is in this case another name for guerrilla warfare.

But that is only half of the lesson which was demonstrated this past weekend. The other part of the lesson is that the U.S. fleet, standing a hundred miles offshore, is capable of inflicting devastating and unrequited damage on the Asian mainland. There was no power in South Vietnam to protect our own forces or to retaliate. But at sea there exists an enormous American power which is quite independent of our forces on the mainland.

The peace of the world may depend on whether all of the powers concerned take the meaning of these lessons to heart.

For us, the meaning is that the commitment to participate in the land war in South Vietnam is an entanglement, is a hostage to fortune, which exposes us to defeats and humiliations. The best that the more convinced believers in the commitment can say is that if we stay there long enough and accept the losses which they regard as tolerable, the Chinese and North Vietnamese will eventually grow tired and become indifferent. For myself, I would not count too much on American patience being greater than Chinese patience. It is less likely that the American people will wish to wash their hands of the whole business of containing China if they do not have to lose American soldiers week after week in a war that cannot be won on the ground where it is being fought.

The meaning of the affair must not be missed in Moscow, Peiping, and Hanoi. Let them remember that, reduced to its fundamentals, the situation is that the United States possesses paramount sea and air power in the far Pacific, and no one can count on such a degree of restraint in the use of that power that it will never be used. The United States is not a paper tiger. That phrase reflects the greatest delusion on which our adversaries could possibly gamble. The truth is that President Johnson profoundly desires to avoid war but his power to do that is not unlimited nor can he be counted on not to be provoked if the provocation is continual and cumulative.

There should be no mistake about this anywhere.

[From Newsweek magazine, Feb. 15, 1965]

TOWARD PEACE IN ASIA

(By Walter Lippmann)

There are reasons for thinking that in east Asia, where the situation has been frozen for some years, there is again significant movement. In the postwar period after the American victory over Japan, there was a confrontation of power between the United States on the one hand, and the Soviet Union and the mainland Chinese on the other. This confrontation settled into a stalemate along the armistice lines in Korea, in the Taiwan Strait, and in southeast Asia. Neither the Korean war nor the war in southeast Asia has changed the main lines of this confrontation.

During the postwar years since the fall of Dienbienphu in 1954, the United States has been for all practical purposes the only great power opposing the two Communist powers on the Asian mainland.

The big change that is now taking place in east Asia is that other great powers, which have been absent for years, are returning to the region and are preparing to take part in the settlement of its affairs. Thus, within the past 2 years, we have seen India forced out of its neutral stance by a Chinese attack on its territory. There has been the return of France, which has important imponderable influence among the elite of Asia. Recently, there has been a cautious but unmistakable decision by Japan to have a say and to make herself heard. There is greater activity by Britain in response to Sukarno's threat to Malaysia. There is the decision to strengthen the military posture of Australia. And now, while this article is being written, the Soviet Union is returning to North Vietnam. For some years, in which the whole situation in southeast Asia has deteriorated, the Soviet Union has been absent.

The return of the powers to the Far East and the far Pacific is from our American point of view a promising development. It promises the end of our dangerous isolation in eastern Asia. It promises to release us from the solitary and thankless role of being the only country which has stuck its fingers in the holes of the dike containing Chinese communism.

UNIQUE POLICEMAN

We have tried to play this role during the whole postwar period, and we even went so far as to fight two inconclusive and depressing wars, one in Korea and one still going on in Indochina. But the event has shown that the role of the unique policeman in Asia was beyond our military reach and of our political experience, and we must, therefore, welcome the prospect, or at least the possibility, of sharing the burden with the powers which have greater interests in Asia than we have. These are chiefly Asian powers: Japan, India, and the Soviet Union. We shall not make the mistake, I feel sure, of looking upon their participation as an intrusion instead of a legitimate assertion of their national interests.

I do not think it is utopian to look forward to a day when all the interested powers will come together in a congress to work out the lines of an international order in Asia and the far Pacific. It is, however, probable that such a congress will be too cumbersome and too divided and too slow to deal with the worst trouble spots. I think we may, therefore, expect to see local arrangements for a cease-fire and for some cooperation. This may be what is in the making underneath the confusion in South Vietnam among the generals and the priests and the students—that is to say, a sorting out of the officials who will connive at, and perhaps encourage, peace arrangements with the Vietcong and with Hanoi.

STRONGEST POWER

The war party in this country thinks that the war in South Vietnam can be won by attacking North Vietnam, and quite possibly China as well. They will cry out that a breaking out of peace in Vietnam would be a gigantic American defeat which would compel an American retreat to the beaches of Hawaii.

It is not so. If the Vietnamese themselves make peace among themselves, we shall have honored our commitment and we shall, of course, withdraw our troops. But where shall we withdraw American power to? No farther away than the waters off the coast of North Vietnam. We shall not withdraw from the area, and we shall not be immobilized and disarmed. We shall be just as dangerous to Hanoi as we are now, and freer to act when we are no longer entangled in the politics of Saigon and in the jungles of the country around it.

We should remember that the United States is indisputably the strongest power in the whole Pacific, and that this power will not disappear because of anything that happens on the mainland in South Vietnam. The brutal and basic facts of the balance of power in the Pacific are that the United States has the power to devastate China. On the other hand, China does not have the power even to scratch the United States.

That is a position of strength from which we need have no fear to negotiate.

[From the St. Louis (Mo.) Post-Dispatch]

ERRORS ON VIETNAM

Former Vice President Nixon, who once urged massive military aid to save the French in Indochina, still clings to misconceptions about what is involved in the South Vietnam guerrilla war. Mr. Nixon, who represents a considerable body of public opinion, believes "we're losing the war in Vietnam and we will be thrown out of the country in a matter of months, certainly within a year."

To avert this calamity, he would use American sea and air power to "quarantine" the fighting. "People ask, 'What if China comes in?' I don't think so." Neutralizing South Vietnam would be "only surrendering on the installment plan," Mr. Nixon says.

Quarantine is a handy word. In the case of smallpox, the patient is isolated—which is not too difficult. But South Vietnam is in danger from interior rot as well as external aggression. And it is extremely doubtful whether the jungle trails could be cut by airpower. The United States is now stressing what it says is increasing infiltration from Communist North Vietnam into the south. But the figures are obtained from Vietnam intelligence sources. Are they credible?

Mr. Nixon does not think the Chinese would come in if the United States tried a quarantine. Better generals than Mr. Nixon, MacArthur for one, have been wrong about China. Even then, the idea misses the point. There has been an obvious tacit agreement between China and the United States not to expand the scope of the war; the same situation obtained in Korea. If either side wanted to escalate the struggle it could be done readily; but, for very good reasons, neither side does.

Would neutralizing South Vietnam be surrender on the installment plan? It would not be "surrender" on any plan. The United States contends it is in South Vietnam because the government (how many governments ago?) asked for help against Communist-led guerrillas. Actually, we are in South Vietnam because the late Secretary of State Dulles wanted to replace the beaten French in a vain effort to stem the tide of a native revolution. An honorable withdrawal would be correcting a mistake made a decade ago.

Mistake or not, we cannot of course just pick up and leave. That is why we ought to be actively seeking a way out instead of talking constantly as if there was nothing to do but muddle along spending $2 million a day and maintaining 20,000 advisers. It may be too late to bargain effectively for a settle-

ment, but it is not too late to try. Mr. Nixon is quite right when he says we could be thrown out.

The latest coup, estimated to be the seventh since President Diem was assassinated 15 months ago, shows pretty clearly that, whatever the facade, there is nothing much left of the Saigon government except the military, and that is by no means cohesive. The military commander, Lt. Gen. Nguyen Khanh, has become increasingly anti-American. The rank-and-file Vietnamese do not seem to care what happens; certainly they do not care as much as the Americans.

The United States cannot move in and take over, though the temptation may be great. That would substantiate charges of imperialism and colonialism, anathema in Asia. The truth is, if we could take a long view, that the white man is being forced out of Asia and Africa much as he forced his way in during the last four centuries. We should recognize the fact that we are on the losing end of a long historic struggle.

We should also begin to recognize that many nations of Asia and Africa are not presently up to Western-style democracy, and that the wave of the present is nationalism. If Indochina goes Communist, that does not mean it will become a colony of China. The people of Indochina want to be independent. We should be bending every diplomatic effort to help them. We will not do so by expanding the war, by quarantine, or by perpetual stalemate.

[From the (Washington, D.C.) Evening Star, Feb. 12, 1965]

POLITICAL TRACK NEEDED IN VIETNAM

(By Joseph Kraft)

The immediate requirement in Vietnam is to edge events on to a political track. The present situation, dominated by the logic of military action and reaction, is dangerous and difficult to control.

The situation is dangerous because of the consequences of the bombing of North Vietnam. At best, the Hanoi regime is more than ever obliged to turn for support to Communist China. At worst, the Chinese will intervene directly in a major war on the ground. But the true purpose of the U.S. presence in South Vietnam is to check the spread of Chinese imperialism. Thus, the net effect of the bombings is to foster a result that goes against the grain of this country's strategic interest in Asia.

This country's global interest is not much better served. It lies in accommodation with the Russians, at least partially for the purpose of containing Peiping. But in the present climate of tension, it is hard for Washington and Moscow even to stay on speaking terms. If anything, the Russians are under pressure to throw in with Hanoi and Peiping in defense of the Communist interest.

The situation is difficult to control because there has been established a fusion between two things that are only indirectly related. On the one hand, there are the acts of the Vietcong, or Communist rebels, in South Vietnam. In response to their acts, the United States has twice bombed North Vietnam.

On the other hand, there is the infiltration of supplies and men from Hanoi to the Vietcong. This infiltration provides the rationale for hitting the north. In keeping with that rationale, retaliation has been directed against North Vietnamese training centers for the Vietcong.

No doubt, there is more than an innocent connection between the Hanoi government and the Vietcong guerrillas. But the two are not one and the same thing. To act as though they are is to place U.S. power in the hands of the least responsible party to the whole Vietnamese affair. As matters stand now, it is possible for a handful of Vietcong troublemakers, with a couple of well-placed grenades or plastic bombs, to unleash the might of U.S. sea and air power against North Vietnam.

A first step toward reasserting control is to wither the bond that has been set up between terrorism in the south and retaliation in the north. It may be, as Defense Secretary Robert S. McNamara has said, that there is no "absolute" defense against terrorist attacks. But vulnerability can be reduced.

Withdrawal of American dependents is one step in that direction. Concentration of U.S. forces in more easily defended installations would be another. Probably it would be a good idea for U.S. troops to assume the perimeter guard of major American installations. Perhaps additional ground forces should be sent for that purpose.

As to the infiltration from the north, it provides the handle for a political initiative. It is a clear violation of the 1954 Geneva accords. Washington has every right to refer the matter either to the United Nations or to the Geneva powers. Either of these bodies could generate enough diplomatic movement to justify an easing off of the military action.

If that seems like a pallid result, it is. No one should be under any illusion that an early settlement is in sight. For the minimal condition of a settlement is that it be underwritten by the United States and the Soviet Union. But the two big powers have almost no freedom of movement.

The United States cannot move toward agreement until the Saigon government shows the way. Otherwise, the President would be exposed to murderous political charges that he was selling out an ally.

Similarly, the Soviet Union cannot move without the approval of Hanoi. Otherwise the Russian leaders would be exposed to murderous political charges that they were selling out the revolution. For internal political reasons, in other words, each of the big powers is in bondage to its protege.

But the two proteges are now breathing fire. The Saigon regime, once moving toward a posture of negotiation, has been transformed by the recent events into a war government eager for adventures. And it was the Hanoi regime in the fullness of its wisdom, that initiated—just at the moment that events were moving toward negotiations—the intensification of the war.

In these circumstances, the best that can be hoped for now is a slow damping down of military activity. And even then, the outlook is for a long, long siege of trouble.

[From the New York (N.Y.) Times, Feb. 11, 1965]

BLACK DAY IN VIETNAM

The slugging match in Vietnam continues; the war escalates; the danger grows; the goal of peace recedes. Just in 1 day—yesterday—many Americans were killed when an enlisted men's barracks was blown up by Vietcong terrorists, while in the north, in a pitched battle that began on Monday, Vietcong guerrillas wiped out five companies of South Vietnamese troops. Everybody concerned is braced for Washington's response, in accordance with the new policy of reprisals.

There is a frightening normality about the situation. Events are occurring with the inexorability of a Greek tragedy. President de Gaulle, who yesterday returned to his suggestion of another Geneva conference and a negotiated settlement, was right in saying that the war cannot be won no matter how much air and naval power the United States commits or what reprisals China may take. It cannot be won by any outsider, American or Chinese.

Washington evidently hopes that if North Vietnam is threatened enough or punished enough it will agree to a truce, Korean style; and then the United States will be in a position to negotiate peace or a controlled neutralization from a position of strength. The greatest weakness of this reprisal policy against North Vietnam is that while it is true the Vietcong gets orders, advice, some arms and some men from North Vietnam, the war is being fought in South Vietnam. That is where American lives were lost yesterday and where American trained and armed Vietnamese soldiers were defeated.

The Vietcong live and operate in South Vietnam, using American arms captured from the Vietnamese. The peasants either help them, or accept them, or are cowed into submission by them. The guerrillas, as Vietminh against the French a few years ago, or as Vietcong today, have been fighting for two decades. They are tough, dedicated, fanatical, well trained. Perhaps they are not winning, but certainly they are not losing. Meanwhile, each day that passes gives further evidence of the relentless escalation of the conflict.

This is what gives special point to President de Gaulle's renewed suggestion to recall the 14-nation Geneva conference to seek an "international accord excluding all foreign intervention" in southeast Asia. The key factor in the De Gaulle proposal—and the main stumbling block for the United States—is that no conference and no settlement is possible in that region without the participation of Communist China. Whether we like it or not—and we do not like it—Communist China is an interested party; and the United States knows of course that North Vietnam cannot be bombed as if Communist China did not exist.

There may still be a choice: talk or fight. If everybody waits too long, the chance to talk will be gone.

[From the New York (N.Y.) Times, Feb. 14, 1965]

WASHINGTON: THE UNDECLARED AND UNEXPLAINED WAR

(By James Reston)

WASHINGTON, February 13.—The time has come to call a spade a bloody shovel. This country is in an undeclared and unexplained war in Vietnam. Our masters have a lot of long and fancy names for it, like escalation and retaliation, but it is war just the same.

The cause of the war is plain enough. The North Vietnamese Communists, with the aid of Red China and to a lesser extent the Soviet Union, have sent their guerrillas into South Vietnam in violation of the 1954 and 1962 Geneva agreements, for the express purpose of taking over the Government and territory of South Vietnam.

AMERICA'S RESPONSE

The course of the war is equally plain. We were getting licked in South Vietnam. The Communists were steadily defeating the South Vietnamese armed forces, terrorizing a war-weary and indifferent population, and taking advantage of a divided and quarrelsome South Vietnamese Government.

More than that, the Communists were stepping up their attacks on the bases and barracks which serve the 23,000 American troops in South Vietnam, and it was in response to this that President Johnson ordered the bombing attacks on the Communist military installations in the south of North Vietnamese territory.

Very few people here question the necessity for a limited expansion of the war by U.S. bombers into Communist territory. The American and South Vietnamese position was crumbling fast, and the political and strategic consequences of defeat would have been serious for the free world all over Asia.

There is a point, however, where this exercise will become critical. As the military targets in the southern part of Communist Vietnam are knocked out, and our bombers move northward, they will soon come within the range of the North Vietnamese and Red Chinese MIG fighters, and if we get into that situation, the pressure for attacks on the air

bases in North Vietnam and South China will steeply increase.

The immediate problem, therefore, is how to put enough pressure on the North Vietnamese to bring them into negotiations for a settlement of the war, without provoking a mass Communist counterattack we are in no position to meet.

This is a delicate and highly dangerous situation. The United States has the air and naval power to wipe out North Vietnam and the Chinese Air Force if it comes into the battle. But the North Vietnamese have a quarter of a million men under arms who have never been committed to the battle at all, and few observers in Washington believe this force could be stopped without the intervention of a very large American Army on the ground.

THE SILENT WHITE HOUSE

Nobody has made all this clear to the American people. President Johnson has not made a major speech on the details of this war since he entered the White House. Neither did President Kennedy. We have had one long speech on the subject by Secretary of Defense McNamara on March 26 of last year, and a lot of statements here and in Saigon, many of them highly optimistic and misleading. But the fact is that we are in a war that is not only undeclared and unexplained, but that has not even been widely debated in the Congress or the country.

The whole history of this century testifies to the difficulty of predicting the consequences of war. We imposed a policy of unconditional surrender on the kaiser only to find that the two greater menaces of communism and nazism took his place. One of the main objectives of the two World Wars was the freedom of Eastern Europe, which ended up with less freedom under the Communists than it had before.

LIMITING THE WAR

Few people here question that President Johnson wants to limit the war in Vietnam and avoid a ground war on the continent of Asia, but the future is not wholly in his control. He may be bombing merely to force a negotiated settlement, but the Chinese and the North Vietnamese don't know that. In fact neither do the American people, whose airmen are carrying out the President's orders.

Nor, for that matter, do the allies, who are treaty-bound to support us if we get into a larger war in southeast Asia. They will undoubtedly support a policy of limited retaliation in North Vietnam if it is for the purpose of negotiating a settlement, but they will not support us for long unless we define and limit our aims.

The implications of this war, then, extend far beyond Vietnam. President Johnson's hopes of building a strong alliance with Japan and the other free nations of Asia are not likely to be promoted by replaying the old script of American planes once more bombing Asians.

He has started on a massive program of reconstruction and development at home, but he can forget about his Great Society if he gets bogged down in a major land war in Asia on territory favorable to the enemy. Freedom expands in peace and authoritarian government in war, and this is precisely the danger now, for the Communists have the manpower to cause us an almost unmanageable situation not only in Vietnam but in Korea, and force us into a war that could divert our energies from the larger constructive purposes of the Nation.

In this situation it is difficult to understand why the problem is not discussed more openly by the President, why the terms of an honorable settlement are not defined, and why the negotiating efforts of the Secretary General of the United Nations and other world statesmen are so blithely brushed aside.

It is true that the instability, weakness, and sensitivities of the South Vietnamese Government have to be kept in mind, but nobody is suggesting a sellout at their expense. The talk here is not about a Munich agreement but a Korean agreement in which South Vietnam, like South Korea, would be in a better position to order its own life.

This would not be ideal, but it would be better for the South Vietnamese and for the United States than what we have now, and it would be better for North Vietnam and China than a larger war.

CHINA'S DANGER

For if this dangerous game gets out of hand, it is not likely that China's new industries, including her atomic installations at Taklamakan Desert in Central Sinkiang, will be spared. What her manpower can grab beyond her borders would be worth far less than what she would lose at home.

Somebody, however, has to make a move to reverse the trend and stop the present crooked course. For the moment, we seem to be standing mute in Washington, paralyzed before a great issue, and merely digging our thought deeper into the accustomed military rut.

[From the New York (N.Y.) Times, Feb. 14, 1965]

GREATNESS BY RESTRAINT

Escalation of the war in Vietnam, such as took place last week, has led the United States to the entrance of a one-way street. If followed to the bitter end, this road could lead to a major war involving Communist China and probably the Soviet Union. But there is still time to stop.

A great power can demonstrate its greatness by its restraint. The United States has the air and naval power to destroy everything of importance in North Vietnam; but this country would show itself to be far wiser and far stronger by refraining from doing so than by pursuing a policy of repetitive retaliation, which is at once so seductive and so dangerous. Despite the administration's oft-restated desire "to avoid spreading the conflict," this present policy of reprisals is inexorably carrying the United States into a major armed struggle in southeast Asia—unless a halt is called, and soon.

When President Johnson ordered last Sunday's retaliatory strike after the Vietcong attack on Pleiku, there was understanding and support for his action. Yet, it was recognized that the two actions—the assault on a U.S. military installation in South Vietnam and the American decision to respond by striking at staging areas in North Vietnam—vastly increased the perils to world peace that have always been inherent in the Vietnamese conflict.

Now each side feels obliged to match a show of power by the other with an even greater response—a course that can only invite holocaust. For the United States the problem, is made severer by the impossibility of striking effectively at the Vietcong without carrying the war into North Vietnam and thus intensifying the pressure on Peiping and Moscow to become actively involved.

President Johnson is up against his greatest foreign policy test. Surely he knows that the complex problems of Vietnam and southeast Asia cannot be settled by arms alone. An infinity of social, political, economic, religious, tribal, nationalistic, historic, and traditional factors are at work in Vietnam. This country can best demonstrate its wisdom and responsibility by keeping its powder dry and meanwhile trying patience, diplomacy, and negotiation.

