

possibly in combination with each other, come to mind. Accelerated depreciation, and/or tax allowances and credits for the purchase of new machine tools. Facilitating of new purchases through a system of low interest credits. Financial aid to machine tool manufacturers, where necessary, to permit them to sell their products on easy credit terms.

2. Arrangements for warehousing, and where necessary, rebuilding of these machines. Possibly, an arrangement could be worked out where the original owner stores the replaced machinery himself, but provides the necessary information to a central clearinghouse (the tool bank) describing the machine's pertinent data. This system would avoid the necessity for large storage depots, but would ultimately lead to a national surplus inventory.

3. Crating, shipping, insurance costs will have to be worked out in such a manner that the recipient nation which is to pay for it will still find it advantageous to draw on the surplus machine stocks.

4. The bank itself can be established as part of a Government agency, or possibly be administered by a private organization (i.e., the machine tool industry's trade association) with Government assistance.

Solutions to these questions might well fall within the realm of a special task force composed of representatives of private enterprise, trade unions, Government, and Congress.

OVERCOMING PITFALLS

There are, as in any daring program, inherent dangers attached to sending used machinery abroad. Proper controls and execution of the program can, however, overcome such dangers.

1. Proper matching of requests and available stocks is imperative. Here the service of the tool bank is of tremendous value, since a large, varied inventory will permit an easier matching of demand and supply, reduce notorious timelags between the two.

2. Malfunction of machinery is a distinct possibility. To avoid the repercussions that this might bring about, technical advisers supplied by the trade unions, the Youth Corps, etc., would be stationed in recipient countries. Their function would be to supervise installation of machinery, help with repairs, where necessary, and assist in training nationals where this is required.

The possible pitfalls of this program are negligible compared to the possible benefits, especially when adequate safeguards are taken to avoid such pitfalls.

IN SUMMARY

The tremendous inventory of surplus machinery in the United States—overage, obsolete, excess—can either be an important national asset or a tremendous liability.

It will remain a liability if it is continued to be used in our productive effort, where we need the most modern equipment to improve our competitive international standing. It might also be a liability if it were disposed of in such a manner as to flood our domestic market with secondhand machinery.

On the other hand, this surplus machinery can become a national asset if we stimulate its replacement and make it available to those countries which are in dire need of it, and can put it to good use. In this manner, we can help stimulate our economy and turn a potential liability into an asset by making it work as part of our national development assistance to the developing nations.

As outlined, this program can be expected to command the support of a large segment of the manufacturing industries and trade unions. Some, who have been sounded out so far, have expressed a most favorable reaction.

SENATE

TUESDAY, MARCH 14, 1961

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

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

O Thou eternal spirit, in whose will alone is our peace, and whose holy purposes are beyond defeat, we come seeking Thy righteous will, and crave Thine enabling strength to do it, as we go on day by day, step by step.

Thou knowest that constantly we pray, "Thy kingdom come," but we confess that often the flaming hope of that kingdom of love has grown dim, as hatred and selfishness and man's inhumanity to man have desecrated the earth, which could be so fair. But, in spite of temporary rebuffs, give us to see that wherever hatred gives way to love, wherever prejudice is changed to understanding, wherever the pangs of hunger are stopped by bread, wherever pain is soothed, and ignorance banished, there Thy banners go and Thy truth is marching on.

So, with all our inadequacies, we pause, this quiet moment, asking that even amid the din of conflict we may keep step with the distant drumbeat of Thy sure victory.

We ask it in the name of the One upon whose radiant form the eyes of millions of His followers are fixed, these holy days, as He goes on to change a cross of defeat into a crown of triumph. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 13, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

ECONOMIC DEVELOPMENT OF LATIN AMERICA—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 105)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, relative to the economic development of Latin America.

Mr. MANSFIELD. Mr. President, it is my understanding that this message is being read in the House of Representatives today. Because of that fact, I ask unanimous consent that the message be not read in this body, and that it be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, it is so ordered.

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

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT 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 DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Mr. METCALF. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATIONS FOR VARIOUS AGENCIES OF EXECUTIVE BRANCH AND DISTRICT OF COLUMBIA (S. DOC. NO. 18)

A communication from the President of the United States, transmitting, for the consideration of the Congress, proposed supplemental appropriations for the fiscal year 1961 in the amount of \$2,805,000 for various agencies of the executive branch and \$2,098,000 for the District of Columbia (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION ON CONTRACTUAL ACTIONS

A letter from the Acting Assistant Administrator for Congressional Relations, National Aeronautics and Space Administration, Washington, D.C., transmitting, pursuant to law, a report of that Administration on contractual actions taken during the calendar year 1960 (with an accompanying report); to the Committee on Aeronautical and Space Sciences.

REPORTS ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, 24 reports covering overobligations of appropriations within that Department (with accompanying papers); to the Committee on Appropriations.

A letter from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, the overobligation of an appropriation within that Department (with an accompanying paper); to the Committee on Appropriations.

PROPOSED TRANSFER BY NAVY DEPARTMENT OF LANDING CRAFT

A letter from the Secretary of the Navy, reporting, pursuant to law, the proposed transfer of a landing craft, personnel, to the Caribbean Archeological and Exploring Society of Houston, Tex.; to the Committee on Armed Services.

REPORT ON RESEARCH AND DEVELOPMENT PROCUREMENT ACTIONS

A letter from the Assistant Chief of Naval Materiel (Procurement), transmitting, pursuant to law, a semiannual report on research and development procurement actions of \$50,000 and over, covering the period July 1 through December 31, 1960 (with an accompanying report); to the Committee on Armed Services.

PUBLICATION OF NOTICE OF PROPOSED DISPOSITION OF CERTAIN VEGETABLE TANNINS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a notice to be published in the Federal Register of proposed disposition of approximately 3,500 long tons of vegetable tannins (quebracho, chestnut, and wattle extracts) now held in the national stockpile (with an accompanying paper); to the Committee on Armed Services.

PUBLICATION OF NOTICE OF PROPOSED DISPOSITION OF CERTAIN CELESTITE

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a notice to be published in the Federal Register of the proposed disposition of approximately 28,816 short tons of celestite now held in the national stockpile (with an accompanying paper); to the Committee on Armed Services.

REPORT ON REVIEW OF CERTAIN CONTRACTS BY FEDERAL MARITIME BOARD, DEPARTMENT OF COMMERCE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of certain contracts by Federal Maritime Board, Department of Commerce for construction-differential subsidy and related ship construction, dated March 1961 (with an accompanying report); to the Committee on Government Operations.

REPORT OF FEDERAL TRADE COMMISSION

A letter from the Chairman, Federal Trade Commission, Washington, D.C., transmitting, pursuant to law, a report of that Commission, for the fiscal year ended June 30, 1960 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on tort claims paid by that Department, for the period January 1, 1960, to December 31, 1960 (with an accompanying report); to the Committee on the Judiciary.

REASONABLE NOTICE OF CERTAIN APPLICATIONS TO U.S. COURTS OF APPEALS

A letter from the Director, Administrative Office of the United States Courts, Washington, D.C., transmitting a draft of proposed legislation to provide for reasonable notice of applications to the U.S. courts of appeals for interlocutory relief against the orders of certain administrative agencies

(with an accompanying paper); to the Committee on the Judiciary.

PROTECTION OF CERTAIN OFFICERS AND EMPLOYEES OF THE UNITED STATES

A letter from the Director, Administrative Office of the United States Courts, Washington, D.C., transmitting a draft of proposed legislation to amend section 1114 of title 18 of the United States Code, as amended, in reference to the protection of officers and employees of the United States by including probation officers of U.S. district courts (with an accompanying paper); to the Committee on the Judiciary.

MINIMUM STANDARDS OF QUALIFICATIONS FOR PROBATION OFFICERS

A letter from the Director, Administrative Office of the United States Courts, Washington, D.C., transmitting a draft of proposed legislation to authorize the Judicial Conference of the United States to promulgate minimum standards of qualifications for probation officers (with an accompanying paper); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

REPORT OF DAUGHTERS OF THE AMERICAN REVOLUTION

A letter from the Secretary, Smithsonian Institution, Washington, D.C., transmitting, pursuant to law, a report of the Daughters of the American Revolution, covering the period April 1, 1959, to April 1, 1960 (with an accompanying report); to the Committee on Rules and Administration.

DISPOSITION OF EXECUTIVE PAPERS

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

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

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Idaho; to the Committee on Finance:

"HOUSE JOINT MEMORIAL 10

"Joint memorial to the Honorable John F. Kennedy, President of the United States, and to the Honorable Senate and House of Representatives of the United States in Congress assembled

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

"Whereas the sheep industry of the United States has for the past several years sought adequate protection from excessive

imports from low wage foreign countries; and

"Whereas definite relief for the sheep industry was unanimously recommended by the National Wool Growers Association in accordance with the escape clause provisions of the Trade Agreements Act, which recommendation was preceded by a thorough investigation made by the United States Department of Agriculture upon the request of the industry, the Congress and the administrative officials; and

"Whereas the sheep industry situation is simply an example of the serious difficulty which any domestic industry might experience under the present Trade Agreements Act or extension thereof; and

"Whereas the policies and practices in the field of international trade, which have resulted in such harm to the domestic sheep industry and to the domestic economy, present a threat to all domestic industry involved in international trade; and

"Whereas imports of wool cloth and wool clothing are of such quantities they are depressing our markets and causing serious unemployment in cloth and clothing manufacturing areas; and

"Whereas imports of wool cloth and wool clothing and lamb and mutton, both frozen and live, from foreign countries with low living standards have demoralized our domestic markets to the extent that we cannot compete with these countries; and

"Whereas if these excessive imports continue, our domestic sheep industry faces complete destruction; and

"Whereas these excessive imports forced upon the sheep and wool growers of Idaho during this past calendar year have meant a net loss from \$3 to \$5 per head in a State which has over 1 million sheep; and

"Whereas economic conditions in the sheep industry appear worse for this calendar year than they were the last calendar year; and

"Whereas the sheep industry is experiencing the lowest prices for lamb, mutton and wool since prior to World War II; and

"Whereas the New Zealand Development Company from New Zealand alone plans to ship into the United States at least 16 million pounds of dressed lamb in the year 1961 and plans to increase this figure to 25 million pounds in the year 1962; and

"Whereas New Zealand alone is currently shipping into the United States around 45 million pounds of dressed mutton and when added to the planned increase in imports for the year 1962, a total of 70 million pounds of lamb and mutton is computed for New Zealand alone, which is about 10 percent of the entire United States domestic production; and

"Whereas, added to the New Zealand imports, the imports from Australia, Iceland and other foreign countries, all with low costs of production, will dump into the United States poundage of lamb and mutton measured in near astronomical figures which will completely destroy our domestic sheep industry; and

"Whereas Japan is the largest purchaser of wool from Australia and is manufacturing this wool into cloth and then shipping it into the United States after developing its textiles manufacturing industry through the aid of United States money, has led to the closing of our domestic wool clothing manufacturing mills to such an extent that much unemployment has been caused; and

"Whereas because of excessive imports of manufactured cloth and clothing causing serious unemployment conditions, some textile workers have refused to sew clothes made from imported foreign cloth: Now, therefore, be it

"Resolved by the 36th session of the Legislature of the State of Idaho, now in session

(the Senate, the House, and the Governor concurring). That we respectfully urge upon the Congress of the United States that drastic and immediate action be taken for the relief from the vast and ever increasing quantities of meat and meat products, hides, wool, woolens and any such other related products as have flooded our domestic markets to the point of ruin to our own sheep raising, processing and wool manufacturing industries; and be it further

"Resolved by the 36th session of the Legislature of the State of Idaho, now in session (the Senate, the House, and the Governor concurring), That we believe it is fitting and proper for citizens of this State and of the United States to exercise the right of petition, if and when injury to their persons or property is actual or imminent. We, therefore, respectfully petition the high office of the President of the United States for drastic and immediate relief from the vast and ever increasing quantities of meat and meat products, hides, wool, woolens and any such other related products as have flooded our domestic markets to the point of ruin to our own sheep raising industry. As a means to this end, we pray you, Mr. President, to act at once under the terms of the escape or peril point clause to the Trade Agreements Act. We further recommend that the Trade Agreements Act of 1934 be permitted to expire; and be it further

"Resolved, That quotas on imports of dressed and live animals, as well as wool, woolens and other meat animal products, be enacted until domestic prices are at an economic level. Such quotas would permit the domestic livestock industry to: Maintain adequate numbers for national security; compete with foreign imports produced in low wage foreign countries; return to its former status of employment and production; retain its skilled livestock producing personnel; and engage in the development work vitally necessary to future availability of food and fiber; and be it further

"Resolved, That the secretary of state of the State of Idaho be, and he is hereby authorized and directed to send copies of this joint memorial to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the Congress, the Committee on Ways and Means of the House of Representatives of the Congress, the Finance Committee of the Senate of the Congress, the Honorable Secretary of Agriculture of the United States and to the Senators and Representatives representing this State in the Congress of the United States."

A joint resolution of the Legislature of the State of Idaho; to the Committee on Government Operations:

"HOUSE JOINT MEMORIAL 8

"Joint memorial to the honorable Senate and House of Representatives of the United States in Congress assembled

"We, your memorialists, the members of the house of representatives and senate of the State of Idaho, assembled in the 36th session thereof, do respectfully represent that:

"Whereas the State of Idaho and other States of the United States of America, having within their borders large tracts of public lands, are confronted with difficult fiscal problems in connection with the operation of local governments; and

"Whereas this difficulty is to a great extent in States having large Federal holdings caused by ever increasing cost of local government coupled with proportionately decreasing revenue received from the sale of products from federally owned lands; and

"Whereas distribution is now made only from the stumpage value of the timber in the sale of logs, ties, poles, cordwood, pulpwood

and other forest products and not from the total amounts generating from the sale of such products. These amounts include many additional items such as Knudsen-Vandenberg funds, slash disposal funds, erosion control funds and others: Now, therefore, be it

"Resolved by the House of Representatives, State of Idaho (the Senate concurring), That we most respectfully urge the Congress of the United States of America to enact legislation directing that 25 percent of all moneys received during any fiscal year from each national forest shall be paid, at the end of such year, by the Secretary of the Treasury to the State treasurer, to be distributed to the counties in which such national forest is situated, such funds to be distributed in lieu of taxes and expended for the benefit of public schools and public roads. When any national forest is in more than one State or county, the distributive share to each from the sale of logs, ties, poles, posts, cordwood, pulpwood, and other forest products, the amounts made available by this paragraph shall be based upon the total receipts in connection with such sales received from the purchasers; and be it further

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

"Resolved, That the State of Idaho respectfully requests that the legislators of Washington, Oregon, California, Montana, Utah, Wyoming, Colorado, Nevada, Arizona, New Mexico, North Dakota, South Dakota, Alaska, and Hawaii be informed of this action on the part of the Idaho Legislature and are hereby urged to take similar action in their State legislatures, such communication to be sent to the speaker of the house and the president of the senate of the above States along with a copy of this memorial."

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

"HOUSE JOINT RESOLUTION 3

"Joint resolution ratifying the proposed amendment to the Constitution of the United States of America relating to the granting of representation in the electoral college to the District of Columbia

"Whereas the 86th Congress of the United States of America, at its 2d session, in both Houses, by a constitutional majority of two-thirds thereof, has made the following proposition to amend the Constitution of the United States of America in the following words, to wit:

"JOINT RESOLUTION

"Resolved by the Senate and House of Representatives of the United States of America assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within 7 years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The District constituting the seat of Government of the United States shall appoint in such manner as the Congress may direct:

"A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addi-

tion to those appointed by the States, but they shall be considered for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the 12th article of amendment.

"Sec. 2. The Congress shall have power to enforce this article by appropriate legislation."

"Now, therefore, be it

"Resolved by the Legislature of the State of Idaho:

"SECTION 1. That the said proposed amendment to the Constitution of the United States of America be, and the same is hereby ratified by the Legislature of the State of Idaho."

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

"Joint memorial of the House of Representatives and the Senate of the State of Montana to the Congress of the United States, to the Honorable MIKE MANSFIELD, and the Honorable LEE METCALF, Senators from the State of Montana, the Honorable ARNOLD OLSEN and the Honorable JAMES F. BATTIN, Representatives in Congress from the State of Montana, and to the Honorable OLIN TEAGUE, chairman, Veterans' Affairs Committee of the U.S. House of Representatives; urging that the Congress of the United States enact legislation granting pensions to World War I veterans as heretofore done for the Spanish-American veterans and veterans of other prior wars of the United States

"We, your memorialists, the 37th Legislative Assembly of the State of Montana, in legislative session assembled, most respectfully represent as follows:

"Whereas the national policy of the United States of America has been to honor the veterans of wars of the United States by granting assistance to them in their declining years, by pensions, all in consideration of their military services in defense of our country; and

"Whereas all social agencies, in fact the great majority of the people of this Nation, are now deeply concerned about the problems of the aged, approximately 16 million men and women over the age of 65; and

"Whereas of this number there are approximately 2 million veterans of World War I whose present financial condition generally is below that of the average as the direct result of their having served this Nation in the Armed Forces during World War I; and

"Whereas their present financial condition is due to the fact that this group of veterans did not have the rights, benefits and advantages accorded to those veterans of previous and subsequent wars, such as homestead land grants, homesteading privileges, direct pensions, guaranteed job rights, college educations and vocational training, guaranteed loans for the purchasing of farms, businesses and homes, unemployment insurance and social security; and

"Whereas there has been no general pension granted to veterans of World War I by the United States: Now, therefore, be it

"Resolved by the House of Representatives of the State of Montana (the Senate jointly concurring therein), That it is urged that the Congress of the United States of America enact legislation granting pensions to World War I veterans as heretofore for the Spanish-American veterans and the veterans of other prior wars of the United States; and be it further

"Resolved, That the secretary of state of the State of Montana is hereby instructed to dispatch copies of this memorial to the persons named in the title of this memorial."

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

"JOINT MEMORIAL OF THE SENATE AND HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA

"To the President of the United States, John F. Kennedy; the Congress of the United States; Mike Mansfield and Lee Metcalf, Senators from the State of Montana; Arnold Olsen and James Battin, Representatives in Congress from the State of Montana; the Committee on Public Works of the U.S. House of Representatives; the Committee on Appropriations of the U.S. Senate; the Committee on Appropriations of the U.S. House of Representatives; the Secretary of the Army; the Chief of the Corps of Engineers, Department of the Army; and the Director of the Budget; urging ratification of international joint commission agreement, urging construction of Libby Dam as soon as possible in order to protect the national interest in water and water resources rising in the United States; and requesting sufficient appropriations so that detailed planning and design work can begin immediately; providing for a reservation of power for Montana:

"Whereas Libby Dam site is located in Lincoln County in western Montana and Libby Dam will be constructed across the Kootenai River some 15 miles upstream from Libby, Montana; and

"Whereas preliminary geological and engineering investigation and planning of the Libby Dam project have been carefully completed and the findings compiled; and

"Whereas Libby Dam, the biggest storage project remaining to be built in the Pacific Northwest, will be designed to provide flood control, hydroelectric power, recreation, and navigation benefits to Montana, the Pacific Northwest and the Nation; and

"Whereas the Libby project's tremendous storage of water—5,985,000 acre-feet—would provide valuable flood control for several hundred miles along the Kootenai and Columbia Rivers and also would substantially aid flood control and navigation on the Columbia River below Pasco, Wash.; and

"Whereas Libby Dam will have an initial installed electric generating capacity of 800,000 kilowatts of power, which Montana and the Northwest need to bring in new industry; and

"Whereas Libby Dam storage would also firm up power production in the projects downstream on the Columbia River; would provide a regulated stream flow which would add 805,000 kilowatts to the production at Grand Coulee, Chief Joseph, McNary, the Dalles, and Bonneville Dams; and

"Whereas no other proposed single dam on the Columbia River system would provide for generation of as much salable power at site and downstream; and

"Whereas the rapidly increasing population of the Pacific Northwest and the Nation places upon this generation a special responsibility for the maximum utilization of all the great natural resources bestowed upon this country by divine providence; and

"Whereas the Pacific Northwest is isolated from the major population centers of the Nation by great distances and high freight rates and must rely upon the full development of its own natural resources in providing for its future growth and economic welfare; and

"Whereas hydroelectric power is the only truly inexhaustible energy resource available to a civilization whose entire future growth and economic strength will be increasingly dependent upon the provision of adequate supplies of electric energy; and

"Whereas the industrial development of Montana and the entire Pacific Northwest will be greatly enhanced by the large

amounts of low-cost power made available by the full development of the potential of the Libby Dam site; and

"Whereas the people of the State of Montana have seen in the examples of Hungry Horse Dam on the south fork of the Flathead River in their State and many other dams in the Pacific Northwest the immense benefits which accrue as a direct result of the construction of such great projects, not only to the State in which they are constructed but also to the entire region and the Nation; and

"Whereas, revenues from the sale of power from Libby Dam represent the most feasible source of funds to aid in the rapid construction and the maintenance of major future irrigation projects in the State of Montana, which developments can provide homes for any farm families which may be displaced by the construction of Libby Dam; and

"Whereas large amounts of storage are required in the Columbia River and Clark Fork River basins to provide adequate protection against the seasonal floods which periodically cause great loss of life and the destruction of millions of dollars worth of property, causing great hardship throughout the Pacific Northwest; and

"Whereas many of the large storage projects planned by the Army Engineers for the control of floods in the Columbia River basin have been and are being lost due to conflicting uses and inadequate development, so that it is seriously doubtful that even the minimum flood control storage requirements of the region can be met; and

"Whereas Libby Dam, with 5,985,000 acre-feet of usable storage in its reservoir is one of the few remaining great storage projects still feasible and not involved in serious controversy in the Columbia River basin and can provide more usable flood control storage than a combination of all the other feasible potential projects in the Clark Fork River basin; and

"Whereas Libby Dam, as planned, has the approval of the International Joint Commission; and

"Whereas in order to protect Montana's and the national interest in water and water resources rising in the United States, in order to provide for at least partial flood control and storage: Now, therefore, be it

Resolved by the Senate and House of Representatives of the State of Montana, That the representatives of the State of Montana in the Congress of the United States be urged and requested to expedite ratification and construction of Libby Dam; be it further

Resolved, That the Congress of the United States be urged to provide sufficient appropriations so that detailed planning and design work can begin immediately and that construction can begin as soon as design work is completed; be it further

Resolved, That said legislation authorizing funds for the construction of Libby Dam contain a provision reserving to Montana a block of power generated by Libby Dam; and be it further

Resolved, That this assembly request the Congress, in making appropriations for the construction of the Libby project, to define the compensations that shall be received from the Government of the United States by the county of Lincoln and by affected cities and school districts in said county for extraordinary expenses resulting from expanded services required in the fields of school and hospital facilities, health and sanitation, and police protection incidental to the construction of said project; and to provide all necessary funds and take all needed action to insure the construction of all transportation and other facilities needed to provide opportunity equal to that now existing of access to mines, to forests in Federal, State, and private ownership, and to

manufacturing and refining plants, to the end that the present steady and continuous employment of Montana people depending upon forests and mines for their livelihood will not be adversely affected; and be it further

Resolved, That copies of this memorial be submitted by the secretary of the State of Montana to each of the individuals and to the chairmen of each of the committees named in the title of this memorial and also to the presiding officers of both Houses of the Congress of the United States, LYNDON B. JOHNSON, and SAM E. RAYBURN."

A concurrent resolution of the Legislature of the State of North Dakota; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION V

"Ratification of proposed amendment to the Constitution of the United States relating to granting of representation in the electoral college to the District of Columbia

"Whereas the 86th Congress of the United States of America, at its 2d session, in both Houses, by a constitutional majority of two-thirds thereof, has made the following proposition to amend the Constitution of the United States of America in the following words, to wit:

"JOINT RESOLUTION

'Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The District constituting the seat of Government of the United States shall appoint in such manner as the Congress may direct:

"A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be considered for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the twelfth article of amendment.

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

"Now, therefore, be it

Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein), That the said proposed amendment to the Constitution of the United States of America, be and the same is hereby ratified by the 37th Legislative Assembly of the State of North Dakota; and be it further

Resolved, That certified copies of this resolution shall be forwarded by the secretary of state (or His Excellency, the Governor) to the Administrator of General Services, Washington, D.C., to the President of the Senate, and to the Speaker of the House of Representatives of the Congress of the United States."

A joint resolution of the Legislature of the State of Oregon; to the Committee on Public Works:

"SENATE JOINT MEMORIAL 5

"To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the 51st Legislative Assembly of the State of Oregon, in

legislative session assembled, most respectfully represent that:

"Whereas the continued welfare and proper economic growth and development of the State of Oregon depend on the unimpeded movement of water-borne commerce along the Columbia River, and particularly upon a ship channel which is adequate for the movement of loaded deep-draft vessels; and

"Whereas the Federal Government recognizes that the benefits of trade, commerce and industry to all of its citizens and the vital national defense features inherent in a system of adequately developed waterways throughout the United States require it to maintain through the Corps of Engineers of the Department of the Army the present 35-foot deep and 500-foot-wide Columbia River ship channel from the mouth to Portland, Oreg.; and

"Whereas the present Columbia River ship channel project is of insufficient width and depth to allow safe, proper or unimpeded navigation by deep-draft vessels; and

"Whereas the inadequacy of the present Columbia River ship channel limits the movement and size of vessels and cargo upon the Columbia River and results in grounding, serious mishaps and a continuous threat to the safety of navigation and causes an adverse effect upon welfare of all Columbia River ports; and

"Whereas the U.S. Army Corps of Engineers, Portland district, will complete its study of the proposed 40-foot deep, 750-foot wide ship channel in the Lower Columbia and Willamette Rivers between Portland, Oreg., and Vancouver, Wash., and the sea, in the current fiscal year: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring):

"(1) The U.S. Army Corps of Engineers is urged to expedite in every way review of said study by its Chief of Engineers and Board of Engineers for Rivers and Harbors and to approve a new Columbia River ship channel project from the mouth to the Port of Portland of not less than 40-foot depth and 750-foot width.

"(2) The Congress of the United States is urged to authorize such new Columbia River ship channel project and to appropriate funds for its construction at the earliest possible date to alleviate the present serious and hazardous condition of navigation in the Columbia River and its detrimental effect upon the trade, commerce and industry of Oregon and the entire Pacific Northwest and the national defense and general welfare.

"(3) Copies of this memorial shall be transmitted to the President of the United States, the Chief Clerk of the United States Senate, the Chief Clerk of the United States House of Representatives, the Secretary of Defense, the Assistant Secretary of Defense for the Army, the Chief of Engineers of the U.S. Army, to each member of the Oregon congressional delegation and to each member of the Washington congressional delegation."

A joint resolution of the Legislature of the State of Arizona; to the Committee on Rules and Administration:

HOUSE JOINT MEMORIAL 5

"To the Congress of the United States and the proper committees thereof:

"Your memorialist respectfully represents: "Whereas, the State of Arizona is entitled to display two statues of its illustrious pioneers in the Hall of Statuary in the National Capitol in Washington, D.C., and

"Whereas, our State now is represented in this shrine of American achievement by the late Gen. John C. Greenway, distinguished miner, soldier, and builder, and

"Whereas, there still remains one space reserved for the State of Arizona.

"Now, therefore, we represent to you that, in the year 1962, the State of Arizona shall celebrate its semicentennial anniversary honoring its 50th year of statehood. It is particularly fitting that in preparation therefor the State of Arizona be accorded the distinction and honor of a second statue in the Congressional Hall of Statuary.

"For this purpose the Legislature of the State of Arizona, the Governor and all of its citizens, during the year of the 250th anniversary of his death, propose the name of Father Eusebio Kino, S.J., pioneer missionary, explorer and cartographer as our nominee.

"Father Eusebio Francisco Kino, S.J., died on March 15, 1711, at Magdalena, Sonora, Mexico, within an area then known as Pimeria Alta, constituting northern Sonora and southern Arizona.

"The late Dr. Eugene Bolton, professor of history and director of the Bancroft Library of the University of California, and the West's outstanding historian of the 20th century, wrote about Father Kino, S.J., as follows:

"He was great not only as missionary and church builder, but also as explorer and ranchman. By Kino, or directly under his supervision, missions were founded on both sides of the Sonora-Arizona boundary, on the Magdalena, Altar, Sonoita, and Santa Cruz Rivers.

"The notable missions established in Arizona by Father Kino include San Xavier del Bac, San Cayetano de Tumacacori, and Guebavi. He also held religious services at countless visitas, usually boughcovered huts or ramadas. In 1694 he said mass in the Casa Grande Ruins.

"The occupation of California by the Jesuits was the direct result of Kino's former residence there and of his persistent efforts in its behalf, for it was from Kino that Salvatierra, founder of the permanent California missions, got his inspiration for that work.

"To Kino is due the credit for first traversing in detail and accurately mapping the whole of Pimeria Alta, the name then applied to southern Arizona and northern Sonora. * * *

"His map published in 1705 was the first of Pimeria based on actual exploration, and for nearly a century and a half was the principal map of the region in existence. * * *

"Father Kino's diary gives us a perfect picture of a true missionary, devoted heart and soul to the one object of converting and civilizing the natives, and for whom no task was too mean and no incident too trivial if it contributed to his main purpose * * * Kino regarded the poor natives as his personal wards. He loved them with a real affection, and he ever stood ready to minister to their bodily wants, or to defend them against false charges or harsh treatment. He dwelt with affection on all evidence of friendship shown by the Indians, and recorded every indication of their intelligence. * * *

"Father Kino arrived in Pimeria Alta in March, 1687, and began without the loss of a single day a work of exploration, conversion and mission building that lasted only one year less than a quarter of a century.

"Not to count the minor and unrecorded journeys among his widely separated missions, he made at least fourteen expeditions across the line into what is now Arizona. Six of them took him as far as Tumacacori, Benson, San Xavier del Bac, or Tucson. Six carried him to the Gila (River) over five different routes. Twice he reached that stream by way of Santa Cruz, returning once via Casa Grande, Sonoita, the Gulf of California, and Caboroa.

"Once he crossed the San Pedro, once from El Saric across the Gila below the Big Bend, and three times by way of Sonoita and the

Camino del Diablo, along the Gila Range. Two of these expeditions carried him to Yuma and down the Colorado. Once he crossed that stream into California, and finally he reached its mouth. East and west, between Sonoita and the eastern missions, he crossed southern Arizona several times and by several trails.

"After 1699, aside from his search for souls in the Pimeria, Kino's most absorbing quest was made in search of a land route to California. By 1702 he had demonstrated the feasibility of a land passage to California and had disproved the idea that California was an island.

"He was easily the cattle king of his day and region. From the small herd supplied him from the older missions to the east and south, within 15 years he established the beginnings of ranching in the valleys of the Magdalena, the Altar, the Santa Cruz, the San Pedro, and the Sonoita. The stock-raising industry of nearly 20 places on the modern map owes its beginnings on a considerable scale to this indefatigable man.

"In 1700, when the mission of San Xavier was founded, Kino rounded up the 1,400 head of cattle on the ranch of his own mission of Dolores, divided them into two equal droves, and sent one of them under his Indian overseer to San Xavier del Bac, where the necessary corrals were constructed.

"Not only his own missions but those of California needed supply, and in the year 1700 Kino took from his own ranches 700 cattle and sent them to Salvatierra, across the gulf, at Loreto, a transaction which was several times repeated.

"Besides establishing cattle herds in Arizona, Father Kino also brought sheep, mules, horses, and burros to the Indians living in southern Arizona. He introduced into Arizona many new varieties of grains, vegetables, and fruit, so that the body of man, as well as his soul, might be sustained and benefited by the force of civilization."

"Arizona's outstanding historians, namely, Miss Sharlot Hall, Thomas E. Farish, James H. McClintock, Frank C. Lockwood, and Rufus Kay Wyllys, all agree and have accorded Father Kino the premier position in exploring, mapping, stocking, and civilizing frontier Arizona.

"Wherefore your memorialist, the Legislature of the State of Arizona prays:

"1. That the Congress of the United States of America and the appropriate committees of Congress take due notice of Arizona's semicentennial anniversary of its admission into the Union as well as the 250th anniversary of the death of Father Kino, and in honor thereof accept the nomination of Father Eusebio Francisco Kino, S.J., for Arizona's second statue in the Hall of Statuary.

"2. That the Honorable Wesley Bolln, secretary of state of Arizona, is directed to transmit a duly certified copy of this memorial to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and to each Member of Congress who represents the State of Arizona."

Two resolutions of the Senate of the State of Washington; to the Committee on Finance:

"Whereas there is presently before the Congress legislation relating to extension of the Sugar Act of 1948, as amended; and

"Whereas the success of reclamation projects in the State of Washington and particularly the Columbia basin project, depends greatly upon the securing by farmers in these reclamation areas of sugarbeet contracts; and

"Whereas the reclamation areas of the Columbia basin are among the most suitable in the Nation for the production of sugarbeets of unexcelled sugar content and tons of beets per acre; and

"Whereas the international situation on imports of sugar is such that domestic sources of supply must be greatly increased immediately: Now, therefore, be it

Resolved, That we, the Senate of the State of Washington, do hereby respectfully urge that the President and the Congress of the United States enact legislation providing for an extension of the Sugar Act of 1948, as amended, for at least 4 years, so that production of sugarbeets in the reclamation areas of the Columbia basin may be increased and additional manufacturing facilities for the production of beet sugar may be encouraged; and be it further

Resolved, That copies of this resolution be immediately transmitted by the Secretary of the Senate to the President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to each Member of the Congress of the United States from the State of Washington."

"Whereas the Federal excise taxes on communications and transportation services were initially levied during World War II to provide needed funds to support the war effort and to discourage the use of such services; and

"Whereas more than 14 years after cessation of hostilities, the excise tax on communications services and transportation of persons is still in effect and is continuing to discourage the public use of these services; and

"Whereas telephone service and the transportation of persons is an essential part of our way of life and cannot under any circumstances be considered a luxury item to be taxed in the same manner as furs, jewelry, liquor and other luxury commodities; and

"Whereas other household and business necessities are not taxed in such a manner; and

"Whereas the levying of excise taxes upon such necessities as telephone service and transportation imposes taxes on those citizens who can least afford to pay in the same manner as those of unlimited financial means: Now, therefore, be it

Resolved, That the Senate of the State of Washington respectfully petitions the Congress of the United States to remove the unfair and inequitable tax upon communications and transportation services during the current session of Congress; and be it further

Resolved, That copies of this resolution be sent by the secretary of the Senate of the State of Washington to the President of the United States, John F. Kennedy, the Senators and Representatives from the State of Washington, to the Vice President, and all members of the Ways and Means Committee of the House of Representatives."