History, good intentions, and a concatenation of events have led the United States into a morass where we sink deeper each day. The Vietnamese conflict should not be almost exclusively a U.S. burden. The Russians have good reasons to want peace in Vietnam. The French want to bring about an international conference. So does United Nations Secretary General Thant. The Chinese would probably refuse to attend one or even to compromise; but nobody will know unless a conference is tried.

What the United States is now doing in Vietnam is playing directly into the hands or Communist China by taking actions that—however defensive in intent—lead to a steadily escalating, and hence more dangerous, conflict. This, surely, is the last thing in the world that the Johnson administration and the American people want. Therefore something else should be tried, and this something has to be negotiation with all parties concerned.

The United States has made its point very forcefully with bombs during the last week. Its power is indisputable. In the light of the strength this country has shown, it can now offer to continue the argument over a conference table where its power will be undiminished. But the outcome might then be peace instead of war.

Mr. CHURCH. Mr. President, I commend the Senator from South Dakota on an extremely fine statement. It is a viewpoint in which I heartily concur. I am reassured in that position by the able argument the Senator from South Dakota has just made.

Mr. McGEE. Mr. President, I address myself to the central question that has been developed in such a fascinating and enlightening way on the floor of the Senate today on the part of the Senator from Idaho [Mr. CHURCH] and the Senator from South Dakota [Mr. McGOVERN]. I stand in their debt for the insight which they have displayed on this tortuous and difficult problem.

None of us would contend that we have the absolute answers. None of us contend that we know what is going to happen tomorrow, next week, next month, or next year; but we do have the obligation—and that is why we are here—to try to make an educated guess, and to take a reasonable and rational position, policywise, in the interests of our country and of the great cause which all Senators represent.

Mr. President, the question has repeatedly arisen, Why not negotiate now?

The Senator from South Dakota [Mr. McGOVERN] has repeated it: Why not try it now? What would we lose?

If it fails, I will tell Senators what we shall lose. If it fails, at this very moment the men in Hanoi, the men in Peiping still—we are told—are convinced not that we are a "paper tiger," but that we are tired, that we are going home, that we are frustrated, that we are fed up, that if we were to propose now, in the wake of the assaults on American billets, the attacks on American airfields, and in the destruction of heavy concentrations of American military capability, that what we wish to do now is to sit down and talk about it, what would one conclude if he were in Hanoi? What would one conclude if he were in Peiping?

Mr. CHURCH. Mr. President, will the Senator from Wyoming yield at that point?

Mr. McGEE. If I may finish my thought at this moment, then I shall be glad to yield to the Senator from Idaho.

We are risking the Chinese and the Vietcong jumping to the wrong conclu-

sion. My concern today, and the concern of a good many of us, is that the men in Hanoi will make the wrong decision for the wrong reasons—and that is why I speak here today. I believe that we can time the proposal more advantageously than at the present moment. The suggestion that I am going to make as a topic for discussion in just a moment would spell out one way I believe it might be brought about, because I agree that it ultimately must lead to negotiation; but I believe that it is imperative that we get through loud and clear to Hanoi and Peiping that we are not fooling, that we are not tired, that we are not about to go home. Yet their every move made with impunity, such as those of the past few days, was obviously calculated with a sense of arrogant confidence that by turning up the "heat" they could put enough pressure on the Americans to let up a little bit or even, perhaps, to sit down and talk, while the cards held by North Vietnam and the Chinese, who are "kibitzing" over their shoulders, are the strongest cards they have held in many years.

I would be the last to try to argue that we would have to retreat from this area to Hawaii or Alaska. We all know the reality of American power. As our President has stated again and again, we intend to do what is right in Vietnam. We are not about to run. My own misgiving is that those on the other side of the line are not so persuaded. What they believe we are about to do, and what they calculate our policy may be, will determine their decision rather than what you and I, Mr. President, know we are going to do.

For that reason, it seems to me we have to make it unalterably clear, in language that the man in Hanoi can understand, that this is no joke, that this is no play that we are acting out in Vietnam.

Mr. CHURCH. Mr. President, will the Senator from Wyoming yield?

Mr. McGEE. I am glad to yield to the Senator from Idaho.

Mr. CHURCH. I believe, too, that it is very important that the Communist government in Hanoi does not miscalculate American objectives or American stamina. I do not see, however, that anything we have done since the Second World War furnishes any basis for Hanoi, Peiping, or Moscow to conclude that the United States does not stand fast. We have been standing fast all over the world.

We stood fast in Berlin, we stood fast in Cuba—when the whole world was threatened with nuclear incineration. There is certainly nothing in the American postwar role to suggest to the Communists that we are either tired of fulfilling our commitments to Saigon, or that we will withdraw from South Vietnam under mounting Communist pressure.

I do not believe that Peiping is apt to make this miscalculation, as they are apt to conclude that there is no alternative, by virtue of the rising tempo of sustained and systematic bombing attacks, unaccompanied by any indication of willingness to parley, to repeating what was done in Korea, moving down massive Chinese manpower. This would lead to a very great and costly war, which, in the end, would bring us finally to the bargaining table anyway.

As between the two miscalculations, I believe history will bear witness to the Chinese response to American military action in Korea. I would not like to see that development take place in South Vietnam if we can avoid it.

Mr. McGEE. Mr. President, I appreciate the Senator's comment, and the articulate way in which he has refined the line which is the demarcation line between his proposal and mine.

As he has referred to the record of history, perhaps I will be permitted to do so as well.

There comes to mind what Lord Palmerston said when he was the head of the British Government more than a hundred years ago. He said it was easy to calculate the nature of Russian policy. He said it is a sprawling giant that continually reaches out to its own periphery, probing the entire fringe for a weakness, ever pressing outward. Where it is not resisted, it breaks through and extends its territorial holdings. However, where it is resisted—and this is important—it pulls back, to bide its time until perhaps the resistor will be tired of resisting, and perhaps relax. At that time the probing resumes, in the hope of breaking through where there had been earlier resistance by someone guarding the other side of the frontier.

That policy has characterized many of the crises that we have survived so successfully up to now in the 20 years of the cold war; but the only difference now is that the same sort of thing has shifted to another quarter of the globe and that the emphasis has been played down in Moscow and is now being played up in Peiping, but it is the same policy nonetheless.

Mr. President, those men have never gotten out of the notion that we will not see it through. They have the parallel of World War II. We went home much sooner then than this time. This time we have changed the parallel. We have learned the lesson of 1918. However, the fact remains that those men read American history. Of course, sometimes they read only what they want to read, but it is understandable that Asians still believe that we will grow tired and go away. When I say that, I need not remind the distinguished Senator from Idaho and the Senator from South Dakota [Mr. McGOVERN], now occupying the Presiding Officer's chair, that even our friends in Europe entertain such misgivings. One of the almost regular concepts that worries them, that gives them unrest, is the fact that if the Americans do not go home in the first 10 years, they are sure to go home in the second 10 years.

I doubt that in the history of our time, at least, there will ever be a moment in the struggle when we will dare go home. I am afraid that times will compel us to man the ramparts, the frontiers of power politics all around the globe for the foreseeable future.

That is not what the men in Hanoi and the men in Peiping are counting on. They are confident that we will pack up our tents and leave. They want to find out whether this is the time. That is why they are sticking their fingers into Vietnam right now. I personally do not believe they intend this to be the ultimate showdown, but I think they are trying to take a reading on our intentions.

I repeat, given the Communist mind and given the mystery of what we read in the newspapers, and the debates on the floor of the Senate—and we often find it difficult to understand each other—it does not require much imagination to understand that some of the men in Hanoi may not be getting the message loud and clear from Washington. That is the basis of my concern.

Before I again yield to the Senator from Idaho, let me spell out the steps that I should like to discuss for a moment.

First of all, I believe we must announce and make it irrefutably clear that we draw a firm line along the 17th parallel—separating North Vietnam from South Vietnam; that we make it clear that we intend to tolerate no breaches of that line; that we do not intend to negotiate violations of the line; and that we do not intend to negotiate the infiltration of hordes of highly trained North Vietnamese troops.

I do not share the feeling of the Senator from Idaho that the great advantage of military strength lies in Saigon or lies in South Vietnam, because the very nature of the tactic that has been resorted to by North Vietnam plays to their advantage, not to that of South Vietnam.

Our experiences in guerrilla warfare, the experiences in Malaya, and the experiences now confirmed in Vietnam indicate that for every single enemy guerrilla in the field, we had better have 10 or 20 highly trained armed personnel if we are to have a chance of coming out even.

That means that when 1,000 troops come over the border from the north, it requires a full division to match them. I believe that at this point we must draw this line.

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

Mr. McGEE. I should like to finish the four or five steps that we can take, to put this subject in a context in which the Senator may raise the question he is about to ask me.

I say that in explanation of the need, as I see it, for drawing a firm line, for making a very strong statement that we shall tolerate no infiltration across that line, beginning whenever the wisdom of the President dictates, say, on Tuesday morning—to pull a date out of the hat.

Second, if after this deadline—and it is an ultimatum—the infiltration is still underway, and there is still a flagrant abuse of that line separating the two parts of Vietnam, then it would be announced that if it continues we will bomb the airfields and the marshaling stations; in other words, active military compounds in North Vietnam.

Then, if the men in Hanoi believe that we are still bluffing and the message still has not gotten through—I think it

will get through—and if for any reason they doubt our sincerity, we should announce that we will step up the bombardment, and that we will then attack the logistical communication lines of their military effort.

That means we would bomb the bridges, the roads, and the rails—though the rails exist only in limited amounts.

Finally we would or should propose that should they still persist in running troops *into the south* across the 17th parallel, then, and then only, would we attack the industrial sectors and the supply bases for the military effort within North Vietnam. As we would do that, as we would spell out that action at the identical moment and all in a carefully calculated timetable so that the whole picture is available for study by the men in Hanoi, I believe it is important that we should make very clear that we desire nothing from them. We do not want their country. We do not want their Government. We have no territorial ambitions in North Vietnam or, indeed, in all of Asia; but we desire to start by respecting the 17th parallel, which currently—theoretically, at least—separates the two parts of the country.

In my judgment, that series of steps ought to precede any exploration for a discussion of the situation in Vietnam. I spell it out that far for the reason that I believe there is a serious question of doubt that those on the other side really believe that we mean business—not for want of power, but because they are convinced that we do not have the will to use it to the ultimate. That is the kind of test that we shall have to run through in order to make abundantly clear our intentions.

Mr. President, the question is raised, What will Hanoi do? Suppose they do not stop them?

First, I think Hanoi is probably as jittery about being occupied by China as most of the other countries of southeast Asia. Thus, there is some element present that may inhibit the kind of decision they would like to make. But still we must face the ultimate question, and that is, What will China do? Is such an approach enough to provoke China into the big war?

I do not know whether that it will or not. I do not know what China would do. I do not know anyone who can say with assurance that he knows what China would do. The only man who believed he knew for sure what the Chinese would do was proved dead wrong in Korea.

But I think it is time to find out what China would do. For that reason the proposed approach has the advantage of measuring Chinese intentions now. Most observers guess that China is not quite willing to risk her 2½ million or 3 millon highly trained troops in the south in a gamble to seize the rich empire that has attracted the great colonial nations of the earlier centuries and has attracted empire builders as recently as Japan in 1941.

But even if we assume the worst—and in any kind of projection, while we hope for the best, we must prepare for the worst—if China were to decide that this was the price she had to pay and she should pay it now, then I say, as ugly and as frightening as that would be, it is better that we face it now than it is that we fritter away our present position piecemeal to a later time in the world of the future when the cost may be considerably different and the prospects of a successful turn much more dim indeed.

I hope it will not be interpreted wrongly if I were to suggest that the hope that may be expressed and is expressed daily in the press by some, that China really will not be up to anything very serious, reminds us of the speculation that went on about what Mr. Hitler might do, or what Mr. Mussolini might or might not do, in the time previous to World War II.

I do believe that something surrounding the approach that I have suggested would give us a clearer view of the picture, would give the other side a clearer view of our intentions, and would likewise strengthen the American hand for a meaningful discussion of how we should best resolve these tortuous issues that so dominate our concern now and probably will continue to dominate it for many, many years to come.

I should be glad to yield to the Senator from Idaho at this point.

Mr. CHURCH. Mr. President, I have listened with great interest to the proposals of the Senator from Wyoming. I comment only that if our purpose—and, here again, we get back to the question of what it is—that if our purpose is to cause the North Vietnamese to give up their interest in the war that the Vietcong is waging against the Saigon Government, I would forecast right now that they will not do it. They have been engaged for many years in their revolution, first, to throw out the French. It is said that even President Eisenhower, at the time of the French defeat, was persuaded that an election in Vietnam would have gone overwhelmingly in favor of Ho-Chi-Minh.

The ambition of Hanoi is to reunite the country. Therefore, if our purpose is to seal off the borders so as to guarantine South Vietnam from further pressure or activity on the part of the Communists, we might as well know right now that this will not happen.

I have no confidence that bombing would make it happen. We bombed North Korea. We bombed it in an effort to break the fighting will of the Communists there—the most thorough bombing, perhaps, that has ever taken place in history. We bombed their roads; we bombed their buildings; we bombed their bridges; we bombed their industry. We leveled and flattened North Korea. But we never broke the Communist will to fight. They never called off the war, and in the end we had to bargain for a truce that represented no complete victory for either side.

I merely suggest that, in the light of our experience, bombing won't break the spirit of North Vietnam either. Therefore, I have little confidence that such action would lead to the surrender by the North Vietnamese, of their interest in the unification of the country, or their pursuit of what they regard as an unfulfilled war for independence. If Korea is any basis for comparison, and if the long, long struggle that these people have engaged upon is any indication of their resolution, then our bombings will not break their spirit or solve our problem.

The Senator is calling on them to quit and accept defeat, total and complete, in the matter of South Vietnam, as the condition for further talks. If that could be accomplished, there would be no occasion for further talks. Perhaps it could be accomplished with the involvement of large American land forces. Thus far, a ratio of 4 to 1 in favor of the South Vietnamese has not enabled that government to seal off its borders. The best information we have received is that it is even doubtful this could be accomplished by American combat troops, given the jungle nature of the terrain. Perhaps four or five American divisions, committed to the war, could seal off this boundary, and as long as we kept our troops there, we could maintain that position.

There are other difficulties with laying down, as a precondition to negotiations, the requirement that infiltration stop. How can we tell whether it has stopped? How can we know whether, if they stopped today, they would not start again tomorrow? These are serious problems, when combined with the nature of the terrain and the similarity of the people on both sides.

Mr. McGEE. First, we should not have as our primary target the long-range ambitions of North Vietnam. That is a civil war condition that the Vietnamese alone must resolve. That is a civil war condition which has created weakness in South Vietnam that is exploited by Peiping or Moscow in an attempt to provide an opportunity for a breakthrough.

But I believe the Senator from Idaho would agree with me that we know a great deal more about what is taking place on the part of the North Vietnamese in South Vietnam—how many men are getting into South Vietnam, how they are getting there, what they take with them, where they get it, and who is directing them. These are well known matter that sometimes are paraded promiscuously on the pages of the press. The difficulty is not quite so insuperable as the Senator suggests.

No one knows better than he and I what a difficult task it is to wage any kind of offensive against guerrilla combat. He and I together watched from helicopters. We know how uncertain it is to spot enemy troops that are pitter-pattering down some jungle trail, their activity quite obscured by foliage or darkness. But with the kind of organization we have, we know also that it is possible to make rather realistic assessments.

We have been talking in specific terms, publicly, about the number of first-rate North Vietnamese troops that have been used in the past few months; as contrasted with the kind of troops that were already there, made up of those unhappy with the Saigon government. So it

would be impractical to dismiss the feasibility of a day-to-day measurement of the kind of help that is coming from North Vietnam.

What we are trying to do is to stabilize the frontier, to stabilize a weakness in an area of the world that has remained for a long time in a state of flux. Once that stability comes, as it did in Korea, as it did in Berlin, as it did in West Germany, it will open up the widest spectrum of possibilities and meaningful discussions about reuniting an area that has an obvious common denominator.

Some think there may be a united Korea. We need not stop thinking about that possibility, even though a line has been drawn at the 35th parallel.

There is still much talk of uniting the two Berlins, as there is about uniting the two Germanys.

I submit that while we have been living with the hard facts of these divided entities, they offer a reasonable prospect for stabilizing the area.

The changing conditions of the times in which we live should lead us to take continuous readings on one of the best prospects for using discussions or negotiations, or whatever the method may be.

Mr. CHURCH. The Senator from Wyoming has made an excellent contribution to the discussion of this problem today. My difference with him is that I would leave it to the President to set the conditions which would lead us to the conference table. I should think that if we were to insist upon a cordon sanitaire that was at all meaningful, separating the north from the south, before we were willing to talk, we should also insist upon a cease fire in South Vietnam by the Vietcong rebels, and thus accomplish essentially, prior to negotiation, the very ends we have sought in assisting the Saigon Government in the first place.

I suggest that such conditions may not be realistic if our purpose is to go to the bargaining table. If our purpose is to cut off the North Vietnamese and to maintain an impregnable 17th parallel, we shall find that this will have to be done with American troops, as we found in Korea. As the Senator knows, 12 years after the Korean fighting stopped, more than 50,000 American troops are still in Korea, and South Korea continues to be attached to us for rations to the tune of about half a billion dollars a year.

However, I feel certain that if the President undertakes to go to the bargaining table in southeast Asia, he will first set the conditions under which he will be willing to explore a settlement there. How those conditions may vary from the ones the Senator from Wyoming is now proposing, time will tell.

Mr. McGEE. I thank the Senator. I reiterate that I am mindful of the fact that the distinguished Senator from Idaho and the present presiding officer have another very important engagement. I am afraid that I am imprisoning them by the fact that I am the only other Senator left here at this moment.

Both the Senator from South Dakota and the Senator from Idaho have continually referred to the fact that the old domino theory no longer obtains in this situation. If we are willing to accept the statement that it no longer obtains, it is a little easier to understand how they can proceed to jump to the conclusion that they can risk a negotiation at this particular moment. But I strongly deny such an assumption.

It is my judgment that the domino theory is valid at the present moment. And it would be inconceivable to me that if there were to be a weakening of our position in south Asia and Americans were to even indicate an intention to pull off from the shore and watch over the situation like a big brother from our aircraft carriers, it would not bring great consternation to Bangkok, which the Communists in the north have already said is their next objective, and in which country they are mobilizing their next campaign in the northeast provinces at this moment.

Would it not be wiser for Bangkok to read the writing on the wall and say, "Perhaps we had better do something. Let us reach an accommodation with China." The same thing is true of Malaysia, and Kuala Lumpur. They are having trouble there which is instigated by the Chinese.

How much longer could a government in Kuala Lumpur hold on? What inspiration would they have to hold on if they were to see the forces that have been their shield of that section of the world pull off into the Pacific and the China Sea?

We have learned more recently that there is new activity and more dissident groups in the Philippines. It has reached a crescendo such as they have not known there in the past 8 or 10 years. Those people are on the move. And with all of our misgivings about Mr. Sukarno in Indonesia, there would be no slight inducement for any group in Indonesia to take a second look at their proximity to Communist China if we were to pull out.

I am only saying that we should not write off the so-called old-fashioned domino theory. Call it by some other name, but the fact remains that if Vietnam goes, Cambodia goes, Thailand goes, Malaysia goes, Indonesia goes, the Philippines go. This is only the proverbal camel's nose in the tent.

The real target of the Communist Chinese, as we all know, is the great underbelly of Asia, the Indian subcontinent. That is why I think we need to take a cold and hard, but rational look at what is really at stake in our position in southeast Asia.

In my judgment, a larger American commitment in southeast Asia may be required. It may take more troops. I do not know. I cannot know now. But, there are those who will have to make that decision. It may take more money. Who knows?

I am only saying that in the context of the history of the cold war, we have proved that when the chips are down in the critical crisis points around the globe, we are willing to risk everything in order to stand tall. And this has been the policy that Moscow understood. It is a policy that even the Chinese might understand. We have invested too much—we have risked too much until now to fritter it away with indecision at this moment, for fully as much rests on the right decision in Vietnam as rested on the right decision in Greece, Berlin, Germany, or Korea.

That is the reason, it seems to me, that we may even reach the point at which the President, speaking for all of us, may have to spell this out very carefully on a great public occasion. That would be an address not only to our own people, but also to the people of the world in which he would make it abundantly clear that we are not about to forfeit what we have already invested, including so much of our treasure and so many of our lives, by looking for an easy, bargain-basement way out of a tough situation.

I repeat that in the opening of the colloquy with the Senator from Idaho some time ago, what we strive for now is not a free government in Vietnam, not democracy. Those are a long way off. We are there to try to win the chance for such a future in that area.