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

"RESOLUTION

"Whereas a treaty providing for the upstream storage of water on the Columbia River and its tributaries in Canada and the United States has been signed by the heads of government of the Dominion of Canada and the United States and is presently pending before the Senate of the United States; and

"Whereas this treaty is an important step to assure that the great international Columbia River will be developed, controlled, and shared as a joint resource by the United States and Canada and thereby furnish each nation with benefits materially greater than either could obtain independently; and

"Whereas the Pacific Northwest will secure a large block of low cost power comparable to the combined output of Grand Coulee and Bonneville Dams; and

"Whereas the availability of this low cost power will result in accelerated economic growth to the region; and

"Whereas the flood control objectives of the United States for the Lower Columbia River in Washington and Oregon, which have been a pressing need for many years, will be brought to substantial realization within 10 years; and

"Whereas removal of the hazard of floods will pay incalculable dividends in the saving of human life and avoidance of suffering, as well as through economic improvement in areas heretofore subject to recurring flood damage; and

"Whereas the United States will receive additional incidental benefits for irrigation, navigation, pollution abatement, and other uses resulting from controlled storage; and

"Whereas the United States and Canada have traditionally resolved international problems by treaties mutually advantageous to both nations: Now, therefore, be it

Resolved, the Senate of the State of Washington does hereby respectfully urge the U.S. Senate to promptly ratify the treaty relating to the cooperative development of water resources of the Columbia River Basin."

Two resolutions of the Senate of the State of Washington; to the Committee on Public Works:

"RESOLUTION

"Whereas a serious need exists for increasing water flows on the lower Yakima River; and

"Whereas additional water storage for the Yakima River can be obtained by construction of a storage dam at the Bumping Lake Reservoir; and

"Whereas such a project would provide great benefit to the Yakima River Valley, particularly in the areas of fisheries, flood control, reclamation and recreation; and

"Whereas the U.S. Department of the Interior has completed a study of this project; and

"Whereas Senators WARREN G. MAGNUSON and HENRY M. JACKSON have introduced legislation authorizing this project: Now, therefore, be it

Resolved, That we, the Senate of the State of Washington respectfully petition that the President and the Congress of the United States enact legislation authorizing the Bumping Lake Reservoir project; and be it further

Resolved, That copies of this resolution immediately be transmitted to the President of the United States, the President of the Senate of the United States and the Speaker of the U.S. House of Representatives, and to each Member in the Congress of the United States from the State of Washington."

"RESOLUTION

"Whereas Senate Joint Resolution 40 of the Senate of the United States sponsored by Senators MAGNUSON, CASE of South Dakota, CHURCH, DWORSHAK, HRUSKA, JACKSON, LONG of Missouri, MANSFIELD, METCALF, MORSE, MUNDT, NEUBERGER, and SYMINGTON is now being considered by the U.S. Senate Committee on Public Works; and

"Whereas Senate Joint Resolution 40 would develop a plan for a system of highways to be known as the Lewis and Clark National Tourway which shall extend from St. Louis, Mo., along the general route of the Lewis and Clark Expedition; and

"Whereas the proposed Lewis and Clark National Tourway would pass through the State of Washington entering at Clarkston and thence to the tri-city area, and along the north bank of the Columbia River to the Pacific Ocean; and

"Whereas this tourway would contribute to the recreational and historical resources of the State of Washington and to the potential development of such resources for use in esthetic and cultural enjoyment, and his-

torical interpretation for the benefit of the touring public of all of the United States: Now, therefore, be it

Resolved, That the Senate of the State of Washington commend Senators MAGNUSON and JACKSON and the other Senators for their sponsorship of Senate Joint Resolution 40, and petition the Congress and the President of the United States to speedily enact Senate Joint Resolution 40 into law; and be it further

Resolved, That copies of this resolution be immediately transmitted to the President of the United States, the President of the Senate of the United States, the Speaker of the U.S. House of Representatives, to each Member of the Congress of the United States from the State of Washington, and to the Secretaries of State of the States of Missouri, Iowa, Nebraska, South Dakota, North Dakota, Montana, Idaho, and Oregon."

A joint resolution of the Legislature of the State of California; to the Committee on Banking and Currency:

"ASSEMBLY JOINT RESOLUTION 10

"Joint resolution relative to federally insured home loans

"Whereas in recent months California's economy has been undergoing a gradual but persistent recession; and

"Whereas at the present time approximately 6 percent of the labor force in the State is unemployed; and

"Whereas on the other hand, the cost of constructing or acquiring a home has steadily increased to the point where it has become difficult if not impossible for thousands of Californians who are desperately in need of homes to obtain them because of the high down payment and high monthly payments required; and

"Whereas if the maximum period of federally insured home loans were increased to 40 years, it would greatly stimulate the building industry and enable many more families in the lower income groups to purchase homes; and

"Whereas the first 5 years of a mortgage are the critical years for young home buyers because of additional expenses in connection with buying a home such as furniture and landscaping; and

"Whereas 40-year mortgages with small monthly payments in the first 10 years to fit the increasing income of young home buyers whose job potential will enable them to pay larger monthly payments during the life of the mortgage would aid substantial numbers of Californians in obtaining a home and greatly stimulate the State's economy; and

"Whereas such payments could be based upon a 40-year term for the 5 years, a 30-year term for the second 5 years, with the outstanding principal balance, at the end of the 10 years, to be amortized over a term of 20 years, thus being 'stepped up' as the years go by and available income increases; and

"Whereas further aid and encouragement for home buyers could be secured by increasing loan limits and repayment periods for home improvement loans: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the legislature respectfully requests Congress to take such steps as are necessary to increase to 40 years the maximum period for which home loans may be insured by the Federal Government and also to increase the limits and liberalize the terms for home improvement loans, in order that the young home buyer and the low income home buyer may acquire and maintain a home on reasonable terms; and be it further

Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the

House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Finance:

"SENATE JOINT RESOLUTION 9

"Joint resolution relative to World War I veterans' pension

"Whereas many thousands of veterans of World War I are in dire circumstances and subjected to the indignity of public charity: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Congress of the United States is respectfully memorialized to provide for a World War I pension, and urged to adopt the program approved by the Legislative Committee of the Veterans of World War I of the United States of America; namely, that such a pension be in the amount of one hundred dollars (\$100) a month to veterans of World War I, exclusive of social security or other pensions to which the veteran is entitled; and be it further

"Resolved, That the secretary of the senate is hereby directed to prepare and transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Government Operations:

"SENATE JOINT RESOLUTION 18

"Joint resolution relative to acquisition of Federal surplus property by municipal and county governments

"Whereas the Federal Government now possesses and will continue to acquire considerable quantities of property no longer needed for their original governmental purposes; and

"Whereas much of this property, declared surplus, is stored and ultimately sold through the offices of the General Services Administration; and

"Whereas certain rights and privileges to the acquisition of this surplus property are accorded to nonprofit organizations and to school jurisdictions; and

"Whereas the rights and privileges of cities and counties to acquire such surplus property are severely restricted and are generally limited to purposes of civil defense; and

"Whereas much surplus property is purchased by private individuals for speculative purposes; and

"Whereas in effect, municipal and county jurisdictions do not have the same rights and privileges now enjoyed by school districts and by certain nonprofit groups; and

"Whereas all such surplus property has been purchased with public funds and paid for by the taxpayers; and

"Whereas it is generally deemed equitable that municipal and county governments should enjoy the same rights and privileges, insofar as surplus property is concerned, now accorded to school districts and to nonprofit organizations; and

"Whereas the rights and privileges of cities and counties should in all justice take precedence over the rights and privileges of private speculators: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to take appropriate administrative and legislative action which will grant to municipal and county governments the same rights and privileges now granted to school districts and other

nonprofit organizations with respect to the acquisition of Federal surplus property; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

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

"ASSEMBLY JOINT RESOLUTION 13

"Joint resolution relative to the national forests

"Whereas, the State of California, in 1959 and 1960 suffered irreparable damage from forest fires to the natural resources upon which its future depends; and

"Whereas the U.S. Forest Service has plans for improvements in fire prevention and fire preparedness to meet the challenge of increasing use of our national forests; and

"Whereas the need for increased fire prevention and fire preparedness, improved access, and facilities for meeting the recreational needs of an expanding population is recognized in the program for the national forests presented to the 86th Congress of the United States; and

"Whereas it is clearly in the interest of all the people of the United States and of the State of California that forest fire losses and firefighting costs be reduced through improved management, prevention, and preparedness programs: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to fully and promptly redeem the responsibility of the United States for the protection and management of the national forests in California as provided for in the program for the national forests which was presented to the 86th Congress of the United States; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Interstate and Foreign Commerce:

"SENATE JOINT RESOLUTION 15

"Joint resolution relating to predatory animals

"Whereas in recent years there has been an alarming increase in the population of predatory animals in California; and

"Whereas this increase in predator population poses a serious threat, not only to agricultural and wildlife interest, but to public health because certain of these predatory animals are a definite factor in rabies control; and

"Whereas 46 percent of the land of California is now owned by the Federal Government, and this land serves as a reservoir of predatory animals; and

"Whereas at the present time, the share of the costs borne by the Federal Government for the cooperative predator control program, estimated at 18 percent, is not proportionate to the percentage of land held by the Federal Government in California; and

"Whereas State and county agencies and grower organizations interested in the problem of predator control are contributing their

fair share of the cost of the existing cooperative program; and

"Whereas unless additional Federal funds are made available, the rabies control problem will become more severe, and agricultural and wildlife interests will continue to experience increased losses: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Congress of the United States is memorialized to take such steps as may be necessary to make available additional funds to the Bureau of Sport Fisheries and Wildlife of the U.S. Department of Interior for an expanded cooperative program of predatory animal control in California; and be it further

"Resolved, That the Secretary of the Senate is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

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

"SENATE JOINT RESOLUTION 20

"Joint resolution relative to a minimum wage law for agricultural workers

"Whereas farms and agricultural workers are one of the foundation stones on which our Nation rests; and

"Whereas, the United States is a bulwark of the free world in the fight for peace and freedom and against communism, and without a strong farm economy this Nation cannot maintain its position in the free world; and

"Whereas, the health and welfare of our country depends in large part on the food produced by our farms, and without sufficient experienced and competent agricultural workers, our crops cannot be properly harvested and our farms cannot prosper and play their part in maintaining a healthy and strong America; and

"Whereas, for the past several decades agricultural workers in many regions of the United States have not received an adequate proportion of the Nation's agricultural earnings and, in some areas of the United States, such workers have had to subsist on an extremely low annual wage as compared with other agricultural workers; and

"Whereas, California farmers must compete in the sale of farm products with other States having not only a more favorable freight rate, but which in addition pay wages to their farm workers far less than those paid in California and the West, thus putting California and western agriculture at a tremendous disadvantage in the highly competitive national market for farm products; and

"Whereas, the Federal Government has not enacted a national minimum wage law that applies to the agricultural workers throughout the country, which wage would be of tremendous benefit to the national farm economy; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact a national minimum wage law for the agricultural workers of the Nation; and be it further

"Resolved, That the secretary of the senate is hereby directed to transmit suitably prepared copies of this resolution to the President and Vice President of the United States, the Secretary of Agriculture, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

Two resolutions of the Assembly of the State of California; to the Committee on Finance:

"HOUSE RESOLUTION 141

"Resolution relative to construction of a Customs Office, appraiser's store and warehouse in the Los Angeles harbor area

"Whereas the General Services Administration of the United States is scheduled to begin construction sometime this year of a Customs House and Federal office building at the Civic Center of the city of Los Angeles; and

"Whereas the Civic Center of the city of Los Angeles is more than 25 miles from the Los Angeles harbor area where foreign goods are unloaded from incoming ships and sent to their ultimate destination throughout the United States; and

"Whereas a substantial portion of the duties of the employees of the U.S. Bureau of Customs involve appraisal, inspection, and other activities with respect to such imported goods; and

"Whereas if the sole customs office in the Los Angeles area is maintained in the traffic-choked Civic Center of Los Angeles this will create great hardship and inconvenience for persons dealing with the Bureau of Customs and employees of the Bureau of Customs: Now, therefore, be it

"Resolved by the Assembly of the State of California, That this body respectfully memorializes the President and the Congress of the United States to construct a deputy collector of customs office, an appraiser's store, and a bonded warehouse in the Los Angeles harbor area, in addition to the customs house and Federal office building scheduled to be built at the Los Angeles Civic Center; and be it further

"Resolved, That the chief clerk of the assembly is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator from this State and to Representatives CECIL R. KING and GORDON L. McDONOUGH."

"HOUSE RESOLUTION 128

"Resolution relating to the unregulated importation of foreign-made musical recordings

"Whereas the Assembly of the State of California, in its concern for the future of American music, deplors the widespread substitution of foreign-made recordings for the skills of American musicians in the production of television film programs designed to sell American products to the American consumer; and

"Whereas the unregulated importation of foreign-made musical recordings is a deplorable circumvention of Federal laws designed to protect American instrumentalists from cutrate competition that contributes nothing to the desirable exchange among nations of genuine musical and artistic expressions: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the members of this body express their condemnation of the unregulated importation of foreign-made sound tracks and their use in wholly American television productions, and do hereby call upon the Congress of the United States to enact laws to prevent these abuses; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A concurrent resolution of the Legislature of American Samoa; to the Committee on Interior and Insular Affairs:

"SENATE CONCURRENT RESOLUTION 2

"Resolution expressing appreciation of the Legislature of American Samoa to Peter T. Coleman for his efforts as Governor of American Samoa

"Whereas the Honorable Peter Tall Coleman has served the people of American Samoa for 4 years in the capacity of Governor; and

"Whereas Governor Coleman, the first native Governor, has guided the people of American Samoa successfully through the period of great change and rapid progress in the social, political, and economic development of the territory, in spite of hardship and obstacles; and

"Whereas the people of American Samoa realize that they owe much to Governor Coleman for his unflinching and great personal interest in the welfare of his people and his territory; and

"Whereas the people of American Samoa wish to express their gratitude to Governor Coleman for his leadership, guidance, and assistance; and

"Whereas it is appropriate that the gratitude of the people be expressed by their elected representatives: Now, therefore, be it

"Resolved by the Senate of the Seventh Legislature of American Samoa (the House of Representatives concurring), That the gratitude of the people of American Samoa and their sincere thanks be, and are hereby extended to the Honorable Peter Tall Coleman, Governor of American Samoa, for his able leadership and guidance, and for his unswerving loyalty to, and interest in his people and his territory; and be it further

"Resolved, That certified copies of this concurrent resolution be forwarded to the President of the United States, President of the Senate, Speaker of the House of Representatives of the Congress, Secretary of the Interior, and to the press of Hawaii and the press of Western Samoa for publication and dispersal."

A resolution adopted by the Board of Commissioners of the City of Edinburg, Tex., favoring the establishment of a railway and vehicular bridge across the Rio Grande River at a point south of Pharr, Tex.; to the Committee on Foreign Relations.

The petition of committee of editors of The Free Hungarians (Szabad Magyarok), of New York, N.Y., relating to the protection of American youth from certain licentious individuals and groups; to the Committee on Labor and Public Welfare.

**JOINT RESOLUTIONS OF NEVADA
LEGISLATURE**

Mr. BIBLE. Mr. President, my native State of Nevada will be 100 years old in 1964, and plans are already under way for an appropriate observance of this significant occasion.

The State Senate of the Nevada Legislature has adopted two joint resolutions urging proper action of memorials passed by the 1960 legislature, which requested the President of the United States and the Postmaster General to cause to be issued a centennial stamp and commemorative coins.

Mr. President, I ask unanimous consent that these two joint resolutions be printed in the RECORD at the conclusion of my remarks, and appropriately referred.

The VICE PRESIDENT. The joint resolutions will be received and appropriately referred.

The joint resolutions presented by Mr. BIBLE were received, appropriately referred, and, under the rule, ordered to be printed in the RECORD, as follows:

To the Committee on Banking and Currency:

"SENATE JOINT RESOLUTION 2

"Joint resolution endorsing the action of the 50th session of the legislature memorializing the Congress and the President of the United States to cause to be issued silver coins commemorating the centennial of the admission of the State of Nevada into the Union

"Whereas by act of Congress Nevada was admitted to the Union October 31, 1864; and

"Whereas during the year 1964, the people of the State of Nevada expect to celebrate with creditable pageantry and commemoration, the 100th anniversary of the admission of the State of Nevada into the Union; and

"Whereas Nevada was one of the richest and most famous silver-producing areas of all time; and

"Whereas the revenues resulting from such silver production aided materially in maintaining the integrity of the Union and in the great industrial expansion of the entire country; and

"Whereas Nevada is known as the Silver State; and

"Whereas Congress has many times previously authorized the issuance by the United States Treasury of commemorative coins for other States; and

"Whereas the members of the 50th session of the Legislature of the State of Nevada adopted a resolution memorializing the Congress of the United States to enact such legislation, and the President of the United States to take such action as necessary to issue commemorative silver coins commemorating the 100th anniversary of the admission of the State of Nevada into the Union: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada, jointly, That the Legislature of the State of Nevada endorses the action of the 50th session of the legislature memorializing the Congress and the President of the United States to take such action as may be necessary to issue commemorative silver coins commemorating the 100th anniversary of the admission of the State of Nevada into the Union; and be it further

"Resolved, That such coins be delivered to the Nevada Centennial Commission upon payment therefor, and that such commission be, and it hereby is, authorized to sell and distribute such coins; and be it further

"Resolved, That certified copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the President and Vice President of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, and each Senator and the Representative from the State of Nevada in the Congress of the United States.

"Passed by the assembly February 7, 1961.

"CHESTER S. CHRISTIANSEN,

"Speaker of the Assembly.

"NATHAN T. HURST,

"Chief Clerk of the Assembly.

"Passed by the senate January 31, 1961.

REX BELL,

"President of the Senate.

"LEOLA H. ARMSTRONG,

"Secretary of the Senate.

"GRANT SAWYER,

"Governor of the State of Nevada."

To the Committee on Post Office and Civil Service:

"SENATE JOINT RESOLUTION 3

"Joint resolution endorsing the action of the 50th session of the legislature memorializing the President of the United States and the Postmaster General to cause to be issued a centennial stamp in commemoration of the 100th anniversary of the admission of the State of Nevada into the Union

"Whereas by act of Congress Nevada was admitted to the Union October 31, 1864; and

"Whereas during the year 1964, the people of the State of Nevada will celebrate the 100th anniversary of the admission of the State of Nevada to the Union; and

"Whereas the members of the 50th session of the Legislature of the State of Nevada adopted a resolution memorializing the President of the United States and the Postmaster General to cause to be issued a centennial stamp in commemoration of the 100th anniversary of the admission of the State of Nevada into the Union: Now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada, jointly, That the Legislature of the State of Nevada endorses the action of the 50th session of the legislature memorializing the President of the United States and the Postmaster General to cause to be issued a centennial stamp in commemoration of the 100th anniversary of the admission of the State of Nevada into the Union; and be it further

Resolved, That certified copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the President and Postmaster General of the United States, and to the Nevada congressional delegation.

"Passed by the assembly February 6, 1961.

"CHESTER S. CHRISTMAN,

Speaker of the Assembly.

"NATHAN K. HURST,

Chief Clerk of the Assembly.

"Passed by the senate, January 31, 1961.

"REX BELL,

President of the Senate.

"LESLIE H. ARMSTRONG,

Secretary of the Senate.

"GRANT SAWYER,

Governor of the State of Nevada."

**DIXIE RECLAMATION PROJECT,
UTAH—CONCURRENT RESOLUTION
OF UTAH LEGISLATURE**

Mr. MOSS. Mr. President, ordinarily I would only ask unanimous consent to place in the RECORD a Utah State Senate concurrent resolution memorializing the Congress to give favorable consideration to a bill I have introduced to authorize the Dixie reclamation project in southern Utah.

But this memorial deals with a matter of such great urgency to the people of my State that I want to comment briefly on it.

We have talked a great deal recently about the impending water crisis in this country, and the Senate Select Committee on Water Resources, of which I was a member, has given us a massive array of facts and forecasts upon which to base our water resource policies of the future.

In southern Utah the water crisis is here and now. We have had a series of dry years, climaxed this year by one of the driest winters on record. Every drop of water is almost literally as valuable as a nugget of gold, and we are search-

ing for water supplies as relentlessly as the early prospector searched for the precious yellow mineral.

One valuable source of unharnessed and not wholly used water in southern Utah is the Virgin River, and its tributary the Santa Clara, both of which now run into the giant Colorado. Because the waters of the Colorado have been involved in litigation between the States of California and Arizona, the small Utah project—the Dixie project—has been stymied. But now since it appears that the controversy may be shortly settled, and since the studies of the Bureau of Reclamation, due for release in a couple of months, indicate that the project is feasible, the time is approaching when the Dixie project can be authorized. The details of the project—the amount of supplemental water which will be furnished for the parched acres in Washington County, and the other benefits which would be available to Utah's Dixie in the southern part of the State—are explained in detail in the memorial which I now ask to have placed in the RECORD.

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

SENATE CONCURRENT RESOLUTION 2

Concurrent resolution of the Senate and House of Representatives of the 34th Legislature of the State of Utah, memorializing the favorable consideration by the Secretary of the Interior and the authorization by Congress of the Dixie project

Be it resolved by the Legislature of the State of Utah, the Governor concurring therein:

Whereas a plan for the development of the Dixie project has been devised through the cooperation and acknowledgement of many agencies—Federal, State, local, and private; and

Whereas the Dixie project would consist of two divisions: the Hurricane division, which would develop the available water and land resources along the Virgin River; and the Santa Clara division, which would develop these resources along the Santa Clara River; and

Whereas the project contemplates furnishing a supplemental water supply to 21,030 acres, including 7,900 acres of irrigated land in the Hurricane division, and 1,560 acres in the Santa Clara division, and development of 9,200 acres of new land in the Hurricane division, and 2,370 acres of new land in the Santa Clara division; and

Whereas hydroelectric power would be developed at three power plants, the revenue from which would assist in repaying the reimbursable project costs; and

Whereas construction of the Dixie project would result in substantial benefits from irrigation and power development, and lesser benefits from flood control, sediment control, fish and wildlife conservation and recreation; and

Whereas the conservation and regulation of the available water resources to provide firm water supplies would increase agricultural production in the existing irrigated areas, thereby increasing the net income of the farmers, and would enable increasing the irrigated acreage by 11,570 acres, or by 127 percent; and

Whereas the new acreage would enable blocking up present small farm units and the development of about 250 new farms, which could be taken up by veterans and

local people who otherwise would be forced to seek a livelihood elsewhere; and

Whereas local business enterprises would be materially benefited, and additional business opportunities would be developed, and the improved economic conditions would have local, State, and National significance; and

Whereas the benefit-cost ratio and repayment possibilities are highly favorable; and

Whereas recent litigation in the Colorado River controversy established the right of the State of Utah to exploit the water needed to bring about the consummation of the Dixie project: Now, therefore be it

Resolved by the 34th Legislature of the State of Utah, the Governor concurring therein, That the Secretary of the Interior give favorable consideration to the construction and development of the Dixie project; and be it further

Resolved by the 34th Legislature of the State of Utah, the Governor concurring therein, That the 86th Congress of the United States of America be and is hereby memorialized to promptly, thoroughly, and fairly consider and favorably act upon legislation to authorize the Dixie project; and be it further

Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of Congress, the congressional delegation from the State of Utah, the Secretary of the Interior, and the Commissioner of Reclamation

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Utah, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.

**RESOLUTION OF BOARD OF DIRECTORS,
CHAMBER OF COMMERCE,
KANSAS CITY, MO.**

Mr. CARLSON. Mr. President, at a meeting of the Board of Directors of the Chamber of Commerce of Kansas City a resolution was adopted opposing a change in the present policy of operation of the multiple-purpose reservoirs on the main stem of the upper Missouri River.

I ask unanimous consent that the resolution be printed in the RECORD, and referred to the appropriate committee.

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

**USE OF MISSOURI RIVER PRIMARILY FOR POWER
PRODUCTION OPPOSED**

At a meeting of the board of directors of the Chamber of Commerce of Kansas City, Missouri, on January 26, 1961, the following resolution was approved:

Resolved, That the Chamber of Commerce of Kansas City strongly opposes change in the present policy of operation of the multiple-purpose reservoirs constructed under the authority given in the Flood Control Act of 1944 on the upper Missouri River, which would make the production of the maximum amount of firm hydroelectric power the primary consideration in the release of water. This change would not only be a departure from the objectives of the reservoir construction agreed upon and established when the reservoirs were authorized but would be a breach of faith with all downstream interests which supported

the proposal for their construction. Operation primarily, instead of incidentally, for hydroelectric power production is wholly incompatible with flood control, navigation on the lower river, as well as irrigation in the upstream areas. We believe the true objectives are adequately expressed in existing legislation and have been followed in the operating program of the Army Engineers and in the resolutions of the Coordinating Committee of the Missouri River Basin Inter-Agency Committee. We condemn as unfair and not in the public interest any change which would militate against the multiple-purpose concept of reservoir operation and use originally agreed upon and now in effect; be it further

"Resolved, That copies of this resolution be forwarded to the Governors of Missouri and Kansas and to all Members of Congress from those States."

CONSERVATION OF WATER—RESOLUTIONS, EDITORIAL, AND EXCERPT

Mr. CARLSON. Mr. President, a decision by the board of directors of the Wakarusa Watershed Joint District No. 35, which was approved at a meeting on February 9, 1961, could be one of the most important decisions reached in regard to the control of water runoff in our State's history.

Everyone agrees that the control of water runoff and the preserving of water for beneficial uses is the No. 1 problem in our State, but the method of carrying this program into effect has been a subject of much controversy. The controversy has been between those advocates of large flood control projects versus the control of water runoff through smaller-type dams covering a watershed.

The board of directors of the Wakarusa watershed area urged that their watershed organization cooperate with every other agency of the Government in trying to work out a joint program of solving our land and water problems. This is most commendable and I ask unanimous consent that the resolution adopted at their board meeting on February 9, be printed in the RECORD.

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

Whereas we, the board of directors of the Wakarusa Watershed Joint District No. 35, fully aware of the responsibility of our duties to control and supply water as a vital resource, now face the challenge to move ahead with all speed and establish a firm policy to work cooperatively with any and all governmental agencies, National, State and local, charged with the solving of land and water problems; and

Whereas the proposal by the Corps of Engineers for the Clinton Reservoir and the Wakarusa watershed program are both being advanced at this time, and whereas, it appears that there may be some overlapping of proposals and objectives; that various opinions exist in regard to a seeming conflict of effort and goals of the two groups; that it is the conviction of some that there is a definite need on the Wakarusa watershed for both programs, that it is believed by many on the basis of available facts that through cooperation and coordination these two conservation and flood control programs can be carried forward together, resulting in a more complete and desirable program for the common good; and

Whereas the Wakarusa watershed involves approximately 335,000 acres with approximately two-thirds of this acreage above or the west of the proposed Clinton Reservoir and the balance of the land being below or the east of the reservoir, with the various tributaries leading into the Wakarusa, both above and below the reservoir, it appears that this area presents an excellent opportunity to develop a valuable pilot project resulting in a valuable forward-looking demonstration of complete conservation and flood control with wise use of water resources: Be it therefore

Resolved, That we, the board of directors of the Wakarusa watershed, therefore, recognize the sincerity and value of other proposals for the development of the Wakarusa Valley, and hereby agree to continue to explore the pressing need of cooperation, and alternate solutions of the common problems, always keeping foremost in mind that the primary obligation of the board of directors of the Wakarusa watershed is to bring into being the most workable watershed program possible for the benefit of a greatest number of people, consonant with the apparent needs for the full utilization of our water resources for those in the valley, now and in the foreseeable future, and that all resolutions and motions previously passed by this board which are in conflict with this motion are hereby rescinded.

Mr. CARLSON. Mr. President, in view of the preceding resolutions which I have submitted for the RECORD, it is interesting to note that the Missouri-Arkansas Basins Flood Control and Conservation Association at its annual meeting on September 9, 1960, adopted a somewhat similar resolution.

This resolution again stresses the need for a sound and necessary soil and water management program on our watersheds.

The action taken by the Missouri-Arkansas Basins Flood Control and Conservation Association and our citizens generally should hasten the day when we can control the water runoff on a watershed basis, as well as by large flood control projects on our main streams.

Water is our No. 1 problem and we are making progress on it.

I ask unanimous consent that the resolution adopted at the annual meeting on September 9, 1960, be printed in the RECORD.

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

Be it further resolved, That these resolutions should not close without the expressed commendation by the members of this association for the work being done by soil conservation districts, the State extension services, and the Soil Conservation Service of the U.S. Department of Agriculture. This program constitutes and provides for the development of sound and necessary soil and water management practices on uplands and watersheds as supplementary to, although not a substitute for, large impounding reservoirs essential to flood control and water conservation in the lower river valleys. Mo.-Ark. Basins Association urges and supports the most rapid expansion of sound soil conservation and land management practices because they contribute to the control and conservation of water. Mo.-Ark. also urges the establishment of watershed districts and pledges our support to such districts for the supplemental part of the basin development program. The Mo.-Ark. Basins Association hereby goes on record as recognizing the full importance of the complete program of soil and water conservation and shall render such

support as possible to the conservation projects in the upper reaches of the river basins tributaries in Kansas, Missouri, Iowa, and Nebraska. The Mo.-Ark. Basins Association urges the Secretary of Agriculture to provide adequate funds for planning these watershed projects in order that local groups in these watershed districts may complete their projects which, when completed, along with the other land treatment practices, will greatly reduce the silt load of streams and reduce the siltation problem in large reservoirs, which will thereby complement the effectiveness of the large downstream reservoirs.

Mr. CARLSON. Mr. President, I also ask that an editorial entitled "The Only Way To Work," which appeared in the Manhattan Mercury, Thursday, February 16, 1961, be made a part of these remarks.

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

THE ONLY WAY TO WORK

One of the enduring controversies—at least in Kansas—in the field of water conservation and flood control is and has been between the so-called big dammers and the watershed folks.

Some progress at reaching a meeting of the minds or at least more mutual understanding has been made in recent years. But there is still a long way to go. So touchy are the extremes, as a matter of fact, that it is still difficult to discuss the subject in a mixed audience without provoking violent arguments and accusations. Happily, however, as we have mentioned, there has been some progress in at least reaching some understanding. Gradually the line of thinking that there is indeed room for both approaches has taken hold in more and more minds.

A number of groups once dedicated almost solely to the promotion of the big dam philosophy have expanded their efforts to encourage the growth of the local and district programs. Excellent examples of this type of across-the-board action are the Missouri-Arkansas Basins Flood Control and Conservation Association (commonly known as Mo.-Ark.) and the Kansas Committee for Flood Control and Soil and Water Conservation of which Frank (Chief) Hauke, of Council Grove, is the chairman.

At the risk of stating what may be an unfair generalization we would say that the watershed adherents have not been so amenable to broadening their thinking. More often than not their approach has been to want to erect stop signs against all big dam projects that might encroach on what they adjudge to be their private domains. We hasten to add that we are in no way suggesting the deceleration of watershed programs. They should, to the contrary, be speeded up. At the same time, however, the program should not be used as merely a tool to forestall any and all other programs. Efforts should be made to objectively weigh the merits of each in the light of the best overall interests and ways should be found to promote the meritorious ones, whatever they may be, as complementary projects one to the other.

Apparently this is the thinking behind what we believe is a most significant step taken recently in the Wakarusa watershed district near Lawrence. Confronted with the prospect of having a big dam (Clinton Reservoir) in the watershed district, the directors of the district have not grabbed loaded muskets and climbed into the trenches. Instead, by formal resolution, they have declared a policy of cooperation "with any and all government agencies, National, State, and local, charged with the

solving of land and water problems," to quote the resolution directly.

The district realistically points out that there may be some overlapping between the two projects, some conflict of effort and goals and that there are differences of opinion. But, says the resolution of the district directors, "It is believed by many on the basis of available facts that through cooperation and coordination these two conservation and flood control programs can be carried forward together, resulting in a more complete and desirable program for the common good."

Getting down to even more specific positions, the district goes so far as to suggest that the Wakarusa watershed project involving about 335,000 acres and the Clinton Reservoir be used as a pilot study to determine if perhaps through complementary action there can be a demonstration of complete conservation and flood control.

The district directors, concluding their precedent-setting resolution, stress that they recognize the sincerity and value of other proposals for the Wakarusa Valley. And significantly they not only reiterate their promise to cooperate with other groups but also recognize that they have actually a dual obligation: first, to develop a worthy local project, and second, to see that their own program makes a contribution to the best possible utilization of the water resources of the entire valley.

To say that this is an admirable stand is to not pay sufficient compliments to the directors of the Wakarusa Watershed District.

It has long been our contention that there has been an alarming lack of initiative in trying to coordinate the efforts of the various soil and water programs. Because of this lack of cooperation and coordination both programs have failed to achieve the state of accelerated progress that is needed in Kansas.

It must be hoped that the Wakarusa district has set an acceptable pattern of policies and action that will be adopted in other areas of the State. The stalemates that have been brought on by a refusal to cooperate are too costly to tolerate much longer.

Mr. CARLSON. Mr. President, I also ask unanimous consent that an excerpt from the platform adopted at the annual meeting of the Mississippi Valley Association on February 6, 1961, which urges the several States to pass enabling legislation to create public agencies with power to contract with local, State, and Federal agencies to develop small watershed conservation programs be made a part of these remarks.

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

EXCERPT FROM PLATFORM ADOPTED AT ANNUAL MEETING OF MISSISSIPPI VALLEY ASSOCIATION, FEBRUARY 6, 1961, IN ST. LOUIS

We urge the several States to pass enabling legislation to create public agencies with power to contract with local, State, and Federal agencies to develop small watershed conservation programs. The small watershed program under Public Law 566 is doing an effective job of providing water retention on a local basis with local organizations doing most of the work. We urge Congress to provide adequate continuing appropriations for planning and surveys on these projects. In order to encourage development of watershed districts in basins where there is also a recommended reservoir, we urge the Federal and State Governments to give proper reimbursement and just credit to the local landowners in the watershed districts in return for the contributions made

by the watershed development to the reservoir by increased water storage and reduced siltation.

VERTICAL CLEARANCES OF CERTAIN BRIDGES—OPPOSITION TO H.R. 2790

Mr. WILEY. Mr. President, currently a bill, H.R. 2790, is pending before the Public Works Committee in the House of Representatives. The bill proposes to modify vertical clearances of bridges to be constructed across the Mississippi River. As I understand it, hearings are scheduled to be held on the measure—and a related bill, H.R. 4466—on March 21. Recently, I received a letter from the State Highway Commission of Wisconsin expressing opposition to the enactment of H.R. 2790. The views of the commission, I believe, warrant the consideration of both the Senate and House Public Works Committees, as well as of all Members of Congress.

I request unanimous consent to have the letter printed at this point in the RECORD.

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

MADISON, WIS., March 7, 1961.