The price we have already paid for that chance ought to haunt us every night. And what we do with that chance will determine the course of the history of our time.

Mr. President, I oppose negotiations over Vietnam now. There is no reason to believe that negotiations would in any way strengthen or in other ways improve the position of the free world in that critical quarter of the globe. Do not mistake me. I believe that some time there must be negotiations. In these talks we should lead from strength, not from weakness. We should be prepared to define in specific terms our aims and our goals in Asia. In short, we must set our united effort now to preparing the way for ultimate negotiations.

Why not now? Many factors should persuade us to work toward a better moment to negotiate—a moment which we can predetermine and whose dimensions we can define. As the senior Senator from Idaho [Mr. CHURCH] has so correctly put it, we have great bargaining position at our command. Unfortunately, however, we have not deployed those advantages as skillfully as we might. A cursory glance at the confusion in Indochina which now surrounds our presence there ought to be sufficient to prove the point. Our own stance is caught in the crossfire between the determination to stop military penetration from the north and civil disobedience from the south. It is caught between the contradictions of guerrilla infiltration in the geographical interior on the one hand, and the moral and spiritual human interior on the other. At this very moment we witness—after an expenditure both in material and in lives—an actual intensification of the agression from the north. More than ever before in the tortuous years of fighting in southeast Asia, the tune to which the guerrillas dance is being played in Hanoi. And the tactical plays to which they are resorting in their mounting program of harassment are being quarterbacked from the same source. It is not without point that recent word coming out of both Hanoi and

Peiping represents the two capitals as boasting with confidence that the American presence in southeast Asia is nearing its end. Some few have even gone so far as to flatly forecast that the U.S. Army will be out of Vietnam within a year, or at most 2 years.

Thus, with American billets being blown up, American airstrips being heavily damaged by mortar fire, with the infiltration of American positions being accelerated in spite of a deployment of increasing numbers of American troops, it can hardly be argued that we have thus won a position of strength from which we can advantageously negotiate a settlement in the East.

I fully appreciate the mood of the people of America at this moment as many of them seem to be saying, "Let's have another look and find a graceful way out." Like the distinguished junior Senator from South Dakota [Mr. McGOVERN], I, too, have received a volume of mail advocating just that. But may I respectfully submit, this is no time to be taking polls or putting our political fingers in the wind in order to determine which direction we ought to go. One has to hark back only 30 years in our country's recent past to recall another time when we tried desperately to reason ourselves out of the necessity for stopping Hitler and Mussolini. In those years, sincere and honorable leaders of our country played upon the mounting hopes for peace as reflected in the public mind. In hindsight, however, we can see that too many people in those days preferred wishful thinking about peace to realistic thinking about war. And while our current debates on policy in Vietnam are dotted with protestations of faith in the international role of our country and of denials that anyone is returning to the old isolationism, may I submit that in the decade of the 1960's the new isolationism; namely, that of quitting the job of rebalancing the world before the task is completed, could be just as disastrous as the old isolationism of the 1930's. Some of the greatest and most respected voices in this body are being raised in that category. I believe they are wrong and that history will prove them wrong.

Unfortunately, the isolationists of World War II were never really defeated. They only went underground. Even now their heads are popping up once again. But now their ranks are being joined by others who are understandably impatient, frustrated, or just plain fed up with the sequence of crises along the frontiers of the world. This resurgent new isolationism of the 1960's jeopardizes the prospects of our ultimate triumph in winning the chance to do something about a better world.

The answer to why we must now determine to stand tall in Vietnam is most clearly seen in the perspective of the cold war itself. In the wake of World War II, indeed, as following all of the great wars of history, the delicate poltical balances of the world were in a desperate state of discombobulation. Usually it falls to the victor, or victors, to reconstitute a new balance as a substitute for a continuation of both the chaos and anarchy of open warfare.

History thrust upon the people of America the frightening, but nonetheless indispensable, task of redrawing the lines of stability about the power spheres of the globe. The job ahead was not only more desperate, but more complicated than any of the preceding intervals in human history. For not only were three of the great powers left prostrate in the debacle of defeat; namely, Germany, Italy, and Japan; but even two of the victorious giants were compelled by the ravages of war to abandon their traditional power political positions around the world; namely, Great Britain and France. Only the Soviet Union at that time was in a position to challange and/or frustrate the reestablishment of a workable balance. The sequence of crises between the Soviets and the Americans for the next several years spells out the history of that struggle. The successive challenges from the Kremlin were issued in Greece, in Western Europe, in Berlin. In each instance, our country made the determination that to yield at any one of those points would be to forfeit the chance to achieve a more stable world balance. American policy committed itself even to the point of war if necessary in order to prevail. As it turned out, this was the one language the Soviets seemed best to understand.

More than a century ago Lord Palmerston in Britain aptly described the policy of the Russian bear in a meaningful analogy which applies even now. He is supposed to have said that the Russians follow a policy in diplomacy of constant probing and pressing outward along their own periphery, seeking soft spots. Where there was no resistance, the Russians broke through and extended their holdings. But where resisted, they pulled back and went elsewhere, perhaps to return to the same spot later when the resistor might relax his vigilance. This parallel drawn by the distinguished British Minister a hundred years ago should not be lost upon us today. For our long and tortuous years of cold war have served to underscore the validity of Palmerston's analysis. It is well to note, incidentally, that all of this preceded Lenin, and Stalin, and the Soviet Marxists and that perhaps we would do well to characterize what is taking place today less in terms of world communism and more in terms of world imperialism if we are to be accurate in our assessment of the policies of either Moscow or Peiping.

To resume the course of cold war policy, once the Soviets were stopped in Europe, they turned to a new tactical maneuver as they probed for new weakness along the frontlines of power politics; namely, in Korea. There the issue was limited war, and there the answer arrived at by the Americans was the same—the drawing of a firm line along the 38th parallel across which neither side dared to venture with impunity.

The next stage of tactical coldwarsmanship centered in the nuclear rivalry between the two surviving giants of the last war. And for a long time the complete policy projection focused on what was commonly referred to as the big war or a nuclear holocaust. Once this newest thrust was blunted by the establishment of substantial superiority in the free world, the focus shifted to a development that had been underway for several years—transferring the battleground to the economic and psychological realm sometimes characterized for the stomachs of man and the minds of men. Here again the Communists failed miserably. They failed to gratify or to hold out measurable hope to the dreams of the literally billions of people whose expectations of a better life had been triggered by the collapse of the old colonial empires and by a resurgent nationalism everywhere around the globe.

And so now we find the tactic shifting again, along with the center of command. It is moving from the focus in the Western World, always excepting Korea, to the mysterious lands of the East, with the initiative coming less from Moscow and more from Peiping. The device was to be guerrilla warfare. Guerrilla combat is the ugliest, dirtiest, least decisive kind of war of all. In it, the initial advantage always lies with the guerrillas. Our own observers remind us that for every one guerrilla, the defending forces require 10 to 20 combat troops.

This disproportion in manpower alone underscores the extreme difficulty of winning this kind of conflict. It means that whenever the Vietcong smuggle a thousand men over the line into the south, they have, in effect, achieved the impact of an entire division. To compound the hazards, guerrilla tactics do not permit an open confrontation or even the successful seizure of an objective. Success to them is measured only in terms of hit and run. Their supply lines, moreover, are virtually indiscernible as they pitterpat down an obscure jungle path, generally under cover of darkness. Their terror tactics, in addition, provoke panic and wreak havoc in any community which they preselect as the target for tonight. However vicious, and unsavory, and costly, and maddening these tactics may seem to us, it is important that we put them in their proper perspective. They constitute simply another face of Communist tactical probing actions, searching out weakness along the thin line of separating them from their ambitions—a line drawn and manned largely by the United States and its allies. It is in this context that the importance of drawing a firm line and holding it in east Asia should become more obvious. We should not forget that the world is still round, and the balance of power is as much at stake in Indochina as it was in Greece or in Berlin. While it is currently popular to ridicule the domino theory in southeast Asia, its validity cannot be wished away by a torrent of words. For if China indeed prevails in Vietnam, who can persuade the Thais, or the Malaysians, or the Filipinos, or even the Cambodians or Indonesians that they still have a chance to stand independently of the colossus of the north—Peiping?

Already the Communists have made it clear that Bangkok is the next target. Demonstrations in Kuala Lumpur, Jakharta, and Manila serve as sobering reminders that there are plenty of voices

and bosses waiting for the signals from the mainland. The combined natural resources of southeast Asia have been attractive to most of the great imperial powers of all time and have invited seizure from the days of the colonial capitals of Europe in the 16th and 17th centuries down through the Japanese in 1941. There is no reason to think that the assessment of the importance of these resources has changed in Peiping Rubber, tin, oil, and rice together represent significant additions to the mainland of China. All of these added to the human resources involved and the psychological gains to be realized, has whetted both the appetite and the superconfidence of the Chinese Communists that theirs indeed is the wave of the future. It would only be a matter of timing when they would then prepare to break through Burma into the great underbelly of Asia, the vast Indian subcontinent. What then will have happened to our noble intentions of redressing the power balances of the world to the advantage of freedom and independent nationalities?

PLAN OF ACTION

When the American position in Vietnam is viewed within the context of the perspective of 20 years of cold war it becomes more clear what our course of action must be. This should include the following steps:

First. Announce the drawing of a firm line along the 17th parallel and projected westward along a route to conform with the independent status of the other countries bordering on China, making it clear that we intend to tolerate no breaches of that line and that, starting along the 17th parallel, the Vietcong infiltrations from the north must cease at once.

Second. If within a specified number of days the Vietnamese do not cut off their probing activities across the line, we should announce our intentions to bomb all military bases, airfields, marshaling areas, and encampments in North Vietnam.

Third. If this still does not persuade them of our intention to stand in southeast Asia, then we should announce that we will proceed to the bombing of logistic targets—bridges and transportation lines.

Fourth. Should the above measures still not persuade the Vietcong of our full intentions, we should also announce that we shall next proceed to the bombing of industrial centers and other obvious supply targets in support of their military effort.

Fifth. Simultaneously, we should make clear that we are ready to talk, that we are prepared to negotiate a reasonable settlement in Indochina. We should make it clear, however, that the 17th parallel and the land below it are not negotiable. In the words of the late President Kennedy:

> We are willing to negotiate freely, but never willing to negotiate freedom.

Sixth. We should make it crystal clear to both Hanoi and to Peiping, and incidentally to the world at large, that we have no territorial ambitions anywhere in Asia—or around the globe, for that matter—that we have no designs on their government or their internal politics. They must wrestle with their own internal futures as far as we are concerned.

None of us can know for sure how this proposal may be received. Obviously, we have to plan for the worst and hope for the best. However, a projection of military action alone might only escalate into war through accident or misunderstanding. On the other hand, a negotiation drive by itself could leave something neither satisfying nor definitive in the power status in the East. But combined, they would seem to offer the best chance to bring a sense of relative stability in southeast Asia. And it has the great advantage of clearing up the many uncertainties surrounding the American position in Asia. There would be ample reason to hope that this kind of language would get through to Hanoi. Very probably Ho Chi Minh no more relishes the prospect of domination by Peiping than do the other governments in his part of the world. The net effect of the plan would be to force the Vietcong to examine their cards once again and to reassess their judgment on the price they are willing to pay for their gamble to the south.

Obviously, lurking in the background of such a proposal is the far more sinister prospect of the response in Peiping. While we would hope it would serve as a deterrent to them in their calculations for the future, we would not dare rule out the possibility that they might declare war. This is the question that the Chinese alone must determine. Are they ready or willing to commit their 2 to 3 million trained men to a venture in southeast Asia at this time? Most observers think not; but if they should make that decision, it means that this is the price they are willing to pay at any time for the region, and better we know it sooner rather than later. If in the lexicon of Communist Chinese tactics and strategy it is already written that they are willing to pay the supreme price for Indochina, it is better than we know it now than to discover it piecemeal after it is too late.

Like the fateful days of Munich in 1938, the unknown qualities of the answer to the central question of Chinese intentions haunt us even more so today. Arnold Toynbee once reminded us that history repeats itself only when man makes the same mistakes over again. This is no time for another Munich.

Remembering, as we do, the several instances in which we as a nation have been willing to risk all-out war during the last 20 years, it is important that we not forfeit what we have gained to date by a momentary lapse in our determination to seal off the forces of world imperialism. Indeed, there are substantive reasons to believe that the Chinese are only probing and are in no position to pay such a price. In any event, such a strong affirmation from the United States would almost certainly do wonders for the morale of the nations now living on the brink of such vast uncertainties in southeast Asia. The climax to such an American projection might then well be a nationwide—indeed, a worldwide—television and radio appearance by the President of the United States in which he would spell out in precise terms these objections very much in the manner in which the late President Kennedy spelled them out on Cuba in that fateful October of 1962. This would have the advantage of galvanizing world attention and opinion and at the same time of reaffirming America's desire to take nothing away from anybody, nor to invade, as an aggressor, the real estate of any power in Asia. At the same time, it would serve notice on the Peiping crowd that we do indeed intend to stay and to fight if that is their choice.

The 1930's taught us that we cannot appease the mighty or the ambitious, but the 1950's and the 1960's have taught us that they can be contained and even stopped short of a big war. It is the calculated risk we have to take now. And from such a stance the United States would then be in a position to lead from strength in any proposal for discussions or negotiations on drawing a firm line across the south of Asia and across which neither side would dare to venture recklessly or irresponsibly in the future. Such, it seems to me, is the best hope for a constructive policy of American leadership in the present crisis in south Asia.

The acceptance of these terms and an observance of the 17th parallel as the dividing line would mean the prospect of living with two Vietnams.

While the concept of two Vietnams might not be the most desirable, we now live with two Koreas, two Chinas, two Berlins, and two Germanys; and this has become a way of life that has at least provided some degree of stability around the world. The line drawn and maintained across Vietnam would be a vital last link in the chain against the spread of communism all over the world—a line protected mainly by the United States—and we dare not forfeit this link to impatience.

While this is not peace, it can be a step toward it. When the shooting stopped at the end of World War II, there was no peace, simply because wars are not waged for peace. Rather, they are fought in order to win the chance to make a lasting peace. And in these 20 years of so-called cold war, the battle has continued. We are fighting for the chance. Winning that chance must preceede winning the peace. The price we have already paid for that chance ought to haunt us every night. What we do with that chance may even now hang in the balance in Vietnam. How we marshal our determination to continue our efforts unabated by the tendency of digression or withdrawal is likely to determine the course of this history of our time and, in so doing, the dimensions of the peace for which we all strive.

RECESS UNTIL 10 A.M. TOMORROW

Mr. McGEE. Mr. President, in accordance with the previous order I move that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 28 minutes p.m.) the Senate

took a recess, in accordance with the previous order, until tomorrow, Thursday, February 18, 1965, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate February 17, 1965:

POST OFFICE DEPARTMENT

John A. Gronouski, of Wisconsin, to be Postmaster General.

U.S. ATTORNEY

William P. Copple, of Arizona, to be U.S. attorney for the district of Arizona for the term of 4 years, vice Charles A. Muecke, resigned.

U.S. ADVISORY COMMISSION ON INTERNATIONAL EDUCATIONAL AND CULTURAL AFFAIRS

Arnold M. Picker, of New York, to be a member of the U.S. Advisory Commission on International Educational and Cultural Affairs for the remainder of the term expiring May 11, 1965, and until his successor is appointed and has qualified.

The following-named persons to be members of the U.S. Advisory Commission on International Educational and Cultural Affairs for terms of 3 years expiring May 11, 1967, and until their successors are appointed and have qualified:

Dr. Homer Daniels Babbidge, Jr., of Connecticut.

Dr. Walter Johnson, of Illinois.

Dr. Roy E. Larsen, of Connecticut.

IN THE 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:

Maj. Gen. Ralph Edward Haines, Jr., [redacted], U.S. Army, in the grade of lieutenant general.

IN THE NAVY

Having designated, under the provisions of title 10, United States Code, section 5231, Vice Adm. Roy L. Johnson, U.S. Navy, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him for appointment to the grade of admiral while so serving.

Having designated, under the provisions of title 10, United States Code, section 5231, Rear Adm. Paul P. Blackburn, Jr., U.S. Navy, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him for appointment to the grade of vice admiral while so serving.

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3284, 3306, and 3307:

To be major generals

Maj. Gen. Charles Salvatore D'Orsa, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Herbert George Sparrow, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Oren Eugene Hurlbut, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. David Parker Gibbs, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Thomas Heber Lipscomb, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Jonathan Owen Seaman, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Francis Franklin, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Andrew Jackson Boyle, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Robert Carson Kyser, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Harry Jacob Lemley, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Hugh McClellan Exton, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Harry Herndon Critz, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Eugene Albert Salet, [redacted], Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Bruce Palmer, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William Reeves Shuler, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James Benjamin Lampert, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Edward Kelly, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Selwyn Dyson Smith, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).

Gen. William Childs Westmoreland, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Beverley Evans Powell, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Arnold Heintges, [redacted], Army of the United States (brigadier general, U.S. Army).

Gen. Creighton Williams Abrams, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).

Lt. Gen. John Hersey Michaelis, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edwin Hess Burba, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Graham Zierdt, [redacted], Army of the United States (brigadier general, U.S. Army).

To be brigadier generals

Brig. Gen. Joseph Wilson Johnston, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Cornelis De Witt Willcox Lang, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Clarence Carl Haug, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Frank Alexander Osmanski, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Charles Albert Symroski, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert Rigby Glass, [redacted], Army of the United States (colonel, U.S. Army.)

Brig. Gen. Francis Johnstone Murdoch, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Lawrence Edward Schlanser, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. John Allen Beall, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. George Madison Jones, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Melville Brown Coburn, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Lawrence Bernard Markey, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Allen Thomas Stanwix-Hay, [redacted], Army of the United States (colonel U.S. Army).

Brig. Gen. Thomas Jay Hayes, III, [redacted], Army of the United States (colonel, U.S. Army.)

Brig. Gen. Walter Bernard Bess, [redacted], Army of the United States (colonel, U.S Army).

Brig. Gen. Howard Pinkney Persons, Jr., [redacted], Army of the United States (colonel U.S. Army).

Brig. Gen. Donald Gilbert Grothaus, [redacted], Army of the United States (colonel U.S. Army).

Brig. Gen. Kenneth Francis Dawalt, [redacted], Army of the United States (colonel U.S. Army).

Brig. Gen. Leonard Copeland Shea, [redacted], Army of the United States (colonel U.S. Army).

Brig. Gen. Robert Hall Safford, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. John Henry Chiles, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Henry Kreitzer Benson, Jr., [redacted], Army of the United States (colonel U.S. Army).

Brig. Gen. Benjamin Otto Turnage, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. John Daniel Hines, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. John Arthur Goshorn, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. John Clifton Dalrymple, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. William Nels Redling, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Leonidas George Gavalas, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Frederick James Clarke, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. George Henry Walker, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. John Martin Cone, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Charles Stuart O'Malley, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Edward Chrysostom David Scherrer, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Kelsie Loomis Reaves, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Delk McCorkle Oden, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Kelley Benjamin Lemmon, Jr., [redacted], Army of the United States (colonel U.S. Army).

Brig. Gen. Donald Clinton Clayman, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. William Andrew Enemark, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Elias Carter Townsend, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Hughes Lanier Ash, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Carl C. Turner, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Frank George White, [redacted], Army of the United States (colonel, U.S. Army).

IN THE REGULAR AIR FORCE

The following persons for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10 United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be prescribed by the Secretary of the Air Force:

To be captains, USAF (chaplain)

Baggett, Jimmie D., xxxxxxxxx.
Buckalew, Lester T., xxxxxxxxx.
Downing Don, xxxxxxxxx.
Eisemann, Richard G., xxxxxxxxx.
Folk, Donald C., xxxxxxxxx.
Hunt, Mansfield E., xxxxxxxxx.
Klepatz, Herbert R., xxxxxxxxx.
Madden, Wayne S., xxxxxxxxx.
Millian, Ronald A., xxxxxxxxx.
Mixon, Paul S., xxxxxxxxx.
Patterson, Allen J., xxxxxxxxx.
Reed, William P., xxxxxxxxx.
Stawasz, John B., xxxxxxxxx.
Steege, Mark W., xxxxxxxxx.
Thomas, Barry W., xxxxxxxxx.
Wozny, William J., xxxxxxxxx.