Subject: Bill H.R. 2790.
The Honorable ALEXANDER WILEY,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR WILEY: For Wisconsin, the State highway commission is greatly concerned over the possible enactment into law of bill H.R. 2790 presented by Congressman PRICE, of Missouri, now pending before the Congress, as it relates to the vertical clearance required for fixed highway bridges across the navigation channel of the Mississippi River upstream from the mouth of the Illinois River.

The highway commission is informed that on February 6, 1961, the Corps of Engineers, U.S. Army, announced that effective immediately new standard vertical clearance requirements for construction of bridges across the Mississippi River upstream from the mouth of the Illinois River would be not less than 45 feet above river levels reached 98 percent of the time and 50 feet above normal navigation pool stage. Such vertical clearance requirement would result in a reduction of about 10 to 13 feet under previous requirements. This new vertical clearance requirement established by the Corps of Engineers is in substantial accord with the recommendation made to the Corps of Engineers by the highway departments of the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin.

It is our understanding that under bill H.R. 2790, now pending before the Congress, the vertical clearance for new bridges constructed across the upper reaches of the Mississippi River would need be not less than the vertical clearance of the next bridge upstream having the lowest vertical clearance.

The standard proposed by bill H.R. 2790, with respect to pending and future bridges which may be constructed across the Mississippi River on the Wisconsin boundary, would in effect restore the former standard of vertical clearance, namely, about 55 feet above extreme high water level.

The Highway Commission of Wisconsin considers the clearance requirements proposed by bill H.R. 2790 to be excessive and arbitrary, causing unjustified additional costs

of bridge construction, and therefore contrary to the public interests. The highway commission respectfully recommends that you oppose the enactment into law of bill H.R. 2790.

Very truly yours,
STATE HIGHWAY COMMISSION OF WISCONSIN.
V. L. FIEDLER, Secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Banking and Currency, with amendments: S. 900. A bill to provide for the striking of medals in commemoration of the 250th anniversary of the founding of Mobile, Ala. (Rept. No. 68).

UTILIZATION OF TELEVISION TRANSMISSION FACILITIES IN EDUCATIONAL PROGRAMS—REPORT OF A COMMITTEE—ADDITIONAL COSPONSORS OF BILL

Mr. MAGNUSON. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorably, with an amendment, the bill (S. 205) to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs, and I submit a report (No. 67) thereon. I ask unanimous consent that the names of Senators PASTORE, MONRONEY, SMATHERS, YARBOROUGH, ENGLE, BARTLETT, HARTKE, MCGEE, KEFAUVER, BUTLER, COTTON, CASE of New Jersey, MORTON, and SCOTT may be added as additional cosponsors of the bill.

The VICE PRESIDENT. The report will be received and printed, and the bill will be placed on the calendar; and, without objection, the names of the additional cosponsors will be added to the bill, as requested by the Senator from Washington.

EXECUTIVE REPORTS OF COMMITTEES

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

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

Edward R. Murrow, of New York, to be Director of the U.S. Information Agency;

Donald M. Wilson, of New Jersey, to be Deputy Director of the U.S. Information Agency;

J. Graham Parsons, of New York, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Sweden;

Avery F. Peterson, of Idaho, a Foreign Service officer of class 1, to be the representative of the United States of America to the 17th session of the Economic Commission for Asia and the Far East of the Economic and Social Council of the United Nations;

Miss Frances E. Willis, of California, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Ceylon; and

Frederick E. Nolting, Jr., of Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Vietnam.

By Mr. BIBLE, from the Committee on the District of Columbia:

Neville Miller, to be reappointed as a member of the District of Columbia Redevelopment Land Agency.

BILLS INTRODUCED

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

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

S. 1316. A bill to improve the land tenure patterns of the Fort Belknap Reservation; to the Committee on Interior and Insular Affairs.

By Mr. FONG (for himself and Mr. LONG of Hawaii):

S. 1317. A bill to change the designation of that portion of the Hawaii National Park on the Island of Hawaii, in the State of Hawaii, to the Hawaii Volcanoes National Park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CARLSON:

S. 1318. A bill to provide for the establishment of the Fort Scott National Historic Site, in the State of Kansas, and for other purposes; and

S. 1319. A bill to establish Huron Cemetery, Kansas City, Kans., as a national monument; to the Committee on Interior and Insular Affairs.

S. 1320. A bill to amend the Civil Service Retirement Act to increase to 2½ percent the multiplication factor for determining annuities for certain Federal employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. FULBRIGHT (for himself, Mr. FONG, Mr. HOLLAND, Mr. McCLELLAN, Mrs. NEUBERGER, Mr. SPARKMAN, Mr. THURMOND, and Mr. LONG of Louisiana):

S. 1321. A bill to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine; to the Committee on Armed Services.

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

By Mr. BURDICK:

S. 1322. A bill to amend sections 9 and 40 of the U.S. Employees' Compensation Act, as amended; to the Committee on Labor and Public Welfare.

By Mr. KEFAUVER:

S. 1323. A bill for the relief of Eleni Tselou; to the Committee on the Judiciary.

By Mr. KEFAUVER (for himself and Mr. GORE):

S. 1324. A bill to authorize the donation for historical site purposes of a certain tract of land acquired by the Knoxville Housing Authority in connection with an urban renewal project undertaken in the city of Knoxville, Tenn., under title I of the Housing Act of 1949; to the Committee on Banking and Currency.

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

By Mr. CASE of South Dakota:

S. 1325. A bill to transfer administrative control and jurisdiction over the National Zoological Park to the Department of the Interior; to the Committee on Public Works. (See the remarks of Mr. CASE of South Dakota when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE:

S. 1326. A bill to further amend the act of August 7, 1946 (60 Stat. 896), as amended

by the act of October 25, 1951 (65 Stat. 657), as the same are amended, by providing for an increase in the authorization for funds to be granted for the construction of hospital facilities in the District of Columbia; by extending the time in which grants may be made; and by authorizing a grant for funds to the George Washington University Hospital, and for other purposes; to the Committee on the District of Columbia.

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

By Mr. BIBLE (by request):

S. 1327. A bill to amend section 4(a) of the act of April 1, 1942, so as to confer jurisdiction on the Municipal Court for the District of Columbia over certain counter-claims and cross-claims in any action in which such court has initial jurisdiction; and

S. 1328. A bill to authorize the establishment of a junior college division within the District of Columbia Teachers College, and for other purposes; to the Committee on the District of Columbia.

By Mr. MCCARTHY:

S. 1329. A bill relative to the place of delivery of certain food commodities; to the Committee on Agriculture and Forestry.

S. 1330. A bill to repeal the tax on transportation of persons; and

S. 1331. A bill to amend section 4456 of the Internal Revenue Code of 1954 with respect to the method of paying the tax on playing cards; to the Committee on Finance.

S. 1332. A bill for the relief of Tsao Hsin Pao; to the Committee on the Judiciary.

S. 1333. A bill to amend the Hatch Act to permit all officers and employees of the Government to exercise the full responsibility of citizenship and to take an active part in the political life of the United States; to the Committee on Rules and Administration.

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

S. 1334. A bill to provide that private aircraft may travel between the United States and Canada or Mexico without requiring the owners or operators thereof to reimburse the United States for extra compensation paid customs officers and employees; to the Committee on Finance.

By Mr. YARBOROUGH:

S. 1335. A bill for the relief of W. B. J. Martin; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 1336. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits under such title; to the Committee on Finance.

By Mr. JAVITS (for himself and Mr. KEATING):

S. 1337. A bill to amend the Civil Service Retirement Act so as to increase, in the case of children attending school, from 18 to 21, the maximum age for receiving benefits under such act; to the Committee on Post Office and Civil Service.

S. 1338. A bill to increase, in the case of children who are attending school, from 18 to 21 years the age until which child's insurance benefits may be received under title II of the Social Security Act; and

S. 1339. A bill amending title II of the Social Security Act to permit certain children to receive benefits thereunder on the basis of the wages and self-employment income of an individual who has supported them; to the Committee on Finance.

By Mr. JAVITS:

S. 1340. A bill to amend the Civil Service Retirement Act so as to enable the Government to retain the services of experienced employees who are eligible for retirement by encouraging their continued employment on

a part-time basis; to the Committee on Post Office and Civil Service.

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

By Mr. SMITH of Massachusetts:

S. 1341. A bill for the relief of Mrs. Olga Patramanis; to the Committee on the Judiciary.

By Mr. BYRD of Virginia (for himself and Mr. ROBERTSON):

S. 1342. A bill to provide that participation by members of the National Guard in the reenactment of the Battle of First Manassas shall be held and considered to be full-time training duty under section 503 of title 10, United States Code, and for other purposes; to the Committee on Armed Services.

By Mr. JAVITS:

S. 1343. A bill for the relief of Dr. Tung Hui Lin; to the Committee on the Judiciary.

By Mr. MUSKIE:

S. 1344. A bill to amend the Internal Revenue Code of 1954 to provide an increase in the amount for which a credit may be allowed against the Federal estate tax for estate taxes paid to States; to the Committee on Finance.

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

By Mr. BENNETT:

S. 1345. A bill for the relief of Joaquin Gil-Carrasco; to the Committee on the Judiciary.

S. 1346. A bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes; to the Committee on Government Operations.

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

RESOLUTION TO PRINT AS A SENATE DOCUMENT A STUDY ENTITLED "ACHIEVEMENTS DURING 8 YEARS OF A REPUBLICAN ADMINISTRATION"

Mr. DIRKSEN submitted a resolution (S. Res. 107) to print as a Senate document a study entitled "Achievements During 8 Years of a Republican Administration," which was referred to the Committee on Rules and Administration, as follows:

Resolved, That a study entitled "Achievements During 8 Years of a Republican Administration," inserted in the CONGRESSIONAL RECORD on March 9 at pages 3570 through 3578, be printed as a Senate document.

AMENDMENT OF NAVY RATION STATUTE TO PROVIDE FOR SERVING OF OLEOMARGARINE OR MARGARINE

Mr. FULBRIGHT. Mr. President, on behalf of myself, and the Senator from Hawaii [Mr. FONG], the Senator from Florida [Mr. HOLLAND], my colleague, the senior Senator from Arkansas [Mr. McCLELLAN], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Alabama [Mr. SPARKMAN], the Senator from South Carolina [Mr. THURMOND], and the Senator from Louisiana [Mr. LONG], I introduce a bill, for appropriate reference, which would amend the Navy ration statute to give the Navy permis-

sive authority to purchase margarine for table use.

The Navy does not have explicit authority to buy margarine for use as a table spread whereas the other armed services have this freedom of choice. There is no valid reason why the Navy should not be able to buy the foods it wants or that necessity requires it to use. The Navy, of course, operates throughout the world under varying climatic conditions, and there are many places where use of margarine as a table spread would be more practical than butter.

The Navy has indicated that it wants this legislation. It will probably not interfere with the Navy's use of surplus butter as has been claimed. The Navy will undoubtedly continue to use butter in large quantities as long as it is in surplus supply since it will be cheaper to use than margarine.

As most Senators know, this bill has been considered in the Senate before. A similar bill was considered in the last Congress but, unfortunately, it was re-committed to the Senate Armed Services Committee before coming to a final vote. I hope that at this session the bill will be favorably considered in both Houses in order to eliminate this discrimination against a good food made from American farm products.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1321) to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine, introduced by Mr. FULBRIGHT (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Armed Services.

DONATION OF A CERTAIN TRACT OF LAND TO THE JAMES WHITE'S FORT ASSOCIATION

Mr. KEFAUVER. Mr. President, on behalf of my colleague from Tennessee and myself, I introduce for appropriate reference a bill which would authorize the Knoxville Housing Authority to donate a certain tract of land to the James White's Fort Association.

The need for this proposed legislation was brought to my attention by many citizens in Knoxville, including Mayor John Duncan, County Judge Howard Bozeman, Mrs. Earle Coulter, and Mr. Joseph L. Sneed, of the James White's Fort Association, and Mr. Luke Wright, general manager of the East Tennessee Automobile Club.

It is the desire of citizens to restore the historic Gen. James White home and fort. General White founded the city of Knoxville, his home being built in 1786. Later he built three other cabins and a stockade, as defense against Indian attacks.

The Knoxville City Association of Women's Clubs has proposed restoration at a location adjacent to the present White Memorial Auditorium on land which is included in the Riverfront-Willow Street redevelopment project. The tract involved is slightly less than 1 acre in area and restoration of the

fort would add a great deal of character and interest to the redevelopment project and will inspire Knoxville's citizens and visitors with an appreciation of the role played by Gen. James White in Knoxville's birth and growth.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1324) to authorize the donation for historical site purposes of a certain tract of land acquired by the Knoxville Housing Authority in connection with an urban renewal project undertaken in the city of Knoxville, Tenn., under title I of the Housing Act of 1949, introduced by Mr. KEFAUVER, was received, read twice by its title, and referred to the Committee on Banking and Currency.

TRANSFER OF ADMINISTRATION OF THE NATIONAL ZOOLOGICAL PARK TO THE NATIONAL PARK SERVICE

Mr. CASE of South Dakota. Mr. President, I introduce, for appropriate reference, a bill which would transfer jurisdiction over the National Zoological Park in Washington from the Smithsonian Institution to the National Park Service. This agency would administer the Zoological Park as a part of Rock Creek Park.

There are now two entirely separate administrative jurisdictions over public areas along Rock Creek Park. The area from the creek mouth upstream to the Zoological Park is the responsibility of the National Park Service. The Zoological Park itself is the responsibility of the Smithsonian Institution, but beyond the Zoological Park as far as the District line the National Park Service is again responsible.

A merger of these two jurisdictions, the management of the National Zoological Park by the National Park Service, would effect a single administrative jurisdiction along the Rock Creek Valley from the mouth of Rock Creek to the Potomac River to the District line.

There are now two police organizations in the valley. A merger would reduce the number to one. The extensive National Capital Parks maintenance plant would become available for the day-to-day upkeep of the Zoological Park. Too, it would be administratively rational for the Zoological Park to be administered by the park authorities, as is the case with zoos in most cities.

There would, of course, be provision in such a transfer of jurisdiction that the existing Zoological Park employee staff would merge into the National Park Service.

Mr. President, the National Zoological Park has become one of the outstanding attractions in the National Capital. Other attractions around the city of the same general kind are administered by the National Park Service. Placing the Zoological Park under this same jurisdiction as part of Rock Creek Park would eliminate a competing jurisdiction of a very similar nature lying within the same confined area.

The two administrations could be merged, the two police agencies could be merged, and the two maintenance organizations could be merged.

Such an organizational structure would effect not only a more rational administration of the area, but substantial savings, resulting from more effective utilization of employees and equipment, could result as well.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1325) to transfer administrative control and jurisdiction over the National Zoological Park to the Department of the Interior, introduced by Mr. CASE of South Dakota, was received, read twice by its title, and referred to the Committee on Public Works.

INCREASED AUTHORIZATION FOR GEORGE WASHINGTON UNIVERSITY HOSPITAL EXPANSION

Mr. BIBLE. Mr. President, I introduce, for appropriate reference, a bill to permit a \$5 million expansion and renovation program at the George Washington University Hospital in the District of Columbia.

The bill amends the 1945 Hospital Center Act, which provides for grant-in-aid contributions for hospital facilities to private agencies in the District of Columbia.

Previously, seven District of Columbia hospitals and one proposed hospital have been authorized to share in the program including the Hospital Center itself, Children's, Casualty, Columbia, Providence, Georgetown University, Sibley, and the proposed Southeast Hospital.

This bill marks the first request of George Washington University Hospital to participate in the grant-in-aid program wherein a \$2½ million increase in authorization is sought, to be matched dollar-for-dollar by the university itself.

Mr. President, there is an urgency in this matter because of the rapid population growth of the Washington metropolitan area when we consider that present hospital facilities are inadequate in many cases to meet needs.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an explanation of the need for expansion and renovation of the George Washington University Hospital provided to me by the new university president, Thomas H. Carroll, whose stewardship of only 6 weeks has already been marked by a forward-looking, dynamic approach and one that served him so well in his 6 years as vice president with the Ford Foundation and previous service there dating back to 1953.

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

The bill (S. 1326) to further amend the act of August 7, 1946 (60 Stat. 896), as amended by the act of October 25, 1951 (65 Stat. 657), as the same are amended, by providing for an increase in the authorization for funds to be granted for the construction of hospital facilities in

the District of Columbia; by extending the time in which grants may be made; and by authorizing a grant for funds to the George Washington University Hospital, and for other purposes, introduced by Mr. BIBLE, was received, read twice by its title, and referred to the Committee on the District of Columbia.

The explanation presented by Mr. BIBLE is as follows:

THE NEED FOR EXPANSION AND RENOVATION OF THE GEORGE WASHINGTON UNIVERSITY HOSPITAL

The Washington Infirmary in Judiciary Square, the first general hospital in the District of Columbia, was made available by Congress as a clinical teaching center for the George Washington University School of Medicine in 1844. In 1867, the university received a building donated by Mr. W. W. Corcoran, at 1335 H Street, which became the medical school. From 1898 to 1948, the university maintained a 100 bed hospital adjacent to the school of medicine. The old university hospital on H Street served as a clinical facility of the school of medicine for 50 years, until the present teaching and research hospital of 400 beds was built in 1948 at the Washington Circle location.

The present George Washington University Hospital was built under conditions of wartime construction, limited by requirement in the enabling act of Congress that it be a 400 bed hospital, completed within an appropriated amount primarily for the purpose of providing beds for the care of patients. Inadequate provisions were made for lecture halls, classrooms, laboratories, and offices which should be a part of a teaching hospital in a university medical environment.

During the past 13 years, the present George Washington University Hospital has filled an important place in medical education and in community health. It has served as an essential clinical teaching and research facility of the school of medicine. Within the university hospital, patients, physician-teachers, and students have been brought together for complete and personalized care of the individual and for research into the medical unknown. Since its opening in 1948, however, many unanticipated patient services and teaching activities have had to be crowded into the building.

Hospital services have completely outgrown their original space requirements; accordingly, many programs of merit have had to be postponed. No expansion of one department or the initiation of a new program can be done without the elimination or curtailment of an existing program. All space in the university hospital is currently being used to its fullest. Certain services, such as pediatrics, ophthalmology and otorhinolaryngology, are handicapped for lack of beds for clinical teaching and patient care. Orthopedic and emergency facilities must be expanded to meet downtown community needs, especially since the removal of Emergency Hospital from New York Avenue and 17th Street NW., to the Hospital Center at Solders' Home.

When all clinical teaching services can be housed in the university hospital it will be possible to provide undergraduate students with more closely supervised clinics, conferences and patient responsibilities early in their educational experience. Currently, third year students must receive a major part of their initiation into clinical medicine in overcrowded quarters at the District of Columbia General Hospital.

The faculty believes that complete clinical teaching facilities should be centered in and around the university hospital so that

students may have closely coordinated instruction in the basic and clinical sciences. Thus prepared, senior students will be academically ready to take full advantage of the superb clinical experiences available in the university affiliated hospitals.

To illustrate the degree of utilization of the George Washington University Hospital, we cite the fact that in 1959 its occupancy was 85.3 percent. During the same period, according to the annual survey made by the American Hospital Association, the national average for hospitals with similar services was 76.4 percent, and for hospitals in the District of Columbia it was 78.8 percent.

During 1960 the hospital's occupancy was still higher, 87.8 percent. Waiting lists of 30 to 40 patients were common. Often a shortage of beds has made it necessary to cancel surgical procedures and to decline emergency admissions.

A further indication of the need for additional facilities is the experience of the hospital's emergency room which was intended to handle a maximum of 8,000 visits a year. For the past 4 years its volume of patients has been as follows: 1957, 9,143 patients; 1958, 11,876 patients; 1959, 12,704 patients; 1960, 14,375 patients.

An addition to and renovation of the university hospital will permit a balanced total teaching and research program for medical students and house staff physicians. It is estimated that 25 to 30 new beds are needed to establish a specialized university centered pediatric service. Ophthalmology and otorhinolaryngology will require approximately 30 additional beds. Properly to meet demands in orthopedics, urology, neurosurgery, and general surgery bed capacity must be increased; operating rooms will require renovation or replacement; additional special radiologic facilities are essential; recovery and intensive care rooms should be combined and relocated. Additional beds are needed for the medical and psychiatric services. While obstetric beds are currently adequate in number and possibly more than will be needed in the future, the gynecologic service beds are constantly oversubscribed.

Further space needs of the university hospital are: Adequate administrative offices; expanded laboratories; consolidation and expansion of the department of physical medicine; relocation and expansion of the emergency facilities; additional conference rooms; better admitting and business office space; additional kitchen and dining facilities; supply, storage and locker rooms; laundry and pharmacy space and a repair shop.

The addition to the university hospital represents the next step proposed by the administration of the university and by the faculty of the school of medicine in the development of a comprehensive medical center on the campus. A hospital capacity of approximately 500 beds is essential for the establishment of clinical teaching and research services adequate in size to accommodate the increased enrollment of students which will occur when the school of medicine is relocated near the university hospital.

To keep pace with the health and patient care needs of a rapidly expanding and ever-changing community, to prepare more well-qualified young physicians, to help fill the medical requirements of a growing Nation and to maintain research so essential to progress in medicine, the proposed addition to the George Washington University Hospital is an immediate and urgent need.

AMENDMENTS TO THE SOCIAL SECURITY ACT AND THE CIVIL SERVICE RETIREMENT ACT

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, five bills to amend the Social Security Act and the

Civil Service Retirement Act. One of the bills would lift the limitation of the amount of outside income a person may earn while receiving old age and survivors insurance benefits.

At present, under the Social Security Act, women over 62 and men over 65 do not receive full benefits if they earn more than \$1,500 annually until they reach 72, when the limitation no longer applies.

In view of today's high living costs, the present limitation is wholly unrealistic, and imposes a severe hardship on thousands of our senior citizens who have paid-in-full contributions, and, either by choice or by necessity, work full time or part time.

The other four bills—and the first three of them are cosponsored by my colleague, Senator KEATING, are as follows:

A bill to raise from 18 to 21 years the maximum age for children receiving survivors benefits if they continue to attend school.

A parallel bill for survivors under the civil service and postal retirement systems.

A bill to permit the payment of survivors benefits to foster children who have not been legally adopted, but have been cared for by a person who assumed full parental responsibility.

A bill to permit civil service retirees to work up to half time for the Federal Government without losing their annuity benefits.

These bills propose essential reforms in the social security law, in order to make the law more humane in its application; and the bills will also enable us to profit from the experience we have had in the administration of the law. I shall press for early action on these measures.

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

By Mr. JAVITS:

S. 1336. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits under such title; to the Committee on Finance.

By Mr. JAVITS (for himself and Mr. KEATING):

S. 1337. A bill to amend the Civil Service Retirement Act so as to increase, in the case of children attending school, from 18 to 21, the maximum age for receiving benefits under such act; to the Committee on Post Office and Civil Service.

S. 1338. A bill to increase, in the case of children who are attending school, from 18 to 21 years the age until which child's insurance benefits may be received under title II of the Social Security Act; and

S. 1339. A bill amending title II of the Social Security Act to permit certain children to receive benefits thereunder on the basis of the wages and self-employment income of an individual who has supported them; to the Committee on Finance.

By Mr. JAVITS:

S. 1340. A bill to amend the Civil Service Retirement Act so as to enable the Government to retain the services of experienced employees who are eligible for retirement by encouraging their continued employment on a part-time basis; to the Committee on Post Office and Civil Service.

COORDINATION OF FEDERAL AND STATE INHERITANCE, ESTATE, AND GIFT TAXES

Mr. MUSKIE. Mr. President, I introduce, for appropriate reference, a bill to coordinate Federal and State inheritance, estate, and gift taxes. Similar legislation has been introduced in the House of Representatives. I ask unanimous consent that the bill remain at the desk through Thursday, March 23, 1961, to enable additional Senators to give consideration to joining as cosponsors.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, this proposed legislation was drafted as the result of the first report to the President of the Advisory Commission on Intergovernmental Relations, of which I am a member. It represents an effort to correct inequities and restore the effectiveness of the Federal credit for inheritance and estate taxes paid to States. This credit provision was enacted by Congress 35 years ago to safeguard the States share of these revenues and to facilitate interstate tax uniformity. These objectives have not been realized.

The bill which I have introduced would increase the Federal estate tax credit for taxes paid to States so as to reserve for the States a relatively large proportion of the estate tax in the low tax brackets and a small proportion in the middle and upper brackets. This will stabilize State collections from these taxes and improve their distribution among the States. The new credit would be available to the taxpayers only after their respective States simplified their tax laws and adjusted their tax rates to avail themselves of the estate tax revenues to be relinquished by the Federal Government.

Property bequests at death are now taxed by the Federal Government and by 49 States (all States except Nevada). Gifts are taxed by the Federal Government and 12 States. This group of taxes now contributes annually about \$1.6 billion to Federal revenues and \$400 million to State revenues. The proposed legislation could ultimately represent a loss of several hundred million dollars in Federal revenues through relinquishing these revenues to the States. This loss of Federal revenue, however, will not begin for several years, because the States will have to be given time to bring their tax laws into conformity.

The report which stimulated this proposal represents the unanimous recommendation of the Advisory Commission on Intergovernmental Relations. Under Public Law 86-380, the Commission has the responsibility of recommending methods of coordinating and simplifying tax laws and administrative practices in order to achieve a more orderly and less competitive fiscal relationship between the levels of government and reduce the burdens of compliance for taxpayers. The Commission selected this group of taxes for priority attention because of the long history of agitation for legislative remedy by Governors, legislators, tax experts, and var-

ious national organizations. The estate-inheritance tax area is now characterized by tax overlapping and complexity, heavy tax compliance burdens for taxpayers, occasional multiple taxation, and relatively high administrative costs, out of all proportion to the small contributions these taxes make to most States' revenues.

It is to remedy these inequities that I sponsor this proposed legislation. I hope other Senators will join me in taking this practical step toward removing an important barrier to Federal-State cooperation and strengthening the operation of Federal and State revenue systems.

I ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1344) to amend the Internal Revenue Code of 1954 to provide an increase in the amount for which a credit may be allowed against the Federal estate tax for estate taxes paid to States, introduced by Mr. MUSKIE, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2011 of the Internal Revenue Code of 1954 (relating to credit for State death taxes) is amended by adding at the end thereof the following new subsection:

"(f) ALTERNATIVE CREDIT.—

"(1) ALLOWANCE OF CREDIT.—In lieu of the credit authorized by subsection (a) for estate, inheritance, legacy, or succession taxes the tax imposed by section 2001 may be credited with the amount of any estate tax actually paid to any State in respect of any property included in the gross estate (not including any such tax paid with respect to the estate of a person other than the decedent) of a decedent dying after December 31, 1963.

"(2) MAXIMUM AMOUNT OF CREDIT.—The credit allowed by this subsection shall not exceed the appropriate amount stated in the following table:

If the taxable estate is—	The maximum credit shall be—
Not over \$5,000.....	2.4 percent of the taxable estate.
Over \$5,000 but not over \$10,000.	\$120 plus 5.6 percent of the excess over \$5,000.
Over \$10,000 but not over \$30,000.	\$400 plus 10 percent of the excess over \$10,000.
Over \$30,000 but not over \$50,000.	\$2,400 plus 16 percent of the excess over \$30,000.
Over \$50,000 but not over \$100,000.	\$5,600 plus 22 percent of the excess over \$50,000.
Over \$100,000 but not over \$150,000.	\$16,600 plus 24 percent of the excess over \$100,000.
Over \$150,000 but not over \$500,000.	\$28,600 plus 6 percent of the excess over \$150,000.
Over \$500,000 but not over \$1,000,000.	\$49,600 plus 7 percent of the excess over \$500,000.
Over \$1,000,000 but not over \$2,500,000.	\$84,600 plus 9 percent of the excess over \$1,000,000.

Over \$2,500,000 but not over \$5,000,000.	\$219,600 plus 12 percent of the excess over \$2,500,000.
Over \$5,000,000 but not over \$8,000,000.	\$519,600 plus 14 percent of the excess over \$5,000,000.
Over \$8,000,000 but not over \$12,000,000.	\$939,600 plus 15 percent of the excess over \$8,000,000.
Over \$12,000,000.....	\$1,539,600 plus 16 percent of the excess over \$12,000,000.

"(3) REQUIREMENT OF STATE CERTIFICATION.—The provisions of this subsection shall apply in the case of the estate of a decedent dying before January 1, 1969, only if his death occurs after the Governor of the State imposing the tax for which the credit is claimed certifies to the Secretary or his delegate—

"(A) that the estimated annual revenue level of the death taxes of such State has been increased by an amount which is not less than the amount which the Secretary or his delegate shall have certified to the Governor as the amount by which (i) the estimated aggregate credits determined under this subsection on the basis of Federal estate tax returns filed during the calendar year 1959 from his State exceed (ii) the aggregate credits claimed under subsection (a) on such returns, and

"(B) that under the applicable provisions of law such increase in death taxes is effective with respect to estates of decedents dying before January 1, 1969.

"(4) DEFINITION.—As used in this subsection with respect to the District of Columbia, the term 'Governor' means the President of the Board of Commissioners of the District of Columbia."

SEC. 2. (a) Section 2011(b) of the Internal Revenue Code of 1954 (relating to amount of credit for State death taxes) is amended by striking out "the credit allowed by this section" and inserting in lieu thereof "the credit allowed by subsection (a)".

(b) Section 2011(e) of such Code (relating to limitation in cases involving deduction under section 2053(d)) is amended—

(1) by striking out "subsection (a)" each place it appears in paragraphs (1) and (2) (B) and inserting in lieu thereof "subsection (a) or (f) (1)";

(2) by striking out "subsection (b)" in paragraphs (2) (A) and (2) (B) and inserting in lieu thereof "subsection (b) or (f) (2)"; and

(3) by inserting "in any case where the credit is determined under subsection (a)" after "subparagraph (A) of that paragraph" in paragraph (3).

PREVENTION OF GOVERNMENT COMPETITION WITH INDUSTRY

Mr. BENNETT. Mr. President, I introduce, for appropriate reference, a bill to prevent the Federal Government from engaging in activities in direct competition with private enterprise.

One of the great achievements of the Hoover Commission was the effort it made in the field of eliminating Government activities which compete with private enterprise. The Bureau of the Budget in January 1955, February 1957, and September 1959, issued directives to carry out the recommendations of the Hoover Commission in this area. As a result of this, much was accomplished during the Eisenhower years.

In President Eisenhower's last state of the Union address, he pointed out that during his administration—

There has been a firm policy of reducing competition with private enterprise. This has resulted in discontinuance of some 2,000 commercial and industrial installations and, in addition, the curtailment of approximately 550 industrial installations operated directly by Government agencies.

The policy stated by the Bureau of the Budget in 1955 was as follows:

The general policy of the administration that the Federal Government will not start or carry on any commercial activity to provide a service or product for its own use if such product or service can be procured from private enterprise through ordinary business channels. Exceptions to this policy shall be made by the head of an agency only where it is clearly demonstrated in each case that it is not in the public interest to procure such product or service from private enterprise.

Many of us who are concerned about the role of the Federal Government in relation to private enterprise are afraid that the present administration may not be as vigorous in implementing this policy as was the Eisenhower administration. In addition, there is no clear-cut legislation establishing the policy of the Federal Government in this area. The Bureau of Budget directives are excellent, but of course, they do not have the effect of laws. They can be withdrawn at any time and the degree to which they are enforced is dependent upon the wishes of the administration. For these reasons, I feel legislation is necessary and the bill I am introducing would clearly establish the policy of the Government in this area.

There are many who question the advisability of moving in this direction, who feel that our modern society requires more Government activity rather than less. In this connection, I think it is interesting to note the action taken by the Government of Western Germany during recent years. This Government, like many European governments, has had considerable experience with Government control of production and distribution as distinguished from private control, and is now moving toward denationalization of industry.

For the past few years, the Government of Western Germany has been endeavoring to divest itself of many of its enterprises including shipyards, steel mills, iron ore mines, and electricity generating stations. Since 1957, it has sold many enterprises, and has added none at all.

One of the most dramatic recent moves in this area was the announcement early this year that the Government is offering the public a chance to buy stock in Volkswagen, the great automotive manufacturing company which until now has been owned by the Government.

It seems to me that one of the most dramatic facts to emerge during the postwar changes in the economies of the world is the fact that private enterprise is the most effective way of production. Because our own experience has shown this to be true, I feel that legislation guaranteeing private control

of production to the greatest possible extent and elimination of government competition with private enterprise to the greatest possible extent would help to strengthen the economy. For these reasons, I urge passage of this bill.

Briefly, the bill declares that it is the policy of the Federal Government to encourage private competitive enterprise to the maximum extent consistent with national security and the public interest. It provides for the establishment of regulations governing establishment of new activities in this area, assuring that bureaus or agencies intending to establish such an activity must first obtain approval from the Director of the Bureau of the Budget, who must determine that the function cannot be performed by private enterprise without adversely affecting national security.

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

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1346) to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes, introduced by Mr. BENNETT, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Anti-Government-Competition Act".

DECLARATION OF POLICY

SEC. 2. (a) The Congress hereby declares it to be the policy of the Federal Government to encourage private competitive enterprise to the maximum extent consistent with national security and the public interest. Certain activities of the Federal Government involve the production of goods and the rendition of services commercially available from private business enterprises. Such activities of the Federal Government unduly weaken private business enterprises, and result in the deprivation of governments at all levels of tax revenues. It is therefore the purpose of this Act to provide for the termination, to the maximum extent compatible with national security and the public interest, of all business-type activities engaged in by the Federal Government in the United States to the detriment of private business enterprises.

(b) It is declared to be the policy of the Congress that the Federal Government shall not engage in business-type activities except where it is necessary for the Government itself to perform such activities in the public interest or in furtherance of national programs and objectives established by statute.

INSTRUCTIONS, RULES, AND REGULATIONS

SEC. 3. (a) The President shall, from time to time, issue such rules, regulations, and instructions for the termination, limitation, or establishment of business-type activity in the executive branch of the Government as he may deem appropriate to carry out the policy declared in section 2 of this Act.

(b) Nothing contained in this Act shall authorize the termination or limitation of any business-type activity which was es-

tablished pursuant to specific statutory authorization.

(c) As used in this Act—

The term "business-type activity" means any activity involving the production of goods and the rendition of services commercially available from private business.

PUBLIC REPORTS OF GOVERNMENT COMPETITION

SEC. 4. It shall be the duty of the Secretary of Commerce, acting under rules, regulations, and instructions issued by the President, to receive from the public and examine specific reports of Government competition with private enterprise and, where the facts warrant, consult and cooperate with officers of the Government supervising the Government business-type activities involved in order to accomplish the termination or limitation of Government competition through the utilization of private facilities, products, or services in lieu thereof.