To be first lieutenants, USAF (chaplain)

Bieberbach, John V., xxxxxxxxx.
Bloomer, John D., xxxxxxxxx.
Edwards, Walter D., Jr., xxxxxxxxx.
Endel, Thomas J., xxxxxxxxx.
Festle, Robert H., xxxxxxxxx.
Guikema, Henry, xxxxxxxxx.
Kircus, Ernest E., xxxxxxxxx.
Kok, Louis E., xxxxxxxxx.
Landman, Nathan M., xxxxxxxxx.
Lee, John U., xxxxxxxxx.
Mallory, Jerry J., xxxxxxxxx.
Matthews, Robert L., xxxxxxxxx.
McGowan, Patrick M., xxxxxxxxx.
McPhee, Richard S., xxxxxxxxx.
Merrell, Robert E., xxxxxxxxx.
Pickering, Melvin H., xxxxxxxxx.
Pirozzi, Lewis J., xxxxxxxxx.
Plummer, James R., xxxxxxxxx.
Prewitt, Charles B., xxxxxxxxx.
Rhett, William P., Jr., xxxxxxxxx.
Schuelein, Virgil L., xxxxxxxxx.
Shaffer, Clair W., xxxxxxxxx.
Thompson, Arthur E., xxxxxxxxx.

To be captains, USAF (dental)

Abrams, Herbert, xxxxxxxxx.
Amy, Donald H., xxxxxxxxx.
Battock, Richard D., xxxxxxxxx.
Bernhard, Lee F., xxxxxxxxx.
Bowling, Richard K., xxxxx.
Boyle, William D., Jr., xxxxxxxxx.
Brown, Velpo B., xxxxxxxxx.
Brumfield, Frank W., xxxxxxxxx.
Bryk, Clarence C., xxxxxxxxx.
Buchen, Bayard A., xxxxxxxxx.
Butz, Donald J., xxxxxxxxx.
Calem, Herbert M., xxxxxxxxx.
Childress, Joseph H., xxxxxxxxx.
Colao, Eugene J., xxxxxxxxx.
Cowan, Robert D., xxxxxxxxx.
Crockett, Leonard D., xxxxxxxxx.
Derricotte, Eugene A., xxxxxxxxx.
Dertien, Donald C., xxxxxxxxx.
Durkin, William J., Jr., xxxxxxxxx.
Edmondson, Clarence, xxxxxxxxx.
Emmerling, Austin C., xxxxxxxxx.
Farnie, John E., xxxxxxxxx.
Franciose, Angelo, xxxxxxxxx.
Francis, Michael R., xxxxxxxxx.
Frisbie, Orton D., xxxxxxxxx.
Fry, Hiram R., xxxxxxxxx.
George, David A., xxxxxxxxx.
Goldberg, Paul L., xxxxxxxxx.
Granger, Dale T., xxxxxxxxx.
Hale, Robert H., xxxxxxxxx.
Harris, Bernard C., xxxxxxxxx.
Hawkins, Benny F., xxxxxxxxx.
Hawkins, Maynard A., xxxxxxxxx.
Hecht, Arnold, xxxxxxxxx.
Indelicato, Bernard J., xxxxxxxxx.
Infeld, Paul, xxxxxxxxx.
Jerman, Albert C., xxxxxxxxx.
Lehman, Carl A., xxxxxxxxx.
Mary, George G., xxxxxxxxx.
Masi, Victor A., xxxxxxxxx.
Mayer, Raggon L., Jr., xxxxxxxxx.
McClelland, David C., xxxxxxxxx.
McDonald, Dennis J., xxxxxxxxx.
McLees, James K., xxxxxxxxx.
Morgan, John P., xxxxxxxxx.
Morley, Ronald B., xxxxxxxxx.
Moromisato, Clifton Y., xxxxxxxxx.
Morrison, Donald J., xxxxxxxxx.
Neurock, Isadore, xxxxxxxxx.
Norwood, Ralph F. Jr., xxxxxxxxx.
Olechowski, George W., xxxxxxxxx.
Petix, Pasquale A., xxxxxxxxx.
Ritola, Carl A., Jr., xxxxxxxxx.
Salazar, Cervando, xxxxxxxxx.
Sarbin, Alan G., xxxxxxxxx.
Schaeffer, Max L., xxxxxxxxx.
Schultheis, William J., Jr., xxxxxxxxx.
Shell, Jack A., xxxxxxxxx.
Shiller, Edwin B., xxxxxxxxx.
Skweir, Michael J., Jr., xxxxxxxxx.
Stellato, Robert P., xxxxxxxxx.
Testa, William J., xxxxxxxxx.
Titus, Harry W., xxxxxxxxx.
Tyler, Donald L., xxxxxxxxx.
Windeler, Alfred S., Jr., xxxxxxxxx.
Wood, Douglas E., xxxxxxxxx.
Wymer, William E., xxxxxxxxx.
Wysocki, Stanley F., xxxxxxxxx.

To be first lieutenants, USAF (dental)

Asselin, William A., Jr., xxxxxxxxx.
Barrick, Alan K., xxxxxxxxx.
Bennardi, John A., xxxxxxxxx.
Betances, Rojas P. A., xxxxxxxxx.
Boke, Bruce R., xxxxxxxxx.
Carroll, Daniel F., xxxxxxxxx.
Close, George D., xxxxxxxxx.
Craig, Lester D., Jr., xxxxxxxxx.
Dapral, Frederick P., xxxxxxxxx.
Davenport, Maynard V., xxxxxxxxx.
Davis, Jerry N., xxxxxxxxx.
Deyampert, Porter L., xxxxxxxxx.
Ervin, Rex H., xxxxxxxxx.
Hartman, Garrett E., xxxxxxxxx.
Hazelbaker, Dale R., xxxxxxxxx.
Hellier, Charles E., xxxxxxxxx.
Hicks, Taylor T., xxxxxxxxx.
Hoffman, David L., xxxxxxxxx.
Houtz, Robert H., xxxxxxxxx.
Howe, Arthur G., xxxxxxxxx.
Hutchinson, William W., xxxxxxxxx.
Idema, William A., xxxxxxxxx.
Kennemer, Billy R., xxxxxxxxx.
Kirby, David B., Jr., xxxxxxxxx.
Morrier, Thomas C., xxxxxxxxx.
Polte, Hanswalter W., xxxxxxxxx.
Pratt, William H., xxxxxxxxx.
Rice, David R., xxxxxxxxx.
Sandoval, Elivinio, xxxxxxxxx.
Schmisseur, Robert R., xxxxxxxxx.
Scott, Andrew S., xxxxxxxxx.
Sebastian, Alexander J., Jr., xxxxxxxxx.
Setzler, Ralph C., Jr., xxxxxxxxx.
Shaheen, Masid N., Jr., xxxxxxxxx.
Shern, John R., xxxxxxxxx.
Spielman, Warren R., xxxxxxxxx.
Thompson, Wayne D., xxxxxxxxx.
Vogue, Harvey L., xxxxxxxxx.
Wampler, Henry W., xxxxxxxxx.
Wilson, Aaron H., Jr., xxxxxxxxx.

To be major, USAF (medical)

Elliott, William E., xxxxxxxxx.

To be captains, USAF (medical)

Ames, Bruce A., xxxxxxxxx.
Battle Earl P., xxxxxxxxx.
Beard, Jeff N., xxxxxxxxx.
Bennett, Donald R., xxxxxxxxx.
Bennett, Raymond S. Jr., xxxxxxxxx.
Betsill, Wesley L., Jr., xxxxxxxxx.
Bickham, Dudley W., xxxxxxxxx.
Boerner, Robert M., xxxxxxxxx.
Boineau, Maxcy C., xxxxxxxxx.
Brewer, Schiele A., xxxxxxxxx.
Brundick, Edward L. Jr., xxxxxxxxx.
Bryant, C. W., xxxxxxxxx.
Chang, Walter W. Y., xxxxxxxxx.
Choate, Philip R., xxxxxxxxx.
Christensen, Dennis W., xxxxxxxxx.
Cintronrios, Eloy, xxxxxxxxx.
Collins, Harry G., xxxxxxxxx.
Costanzi, John J., xxxxxxxxx.
Cryan, David M., xxxxxxxxx.
Dehart, Roy L., xxxxxxxxx.
Dodge, Billy G., xxxxxxxxx.
Dunne, John V., xxxxxxxxx.
Eckert, Joseph F., xxxxxxxxx.
Ellis, Eli R., xxxxxxxxx.
Ennis, John M., xxxxxxxxx.
Felton, Owen L., xxxxxxxxx.
Fogarty, William A., xxxxxxxxx.
Foley, Phillip D., xxxxxxxxx.
Galindo, Osilio J., xxxxxxxxx.
Gonzalez, Joe V., xxxxxxxxx.
Harada, William S., xxxxxxxxx.
Harris, Robert E., xxxxxxxxx.
Heimbach, Richard D., xxxxxxxxx.
Hermann, Lee K., xxxxxxxxx.
Hodgson, Corrin J., xxxxxxxxx.
Jacobson, Stephen G., xxxxxxxxx.
Johnson, Floyd G., xxxxxxxxx.
Joycolon, Jose L., xxxxxxxxx.
Keffer, Joseph H., xxxxxxxxx.
Kelley, Severance B., xxxxxxxxx.
Kendrick, Ronald E., xxxxxxxxx.
King, Donald L., xxxxxxxxx.
Kopinski, Joseph C., xxxxxxxxx.
Kran, Stanley W., xxxxxxxxx.
Kyker, Paul G. Jr., xxxxxxxxx.
Labelle, James W. Jr., xxxxxxxxx.
Lawrence, David D., xxxxxxxxx.
Lebaron, George I. Jr., xxxxxxxxx.
Levine, Jerome I., xxxxxxxxx.
Lowe, James C. Jr., xxxxxxxxx.
McAlister, Bradwell R., xxxxxxxxx.
McCall, Victor E., xxxxxxxxx.
McCullough, Charles T. Jr., xxxxxxxxx.
McHugh, William J., xxxxxxxxx.
Mann, James G., xxxxxxxxx.
Mann, John, xxxxxxxxx.
Markham, Sanford M., xxxxxxxxx.
Miller, William S., xxxxxxxxx.
Moncur, Larry R., xxxxxxxxx.
Morgan, Harold C., xxxxxxxxx.
Morgan, Hiram B., Jr., xxxxxxxxx.
Morris, John R., xxxxxxxxx.
Morrison, Robert C., xxxxxxxxx.
Moser, Royce, Jr., xxxxxxxxx.
Murphy, John F., xxxxxxxxx.
Narboni, Gino R., xxxxxxxxx.
Neal, William R., xxxxxxxxx.
Nell, Patricia A., xxxx.
Nixon, William H., xxxxxxxxx.
Nosan, Martin M., xxxxxxxxx.
Pace, Harrell S., xxxxxxxxx.
Pate, William E., xxxxxxxxx.
Perkins, John C., xxxxxxxxx.
Planell, Israel E., xxxxxxxxx.
Price, Richard R., xxxxxxxxx.
Ranheim, Richard O., xxxxxxxxx.
Rayner, Douglas A., xxxxxxxxx.
Reynolds, Ralph D., xxxxxxxxx.
Rieffel, Clement N., Jr., xxxxxxxxx.
Robinson, Charles H., Jr., xxxxxxxxx.
Rogers, John R., xxxxxxxxx.
Rosen, Gerald M., xxxxxxxxx.
Rosenzweig, William, xxxxxxxxx.
Rowe, Lynn B., xxxxxxxxx.
Shacklett, David E., xxxxxxxxx.
Shapiro, Stephen R., xxxxxxxxx.
Siegel, Jerome S., xxxxxxxxx.
Sisson, Charles A., Jr., xxxxxxxxx.
Skeel, David A., xxxxxxxxx.
Smith, George I., Jr., xxxxxxxxx.
Smith, Jerry E., xxxxxxxxx.
Sobiesk, Emory J., xxxxxxxxx.
Stanford, William, xxxxxxxxx.
Stone, Donald L., xxxxxxxxx.
Taylor, William S., xxxxxxxxx.
Tignor, Milton R., Jr., xxxx.
Tomberlin, Kenneth G., xxxxxxxxx.
Triebwasser, John H., xxxxxxxxx.
Upchurch, James C., xxxxxxxxx.
Vause, David D., xxxxxxxxx.
Walker, Wesley C., xxxxxxxxx.
Weaver, David E., xxxxxxxxx.
Weber, Carl H., Jr., xxxxxxxxx.
Wenger, Bruce E., xxxxxxxxx.
Wesche, Daniel L., xxxxxxxxx.

Whitmer, Daniel W., xxxxxxxxx.
Wilson, Joe B., xxxxxxxxx.
Wilson, Robert G., xxxxxxxxx.
Wolff, James R., xxxxxxxxx.

To be first lieutenants, USAF (medical)

Anderson, Clarence A., xxxxxxxxx.
Anderson, Hal C., xxxxxxxxx.
Anderson, John A., xxxxxxxxx.
Anderson, Rodney A., xxxxxxxxx.
Becchetti, John J., xxxxxxxxx.
Biltz, John F., xxxxxxxxx.
Bizzell, James W., xxxxxxxxx.
Blanton, Joe D., xxxxxxxxx.
Bourgeois, Stephen D., xxxxxxxxx.
Bowerman, Jack W., xxxxxxxxx.
Brandenberg, Karl B., xxxxxxxxx.
Brown, George R., xxxxxxxxx.
Brusenhan, James R., xxxxxxxxx.
Buono, Francis L., xxxxxxxxx.
Cantor, William L., xxxxxxxxx.
Carraway, James H., xxxxxxxxx.
Chee, Percival H. Y., xxxxxxxxx.
Christian, Charles F., xxxxxxxxx.
Clarke, John M., xxxxxxxxx.
Cutlip, Basil D., Jr., xxxxxxxxx.
Dake, Theodore, Jr., xxxxxxxxx.
Dillon, Thomas K., xxxxxxxxx.
Donald, Robert L., xxxxxxxxx.
Dorang, Louis A., xxxx
Duffner, Lee R., xxxxxxxxx.
Eckersley, John W., Jr., xxxxxxxxx.
Faries, James L., xxxxxxxxx.
Fascenelli, Fred W., xxxxxxxxx.
Finley, Dennis R., xxxxxxxxx.
Fontenelle, Larry J., xxxxxxxxx.
Frank, William E., xxxxxxxxx.
Freeman, John A., xxxxxxxxx.
Garrotto, Lewis J., xxxxxxxxx.
Gates, Philip D., xxxxxxxxx.
George, Harold C., xxxxxxxxx.
Hancey, Richard C., xxxxxxxxx.
Haney, James A., xxxxxxxxx.
Hensley, Kevin C., xxxxxxxxx.
Hooks, George E., Jr., xxxxxxxxx.
Huff, Olson, xxxxxxxxx.
Iger, Howard G., xxxxxxxxx.
Joye, Martin J., xxxxxxxxx.
Kelley, Lawrence D., xxxxxxxxx.
Kent, William T., xxxxxxxxx.
Kienzle, George E., xxxxxxxxx.
Kim, James D. S., xxxxxxxxx.
Kimball, David A., xxxxxxxxx.
Kinnard, Paul G., xxxxxxxxx.
Koenig, Charles F., xxxxxxxxx.
Kohlhepp, Paul A., xxxxxxxxx.
Kudzma, David J., xxxxxxxxx.
Ladner, George D., xxxxxxxxx.
Landis, Edward E., Jr., xxxxxxxxx.
Lewis, James A., xxxxxxxxx.
Lewis, Ronald G., xxxxxxxxx.
Little, Thomas D., xxxxxxxxx.
Long, Paul D., xxxxxxxxx.
Lopezcorrea, Raul H., xxxxxxxxx.
Lordon, Robert E., xxxxxxxxx.
McCabe, William C., xxxxxxxxx.
McCarron, David L., xxxxxxxxx.
McGrath, John J., xxxxxxxxx.
McKell, William M., Jr., xxxxxxxxx.
McNeill, Donald L., xxxxxxxxx.
Madere, Sherman G., xxxxxxxxx.
Magassy, Csaba L., xxxxxxxxx.
Mahon, Robert G., Jr., xxxxxxxxx.
Materson, Barry J., xxxxxxxxx.
Maurer, Robert M., xxxxxxxxx.
Monroe, Stuart A., xxxxxxxxx.
Moorehead, Myron E., xxxxxxxxx.
Nassif, Thomas J., xxxxxxxxx.
Nelson, Manfred R., xxxxxxxxx.
Norton, George H., xxxxxxxxx.
Offutt, Donald N., xxxxxxxxx.
Palma, Joseph A., xxxxxxxxx.
Palma, William E., xxxxxxxxx.
Pamplin, Gary N., xxxxxxxxx.
Parker, Warren M., Jr., xxxxxxxxx.
Perez, Santiago, Jr., xxxxxxxxx.
Petty, Arthur M., III, xxxxxxxxx.
Reid, Donald A., xxxxxxxxx.
Richardson, Donald R., xxxxxxxxx.
Richbourg, Henry R., xxxxxxxxx.
Ringler, Harold L., Jr., xxxxxxxxx.
Rocco, Henry D., xxxxxxxxx.
Root, David E., xxxxxxxxx.
Ruff, James E., xxxxxxxxx.
Runkle, William M., xxxxxxxxx.
Seman, Charles F., xxxxxxxxx.
Short, John G., xxxxxxxxx.
Shriner, William C., xxxxxxxxx.
Smith, John R., Jr., xxxxxxxxx.
Stacey, Norman R., Jr., xxxxxxxxx.
Stavros, George E., xxxxxxxxx.
Stevenson, Leo M., xxxxxxxxx.
Stevenson, Onex D., xxxxxxxxx.
Stover, William S., xxxxxxxxx.
Talbot, John M., xxxxxxxxx.
Taylor, Neal, xxxxxxxxx.
Terrell, Paul W., xxxxxxxxx.
Tucker, Harry L., xxxxxxxxx.
Vandyke, John J., xxxxxxxxx.
Victor, Martin I., xxxxxxxxx.
Walker, Michael J., xxxxxxxxx.
Wright, John, xxxxxxxxx.
Young, Robert L., xxxx
Yount, Ira M., xxxxxxxxx.
Zavacki, John, xxxxxxxxx.