NEW GOVERNMENT BUSINESS-TYPE OPERATIONS

SEC. 5. (a) Before any department, agency, or instrumentality within the executive branch of the Government establishes or engages in any new business-type activity in the United States, or requests or expends any funds therefor, such department, agency, or instrumentality shall submit to the Director of the Bureau of the Budget, in such form as he may prescribe, a report describing in detail such proposed activity or operation. No such activity shall be performed, and no funds shall be expended therefor, within ninety days after such report has been made. The Director of the Bureau of the Budget, within such ninety-day period, shall transmit such report to the President together with an analysis thereof and a written statement of opinion of the Director on the question whether such contemplated activity would be consistent with the policy declared by section 2 of this Act. Whenever the President determines that compliance with the requirements of this section would be contrary to the public interest, he may by order exempt any department, agency, or instrumentality from compliance therewith under such conditions as he may prescribe.

(b) Nothing contained in this section shall apply to any business-type activity hereafter specifically authorized by law.

ANNUAL REPORT

SEC. 6. As soon as may be practicable after the beginning of each regular session of the Congress, the President shall make a report to the Congress concerning all action taken pursuant to this Act during the preceding calendar year, together with such information, comments, and recommendations as he may deem appropriate to carry into effect the policy declared by section 2 of this Act.

APPROPRIATION AUTHORIZATION

SEC. 7. There are hereby authorized to be appropriated such sums as may be required to carry out the purposes of this Act.

AREA REDEVELOPMENT ACT— AMENDMENTS

Mr. LAUSCHE submitted amendments, intended to be proposed by him, to the bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas, which were ordered to lie on the table and to be printed.

Mr. HUMPHREY submitted amendments, intended to be proposed by him, to Senate bill 1, supra, which were ordered to lie on the table and to be printed.

**FEDERAL TAX LIENS—ADDITIONAL
COSPONSOR OF BILL**

Mr. CURTIS. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 1193), to amend the Internal Revenue Code of 1954 with respect to the priority and effect of Federal tax liens and levies, and for other purposes, the name of the senior Senator from California [Mr. KUCHEL] be added as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered.

**DOCUMENTATION AND INSPECTION
OF VESSELS OF THE UNITED
STATES—ADDITIONAL COSPON-
SOR OF BILL**

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that the name of the distinguished junior Senator from Florida [Mr. SMATHERS] may be added as a cosponsor of the bill (S. 1222) relating to documentation and inspection of vessels of the United States.

The VICE PRESIDENT. Without objection, it is so ordered.

**DATE FOR ADJOURNMENT OF CON-
GRESS—ADDITIONAL COSPON-
SOR OF JOINT RESOLUTION**

Mr. ANDERSON. Mr. President, on January 5, I introduced Senate Joint Resolution 7, proposing an amendment to the Constitution of the United States relating to the adjournment of Congress. The joint resolution was referred to the Committee on the Judiciary.

I ask unanimous consent that when the joint resolution is reprinted that the name of Hon. GALE W. MCGEE, senior Senator from Wyoming, be added as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered.

**CLARIFICATION OF APPLICATION
OF ANTI-TRUST LAWS TO CERTAIN
CONTRACTS AND AGREEMENTS—
ADDITIONAL COSPONSORS OF
BILL**

Under authority of the order of the Senate of March 7, 1961, the names of Senators RANDOLPH, NEUBERGER, BENNETT, MOSS, BRIDGES, COTTON, MUSKIE, and METCALF were added as additional cosponsors of the bill (S. 1247) to clarify the application of the antitrust laws to certain contracts and agreements entered into by State alcoholic beverage agencies with suppliers of alcoholic beverages, and for other purposes, introduced by Mr. HART on March 7, 1961.

**DATE FOR ADJOURNMENT OF CON-
GRESS—ADDITIONAL COSPON-
SORS OF CONCURRENT RESOLU-
TION**

Under authority of the order of the Senate of March 7, 1961, the names of Senators YARBOROUGH, RANDOLPH, MAGNUSON, SYMINGTON, and COOPER were

added as additional cosponsors of the concurrent resolution (S. Con. Res. 16) to establish a date for adjournment of Congress, submitted by Mr. MCGEE (for himself and other Senators) on March 7, 1961.

**EXTENSION OF TIME FOR COMMIT-
TEE ON LABOR AND PUBLIC WEL-
FARE TO FILE REPORT**

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the filing of the report of the Committee on Labor and Public Welfare, called for by Senate Resolution 267, 86th Congress, 2d session, be extended from February 21, 1961, to April 7, 1961.

The VICE PRESIDENT. Without objection, it is so ordered.

INTER-AMERICAN COOPERATION

Mr. MANSFIELD. Mr. President, last night the President of the United States addressed a gathering of distinguished diplomats from Latin America. On that occasion he delivered an address which I believe is worthy of inclusion in the RECORD; and at the conclusion of my remarks I shall ask unanimous consent that the address be printed in the RECORD.

In his address, President Kennedy drew heavily on suggestions made from time to time by distinguished representatives of this and other countries of the Americas, including those made in the Bogota Declaration. He also drew heavily on suggestions and reports on Latin America made by Members of this body, such as the Senator from Vermont [Mr. AIKEN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Florida [Mr. SMATHERS], and others. To all of these he added his own ideas.

Mr. President, there have been many statements from many sources on the state of disarray into which inter-American relations have fallen in recent years. The ills have been diagnosed time and again. But last night the President of the United States pointed out in specifics, to us and to Latin America, what needs to be done, what can be done to cure these ills. The solution is summarized in the headlines of today's papers in four words—"10 Years, 10 Points." These four words scarcely begin to tell of the monumental effort which is needed. It is an effort which will tax to the utmost the imagination, the determination, the energy, and the faith of every republic of the Western Hemisphere.

The President's speech last night was both a last word and a first word. It was the last word on more than a decade of drift in inter-American relations. It was the first word on the opening of a decade which may well see this still-new world of the Americas carried to great heights of achievement in a rebirth of profound and intimate hemispheric cooperation.

The President, in this first word, has set forth a blueprint for common action

on the material ills of the hemisphere. He has issued to the American Republics a summons to go beyond the mere cure of these ills in a search for new forms to realize mutual benefit from the genius of the hemisphere in science, in art and other expressions of human achievement.

The promise of the President's words is enormous in terms of the enrichment of the lives of the people of Latin America no less than our own. But if the promise is great, so, too, is the demand for dedication and effort which alone can fulfill it. That demand falls heavily on the Latin American leaders and their peoples. It falls heavily on ourselves. We must make no mistake; certainly what the President has set forth to be done cannot be done by this Nation alone. It cannot be done by any Latin American nation acting alone. It can be done only with the sober determination and the mobilization of the hearts and energy of the peoples of the hemisphere.

If ever there were a propitious moment for the two states which have drifted away from the House of the Hemisphere to reconsider their position, it is now, when its occupants are bestirring themselves to build it anew. They should know that the door of this House will never be closed permanently on any American state. They should know that even now it is open to any American state which would enter in the name of peace and in the name of freedom. At this moment in time, when we are on the threshold of a new era of inter-American relations, I would urge all of the other American states to issue a new call to the people of Cuba and the Dominican Republic to join us in the common effort. I would urge the people of these two Republics to put aside the furies of misunderstanding and propaganda and the firing squads, long enough to listen to the authentic voice of freedom, progress, and humanity which the hemisphere and the world heard from the White House, last night.

I ask unanimous consent to include the text of the President's speech which appears in today's New York Times.

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

TEXT OF KENNEDY SPEECH ON U.S.—LATIN AID

One hundred and thirty-nine years ago this week the United States—stirred by the heroic struggles of its fellow Americans—urged the recognition of the newly independent Latin American Republics. It was then, at the dawn of freedom throughout the hemisphere, that Bolivar spoke of his desire to see the Americas fashioned into the greatest region in the world, "greatest not so much by virtue of her area and wealth, as by her freedom and glory."

Never—in the long history of our hemisphere—has this dream been nearer to fulfillment—and never has it been in greater danger.

The genius of our scientists has given us the tools to bring abundance to our land, strength to our industry and knowledge to our young. For the first time we have the capacity to strike off the remaining bonds of poverty and ignorance—to free our people

for the spiritual and intellectual fulfillment which has always been the goal of our civilization.

MOMENT OF OPPORTUNITY

Yet at this very moment of maximum opportunity we confront the same forces which have imperiled America throughout its history—the alien forces which once again seek to impose the despotisms of the Old World on the people of the New.

I have asked you to come here today so that I might discuss these challenges and these dangers.

We meet together as firm and ancient friends—united by history and experience, and by our determination to advance the values of American civilization. For this New World of ours is not merely an accident of geography.

Our continents are bound together by a common history, the endless exploration of New Frontiers. Our nations are the product of a common struggle, the revolt from colonial rule. And our people share a common heritage, the quest for the dignity and the freedom of man.

The revolutions which gave us birth ignited, in the words of Thomas Paine, "a spark never to be extinguished." And across vast, turbulent continents these American ideals still stir man's struggle for national independence and individual freedom.

STRUGGLE CONTINUES

But as we welcome the spread of the American revolution to other lands, we must also remember that our own struggle, the Revolution which began in Philadelphia in 1776, and in Caracas in 1811, is not yet finished. Our hemisphere's mission is not yet complete. For our unfulfilled task is to demonstrate to the entire world that man's unsatisfied aspiration for economic progress and social justice can best be achieved by freemen working within a framework of democratic institutions.

If we can do this in our own hemisphere, and for our own people, we may yet realize the prophecy of the great Mexican patriot, Benito Juarez, that "democracy is the destiny of future humanity."

As a citizen of the United States, let me be the first to admit that we North Americans have not always grasped the significance of this common mission, just as it is also true that many in your own countries have not fully understood the urgency of the need to lift people from poverty and ignorance and despair. But we must now turn from these mistakes, from the failures and the misunderstanding of the past to a future full of peril, but bright with hope.

Throughout Latin America, a continent rich in resources and in the spiritual and cultural achievements of its people, millions of men and women suffer the daily degradations of hunger and poverty. They lack decent shelter or protection from disease. Their children are deprived of the education or the jobs which are the gateway to a better life. And each day the problem grows more urgent.

Population growth is outpacing economic growth, low living standards are even further endangered, and discontentment, the discontent of a people who know that abundance and the tools of progress are at last within their reach, that discontent is growing. In the words of José Figueres, "once dormant peoples are struggling upward toward the sun, toward a better life."

FUTURE OF FREEDOM

On the success of their struggle, on our ability to bring a better life to our people, hinges the future of freedom in the Americas and throughout the world. To fail to act, to fail to devote our energies to economic progress and social justice, would

be a reproach to the spirit of our civilization, and a monumental failure for our free society.

But if we are to meet a problem so staggering in its dimensions, our approach must itself be bold, an approach consistent with the majestic concept of operation Pan America. Therefore, I have called on all the people of the hemisphere to join in a new alliance for progress, "alianza para progreso," a vast effort, unparalleled in magnitude and nobility of purpose, to satisfy the basic needs of the American people for homes, work and land, health and schools, "techo, trabajo y tierra, salud y escuela."

First, I propose that the American Republics begin on a vast new 10-year plan for the Americas, a plan to transform the 1960's into an historic decade of democratic progress.

These 10 years will be the years of maximum effort, the years when the greatest obstacles must be overcome, the years when the need for assistance will be the greatest.

And if we are successful—if our effort is bold enough and determined enough—then the close of this decade will mark the beginning of a new era in the American experience. The living standards of every American family will be on the rise—basic education will be available to all—hunger will be a forgotten experience—the need for massive outside help will have passed—most nations will have entered a period of self-sustaining growth—and—although there will still be much to do—every American Republic will be the master of its own revolution of hope and progress.

Let me stress that only the determined efforts of the American nations themselves can bring success to this effort. They, and they alone, can mobilize their resources—enlist the energies of their people—and modify their social patterns so that all, and not just a privileged few, share in the fruits of growth. If this effort is made, then outside assistance will give a vital impetus to progress—without it, no amount of help will advance the welfare of the people.

U. S. AID IS PLEDGED

Thus, if the countries of Latin America are ready to do their part—as I am sure they are—then I believe that the United States, for its part, should help provide resources of a scope and magnitude sufficient to make this bold development program a success—just as we helped provide resources adequate to help rebuild the economies of Western Europe. For only an effort of towering dimension can insure fulfillment of our plan for a decade of progress.

Second, I will shortly request a ministerial meeting of the Inter-American Economic and Social Council—a meeting at which we can begin the massive planning effort which will be the head of the alliance for progress.

For if our alliance is to succeed each Latin nation must formulate long-range plans for its own development—plans which establish targets and priorities—insure monetary stability—establish the machinery for vital social change—stimulate private activity and initiative—and provide for a maximum national effort. These plans will be the foundation of our development effort and the basis for the allocation of outside resources.

A greatly strengthened Inter-American Economic and Social Council—working with the Economic Commission for Latin America and the Inter-American Development Bank—can assemble the leading economists and experts of the hemisphere to help each country devise its own development plan—and provide a continuing review of economic progress in the hemisphere.

ASKS FOR \$500 MILLION

Third, I have just signed a request to the Congress for \$500 million as a first step

in fulfilling the Act of Bogotá. This is the first large-scale inter-American effort to attack the social barriers which block economic progress. The money will be used to combat illiteracy—improve the productivity and use of land—wipe out disease—attack archaic tax and land-tenure structures—provide educational opportunities—and offer a broad range of projects designed to make the benefits of increasing abundance available to all. We will begin to commit these funds as soon as they are appropriated.

Fourth, we must support all economic integration which is a genuine step toward larger markets and greater competitive opportunity. The fragmentation of South American economies is a serious barrier to industrial growth. Projects such as the Central American Common Market and free trade areas in South America can help to remove this obstacle.

Fifth, the United States is ready to cooperate in serious, case-by-case examinations of commodity market problems. Frequent violent changes in commodity prices seriously injure the economies of many Latin nations—draining their resources and stultifying their growth. Together we must find practical methods of bringing an end to this pattern.

NEW FOOD AID PLANNED

Sixth, we will immediately step up our food for peace emergency program—help establish food reserves in areas of recurrent drought—provide school lunches and offer feed grains for use in rural development. For hungry men and women cannot wait for economic discussions or diplomatic meetings—their need is urgent—and their hunger rests heavily on the conscience of their fellow men.

Seventh, all the people of the hemisphere must be allowed to share in the expanding wonders of modern science—wonders which have captured man's imagination—challenged the powers of his mind—and given him the tools for rapid progress. I invite Latin American scientists to work with us in new projects in fields such as medicine and agriculture, physics and astronomy—to help plan for regional research laboratories in these and other fields—and to strengthen cooperation between American universities and laboratories.

We also intend to expand our science teacher-training programs to include Latin American instructors—to assist in establishing such programs in other American countries—and translate and make available revolutionary new teaching materials in physics, chemistry, biology, and mathematics—so that the young of all nations may contribute their skills to the advance of science.

Eighth, we must rapidly expand the training of those needed to man the economies of rapidly developing countries. This means expanded technical training programs—for which the Peace Corps will be available wherever needed. It also means assistance to Latin American universities, graduate schools, and research institutes.

COOPERATION IS URGED

We welcome proposals in Central America for intimate cooperation in higher education—cooperation which may achieve a regional effort of increased effectiveness and excellence. We are ready to help fill the gap in trained manpower—realizing that our ultimate goal must be a basic education for all who wish to learn.

Ninth, we reaffirm our pledge to come to the defense of any American nation whose independence is endangered. As confidence in the collective security system of the OAS (Organization of American States) spreads, it will be possible to devote to constructive use a major share of those resources now

spent on instruments of war. Even now—as the Government of Chile has said—the time has come to take the first steps toward sensible limitations of arms. And the new generation of military leaders has shown an increasing awareness that armies cannot only defend their countries—they can help to build them.

Tenth, we invite our friends in Latin America to contribute to the enrichment of life and culture in the United States. We need teachers of your literature and history and tradition—opportunities for our young people to study in your universities—access to your music, your art, and the great thought of your great philosophers. For we know we have much to learn.

In this way you can help bring a fuller spiritual and intellectual life to the people of the United States—and contribute to understanding and mutual respect among the nations of the hemisphere.

With steps such as these we propose to complete the revolution of the Americas—to build a hemisphere where all men can hope for the same high standard of living—and all can live out their lives in dignity and in freedom.

To achieve this goal political freedom must accompany material progress. Our alliance for progress is an alliance of free governments—and it must work to eliminate tyranny from a hemisphere in which it has no rightful place. Therefore let us express our special friendship to the people of Cuba and the Dominican Republic—and the hope that they will soon rejoin the society of freemen, uniting with us in our common effort.

This political freedom must be accompanied by social change. For unless necessary social reforms, including land and tax reforms, are freely made—unless we broaden the opportunity of all our people—unless the great mass of Americans share in increasing prosperity—then our alliance, our revolution, and our dream will have failed.

But we call for social change by freemen—change in the spirit of Washington and Jefferson, of Bolivar and San Martin and Marti—not change which seeks to impose on men tyrannies which we cast out a century and a half ago. Our motto is what it has always been—“Progress, yes. Tyranny, no.”—“Progreso, si. Tirania, no.”

CHALLENGE FROM WITHIN

But our greatest challenge comes from within—the task of creating an American civilization where spiritual and cultural values are strengthened by an ever-broadening base of material advance—where within the rich diversity of its own traditions, each nation is free to follow its own path to progress.

The completion of this will, of course, require the efforts of all the governments of the hemisphere. But the efforts of governments alone will never be enough. In the end, the people must help themselves.