To be captains, USAF (Nurse)

Bacon, Ann M., xxxx
Bardeen, Ruth E., xxxx
Bartol, Gladys J., xxxx
Baukus, Donna M., xxxx
Cantrell, Mildred E., xxxx
Carney, Joan M., xxxx
Carson, Rita D., xxxx
Cawthon, Zelpha P., xxxx
Christensen, Kathleen J., xxxx
Collins, Ann M., xxxx
Coombs, Bertha L., xxxx
Devaney, Dorothy E., xxxx
Dolan, Mary E., xxxx
Donahue, Shirley M., xxxx
English, Joan M., xxxx
Farrar, Catherine L., xxxx
Ferrell, Elizabeth G., xxxx
Florence, Eleanor R., xxxx
Flowers, Patricia M., xxxx
France, Maybelle V., xxxx
Franchina, Gloria M., xxxx
Fraser, Frank W., xxxx
Gajan, Thressa L., xxxx
Gallagher, Janet M., xxxx
Gibbens, Patsy L., xxxx
Gotsch, Geneva, xxxx
Gudzan, Christina, xxxx
Higgins, Margaret T., xxxx
Hillis, Helen R., xxxx
Hutton, Sallie M., xxxx
Johnson, Dolores, xxxx
Jones, Daphana J., xxxx
Kerwood, Joyce E., xxxx
Kopczynski, Helen D., xxxx
Lacharite, Rose Y., xxxx
Lose, Gertrude E., xxxx
Mandot, Barbara R., xxxx
Mease, Jean E., xxxx
Murphy, Florence T., xxxx
Nelson, Joan L., xxxx
Noel, Mary J., xxxx
Paddock, Helen L., xxxx
Phillips, Hazel L., xxxx
Ronaghan, James T., xxxx
Sanders, Barbara B., xxxx
Sidisin, Ruth K., xxxx
Skler, Rose, xxxx
Spezialy, Neva R., xxxx
Tennis, June E. H., xxxx
Vosburgh, Rita G., xxxx
Weichseldorfer, Mary E., xxxx
Weisenfluh, Norma J., xxxx

To be first lieutenants, USAF (Nurse)

Albrecht, Joanne, xxxx
Bareford, Betsy J., xxxx
Bearson, Lawrence O., xxxx
Boyza, Margaret, xxxx
Brinkmann, Joanne M., xxxx
Caldwell, Sally A., xxxx
Capouillez, Yvonne J., xxxx
Carroll, John T. K., xxxx
Cleland, Donna L., xxxx
Coleman, Charlene E., xxxx
Craft, Kathryn L., xxxx
Danhof, Roger J., xxxx
Delgado, Maria E., xxxx
Dirlam, Patty A., xxxx
Doriski, Helen, xxxx
Duerksen, David W., xxxx
Eisele, Helen M., xxxx
Engel, Dallas D., xxxx
Erickson, Carolyn B., xxxx
Feeney, Robert F., xxxx
Filer, Marguerite E., xxxx
Forstrom, Donna M., xxxx
Foster, Nathalea J., xxxx
Fox, Marjorie R., xxxx
Gajdusek, Marilyn A., xxxx
Glavinovich, Helen M., xxxx
Goins, Phyllis N., xxxx
Goodwin, Barbara A., xxxx
Griswold, Theodore R., xxxx
Gustafson, Melva J., xxxx
Haggard, Ann D., xxxx
Hancock, Margaret A., xxxx
Harriman, Roberta A., xxxx
Havens, Mary L., xxxx
Henderson, Barbara A., xxxx
Hester, Patricia S., xxxx
Holland, Bernie L., xxxx
Holt, Maurita E., xxxx
Hopkins, Edna M., xxxx
Hoy, James R., xxxx
Huisken, Leanne H., xxxx
Hunt, Maureen A., xxxx
Jones, John F., xxxx
Jorgensen, Marilyn J., xxxx
Kary, Donna M., xxxx
Keene, Ruby, xxxx
Lapp, Judith E., xxxx
MacIndoe, Joan C., xxxx
Makauskas, Loretta A., xxxx
Martina, Lucy M., xxxx
McNeece, Lela V., xxxx
Mohr, Thomas C., xxxx
Moran, Mary M., xxxx
Mullin, Margaret M., xxxx
Overton, Dale H., xxxx
Parrill, Rosa L., xxxx
Pennington, Donna A., xxxx
Perkins, Earline, xxxx
Piper, Doris A., xxxx
Pugh, Georgie B., xxxx
Raber, Nina R., xxxx
Reilly, Marguerite M., xxxx
Reimann, Lawrence L., xxxx
Remmes, Elizabeth J., xxxx
Richardson, Kenneth W., xxxx
Rizzo, Patricia A., xxxx
Roberson, Clara B., xxxx
Robertson, Robert H., xxxx
Rovnyak, Eleanor C., xxxx
Scaccia, James M., xxxx
Schaefer, Joanne L., xxxx
Segall, Shirley J., xxxx
Spors, Hiltrud G., xxxx
Steiner, Lorraine, xxxx
Stewart, Janette B., xxxx
Surette, Joan E., xxxx
Townsend, Ada M., xxxx
Uldrich, Ruth H., xxxx
Ulrich, Audrey V., xxxx
Vanells Marilyn J., xxxx
Vernon, Jane R., xxxx
Vickroy, Nancy E., xxxx
Vigil, Carmelita, xxxx
Wachtel, Juddie L., xxxx
Weldon, Margaret E., xxxx
Wheeler, Marvin W., xxxx
Yeatts, Charlie A., xxxx
Yous, Carole J., xxxx

To be captains, USAF (Medical Service)

Graves, Frederick J., xxxxxxxxx.
Kellogg, Robert S., xxxxxxxxx.
Kendig, John F., xxxxxxxxx.

To be first lieutenants (Medical Service)

Armentrout, Stacy B., xxxxxxxxx.
Bargamin, Taliaferro M., xxxxxxxxx.
Bonovich, Robert C., xxxxxxxxx.
Bowker, Charles S., xxxxxxxxx.
Brady, John G., xxxxxxxxx.
Burnett, Ronald D., xxxxxxxxx.
Daughtry, Ben P., xxxxxxxxx.
Dougherty, Jerry P., xxxxxxxxx.
Duffy, Brian J., xxxxxxxxx.
Fickess, Robert J., xxxxxxxxx.

Gordon, Darwin G., xxxxxxxxx.
Handley, James G., xxxxxxxxx.
Hatcher, Richard L., xxxxxxxxx.
Lawrence, Charles W., xxxxxxxxx.
Lewis, Thayer J., xxxxxxxxx.
Magee, Denis F., xxxxxxxxx.
Mallory, Melvin A., Jr., xxxxxxxxx.
McNally, Paul M., xxxxxxxxx.
Miller, William R., Jr., xxxxxxxxx.
Moody, Maynard G., xxxxxxxxx.
Murphy, John G., xxxxxxxxx.
Parimucha, Joseph P., xxxxxxxxx.
Reinhard, Henry C., Jr., xxxxxxxxx.
Rhode, John F., xxxxxxxxx.
Schulz, Victor B., xxxxxxxxx.
Stewart, Stanley, xxxxxxxxx.

To be second lieutenants, USAF (Medical Service)

Armstrong, George M., III, XXXX
Batch, Larry L., xxxxxxxxx.
Begin, Joseph L., xxxxxxxxx.
Bloechle, Robert A., xxxxxxxxx.
Boglin, William N., xxxxxxxxx.
Bolton, Bassel E., Jr., xxxxxxxxx.
Borah, James H., xxxxxxxxx.
Brenner, Bernard, xxxxxxxxx.
Carlile, Bruce E., xxxxxxxxx.
Chicoine, Ronald F., xxxxxxxxx.
Clack, Gerald S., xxxxxxxxx.
Cocolicchio, Salvatore P., xxxxxxxxx.
Conyers, Arthur C., Jr., xxxxxxxxx.
Crinella, Francis M., xxxxxxxxx.
Crisman, Jon E., xxxxxxxxx.
Crissup, Larry A., xxxxxxxxx.
Depriest, Larry T., xxxxxxxxx.
Donlevy, John W., xxxxxxxxx.
Elias, Edward E., xxxxxxxxx.
Faix, Philip A., Jr., xxxxxxxxx.
Fallon, Paul F., xxxxxxxxx.
Feister, Frederick C., xxxxxxxxx.
Gezon, Robert J., xxxxxxxxx.
Gibson, Reginald P., xxxxxxxxx.
Grady, Robert J., Jr., xxxxxxxxx.
Grizzard, Donald C., xxxxxxxxx.
Harbaugh, John D., xxxxxxxxx.
Harden, Richard R., xxxxxxxxx.
Harrah, Cariold B., xxxxxxxxx.
Hart, Robert F., xxxxxxxxx.
Huoni, Dana B., xxxxxxxxx.
Inman, Gilbert R., xxxxxxxxx.
Johnson, John E., Jr., xxxxxxxxx.
Kammeier, Richard A., xxxxxxxxx.
Kass, Joel T., xxxxxxxxx.
King, Steven M., xxxxxxxxx.
Kirkpatrick, Fred, xxxxxxxxx.
Lakey, Gene A., xxxxxxxxx.
Landry, Francis J., xxxxxxxxx.
Larson, Gary E., xxxxxxxxx.
Lefebvre, Edward E., xxxxxxxxx.
Loebs, Stephen F., xxxxxxxxx.
Logsdon, Donald F., Jr., xxxxxxxxx.
Lynam, Donald R., xxxxxxxxx.
Marsh, George R., xxxxxxxxx.
Mauro, Salvatore B. P., xxxxxxxxx.
McCann, Ray E., xxxxxxxxx.
McGhee, Wyatt L., xxxxxxxxx.
McGinty, John P., xxxxxxxxx.
Milner, Eldon S., xxxxxxxxx.
Milstone, Seymour, xxxxxxxxx.
Moore, Gary A., xxxxxxxxx.
Myers, Stuart S., xxxxxxxxx.
Norville, Jerry L., xxxxxxxxx.
Ohop, Paul A., xxxxxxxxx.
Pfoff, Billy J., xxxxxxxxx.
Reardon, Edward F., Jr., xxxxxxxxx.
Redfield, Richard E., xxxxxxxxx.
Richardson, Bennie M., xxxxxxxxx.
Riordan, William J., xxxxxxxxx.
Rose, Vernon E., xxxxxxxxx.
Rowe, Bobby G., xxxxxxxxx.
Sheffield, Paul J., xxxxxxxxx.
Stone, Carl P., xxxxxxxxx.
Strate, Robert D., xxxxxxxxx.
Thomas, William H., III, xxxxxxxxx.
Tittle, Robert A., xxxxxxxxx.
Tobin, Patrick M., xxxxxxxxx.
Twarog, Robert, xxxxxxxxx.
Ussery, Bobby G., xxxxxxxxx.
Wallace, Karl M., xxxxxxxxx.
Ward, Edward R., Jr., xxxxxxxxx.
Wilkins, Paul H., xxxxxxxxx.
Wilson, John G., xxxxxxxxx.

To be first lieutenants, USAF (Veterinary)

Banknieder, August R., xxxxxxxxx.
Bonney, Charles H., xxxxxxxxx.
Fisher, Robert A., Jr., xxxxxxxxx.
McConnell, Ernest E., xxxxxxxxx.

To be captains, USAF (medical specialist)

Ball, Sylvia M., xxxx
Burns, Carol H., xxxx
Chipser, Joseph F., xxxx
Davenport, Mary N., xxxx
Omdahl, Muriel E., xxxx

To be first lieutenants, USAF (medical specialist)

Bailey, Ronald B., xxxx
Baker, Verilyn J., xxxxxxxxx.
Fischer, Betty A., xxxxxxxxx.
Franklin, Jacqueline U., xxxxxxxxx.
Gremillion, Lucille R., xxxxxxxxx.
Johnson, Barbara A., xxxxxxxxx.
Kasa, Ai A., xxxxxxxxx.
Kyllo, Joan B., xxxxxxxxx.
Quinn, Juliana, xxxx
Wasserzieher, Gilbert D., xxxx

To be second lieutenant, USAF (medical specialist)

Hughes, David P., xxxx

To be captain, USAF (judge advocate)

Nakano, George M., xxxxxxxxx.

The following persons for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be captains

Aly, Charles E., xxxxxxxxx.
Burgeson, Harold E., xxxxxxxxx.
Cox, Thomas W., xxxxxxxxx.
Fafara, Edward R., xxxxxxxxx.
Glass, Isaac M., xxxxxxxxx.
Hedstrom, Robert S., xxxxxxxx.
Robichaud, Robert P., xxxxxxxxx.
Wagner, Donald C., xxxxxxxxx.

To be first lieutenants

Abruzzese, Tommas G., xxxxxxxxx.
Acuff, Mack F., xxxxxxxxx.
Adair, Charles R., xxxxxxxxx.
Aiken, Stewart L., Jr., xxxxxxxxx.
Amann, Richard W., xxxxxxxxx.
Amoscato, Guy T., xxxxxxxxx.
Anderson, Bobby D., xxxxxxxxx.
Angus, William E., xxxxxxxxx.
Autry, Gene A., xxxxxxxxx.
Bacs, John, xxxxxxxxx.
Badalamente, Richard V., xxxxxxxxx.
Baer, Alvin C., xxxxxxxxx.
Barnett, David R., xxxxxxxxx.
Barry, Gregory P., xxxxxxxxx.
Bassett, David E., xxxxxxxxx.
Begley, George A., xxxxxxxxx.
Belcher, Gary D., xxxxxxxxx.
Bell, Darwin L., xxxxxxxxx.
Bierly, Richard M., xxxxxxxxx.
Birmingham, Milton D., xxxxxxxxx.
Blevins, John C., xxxxxxxxx.
Bolger, Edward P., xxxxxxxxx.
Bonfili, Hubert F., xxxxxxxxx.
Bonniwell, Frank E., Jr., xxxxxxxxx.
Bourne, Maurice W., Jr., xxxxxxxxx.
Bowen, Ross R., xxxxxxxxx.
Breard, James A., xxxxxxxxx.
Briggs, Benjamin R., xxxxxxxxx.
Brown, Donald A., xxxxxxxxx.
Brown, Donald R., xxxxxxxxx.
Brown, Robert C., xxxxxxxxx.
Brugger, Walter I., xxxxxxxxx.
Brundage, John A., xxxxxxxxx.
Buchanan, George L., xxxxxxxxx.
Buckley, John R., Jr., xxxxxxxxx.
Butcher, Stanley R., xxxxxxxxx.
Butterfield, John D., xxxxxxxxx.
Caley, Charles F., III, xxxxxxxxx.
Callin, John H., xxxxxxxxx.
Callison, Charles S., xxxxxxxxx.
Campbell, James B., Jr., xxxxxxxxx.
Cann, Donald J., xxxxxxxxx.
Cantrell, Teddy D., xxxxxxxxx.
Carden, Charles R., xxxxxxxxx.
Carey, Nelson F., xxxxxxxxx.
Carlsgaard, Bruce R., xxxxxxxxx.
Carroll, Jo R., Jr., xxxxxxxxx.
Carstensen, Darwin R., xxxxxxxxx.
Casey, William E., Jr., xxxxxxxxx.
Cassidy, Patrick E., xxxxxxxxx.
Chambers, Glen D., xxxxxxxxx.
Chappelle, James E., xxxxxxxxx.
Childs, Vandiver L., xxxxxxxxx.
Chirco, Samuel, xxxxxxxxx.
Clemmer, William H., xxxxxxxxx.
Cobb, Larry D., xxxxxxxxx.
Coe, Larry J., xxxxxxxxx.
Cole, Charles R., xxxxxxxxx.
Coleman, Edward L., xxxxxxxxx.
Collins, Billie K., xxxxxxxxx.
Colvin, Charles G., xxxxxxxxx.
Conley, Emil R., xxxxxxxxx.
Conn, Earl D., xxxxxxxxx.
Copeland, John M., xxxxxxxxx.
Cornell, Gerald E., xxxxxxxxx.
Cornell, Robert H., xxxxxxxxx.
Costa, Francis L., xxxxxxxxx.
Cover, George R., xxxxxxxxx.
Crake, Roger L., xxxxxxxxx.
Cribbs, John A., Jr., xxxxxxxxx.
Crosby, Francis C., xxxxxxxxx.
Dady, Benjamin L., xxxxxxxxx.
Daily, Terry J., xxxxxxxxx.
Daly, Robert W., Jr., xxxxxxxxx.
Dean, Chester F., xxxxxxxxx.
Dean, David M., xxxxxxxxx.
Deary, William A., xxxxxxxxx.
Denham, Clyde C., xxxxxxxxx.
Denisio, Carl B., xxxxxxxxx.
Dickens, Lewis A., xxxxxxxxx.
Dorrough, Robert E., Jr., xxxxxxxxx.
Dowd, Donner A., Jr., xxxxxxxxx.
Draney, Elwyn N., xxxxxxxxx.
Dudley, John D., xxxxxxxxx.
Duffy, James E., xxxxxxxxx.
Dunning, John E., xxxxxxxxx.
Duvall, John S., xxxxxxxxx.
Easley, Rex C., xxxxxxxxx.
Elmore, Irven W., xxxxxxxxx.
Elsasser, Paul E., xxxxxxxxx.
Emery, Jay O., xxxxxxxxx.
Fedak, Charles R., xxxxxxxxx.
Ferro, Frank, A(xxxxxxx.
Finley, Robert C., xxxxxxxxx.
Fisher, Jack D., xxxxxxxxx.
Fitzsimons, Terrence, xxxxxxxxx.
Fletcher, Kenneth M., xxxxxxxxx.
Flinn, Earl C., xxxxxxxxx.
Flowers, Thomas M., xxxxxxxxx.
Foreman, Richard G., xxxxxxxxx.
Franzen, George A., Jr., xxxxxxxxx.
Fratzke, William F., xxxxxxxxx.
Freckleton, Jon E., xxxxxxxxx.
Frucht, Walter M., xxxxxxxxx.
Furlong, Daniel E., xxxxxxxxx.
Gaidry, Thomas H. T., xxxxxxxxx.
Gaines, Kimball M., xxxxxxxxx.
Gardner, Benjamin A., Jr., xxxxxxxxx.
Gately, Kenneth S., xxxxxxxxx.
Getzoff, Ronald A., xxxxxxxxx.
Gibson, Robert H., xxxxxxxxx.
Gold, Harold R., xxxxxxxxx.
Greenway, Vance, Jr., xxxxxxxxx.
Greenwood, Robert R., Jr., xxxxxxxxx.
Grenz, Albert F., xxxxxxxxx.
Gries, Charles E., xxxxxxxxx.
Griffin, James R., xxxxxxxxx.
Griffith, Rodney S., xxxxxxxxx.
Grisel, George R., xxxxxxxxx.
Gygi, Stuart R., xxxxxxxxx.
Hahn, Gerald E., xxxxxxxxx.
Hailey, Joaquin M., xxxxxxxxx.
Hardy, Robert A., Jr., xxxxxxxxx.
Harrison, James D., xxxxxxxxx.
Harroff, Merlin J., xxxxxxxxx.
Hefty, Henry O., xxxxxxxxx.
Heineman, Albert F., III, xxxxxxxxx.
Hendrickson, James R., xxxxxxxxx.
Hennessy, David A., xxxxxxxxx.
Hesch, Harold W., xxxxxxxxx.
Hester, Joe W., xxxxxxxxx.

Hickman, David M., XXXXXXXXX.
Hicks, Jimmy C., XXXXXXXXX.
Hieser, Michael W., XXXXXXXXX.
Hill, Joseph L., XXXXXXXXX.
Hill, William A., III, XXXXXXXXX.
Hinson, Forrest E., Jr., XXXXXXXXX.
Hodge, Ralph L., XXXXXXXXX.
Hoeksema, Peter P., XXXXXXXXX.
Hofer, Richard D., XXXXXXXXX.
Hoffer, Leland H., XXXXXXXXX.
Holgate, Thomas E., XXXXXXXXX.
Hooper, Donald G., XXXXXXXXX.
House, Francis L., XXXXXXXXX.
Hughes, Thomas K., XXXXXXXXX.
Humphreys, Richard G., XXXXXXXXX.
Hurston, Stanley L., XXXXXXXXX.
Hyder, James T., II, XXXXXXXXX.
Jackson, Charles L., XXXXXXXXX.
Jackson, Kelso L., XXXXXXXXX.
Jackson, Peter H., XXXXXXXXX.
Jackson, Wells T., XXXXXXXXX.
James, Darrell R., XXXXXXXXX.
Jeter, David R., XXXXXXXXX.
Johnson, David C., XXXXXXXXX.
Johnson, John B., XXXXXXXXX.
Jones, David H., XXXXXXXXX.
Jones, Rethel H., Sr., XXXXXXXXX.
Jones, Richard L., XXXXXXXXX.
Jones, Vernal O., Jr., XXXXXXXXX.
Kelley, David B., XXXXXXXXX.
Kelley, Herchel E., XXXXXXXXX.
Kelley, Russell K., XXXXXXXXX.
Kelly, Gary W., XXXXXXXXX.
Kent, John D. G., XXXXXXXXX.
Kingsbury, William C., Jr., XXXXXXXXX.
Kipness, Marc E., XXXXXXXXX.
Kitchen, Gerald A., XXXXXXXXX.
Klag, John E., XXXXXXXXX.
Klass, Edward H., XXXXXXXXX.
Klinglesmith, Jerry D., XXXXXXXXX.
Knese, Paul B., XXXXXXXXX.
Knight, Peter G., XXXXXXXXX.
Knutson, Gary H., XXXXXXXXX.
Knutson, Lawrence W., XXXXXXXXX.
Koester, Hajo W., XXXXXXXXX.
Kolar, Edward F., XXXXXXXXX.
Kondra, Vernon J., XXXXXXXXX.
Kono, Arthur H., XXXXXXXXX.
Krakauer, Richard L., XXXXXXXXX.
Krause, William M., XXXXXXXXX.
Kronsted, Paul W., XXXXXXXXX.
Krug, John J., XXXXXXXXX.
Kudzma, Robert, XXXXXXXXX.
Kurras, Jacob F., XXXXXXXXX.
Kutzman, Nathaniel J., Jr., XXXXXXXXX.
Kyle, Larry K., XXXXXXXXX.
Lahue, Murray L., XXXXXXXXX.
Lampman, Richard E., XXXXXXXXX.
Lark, Richard F., XXXXXXXXX.
Law, Richard F., XXXXXXXXX.
Lawrence, Anthony, XXXXXXXXX.
Lawry, David J., XXXXXXXXX.
Lefebvre, Norman I., XXXXXXXXX.
Lenning, Richard W., XXXXXXXXX.
Lesan, Thomas C., XXXXXXXXX.
Levis, William B., XXXXXXXXX.
Lewis, Jerry L., XXXXXXXXX.
Lilly, Bob P., XXXXXXXXX.
Linderman, Jerry L., XXXXXXXXX.
Linnevers, Thomas C., XXXXXXXXX.
Locke, Anthony W., XXXXXXXXX.
Lofgreen, Jesse B., XXXXXXXXX.
Lounsbury, William E., Jr., XXXXXXXXX.
Lovett, Willie C., XXXXXXXXX.
Lovvorn, Charles J., Jr., XXXXXXXXX.
Luger, Jerome R., XXXXXXXXX.
Lurie, Phillip J., XXXXXXXXX.
Mack, Joseph R., XXXXXXXXX.
Madden, Roland A., XXXXXXXXX.
Mades, Richard E., XXXXXXXXX.
Major, Berry F., Jr., XXXXXXXXX.
Malin, Benedict L., XXXXXXXXX.
Mann, William L., XXXXXXXXX.
Marinello, Joseph J., XXXXXXXXX.
Marschall, Horst, XXXXXXXXX.
Marsh, David S., XXXXXXXXX.
Marsh, Melvin E., Jr., XXXXXXXXX.
Mauton, Clifford J., XXXXXXXXX.
May, John, XXXXXXXXX.
Maypole, Thomas A., XXXXXXXXX.
McCabe, John M., XXXXXXXXX.
McCall, Collier F., XXXXXXXXX.
McCormick, Donald W., XXXXXXXXX.
McCracken, Theodore E., XXXXXXXXX.
McCurdy, John A., Jr., XXXXXXXXX.
McDermont, Alexander V., XXXXXXXXX.
McDonald, Charles H., XXXXXXXXX.
McEathron, Warren L., XXXXXXXXX.
McGinn, Sylvester, Jr., XXXXXXXXX.
McGuire, Marlin R., XXXXXXXXX.
McLaughlin, Clyde W., XXXXXXXXX.
Meek, Jerry L., XXXXXXXXX.
Meeker, Anthoney, XXXXXXXXX.
Melby, Carroll H., XXXXXXXXX.
Mielke, Robert R., XXXXXXXXX.
Miller, Gordon L., XXXXXXXXX.
Misner, Arthur E., XXXXXXXXX.
Mitchell, Ellsworth L., XXXXXXXXX.
Monahan, George F., XXXXXXXXX.
Moody, John L., XXXXXXXXX.
Moore, Clyde A., Jr., XXXXXXXXX.
Moseley, Charles T., Jr., XXXXXXXXX.
Mote, Edward L., Jr., XXXXXXXXX.
Mueller, William C., XXXXXXXXX.
Mula, Sebastian J., XXXXXXXXX.
Mullican, Robert W., XXXXXXXXX.
Murnieks, Janis, XXXXXXXXX.
Murphy, Edward J., XXXXXXXXX.
Nallick, Richard L., XXXXXXXXX.
Nash, John C., III, XXXXXXXXX.
Needham, Frank S., XXXXXXXXX.
Neil, Joe R., Jr., XXXXXXXXX.
Nesbitt, Robert L., XXXXXXXXX.
Newman, Jack E., XXXXXXXXX.
Nicholes, James A., XXXXXXXXX.
Nichols, John M., XXXXXXXXX.
Niebauer, David J., XXXXXXXXX.
Noble, Alan M., XXXXXXXXX.
O'Connor, Edward D., XXXXXXXXX.
O'Day, Robert C., XXXXXXXXX.
Orlando, Anthony J., XXXXXXXXX.
Owens, Paul R., XXXXXXXXX.
Panttaja, Toivo A., XXXXXXXXX.
Pedersen, Don W., XXXXXXXXX.
Peek, Max H., XXXXXXXXX.
Penny, John W., XXXXXXXXX.
Peters, Ronald M., XXXXXXXXX.
Peterson, Wayne M., XXXXXXXXX.
Phillips, Harold D., XXXXXXXXX.
Picantine, Jareld L., XXXXXXXXX.
Pierce, David C., XXXXXXXXX.
Pingel, Robert A., XXXXXXXXX.
Pitts, Donald A., XXXXXXXXX.
Pomeroy, Andrew R., XXXXXXXXX.
Pompei, John A., Jr., XXXXXXXXX.
Powell, Lloyd R., XXXXXXXXX.
Powers, Felix D., XXXXXXXXX.
Price, Harry H., XXXXXXXXX.
Protage, Barry S., XXXXXXXXX.
Purdie, Robin S., XXXXXXXXX.
Pursley, Donald G., XXXXXXXXX.
Ramsey, Frederick W., XXXXXXXXX.
Ransom, William R. P., Jr., XXXXXXXXX.
Rein, Marlin L., XXXXXXXXX.
Richards, Edgar E., XXXXXXXXX.
Riggle, Frederic L., XXXXXXXXX.
Roades, Jerry L., XXXXXXXXX.
Robinson, Paul R., XXXXXXXXX.
Rodman, Donald H., XXXXXXXXX.
Roeder, David M., XXXXXXXXX.
Rogers, Roy D., XXXXXXXXX.
Roman, John E., XXXXXXXXX.
Rota, Raymond E., XXXXXXXXX.
Rothrock, James G., XXXXXXXXX.
Ruffing, John J., XXXXXXXXX.
Ruffner, Gerald A., XXXXXXXXX.
Ruppel, John L., Jr., XXXXXXXXX.
Salsbury, Harold B., XXXXXXXXX.
Sands, William J., Jr., XXXXXXXXX.
Sansone, Anthony J., XXXXXXXXX.
Saunders, Jerald D., XXXXXXXXX.
Scaggs, Roger T., XXXXXXXXX.
Schell, Steven R., XXXXXXXXX.
Schorr, Robert W., XXXXXXXXX.
Schwartz, John L., XXXXXXXXX.
Schwartz, Norman C., Jr., XXXXXXXXX.
Scott, William D., XXXXXXXXX.
Shera, James H., XXXXXXXXX.
Shiflett, Leighton P., XXXXXXXXX.
Shirley, Stephen J., XXXXXXXXX.
Sicklesteel, William I., XXXXXXXXX.
Siegfried, Thomas, XXXXXXXXX.
Silvia, Ronald, XXXXXXXXX.
Sloan, John K., II, XXXXXXXXX.
Smith, Dennis W., XXXXXXXXX.
Smith, Harold L., XXXXXXXXX.
Smith, Joe S., XXXXXXXXX.
Smith, Joseph D., XXXXXXXXX.
Smith, Joseph E., XXXXXXXXX.
Smith, Tommy D., XXXXXXXXX.
Sokol, Roger O., XXXXXXXXX.
Sophie, Bruce E., XXXXXXXXX.
Southwick, Martin W., XXXXXXXXX.
Sovell, James E., XXXXXXXXX.
Spain, John G., XXXXXXXXX.
Spencer, Jerry W., XXXXXXXXX.
Spencer, Richard L., Jr., XXXXXXXXX.
Sprengelmeyer, David J., XXXXXXXXX.
Stankewich, Andrew W., Jr., XXXXXXXXX.
Stocks, Samuel E., XXXXXXXXX.
Stratton, Larry D., XXXXXXXXX.
Strausborger, Larry L., XXXXXXXXX.
Strawn, Ronald P., XXXXXXXXX.
Sutila, Joseph M., XXXXXXXXX.
Svetlik, Edward E., XXXXXXXXX.
Swenson, Aural V., XXXXXXXXX.
Takayesu, Jack K., XXXXXXXXX.
Tannehill, Willard F., Jr., XXXXXXXXX.
Tanzola, James A., Jr., XXXXXXXXX.
Tech, Laverne R., XXXXXXXXX.
Thomas, Lowell D., XXXXXXXXX.
Thompson, John R., XXXXXXXXX.
Thompson, Larry D., XXXXXXXXX.
Traudt, Ronald H., XXXXXXXXX.
Vinckier, Andrew M., XXXXXXXXX.
Vititoe, Maurice L., XXXXXXXXX.
Vocelka, Robert R., XXXXXXXXX.
Wade, Allan D., XXXXXXXXX.
Walker, John H., XXXXXXXXX.
Walker, Kenneth E., XXXXXXXXX.
Walling, Charles M., XXXXXXXXX.
Ward, John W., XXXXXXXXX.
Washburn, James L., Jr., XXXXXXXXX.
Waterman, Frank M., XXXXXXXXX.
Waters, Brian K., XXXXXXXXX.
Weathers, George T., Jr., XXXXXXXXX.
Webb, David G., XXXXXXXXX.
Weber, Robert F., XXXXXXXXX.
Weger, John, Jr., XXXXXXXXX.
Weismann, James F., XXXXXXXXX.
Weiss, Charles A., XXXXXXXXX.
Wenkel, Lester R., XXXXXXXXX.
Wentworth, John T., XXXXXXXXX.
Westerberg, Alfred, Jr., XXXXXXXXX.
Whaley, James P., XXXXXXXXX.
Whittenberger, Steven J., XXXXXXXXX.
Widdis, James W., Jr., XXXXXXXXX.
Williams, Ronald G., XXXXXXXXX.
Wilson, James R., XXXXXXXXX.
Wilson, Larry F., XXXXXXXXX.
Winn, John C., Jr., XXXXXXXXX.
Worthington, Daniel J., XXXXXXXXX.
Wright, Wade K., XXXXXXXXX.
Yocum, Allen, XXXXXXXXX.
Yocum, James B., XXXXXXXXX.
York, George A., Jr., XXXXXXXXX.
Zang, Robert A., XXXXXXXXX.
Zavadil, Charles W., XXXXXXXXX.
Zimmett, Howard N., XXXXXXXXX.

To be second lieutenants

Abate, Joseph D., XXXXXXXXX.
Achin, Raymond R., XXXXXXXXX.
Alcorn, John W., XXXXXXXXX.
Alenius, John T., XXXXXXXXX.
Alexander, Charles R., XXXXXXXXX.
Allen, Wayne L., XXXXXXXXX.
Anderson, Ralph L., Jr., XXXXXXXXX.
Anspaugh, Charles C., XXXXXXXXX.
Arthur, Hayward B., XXXXXXXXX.
Arzonetti, Walter C., XXXXXXXXX.
Bach, Peter, XXXXXXXXX.
Ballard, Bobby D., XXXXXXXXX.
Banks, William J., Jr., XXXXXXXXX.
Barnes, William J., Jr., XXXXXXXXX.
Baun, Raymond J., XXXXXXXXX.
Bazerque, Bertrand H., III, XXXXXXXXX.
Berdan, Richard L., XXXXXXXXX.
Bergen, John K., XXXXXXXXX.
Bernet, Darrell D., XXXXXXXXX.
Beyers, James D., XXXXXXXXX.
Bishop, Charles L., XXXXXXXXX.
Blackmon, Norman V., XXXXXXXXX.

Blair, Robert L., xxxxxxxxx.
Blakeney, Carvel R., Jr., xxxxxxxxx.
Blakley, Norman L., xxxxxxxxx.
Blizzard, Clarence, Jr., xxxxxxxxx.
Boersig, George R., xxxxxxxxx.
Boles, Billy J., xxxxxxxxx.
Bolls, Larry R., xxxxxxxxx.
Boone, Martin N., xxxx
Bowers, Bruce G., xxxxxxxxx.
Bowling, Thomas J., xxxxxxxxx.
Bowman, Richard T., xxxxxxxxx.
Boyd, Billy E., xxxxxxxxx.
Bracher, Phillip E., xxxxxxxxx.
Brosseau, Richard P., xxxxxxxxx.
Brownell, Thomas F., xxxxxxxxx.
Broxson, Barry D., xxxxxxxxx.
Bryan, Garry H., xxxxxxxxx.
Bryan, James B., III, xxxxxxxxx.
Burchette, Jerry E., xxxxxxxxx.
Burgess, Gerry R., xxxxxxxxx.
Butler, Norman R., xxxxxxxxx.
Byerly, Kirk L., xxxxxxxxx.
Cady, Frederick C., xxxxxxxxx.
Caggiano, Michael R., Jr., xxxxxxxxx.
Campbell, Richard S., xxxxxxxxx.
Cannon, William R., xxxxxxxxx.
Carmichael, Maurice A., xxxxxxxxx.
Carr, Edward J., xxxxxxxxx.
Carver, Wayne E., xxxxxxxxx.
Cervetti, Franklin H., xxxxxxxxx.
Chastain, Fred, Jr., xxxxxxxxx.
Chelland, Eugene J., xxxxxxxxx.
Christensen, John L., xxxxxxxxx.
Christianson, John W., xxxxxxxxx.
Close, Jay G., xxxxxxxxx.
Conaty, Thomas P., Jr., xxxxxxxxx.
Conn, Frederick, J., III, xxxxxxxxx.
Cooke, Willis R., xxxxxxxxx.
Coombs, Whitney J., xxxxxxxxx.
Cooper, Horace J., xxxxxxxxx.
Crawford, Jessie K., xxxxxxxxx.
Crone, John E., xxxxxxxxx.
Crump, Herschel W., xxxxxxxxx.
Czahor, Raymond E., xxxxxxxxx.
Dallenbach, Donald D., xxxxxxxxx.
Dalton, John C., xxxxxxxxx.
Davis, John W., III, xxxxxxxxx.
Dean, Roger L., xxxxxxxxx.
Dickinson, James R., xxxxxxxxx.
Dodge, Richard C., xxxxxxxxx.
Donald, Robert K., xxxxxxxxx.
Drake, William H., xxxxxxxxx.
Dudlor, Michael D., xxxxxxxxx.
Dupuy, Paul J., xxxxxxxxx.
Dwyer, Paul G., xxxxxxxxx.
Earley, William A., xxxxxxxxx.
Eastep, Gary E., xxxxxxxxx.
Echelberger, Don D., Jr., xxxxxxxxx.
Eckel, Dean L., xxxxxxxxx.
Eldrige, Robert E., xxxxxxxxx.
Epperson, Jon O. xxxxxxxxx.
Erickson, Charles E., xxxxxxxxx.
Ertz, Ernest J., xxxxxxxxx.
Evans, Stephen H., xxxxxxxxx.
Faulkner, Jack C., xxxxxxxxx.
Fayko, John K., Jr., xxxxxxxxx.
Ferguson, John K., xxxxxxxxx.
Flynn, Stephen R., xxxxxxxxx.
Foster, Gary E., xxxxxxxxx.
Franks, James A., xxxxxxxxx.
Frese, Gerald W., xxxxxxxxx.
Fujishige, Kenneth T., xxxxxxxxx.
Gallop, Jon L., xxxxxxxxx.
Gentry, Frederick R., xxxxxxxxx.
Gentry, Gerold L., xxxxxxxxx.
George, Paul L., xxxxxxxxx.
Getchell, George L., xxxxxxxxx.
Gibbs, Richard L., xxxxxxxxx.
Gibson, John W., xxxxxxxxx.
Giddens, Charles W., xxxxxxxxx.
Gilbert, Keith G., xxxxxxxxx.
Glagola, John E., xxxxxxxxx.
Glenn, Elmer, Jr., xxxxxxxxx.
Godbey, Harvey J., xxxxxxxxx.
Golden, James B., Jr., xxxxxxxxx.
Gorley, Joseph E., Jr., xxxxxxxxx.
Gould, Bruce A., xxxxxxxxx.
Grant, Francis D., xxxxxxxxx.
Green, Howard W., xxxxxxxxx.
Greene, Johnny R., xxxxxxxxx.
Gregory, Amzi, xxxxxxxxx.
Guerrieri, Ronald E., xxxxxxxxx.
Guinn, George S., xxxxxxxxx.
Hagel, Donovan E., xxxxxxxxx.
Hairston, James J., Jr., xxxxxxxxx.
Halbert, Robert T., xxxxxxxxx.
Hale, David L., xxxxxxxxx.
Hall, Gayle D., xxxx
Hankins, James P., xxxxxxxxx.
Hanus, Russell A., xxxxxxxxx.
Hardcastle, Eugene G., xxxxxxxxx.
Harper, James E., Jr., xxxxxxxxx.
Harris, James A., xxxxxxxxx.
Harris, Ronald C., xxxxxxxxx.
Hasner, Lloyd H., xxxxxxxxx.
Heerhartz, H. T., xxxxxxxxx.
Hendl, Richard G., xxxxxxxxx.
Henrichson, Charles H., xxxxxxxxx.
Hickson, William H., Jr., xxxxxxxxx.
Higdon, Thomas N., xxxxxxxxx.
Higgins, John J., xxxxxxxxx.
Hill, Franklin G., xxxxxxxxx.
Hoffman, John A., xxxxxxxxx.
Holm, Douglas K., xxxxxxxxx.
Honesty, Maynard L., xxxxxxxxx.
Houston, Carl B., xxxxxxxxx.
Howell, Neil T., xxxxxxxxx.
Hunt, Walter L., Jr., xxxxxxxxx.
Jacobs, Carl E., xxxxxxxxx.
Jamushian, Misak P., xxxxxxxxx.
Jarman, Larry E., xxxxxxxxx.
Jasinowski, Jerry J., xxxxxxxxx.
Johnson, Carl N., xxxxxxxxx.
Johnson, Charles D., xxxxxxxxx.
Johnston, James M., III, xxxxxxxxx.
Johnston, Leo E., Jr., xxxxxxxxx.
Jones, Charles C., xxxxxxxxx.
Jones, Michael H., xxxxxxxxx.
Jorden, Paul E., xxxxxxxxx.
Joslin, Charles S., Jr., xxxxxxxxx.
Jourdenais, George H., xxxxxxxxx.
Kahle, William W., xxxxxxxxx.
Katz, Jonathan S., xxxxxxxxx.
Kautz, Ronald E., xxxxxxxxx.
Keller, Kenneth F., xxxxxxxxx.
Kemp, John E., xxxxxxxxx.
Kennedy, Randolph M., xxxxxxxxx.
Kidder, Arthur R., Jr., xxxxxxxxx.
Kiehm, John K. S., xxxxxxxxx.
Killingsworth, William W., xxxxxxxxx.
Kolander, David A., xxxxxxxxx.
Kosem, Marion, xxxxxxxxx.
Kramer, Davis J., xxxxxxxxx.
Krieger, Edward W., xxxxxxxxx.
Kucera, Charlie G., xxxxxxxxx.
Kutchma, Edward K., xxxxxxxxx.
Kyer, David A., xxxxxxxxx.
Labertew, Robert S., xxxxxxxxx.
LaGrande, Daniel J., xxxxxxxxx.
Lair, Jerry L., xxxxxxxxx.
Lanka, Vitauts, xxxxxxxxx.
Leader, Ronald V., xxxxxxxxx.
Lefave, Joel J., xxxxxxxxx.
Lehtola, Donald E., xxxxxxxxx.
Leighton, George P., xxxxxxxxx.
Leist, William B., xxxxxxxxx.
Lemieux, Joseph D. W., xxxxxxxxx.
Lienemann, Jon H., xxxxxxxxx.
Limburg, William R., xxxxxxxxx.
Lopez, Manuel, Jr., xxxxxxxxx.
Lord, Morton A., xxxxxxxxx.
Lowry, Charles P., xxxxxxxxx.
Lucas, John R., xxxxxxxxx.
Lyons, Thomas W., xxxxxxxxx.
McCracken, Robert J., xxxxxxxxx.
McGee, David R., Jr., xxxxxxxxx.
McKinney, Charles C., xxxxxxxxx.
McKinney, Emanuel M., Jr., xxxxxxxxx.
McKnight, Frank J., xxxxxxxxx.
McManus, Matthew R., xxxxxxxxx.
Magary, Donald E., xxxxxxxxx.
Mahoney, Joseph P., xxxxxxxxx.
Mainord, William R., xxxxxxxxx.
Marriott, William R., xxxxxxxxx.
Marshall, Willis G., xxxxxxxxx.
Martin, Robert K., xxxxxxxxx.
Matsumoto, Walter M., xxxxxxxxx.
Matteson, George T., xxxxxxxxx.
Meister, John D., xxxxxxxxx.
Mendenall, Richard A., xxxxxxxxx.
Merz, Douglas B., xxxxxxxxx.
Mezzo, John M., xxxxxxxxx.
Mickley, Charles L., xxxxxxxxx.
Milhouse, John C., Jr., xxxxxxxxx.
Millar, Charles M., Jr., xxxxxxxxx.
Miller, Bob T., xxxxxxxxx.
Miller, Fredric L., xxxxxxxxx.
Miller, John W., xxxxxxxxx.
Miller, Robert J., xxxxxxxxx.
Moore, Benjamin L., xxxxxxxxx.
Moore, Kenneth W., Jr., xxxxxxxxx.
Moore, Timothy G., xxxxxxxxx.
Morris, Herman M., Jr., xxxxxxxxx.
Moser, Robert W., xxxxxxxxx.
Mozingo, Wilbur E., Jr., xxxxxxxxx.
Mullins, Roger C., xxxxxxxxx.
Murray, Robert K., xxxxxxxxx.
Nelson, S. L., xxxxxxxxx.
Nicholas, Douglas, xxxxxxxxx.
Nicholson, Daniel A., xxxxxxxxx.
Nuber, Philip W., xxxxxxxxx.
O'Brien, William R., xxxxxxxxx.
Odegaard, Donald C., xxxxxxxxx.
Olson, Alan E., xxxxxxxxx.
Ostrowski, Robert T., xxxxxxxxx.
Osuch, Robert, xxxxxxxxx.
Otto, Darryl D., xxxxxxxxx.
Overstreet, William L., Jr., xxxxxxxxx.
Owens, Paul R., xxxxxxxxx.
Palmerino, Francis A., xxxxxxxxx.
Panka, Emerance M., xxxx
Paquette, Maurice J., xxxxxxxxx.
Parham, Ronald D., xxxxxxxxx.
Pawlick, Joseph F., Jr., xxxxxxxxx.
*(See Pfeiffer.)
Pendergast, Thomas N., xxxxxxxxx.
Pepperell, Jeffrey K., xxxxxxxxx.
Peters, Robert F., xxxxxxxxx.
Peterson, Alfonsa, xxxxxxxxx.
Petlak, Edward J., Jr., xxxxxxxxx.
Pfeiffer, Barbara M., xxxx
Pignone, Richard, xxxxxxxxx.
Plummer, Thomas H., xxxxxxxxx.
Poftak, Frederick J., xxxxxxxxx.
Pokorny, William E., xxxxxxxxx.
Pontius, Harry E., Jr., xxxxxxxxx.
Pooser, Lucius B., xxxxxxxxx.
Potts, William D., xxxxxxxxx.
Prescott, Paul R., xxxxxxxxx.
Procanik, Anthony Jr., xxxxxxxxx.
Prows, Lee S., xxxxxxxxx.
Pullin, Harry D., Jr., xxxxxxxxx.
Pullium, Jerry C., xxxxxxxxx.
Rayfield, Lanny R., xxxxxxxxx.
Redmon, Hubert L., xxxxxxxxx.
Rencurrel, Charles C., xxxxxxxxx.
Rene, Richard A., xxxxxxxxx.
Renfro, Frank C., xxxxxxxxx.
Rhoads, Neal D., xxxxxxxxx.
Rigsby, James R., Jr., xxxxxxxxx.
Riner, Wiley A., xxxxxxxxx.
Ripper, John V., xxxxxxxxx.
Rizek, James E., xxxxxxxxx.
Roberson, Van B., xxxxxxxxx.
Roberts, Clyde H., xxxxxxxxx.
Robertson, Dwight P., xxxxxxxxx.
Rodieck, Roy H., xxxxxxxxx.
Rossi, Ronald R., xxxxxxxxx.
Rozeboom, Victor E., xxxxxxxxx.
Ryan, Robert V., xxxxxxxxx.
Sanchez, Fidel N., xxxxxxxxx.
Santamaria, John Jr., xxxxxxxxx.
Schneck, Thomas Jr., xxxxxxxxx.
Scoles, James M., xxxxxxxxx.
Scott, Randall F., xxxxxxxxx.
Sebren, William E., III, xxxxxxxxx.
Senn, Gene B., xxxx
Shanks, Jesse W., Jr., xxxxxxxxx.
Sharp, Larry L., xxxxxxxxx.
Sharp, Lawrence J., xxxxxxxxx.
Shaughnessy, John F., xxxxxxxxx.
Shoutta, Jon T., xxxxxxxxx.
Sikes, Joseph R., xxxxxxxxx.
Simko, Edward J., xxxxxxxxx.
Sims, Arthur M., xxxxxxxxx.
Sinclair, Edward M., xxxxxxxxx.
Smith, Charles H., xxxxxxxxx.
Smith, Thomas G., xxxxxxxxx.
Souhan, James P., xxxxxxxxx.
Sparhawk, John C., Jr., xxxxxxxxx.
Staley, Henry A., xxxxxxxxx.
Starkey, Robert E., xxxxxxxxx.

Starkie, John R., xxxxxxxxx.
Steffel, Thomas V., xxxxxxxxx.
Stephens, William R., xxxxxxxxx.
Stepniewski, Andrew, Z., xxxxxxxxx.
Sterner, Gary A., xxxxxxxxx.
Storm, Sperry, E., xxxxxxxxx.
Sullenberger, Don S., xxxxxxxxx.
Summerfield, Clinton D., Jr., xxxx
Swim, Stanford M., xxxxxxxxx.
Taylor, Terry K., xxxxxxxxx.
Teigen, David H., xxxxxxxxx.
Temple, David B., xxxxxxxxx.
Thames, Harry W., xxxxxxxxx.
Thatcher, George E., xxxxxxxxx.
Thomas, Albert M., xxxxxxxxx.
Thompson, Clyde W., xxxxxxxxx.
Thompson, Donald J., xxxxxxxxx.
Thomson, Patrick R., xxxxxxxxx.
Timmons, Joseph A., Jr., xxxxxxxxx.
Tinius, Jack L., xxxxxxxxx.
Tobin, Maurice V., xxxxxxxxx.
Towslee, Donald L., xxxxxxxxx.
Toy, Gary J., xxxxxxxxx.
Trachta, Melton E., xxxxxxxxx.
Trickett, Philip E., xxxxxxxxx.
Trimarchi, Victor G., xxxxxxxxx.
Triplett, Eugene B., xxxxxxxxx.
Tsuhara, Freddie M., xxxxxxxxx.
Tull, James R., xxxxxxxxx.
Turk, Walter F., xxxxxxxxx.
Turner, James R., xxxxxxxxx.
Turner, Mary N., xxxx
Tyburski, James L., xxxxxxxxx.
Valerio, Arnold A., xxxxxxxxx.
Vasquez, Louis R., xxxxxxxxx.
Vega, Robert E., xxxxxxxxx.
Voorheis, Wilber J., xxxxxxxxx.
Warner, James A., xxxxxxxxx.
Watkins, William L., xxxxxxxxx.
Weber, David C., xxxxxxxxx.
Webster, James C., xxxxxxxxx.
Wenzel, Edwin H., xxxxxxxxx.
West, Dempsey B., xxxxxxxxx.
Westbrook, Bruce M., xxxxxxxxx.
White, Gerrald G., xxxxxxxxx.
White, Phillip L., xxxxxxxxx.
Whitney, Warren S., xxxxxxxxx.
Willson, Thomas L., xxxxx
Wise, Robert M., xxxxxxxxx.
Wittnebel, Robert F., Jr., xxxxxxxxx.
Wong, Ronald G. K., xxxxxxxxx.
Ybarbo, Charles B., xxxxxxxxx.
Yoder, Phillip D., xxxxxxxxx.
Young, Billie N., xxxxxxxxx.
Young, Robert H., xxxx
Younkin, Gary D., xxxxxxxxx.
Zaring, Robert K., xxxxxxxxx.
Ziebold, Ronald J., xxxxxxxxx.
Zimmerman, John F., xxxxxxxxx.

The following distinguished military graduates of Air Force precommission schools for appointment in the Regular Air Force in the grade indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be second lieutenants

Abt, Peter F., xxxxxxxxx.
Adair, Duckett M., xxxxxxxxx.
Adams, Thomas H., xxxxxxxxx.
Alesch, Peter H., xxxxxxxxx.
Allen, James S., xxxxxxxxx.
Almaguer, Mario, Jr., xxxxxxxxx.
Anders, William H., xxxxxxxxx.
Anderson, Carson E., xxxxxxxxx.
Anderson, Donald M., xxxxxxxxx.
Anderson, James B., xxxxxxxxx.
Anderson, Norman E., Jr., xxxxxxxxx.
Anderson, Richard L., xxxxxxxxx.
Anderson, Robert D., xxxxxxxxx.
Anderson, Wayne R., xxxxxxxxx.
Andrews, Adolphus, xxxxxxxxx.
Angle, Martin E., xxxxxxxxx.
Anker, Peter B., xxxxxxxxx.
Asay, James R., xxxxxxxxx.
Atkinson, Larry B., xxxxxxxxx.
Baham, Wayne C., xxxxxxxxx.
Bailey, John M., xxxxxxxxx.
Baker, William C., xxxxxxxxx.
Bankard, Benet E., xxxxxxxxx.
Banks, Gary N., xxxxxxxxx.
Barkley, William H., xxxxxxxxx.
Barnett, Miles T., Jr., xxxxxxxxx.
Barnhart, John H., xxxxxxxxx.
Barrios, Florencio P., Jr., xxxxxxxxx.
Bateman, Paul M., xxxxxxxxx.
Beadle, Leonard C., III, xxxxxxxxx.
Beaver, Keith B., xxxxxxxxx.
Beddingfield, Frederick C., xxxxxxxxx.
Beecher, John C., Jr., xxxxxxxxx.
Behne, Carl T., xxxxxxxxx.
Belardo, Dominick S., Jr., xxxxxxxxx.
Bell, Richard T., xxxxxxxxx.
Benchoff, Rodney C., xxxxxxxxx.
Bencic, Matthew K., xxxxxxxxx.
Benson, Ross E., xxxxxxxxx.
Bergeron, George E., xxxxxxxxx.
Berry, Leonard E., xxxxxxxxx.
Bevens, Stanley W., xxxxxxxxx.
Birdwell, Michael D., xxxxxxxxx.
Blackledge, Ronald G., xxxxxxxxx.
Blair, William L., xxxxxxxxx.
Blanchard, Paul D., xxxxxxxxx.
Bock, Peter A., xxxxxxxxx.
Bohn, Bruce J., xxxxxxxxx.
Bolen, Paul S., xxxxxxxxx.
Boyle, James, xxxxxxxxx.
Bradfield, William R., xxxxxxxxx.
Brandon, Eric H., xxxxxxxxx.
Brekke, Ronald H., xxxxxxxxx.
Brewer, Peter A., xxxxxxxxx.
Brian, Elton L., xxxxxxxxx.
Brice, Richard L., xxxxxxxxx.
Bridston, Ronald K., xxxxxxxxx.
Brigman, James L., xxxxxxxxx.
Brimacombe, James R., xxxxxxxxx.
Brookhart, Morris V., xxxxxxxxx.
Brooks, Neil R., xxxxxxxxx.
Brookshear, Robert D., xxxxxxxxx.
Brown, Alan E., xxxxxxxxx.
Brown, Earl C., xxxxxxxxx.
Brown, Richard S., xxxxxxxxx.
Brown, Robert D., xxxxxxxxx.
Bryan, Dale F., xxxxxxxxx.
Buchfinck, Lloyd L., Jr., xxxxxxxxx.
Buckingham, Fredric N., xxxxxxxxx.
Budd, Phillip R., xxxxxxxxx.
Buhl, Paul C., xxxxxxxxx.
Burch, James O., xxxxxxxxx.
Burkard, Dick J., xxxxxxxxx.
Burke, James P., xxxxxxxxx.
Burkhartsmeier, Patrick G., xxxxxxxxx.
Busch, Jon T., xxxxxxxxx.
Caffrey, Dennis F., xxxxxxxxx.
Cameron, Charles R., xxxxxxxxx.
Cameron, John R., xxxxxxxxx.
Cannon, Wilbert W., xxxxxxxxx.
Cantrill, Jesse T., xxxxxxxxx.
Capitano, John S., Jr., xxxxxxxxx.
Carlson, David C., xxxxxxxxx.
Carr, John W., xxxxxxxxx.
Carr, Roger A., xxxxxxxxx.
Carroll, John E., xxxxxxxxx.
Carter, Allison B., Jr., xxxxxxxxx.
Cartier, Francis R., xxxxxxxxx.
Carver, Charles F., III, xxxxxxxxx.
Cary, Lawrence E., xxxxxxxxx.
Casey, Francis J., xxxxxxxxx.
Casker, Thomas W., xxxxxxxxx.
Castle, Francis M., xxxxxxxxx.
Caswell, William M., xxxxxxxxx.
Celec, Frederick S., xxxxxxxxx.
Cerulli, James W., Jr., xxxxxxxxx.
Chaddick, Gary W., xxxxxxxxx.
Chaplin, Robert M., xxxxxxxxx.
Chopin, Rene A., Jr., xxxxxxxxx.
Christner, Craig D., xxxxxxxxx.
Christopher, Henry C., Jr., xxxxxxxxx.
Cienkus, David, xxxxxxxxx.
Cirilis, Eugene, xxxxxxxxx.
Cisler, Jan E., xxxxxxxxx.
Clark, Larry D., xxxxxxxxx.
Clarke, Ronald W., xxxxxxxxx.
Clayton, Arthur A., Jr., xxxxxxxxx.
Cocolis, Peter K., xxxxxxxxx.
Coffey, Emil L., xxxxxxxxx.
Colangelo, Peter A., xxxxxxxxx.
Cole, Alan M., xxxxxxxxx.
Coleman, Jack B., xxxxxxxxx.
Coleman, William G., xxxxxxxxx.
Collins, James G., xxxxxxxxx.
Comstock, Gardner V., xxxxxxxxx.
Condon, Stephen P., xxxxxxxxx.
Conners, Richard A., Jr., xxxxxxxxx.
Connor, Victor J., Jr., xxxxxxxxx.
Cook, David J., xxxxxxxxx.
Cooprider, Charles E., xxxxxxxxx.
Copeland, Jackie L., xxxxxxxxx.
Cornsweet, Tobey M., xxxxxxxxx.
Cowan, Willie D., xxxxxxxxx.
Cox, Lawrence O., xxxxxxxxx.
Craddock, Dabney S., III, xxxxxxxxx.
Craig, Robert E., xxxxxxxxx.
Crawford, Murray O., Jr., xxxxxxxxx.
Crecca, Joseph Jr., xxxxxxxxx.
Creighton, Allan S., xxxxxxxxx.
Crichlow, Walter W., xxxxxxxxx.
Cross, Granville J., xxxxxxxxx.
Crouch, Robert F., xxxxxxxxx.
Curran, Michael T., xxxxxxxxx.
Dahlen, Ronald E., xxxxxxxxx.
Dalrymple, Gerry R., xxxxxxxxx.
Darcy, Vincent J., xxxxxxxxx.
Davis, Charles F., Jr., xxxxxxxxx.
Davis, John M., xxxxxxxxx.
Dawdy, James R., xxxxxxxxx.
Deborde, George E., III, xxxxxxxxx.
Decker, Donald D., xxxxxxxxx.
Deken, David R., xxxxxxxxx.
Deliz, Manuel A., xxxxxxxxx.
Demarest, Robert E., xxxxxxxxx.
Denny, Venard T., xxxxxxxxx.
Desiderio, John R., xxxxxxxxx.
Dewitt, Ross A., xxxxxxxxx.
Dias, William A., xxxxxxxxx.
Dickerson, Charles D., xxxxxxxxx.
Dickherber, Donald J., xxxxxxxxx.
Diekman, Jack L., xxxxxxxxx.
Dinsmore, Richard C., xxxxxxxxx.
Dittmar, Martin J., xxxxxxxxx.
Dohrenwend, John C., xxxxxxxxx.
Donovan, Gerald, xxxxxxxxx.
Dowding, Fielder G., xxxxxxxxx.
Downie, Paul D., xxxxxxxxx.
Downing, Dennis I., xxxxxxxxx.
Drapeau, David G., xxxxxxxxx.
Drew, Charles W., xxxxxxxxx.
Drew, Dennis M., xxxxxxxxx.
Drewes, Robert W., xxxxxxxxx.
Drummond, Charles W., xxxxxxxxx.
Duchnowski, Edward M., xxxxxxxxx.
Dunker, Kirk T., xxxxxxxxx.
Dupree, Gerald M., xxxxxxxxx.
Dupree, James L., xxxxxxxxx.
Durham, John M., xxxxxxxxx.
Dursteler, Larry R., xxxxxxxxx.
Dusard, Leo F., III, xxxxxxxxx.
Eckert, Henry B., Jr., xxxxxxxxx.
Edmonston, Robert R., xxxxxxxxx.
Ekman, Willard J., xxxxxxxxx.
Elliott, Robert E., xxxxxxxxx.
Elwell, Bruce C., xxxxxxxxx.
Emmerich, Frank R., xxxxxxxxx.
England, Robert E., xxxxxxxxx.
Ethridge, Terence H., xxxxxxxxx.
Evans, David C., xxxxxxxxx.
Farmer, George W., Jr., xxxxxxxxx.
Farmer, James A., xxxxxxxxx.
Fenton, Jay L., xxxxxxxxx.
Fields, Ronald W., xxxx
Filips, James H., xxxxxxxxx.
Finta, Alexander S., xxxxxxxxx.
Fischer, Jack L., xxxxxxxxx.
Fisher, William J., xxxxxxxxx.
Fitzgerald, Joseph M., xxxxxxxxx.
Fleming, Richard A., xxxxxxxxx.
Forster, Peter C., xxxxxxxxx.
Fowler, John F., xxxxxxxxx.
Franklin, John F., III, xxxxxxxxx.
Franz, Robert P., xxxxxxxxx.
French, Charles D., xxxxxxxxx.
Frey, Oliver L., xxxxxxxxx.
Gaffney, James R., xxxxxxxxx.
Gale, George E., xxxxxxxxx.
Garfield, Lawrence, xxxxxxxxx.
George, David W., II, xxxxxxxxx.
George, John J., xxxxxxxxx.
Gerber, James D., xxxxxxxxx.
Gester, Walter A., xxxxxxxxx.
Gibbons, Patrick T., xxxxxxxxx.
Gideons, Edgar A., Jr., xxxxxxxxx.
Gollucci, Felix, J., Jr., xxxxxxxxx.

Gonos, Andrew J., xxxxxxxxx.
Good, John D., III, xxxxxxxxx.
Gordon, Charles E., xxxxxxxxx.
Gordon, Norman R., xxxxxxxxx.
Gorrell, James H., Jr., xxxxxxxxx.
Gounaud, Roger L., Jr., xxxxxxxxx.
Gourley, Kenneth H., xxxxxxxxx.
Grandstaff, Peter J., xxxxxxxxx.
Gray, Robert G., xxxxxxxxx.
Gray, Steven D., xxxxxxxxx.
Gregory, Russell L., xxxxxxxxx.
Griebner, Douglas C., xxxxxxxxx.
Grimsley, Roger L., xxxxxxxxx.
Groff, William A., xxxxxxxxx.
Grohe, Russell L., xxxxxxxxx.
Gutheinz, Lee M., xxxxxxxxx.
Haberbusch, Alan E., xxxxxxxxx.
Hagemann, Kenneth L., Sr., xxxxxxxxx.
Haight, Robert R., xxxxxxxxx.
Haliasz, Henry E., Jr., xxxx
Hall, Robert L., xxxxxxxxx.
Hallett, Jeffrey J., xxxxxxxxx.
Hamby, Billy C., xxxxxxxxx.
Hammond, David R., xxxxxxxxx.
Hamner, John E., xxxxxxxxx.
Hamrick, Richard A., xxxxxxxxx.
Hanson, Kenneth R., xxxxxxxxx.
Hardin, Norman M., xxxxxxxxx.
Harrington, James H., xxxxxxxxx.
Harris, Carl D., xxxxxxxxx.
Harris, Richard A., xxxxxxxxx.
Hart, Thomas P., xxxxxxxxx.
Hartog, Rudolph H., xxxxxxxxx.
Hayes, John P., Jr., xxxxxxxxx.
Haynes, Alf H., Jr., xxxxxxxxx.
Healy, Donald M., xxxxxxxxx.
Heimbach, Paul J., xxxxxxxxx.
Heimbecker, Murray A., xxxxxxxxx.
Heimel, Roy F., II, xxxxxxxxx.
Hennessey, John B., xxxxxxxxx.
Henricks, Ralph K., xxxxxxxxx.
Herdandez, Humberto R., xxxxxxxxx.
Herron, Kerry G., xxxxxxxxx.
Hester, Clarence E., xxxxxxxxx.
Heubusch, Charles J., xxxxxxxxx.
Hicks, Kenneth P., xxxxxxxxx.
Hill, James S., xxxxxxxxx.
Hiter, Richard A., xxxxxxxxx.
Hodgson, William M., xxxxxxxxx.
Hoffman, Allan G., xxxxxxxxx.
Hoffman, James C., xxxxxxxxx.
Hoffman, John M., xxxxxxxxx.
Hole, Douglas R., xxxxxxxxx.
Hollingshead, Craig A., xxxxxxxxx.
Holloway, Kenneth A., xxxxxxxxx.
Holmes, James F., xxxxxxxxx.
Holmes, Ronald E., xxxxxxxxx.
Hoogerhyde, Jeffry P., xxxxxxxxx.
Hoppin, Christopher J., xxxxxxxxx.
Horwege, Kenneth L., xxxxxxxxx.
Hosier, James W., III, xxxxxxxxx.
Houdek, James D., xxxxxxxxx.
House, Weston, C., xxxxxxxxx.
Howard, John F., Jr., xxxxxxxxx.
Huber, William G., xxxxxxxxx.
Hudson, Ronald W., xxxxxxxxx.
Huett, Carl L., xxxxxxxxx.
Hughes, Ernest C., xxxxxxxxx.
Hunkapiller, William M., xxxxxxxxx.
Hunter, John A., xxxxxxxxx.
Hussy, John C., xxxxxxxxx.
Hutchens, Gary C., xxxxxxxxx.
Hutchins, George S., xxxxxxxxx.
Hyer, Ralph V., xxxxxxxxx.
Ing, Gordon K. T., xxxxxxxxx.
Jackson, Durward P., xxxxxxxxx.
Jackson, Walter T., Jr., xxxxxxxxx.
James, Rodney R., xxxxxxxxx.
Janney, Michael T., xxxxxxxxx.
Jenkins, Bryce A., xxxxxxxxx.
Jenny, David W., xxxxxxxxx.
Johanek, John A., II, xxxxxxxxx.
Johnson, Arthur E., xxxxxxxxx.
Johnson, James A., Jr., xxxxxxxxx.
Johnson, John G., xxxxxxxxx.
Johnson, Sharon B., xxxx
Johnson, William A., xxxx
Jolly, James A., xxxxxxxxx.
Jordan, Nicholas P., xxxxxxxxx.
Jordan, Samuel P., Jr., xxxxxxxxx.
Juister, Milton H., Jr., xxxx

Jung, Robert H., xxxxxxxxx.
Juve, Gene L., xxxxxxxxx.
Karr, Juul J., xxxxxxxxx.
Kase Robert S., xxxxxxxxx.
Kashiwahara, Ken, xxxxxxxxx.
Keckonen, Jon C., xxxxxxxxx.
Keegan, Robert Y., Jr., xxxxxxxxx.
Keeling, Russell L., xxxxxxxxx.
Kender, David M., xxxxxxxxx.
Keplar, Clifton L., Jr., xxxxxxxxx.
Kerr, Michael S., xxxxxxxxx.
Key, Kenneth, xxxxxxxxx.
Kiernan, James P., xxxxxxxxx.
Kilgore, William P., Jr., xxxx
King, Bernard R., xxxxxxxxx.
King, John W., xxxxxxxxx.
Kingsbury, Robert H., xxxxxxxxx.
Kingsley, Kenneth K., xxxxxxxxx.
Kinkaid, Jo H., xxxxxxxxx.
Kinney, Theodore R., Jr., xxxxxxxxx.
Kinsley, William C., xxxxxxxxx.
Kintz, John P., xxxxxxxxx.
Kishiyama, Arthur Y., xxxxxxxxx.
Kittler, Dittmar, xxxxxxxxx.
Kleid, Steven, xxxxxxxxx.
Klein, Edward A., xxxxxxxxx.
Klohn, Robert C., xxxxxxxxx.
Kloske, Emil F., xxxxxxxxx.
Knezel, Jeffrey D., xxxxxxxxx.
Koger, John C., xxxxxxxxx.
Kolosek, Ronald C., xxxxxxxxx.
Korbell, John C., xxxxxxxxx.
Korman, Charles R., xxxxxxxxx.
Lackey, Curtis S., xxxxxxxxx.
Lafontaine, Donald L., xxxxxxxxx.
Lamarca, Joseph A., xxxxxxxxx.
Land, Roland J., xxxxxxxxx.
Langham, Jerome C., xxxxxxxxx.
Lansdale, Edward R., xxxxxxxxx.
Lauducci, James R., xxxxxxxxx.
Lausten, John P., xxxxxxxxx.
Lawrence, Richard E., xxxxxxxxx.
Ledbetter, Larry L., xxxxxxxxx.
Lee, Johnny O., Jr., xxxxxxxxx.
Leonard, Wilson L., xxxxxxxxx.
Lewis, Roger W., xxxxxxxxx.
Lieberman, Carl R., xxxxxxxxx.
Lindenfelser, James J., xxxxxxxxx.
Linville, George D., xxxxxxxxx.
Lloyd, Peter F., xxxxxxxxx.
Logan, Paul A., xxxxxxxxx.
Long, Jon C., xxxxxxxxx.
Long, Lewis W., xxxxxxxxx.
Lorusso, Paul M., xxxxxxxxx.
Loya, George, Jr., xxxxxxxxx.
Luper, Connard A., xxxxxxxxx.
Lybarger, William A., Jr., xxxxxxxxx.
Lynd, William W., xxxxxxxxx.
McAlear, Thomas A., xxxxxxxxx.
McAuliffe, Michael J., xxxxxxxxx.
McBride, William B., xxxxxxxxx.
McCaffrey, Edward T., xxxxxxxxx.
McCarron, Donald E., xxxxxxxxx.
McCormick, Clyde R., II, xxxxxxxxx.
McDonald, William C., xxxxxxxxx.
McDonough, James K., xxxxxxxxx.
McGrail, Robert M., xxxxxxxxx.
McGrew, Patrick W., xxxxxxxxx.
McKay, Eli J., xxxxxxxxx.
McKean, James M., xxxxxxxxx.
McLoughlin, John P., xxxxxxxxx.
Maher, John W., xxxxxxxxx.
Malandra, Jose J., Jr., xxxxxxxxx.
Malley, John C., xxxxxxxxx.
Mangum, Dennis R., xxxxxxxxx.
Manley, John G., xxxxxxxxx.
Marcum, Gerald L., xxxxxxxxx.
Markle, Roy, xxxxxxxxx.
Marshall, David W., xxxxxxxxx.
Martin, Roger A., xxxxxxxxx.
Martin, Wilco A., xxxxxxxxx.
Martinez, Donald E., xxxxxxxxx.
Masztak, Chester W., Jr., xxxxxxxxx.
Mathews, Kent W., xxxxxxxxx.
Mathews, Melvin D., xxxxxxxxx.
Mathis, Harry M., xxxxxxxxx.
Matter, Terrence K., xxxxxxxxx.
Matthew, George D., xxxxxxxxx.
Matthews, Braxton R., xxxxxxxxx.
Matthews, Gerald, xxxxxxxxx.
Matulis, Raymond G., II, xxxxxxxxx.
Maurice, James H., xxxxxxxxx.

Mehaffey, William J., xxxxxxxxx.
Mehew, Edwin W., Jr., xxxxxxxxx.
Mehnert, Allen E., II, xxxxxxxxx.
Mellott, Jerre K., xxxxxxxxx.
Merena, Robert S., xxxxxxxxx.
Metcalfe, George T., xxxxxxxxx.
Metzger, William P., xxxxxxxxx.
Meyer, Roger D., xxxxxxxxx.
Meyer, Thomas W., xxxxxxxxx.
Middlebrook, Bill J., xxxxxxxxx.
Miner, James S., xxxxxxxxx.
Monnett, James F., xxxxxxxxx.
Montana, Joseph J., Jr., xxxxxxxxx.
Moody, Ira A., xxxxxxxxx.
Moore, Charles C., xxxxxxxxx.
Moore, Herff L., Jr., xxxxxxxxx.
Moore, John W., xxxxxxxxx.
Morehouse, Daniel O., xxxxxxxxx.
Morgan, Donald H., xxxxxxxxx.
Morgan, Guy A., xxxxxxxxx.
Morris, John K., xxxxxxxxx.
Morris, William M., xxxxxxxxx.
Morrison, Thomas A., xxxxxxxxx.
Morrow, Jack F., xxxxxxxxx.
Muerle, Donald F., xxxxxxxxx.
Murata, Stephen K., xxxxxxxxx.
Murphy, John S., Jr., xxxxxxxxx.
Murray, Edward H., xxxxxxxxx.
Muser, Dennis J., xxxxxxxxx.
Musgrave, Leon, Jr., xxxxxxxxx.
Myers, Porter C., Jr., xxxxxxxxx.
Narbut, Joseph, Jr., xxxxxxxxx.
Neal, Arlie W., xxxxxxxxx.
Neill, Norman S., xxxxxxxxx.
Nelson, Jacob M., III, xxxxxxxxx.
Nelson, Vernon A., xxxxxxxxx.
Nerad, Michael, xxxxxxxxx.
Neri, Michael S., xxxxxxxxx.
Newman, Charles C., xxxxxxxxx.
Nichter, James W., xxxxxxxxx.
Nicks, Paul H., xxxxxxxxx.
Niehaus, Thomas A., xxxxxxxxx.
Nielsen, Willard D., xxxxxxxxx.
Niles, Peter J., xxxxxxxxx.
Noble, Michael A., xxxxxxxxx.
Noe, David M., xxxxxxxxx.
Nofsinger, Robert E., Jr., xxxxxxxxx.
Norman, James C., xxxxxxxxx.
Novak, Walter E., xxxxxxxxx.
O'Brien, Thomas E., Jr., xxxxxxxxx.
Ohland, Bruce W., xxxxxxxxx.
O'Leary, Denis J., xxxxxxxxx.
Ombrello, Robert J., xxxxxxxxx.
Ormond, William R., xxxxxxxxx.
Orton, Steven L., xxxxxxxxx.
O'Shaughnessy, Brendan J., xxxxxxxxx.
Ott, Mark T., xxxxxxxxx.
Padgett, Robert H., xxxxxxxxx.
Parker, Robert K., xxxxxxxxx.
Patterson, Kenneth O., Jr., xxxxxxxxx.
Payne, John E., xxxxxxxxx.
Pedersen, Jimmie L., xxxxxxxxx.
Peebles, David L., xxxxxxxxx.
Perras, Henry A., xxxxxxxxx.
Perrizo, Jerry J., xxxxxxxxx.
Pickens, Lindsay L., xxxxxxxxx.
Pignone, Peter A., Jr., xxxxxxxxx.
Pipkins, Daniel W., xxxxxxxxx.
Pool, William G., xxxxxxxxx.
Pothier, Harvey G., xxxxxxxxx.
Pothier, John L., xxxxxxxxx.
Potter, Paul D., xxxxxxxxx.
Potter, Richard M., Jr., xxxxxxxxx.
Pratt, Harry D. A., xxxxxxxxx.
Pratt, Robert J., xxxxxxxxx.
Puchalski, Donald J., xxxxxxxxx.
Pusey, John R., xxxxxxxxx.
Rabens, Robert A., xxxxxxxxx.
Ransom, Leland B., II, xxxxxxxxx.
Rawlings, John F., xxxxxxxxx.
Reilly, John E., xxxxxxxxx.
Reinarts, Ronald W., xxxxxxxxx.
Renfro, Guy E., Jr., xxxxxxxxx.
Reynolds, David M., xxxxxxxxx.
Rezabek, Leonard J., xxxxxxxxx.
Richey, Robert C., xxxxxxxxx.
Riley, James M., xxxxxxxxx.
Rinebarger, Teddy E., xxxxxxxxx.
Rivero, Juan, xxxxxxxxx.
Roberts, John E., xxxxxxxxx.
Roberts, Ronald C., xxxxxxxxx.

Robinson, Robert W., xxxxxxxxx.
Rodgers, Alford L., xxxxxxxxx.
Roels, Timothy J., xxxxxxxxx.
Rogers, David M., xxxxxxxxx.
Rohleder, William J., xxxxxxxxx.
Rollins, Roosevelt, xxxxxxxxx.
Rose, Phillip E., xxxxxxxxx.
Ross, James M., xxxxxxxxx.
Rothrock, John E., Jr., xxxxxxxxx.
Roy, Raoul, F. W., xxxxxxxxx.
Rudeen, Karl H., xxxxxxxxx.
Rudolph Vernon L., xxxxxxxxx.
Rumbaugh, Gary E., xxxxxxxxx.
Russo, Richard A., xxxxxxxxx.
Salewski, Robert J., xxxxxxxxx.
Sandmore, Peter C., xxxxxxxxx.
Savage, Richard C., xxxxxxxxx.
Scalise, Thomas E., xxxxxxxxx.
Scanlon, William A., xxxxxxxxx.
Schad, Joseph G., xxxxxxxxx.
Schau, George E., xxxxxxxxx.
Schauffele, Carl N., xxxxxxxxx.
Schneider, Donald K., xxxxxxxxx.
Schnobrich, Daniel S., xxxxxxxxx.
Schoot, Cedric E., xxxxxxxxx.
Schultz, Kenneth E., xxxxxxxxx.
Schumacher, Ronald W., xxxxxxxxx.
Scott, Rodney G., xxxxxxxxx.
Seager. Edward M., xxxxxxxxx.
Seebacher, John A., xxxxxxxxx.
Seger, Francis M., Jr., xxxxxxxxx.
Seibel, Gerald W., xxxxxxxxx.
Shaw, Bartow S., Jr., xxxxxxxxx.
Shaw, John E., xxxxxxxxx.
Shearer, Richard L., Jr., xxxxxxxxx.
Sheldon, Earnest L., xxxxxxxxx.
Short, Donald J., xxxxxxxxx.
Siegel, Richard L., xxxxxxxxx.
Siegelin, Gerald W., xxxxxxxxx.
Simondi, Thomas E., xxxxxxxxx.
Siravo, Robert A., xxxxxxxxx.
Skypeck, Thomas J., xxxxxxxxx.
Slagle, Paul R., xxxxxxxxx.
Slocumb, Tyler H., Jr., xxxxxxxxx.
Smith, Cammie D., III, xxxxxxxxx.
Smith, Jack K., xxxxxxxxx.
Smith, Jerry R., xxxxxxxxx.
Smith, Larry L., xxxxxxxxx.
Smith, Manning D., xxxxxxxxx.
Smith, Mark H., xxxxxxxxx.
Smith, Raymond H., xxxxxxxxx.
Smith, Rodger D., xxxxxxxxx.
Smyk, Alexander E., xxxxxxxxx.
Sockrider, John P., xxxxxxxxx.
Sopko, John, xxxxxxxxx.
Souder, Larry C., xxxxxxxxx.
Southerland, Gerald L., xxxxxxxxx.
Spinola, Salvatore J., Jr., xxxxxxxxx.
Spreen, Darrell E., xxxxxxxxx.
Spuck, Carlton D., xxxxxxxxx.
Stacy, Gerald T., xxxxxxxxx.
Stafford, Charles B., xxxxxxxxx.
Stafford, Fred P., xxxxxxxxx.
Stockton, Donald W., xxxxxxxxx.
Stokes, David L., xxxxxxxxx.
Strain, Stephen R., xxxxxxxxx.
Sullivan, Richard G., xxxxxxxxx.
Surloff, Stanley C., xxxxxxxxx.
Sutton, Larry E., xxxxxxxxx.
Sutton, Raymond V., xxxxxxxxx.
Swift, Jon N., xxxxxxxxx.
Syms, George A., xxxxxxxxx.
Tafuri, Nicholas, xxxxxxxxx.
Takakuwa, William A., xxxxxxxxx.
Terry, Charles R., xxxxxxxxx.
Testa, Arnold M., xxxxxxxxx.
Thoma, John L., xxxxxxxxx.
Thomas, Joseph L., xxxxxxxxx.
Thomas, Robert E., xxxxxxxxx.
Thomas, Stephen D., xxxxxxxxx.
Thompson, Charles G., xxxxxxxxx.
Thompson, Gerald L., xxxxxxxxx.
Tokich, Mark M., xxxxxxxxx.
Trainor, Daniel W., xxxxxxxxx.
Trautsch, Rolf A., xxxxxxxxx.
Trombly, Dennis J., xxxxxxxxx.
Tucker, Larry M., xxxxxxxxx.
Van Bruaen, David L., xxxxxxxxx.
Vance, Cyrus B., II, xxxxxxxxx.
Vansickel, Jerry D., xxxxxxxxx.
Vermilyea, Barry L., xxxxxxxxx.
Visnovsky, Richard, xxxxxxxxx.
Vopalensky, Robert A., xxxxxxxxx.
Waddle, Robert H., xxxxxxxxx.
Walk, Wayne D., xxxxxxxxx.
Walker, Davis, xxxxxxxxx.
Walsh, Richard K., xxxxxxxxx.
Walter, Richard W., Jr., xxxxxxxxx.
Walterscheid, Richard L., xxxxxxxxx.
Wanner, Thomas D., xxxxxxxxx.
Webster, William N., xxxxxxxxx.
Welliver, George H., Jr., xxxxxxxxx.
Wenker, Kenneth H., xxxxxxxxx.
Wetterstroem, Albert, III, xxxxxxxxx.
Wilen, John G., xxxxxxxxx.
Williams, Jonathan F., xxxxxxxxx.
Williamson, Charles A., xxxxxxxxx.
Wilson, Charles H., xxxxxxxxx.
Wilson, Charles L., xxxxxxxxx.
Wilson, William E., xxxxxxxxx.
Wiltsie, Theodore E., xxxxxxxxx.
Wisdon, William A., Jr., xxxxxxxxx.
Wistrom, William W., xxxxxxxxx.
Wolfe, Dale E., xxxxxxxxx.
Wood, Donald J., xxxxxxxxx.
Wrede, Harry, Jr., xxxxxxxxx.
Wright, Gerald W., xxxxxxxxx.
Wuestman, Joseph W., xxxxxxxxx.
Yager, Charles A., xxxxxxxxx.
Youngblood, John S., xxxxxxxxx.
Zazworsky, Raymond M., xxxxxxxxx.
Zbyszynski, Henry M., xxxxxxxxx.
Ziccardi, Vincent A., xxxxxxxxx.

The following distinguished military graduates for appointment in the Regular Air Force in the grade of second lieutenant, under the provisions of section 8284, to perform medical service duties under section 8067, title 10, United States Code:

Collins, David H., xxxxxxxxx.
Curtis, Harry G., xxxxxxxxx.
Frazier, Alvin R., xxxxxxxxx.
Pettit, Robert A., xxxxxxxxx.
White, Clement H., xxxxxxxxx.
Zizzi, Martin E., xxxxxxxxx.

Subject to medical qualifications and subject to designation as distinguished military graduates, the following distinguished military students of the Air Force Reserve Officers' Training Corps for appointment in the Regular Air Force, in the grade of second lieutenant, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

Atkinson, David E.
Connor, Earl W.
Dudley, William F.
Findley, Wilfred J.
Goodrich, William R.
Houghton, Robert W.
King, Ronald B.
Rivera, Angelo NMI.
Starr, Richard F.
Van Dongen, William
Wieland, David E.

CONFIRMATION

Executive nomination confirmed by the Senate February 17, 1965:

POST OFFICE DEPARTMENT

John A. Gronouski, of Wisconsin, to be Postmaster General.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 17, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., quoted these words from Ephesians 6: 14: *Stand therefore, having your loins girt about with truth, and having on the breastplate of righteousness.*

Let us pray:

Almighty God, we thank Thee for this new day affording us many opportunities for the culture of our souls and for valiant efforts in noble service.

We penitently confess that we are frequently baffled by the mysteries and dilemmas of life, its strifes and struggles, its tragedies and tribulations.

Grant that, as we encounter stern demands and difficulties, there may come to us a new nativity of faith which will keep us strong and steadfast.

Help us to understand that if our country is to prove itself invulnerable and invincible then we must not only mobilize our mightiest material weapons and physical forces, but above all, those spiritual resources which Thou hast placed at our disposal.

Hear us in the name of the Captain of our Salvation. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

RELATIONSHIP BETWEEN WEST GERMANY AND EGYPT

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, in its soulless surrender to Nasser's blackmail, West Germany jeopardized the people in the Middle East, alienated the rest of the world, and filled its own air with the sound of Nasser's jeers. It was a callous and cowardly promise Bonn gave to Nasser to suspend shipment of arms to Israel aware, as Bonn must be, of the precarious situation in which Israel finds itself surrounded by hostile nations which secure arms from the Soviet Union without measure. Despite this concession to Egypt, Bonn's humiliation is well nigh complete, for Walter Ulbricht will visit Cairo on February 24, 1965, thus lending prestige to East Germany, aid and comfort to the Soviet Union, and dismay to the democratic State of Israel.

Those of us who voted to give the President flexibility in handling foreign affairs, by reversing our earlier vote to bar aid to Egypt, fully trust that the President will take note of the kind of bargaining Egypt indulges in. Let Egypt take note that the United States does not frighten easily and if Nasser wishes to rush headlong into the arms of the Soviet Union, well, so be it. The West need not tremble like sweet Alice before Nasser's frown.

Bonn having so cravenly retreated can now show the courage it should have shown in the first instance. She can make good her contract with Israel. For let it be remembered that the score against West Germany, in its relationships with Israel, is mounting up.

I am convinced that President Johnson will have no hesitancy in showing the strength and the power of the United States when it comes to dealing with Egypt's dictator and with the same kind of firmness he is showing in Vietnam.

Mr. RYAN. Mr. Speaker, I ask unanimous consent to address the House for