And so I say to the men and women of the Americas—to the campesino in the fields, to the obrero in the cities, to the estudiante in the schools—prepare your mind and heart for the task ahead—call forth your strength of will and body—and let each devote his energies to the betterment of all so that your children and your children's children will find an ever richer and a freer life.

Let us once again transform the American Continents into a vast crucible of revolutionary ideas and efforts—a tribute to the power of the creative energies of freemen—an example to all the world that liberty and progress walk hand in hand. Let us once again awaken our American revolution until it guides the struggles of people everywhere—not with an imperialism of force or fear—but the rule of courage and freedom and hope for the future of man.

Mr. COOPER. Mr. President, I should like to join in the statements which have been made by the distinguished majority leader, the Senator from Montana [Mr. MANSFIELD], in the course of his comments on the President's speech.

I join the majority leader, Senator MANSFIELD, in support of President Kennedy's proposals for the development of the Latin American Republics. The President should be supported by the Congress and by the people of the United States. It would have been better for our hemisphere if his proposals had been advanced many years ago; but it is not too late, if we support them with the same vigor with which we supported the Marshall plan.

I am glad the President emphasized that the program he proposes must be a joint undertaking by the Latin American Republics and the United States, to which all will make their contributions as equals in sovereignty and in a spirit of mutual respect.

It is also important that he emphasized, and properly so, that each of our sister republics must formulate its long-range plans for its own development, for the United States cannot impose plans on another country. I think it also important that in his fourth point he suggested that we support economic integration and projects such as the Central American Common Market and free trade areas in South America.

The proposals should have the full support of the Republican Party.

As the majority leader said, some of the President's recommendations are based upon reports made by the Senator from Vermont [Mr. AIKEN], the Senator from Iowa [Mr. HICKENLOOPER], and other Senators have voiced similar ideas, including, I am sure, the Senator from Wisconsin [Mr. WILEY].

At our Republican National Convention in 1960, the Subcommittee on Foreign Policy, of which I had the honor to be chairman, wrote the following recommendations in our platform, which are in accord with the President's program, and these recommendations were included in the Republican Party's plank on foreign policy:

We will encourage the countries of Latin America, Africa, the Middle East, and Asia, to initiate appropriate regional groupings to work out plans for economic and educational development. We anticipate that the United Nations special fund would be of assistance in developing such plans. The United States would offer its cooperation in planning, and the provision of technical personnel for this purpose. Agreeable to the developing nations, we would join with them in inviting countries with advanced economies to share with us a proportionate part of the capital and technical aid required. We would emphasize the increasing use of private capital and Government loans, rather than outright grants, as a means of fostering independence and mutual respect. The President's recent initiative of a joint partnership program for Latin America opens the way to this approach.

We would propose that such groupings adopt means to attain viable economies following such examples as the European Common Market. And if from these institutions,

there should follow stronger economic and political unions, we would welcome them with our support.

Finally the President's 10th point gives emphasis to the contribution which Latin America can make to the enrichment of life and culture in the United States and play a great part in contributing as he said “to understanding and mutual respect among the nations of the hemisphere.” The peoples of Latin America are our oldest friends, and together we gave the world the first democratic revolution.

Bolivar stated to the delegates of the congress at Angostura after the liberation of Venezuela:

Nature endows us with the desire for freedom at our birth, yet men, whether from apathy or inborn inclination, suffer the chains laid upon them. It is a terrible truth that it costs more strength to maintain freedom than to endure the weight of tyranny. Many nations, past and present, have borne that yoke; few have made use of the happy moments of freedom and have preferred to relapse with all speed into their errors.

In the last few years President Eisenhower initiated instruments such as the Inter-American Development Bank and congressional authorization of a \$500 million loan fund which can be used to maintain freedom and progress in this hemisphere. President Kennedy's speech is an extension and a very important extension of this work. If we support it fully it can lead to economic and social progress and to the strengthening of freedom in the Western Hemisphere.

Mr. KEATING. Mr. President, I wish to join the distinguished majority leader and our distinguished colleague from Kentucky [Mr. COOPER] in commending President Kennedy for his eloquent and sincere recommendations with regard to our dealings with Latin America. He has made it very clear that we, as North Americans, share in full the ambitions of our southern neighbors for economic, social, and educational programs.

The heart of President Kennedy's 10-point program obviously lies in the proposals made by President Eisenhower last summer and ratified in the Act of Bogotá. The \$500 million already authorized by Congress last August will be devoted to breaking down the social barriers to economic progress, to combating illiteracy, to improving the use and productivity of land, to wiping out disease, to increasing educational opportunities, and in general to improving the conditions of life for the poverty-stricken masses which are now so ready to listen to Castro and Communist propaganda.

The President also indicated his sympathy for the oppressed people of the Dominican Republic and of Cuba. But he gave no indication of united action to be taken by the Organization of American States to rescue those people from their tyranny. In Cuba, where this tyranny is supported by the armed and alien might of Communist “technicians” and “equipment” the liberation of the Cuban people poses serious problems. In our efforts to help the other

nations of Latin America, we must not ignore the already enslaved people now living under dictators.

Mr. President, on February 24, I outlined a program which the United States and the other nations of Latin America might well undertake to bring the benefits of freedom to the Cuban people, benefits which they have not enjoyed for many long years.

Briefly, this program called for a complete embargo by the Organization of American States against Cuban exports, an invitation to Canada to join in OAS deliberations, the convening of a Cuban forum to unite anti-Castro factions, and the establishment of a Cuban government in exile. I am gratified to see that anti-Castro forces have been meeting and that plans are currently underway to establish a free Cuban government in the Cuban mountains.

All Latin American governments should be aware of how cancerous communism grows. It is only through a united and solidified Western Hemisphere that this growth can be checked. An embargo against Cuban exports by the United States can only be partially effective. An embargo against Cuba by all of the members of the Organization of American States would have the greatest impact on Castro and would serve as a warning to all dictators that the Americas will not condone the suppression of individual freedoms and the importation of foreign ideologies.

Economic progress can and will be made in Latin America under the Kennedy-Eisenhower program without sacrificing individual liberties or resorting to the brutality of alien Communist and imperialistic dictatorship.

Mr. SALTONSTALL. Mr. President, last evening I had the good fortune to listen to President Kennedy speak regarding our relations with our Latin American friends. Last year I heard President Eisenhower speak on the same subject.

As one who is a member of the Senate Appropriations Committee, I worked very hard to arrive at a satisfactory arrangement for financing the Inter-American Development Bank. That Bank is now in operation. There are many problems involved, such as the question of self-help among our friends in Latin America, the funds that should be appropriated by the Congress for that purpose, and the extent of the participation by the governments involved, in connection with greater understanding and friendship and development of the countries to the south of us.

So I hope that the problem may be considered by this Congress, and that the various questions involved will be resolved satisfactorily. Above everything, we wish to convince the people who live to the south of us in this hemisphere that we are working with them because we will get much benefit from them and we desire, at the same time, to be of assistance to them in developing their communities and their industries, if they, on their own part, wish and desire that those industries and communities should be developed, will stimulate that development themselves.

I believe that President Kennedy has made a very useful step forward in this whole undertaking; and I was glad to be one of those who were honored last evening to hear him make his initial speech on this subject.

Today I think the formal message to Congress will give us an opportunity to work out with him, and with our friends to the south, the questions that will ultimately have to be solved if the program is to accomplish what we and they wish it to accomplish—a better relationship between us, better understanding, and a step forward in the progress of the education and the advancement of the free people of this hemisphere.

Mr. MANSFIELD. Mr. President, I have been heartened by the words of commendation expressed by the distinguished Senator from Kentucky [Mr. COOPER], the distinguished Senator from New York [Mr. KEATING], and now the distinguished Senator from Massachusetts [Mr. SALTONSTALL], relative to the proposal made by the President today and the speech which he made last night to the assembled Latin American diplomats and their wives.

I think it augurs well for the program, which is not a Democratic program, any more than it was a Republican program, but which is what we hope will be considered as a bipartisan North American program, so far as the United States is concerned, because, I wish to reiterate, the material for this proposal is drawn from many sources, both Democratic and Republican, and I am delighted at this show of bipartisan support which is evident on the Senate floor this morning.

MONTANA WINNER IN VOICE OF DEMOCRACY CONTEST

Mr. MANSFIELD. Mr. President, several weeks ago I had the pleasure of visiting with Daryl Sande, of Box Elder, Mont., the Montana State winner in the 1960-61 "Voice of Democracy" essay contest. Daryl Sande is typical of the fine young men and young women who participate each year in this nationwide contest.

These young people put into words what so many of us feel about our way of life and the American democratic process. The sponsors of the contest, the National Association of Broadcasters, the Electronic Industries Association, the Veterans of Foreign Wars, and State associations of broadcasters are to be complimented for their contribution to the molding of an alert and intelligent American youth.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks in the CONGRESSIONAL RECORD the text of Daryl Sande's entry in the "Voice of Democracy" contest.

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

I SPEAK FOR DEMOCRACY
(By Daryl Sande)

Listen America—listen to a foreign voice. That is, the accent is foreign, but it speaks unmistakably—American. Listen now to Mr.

Schonek and his fight for what we live for. Listen now to his speech for democracy:

"I speak to you as an American. American—that which most of you have been all your lives. And because of this, I think you take just being an American for granted. I do not.

"You see, I have been an American exactly vun year. In that vun year I learned more about this country, my country—your country, than most of you do in a lifetime. I am proud to be considered an American. I, the new naturalized citizen know and appreciate my status. You, the born American, do you realize yours?

"Three years ago I envied every single person who lived in America. I envied them not for their money, not for their personal possessions, but for their freedom—something I had never known before. I learned of this freedom through Radio Free Europe and through CARE and the underground. I struggled many years to get to this country, and now I have earned my reward: Now, I am free. Free.

"Such a little vord, but it means so much to me; and my loved vuns. It means vun million and vun little things which to most Americans seem so—how you say—insignificant.

"Do you, the 'taking-it-for-granted' Americans, ever stop to think what living under a democracy means? I can tell you what it means to me. It means a walk through the city park on a sunny day, or maybe a Sunday afternoon ball game or a meeting at the school gym for a PTA gathering. And when I settle back in my easy chair at the end of a long day at the factory, I think of all the ways this country has been good to me, and above all, how good God is been to me. I think of all the funny tricks of the squirrels in the park and then I bust out laughing to think of how they stole my popcorn when I wasn't looking. And then I cry. I cry to think of all the persecution and suffering my old friends still have, but which I had the good fortune to escape. You see, these are the million and vun little things that I am so thankful for, but these little things are not so little to me. They are big. As big as life itself, because without them, I would have no life. I would die without the freedom I have grown to love. Yet, most Americans would not give these things a second thought. I say most Americans; but not Americans like me, who had to fight to get to a democracy. All these things to me are a way of life. A democratic way of life.

"I come from Hungary; others come from Czechoslovakia, East Chermany, Rumania, and even Russia. These people, like me, are peasants. Ve make up vun hundred-eighty million Americans in this great country. Vun in vun hundred-eighty million. Not very good odds, no? But, my friends, multiply that vun by the hundreds of thousands, just like me, who escape to a better way of life every year. These are odds you cannot ignore. These, my friends, are the hundreds of thousands of reasons why you should continue your fight for freedom; your fight for democracy.

"I would like to take this time to thank you. Thank you for taking the time to listen to me. Thank you for America. Thank you for freedom. Thank you for democracy."

And thank you, Mr. Schonek, for that wonderful address.

America, were you listening with your ears or with your heart? Are you like me, a "taking-it-for-granted" American? Can you turn your back on Mr. Schonek and others like him? We must never let our American way of life die out. We must fight as Mr. Schonek did. Fight for our American democracy. Fight for what we believe in. That is what Mr. Schonek did. He fought, and he

won. We can fight and we shall win. Then it will be our privilege to speak for democracy.

PROBLEMS FACING THE FARMERS

Mr. DIRKSEN. Mr. President, I have received an interesting letter pertaining to the problems facing the farmers of America. The letter was sent to me by a prominent farmer and banker, Mr. Lott C. Howe, president of the Farmer City State Bank, Farmer City, Ill. I believe his brief discussion will be of interest to all Members of Congress. Therefore, I ask unanimous consent that his letter be printed in the body of the RECORD.

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

FARMER CITY, ILL.,
February 28, 1961.

HON. EVERETT M. DIRKSEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DIRKSEN: First, I will say that I was a grain and livestock farmer for 35 years, and still retain an active interest in several farms that I own and supervise. For the past several years I've been associated with the bank. I know the farmers' problems from "both sides of the fence."

I am much more concerned about what this administration will do to, rather than what it will do for him. I know the majority of farmers in our area—while squeezed between higher costs and lower prices—are still not ready to trade their freedom for so-called Government assistance. While I believe that we may need some support prices to ease the impact on the market at harvest time, I am convinced that high support prices will only drive us out of the world market as well as curtail consumption at home.

High support prices will cause greater production for Government storage only, but not for consumption, as evidenced by our experiences the past several years in wheat, corn, cotton, potatoes, peanuts, etc. I am certain that you have read or known about numerous documented abuses. You well know you cannot cover all the loopholes in any law enacted by Congress. And, don't forget the "hassle" over inaugurating the President's stamp plan to provide food for the needy.

Export and consumption of corn at home has increased approximately 33.3 percent since 1955. This is evidence that corn will move into consumption when it is priced according to value. I feel that the support price should never be as high as the ultimate value of corn. Beans are another instance where the support price has been kept lower than the ultimate value. Beans have sought their own value in the market with no surplus for the Government or the farmer to worry about. There will be ample acreage planted this spring to take care of any temporary shortage or contemplated increase in demand without any change in the support price.

As you know, there is always a very vocal minority crying disaster, but, I believe that their cries regarding high support prices were repudiated by the farm vote in the last election.

I am appealing to your personal knowledge of the situation to save the farmer from disaster as contemplated by the President and his so-called experts from the city and/or the colleges and universities. Little do they know how limited their education is in regard to our so-called problems, and none of them would consider spending a few years on the farm to rectify their oversight.

If you doubt any of my statements, please come out and be my guest on a tour of the "heart of Illinois."

Sincerely yours,

LOTT C. HOWE.

COMMUNITY ACHIEVEMENTS OF THE PEOPLE OF PINCKNEYVILLE, ILL.

Mr. DIRKSEN. Mr. President, I am very proud of the people of Pinckneyville, Ill., for their display of greatness in meeting what they consider a community issue and a community problem. At a time when Congress is considering a depressed or distressed area bill, the Pinckneyville people, on their own, raised over \$240,000, in a matter of 6 days, to build a factory, so as to bring into Pinckneyville an industry to aid the economy of that area and first, to provide jobs that have been lost through the closing of the Pyramid Mine, south of Pinckneyville, and the hosiery mill within the city limits; second, to provide jobs for the youth of Pinckneyville who are graduating from high school and college, rather than have them go elsewhere to seek employment; and third, to prevent families of long standing from pulling up stakes and going elsewhere.

Mr. President, this is the spirit that made America great—the determination of people to do the job themselves, without Federal or State aid. And they have succeeded.

I ask unanimous consent to have printed at this point in the RECORD articles from the Democrat, of Pinckneyville, dated March 1; an editorial from the Perry County Advocate, dated March 2; a Du Quoin Evening Call article dated March 4; and a letter from William Hackleman, Perry County chairman, Republican County Central Committee, Du Quoin, Ill.

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

[From the Pinckneyville Democrat]

The churches of this community are wholeheartedly in support of the new factory. Why? Because God has been good to our community. As recipients of His goodness, we have the responsibility to share what we have with our fellow men.

The Bible teaches that it is more blessed to give than to receive—yet in giving we receive more than we give. God is not outdone in generosity; for you cannot outgive God.

Speaking for your spiritual leaders, we feel that we must meet this challenge. Having worked among you we feel certain that you will respond. Remember, "as you have done it unto the least of these my brethren, you have done it unto me."

REV. JAMES R. MCCORMICK.

REV. BILLY G. HAYS.

REV. ROBERT G. FREYTAG.

REV. JAMES O. MATHENIA.

[From the Pinckneyville Democrat]

PINCKNEYVILLE UNITED AS ONE IN FACTORY FUND DRIVE THAT WILL "BOOM" AREA

Enthusiasm is running at a high fever pitch in Pinckneyville this week as business and professional men lock their doors and keep up an around-the-clock search for \$240,000 with which to help build a \$700,000 heavy industry factory building that will

employ at least 200 men. The chamber of commerce industry committee needs \$210,000 as Pinckneyville's loaned share toward construction of the building on the Pick curve east of Pinckneyville. An additional \$30,000 in contributions is needed with which to purchase land, install a waterline, build parking lots, etc. Deadline is Saturday night, March 4. Those who loan to the \$210,000 account will receive the money back over a 20-year period with 4-percent interest. If the money is raised the firm intends to be in the building by August 15 of this year (1961) and operating. There is a tremendous probability of a large expansion program within the year to follow.

Estimated payroll is \$1 million annually. Based on facts concerning payroll, each dollar that is paid out is spent five times. This will make the yearly turnover of the payroll \$5 million a year, \$100 million in 20 years. The factory would increase the Pinckneyville employment force by 25 percent. For every seven men put to work one additional job is created in the area.

All money loaned or donated to the chamber of commerce will be returned if the community fails to meet the goal.

The building will contain 150,000 square feet of floorspace, an area equivalent to the Decca Records and Penick-Ford Building combined plus a bit more. To many people the size can better be brought home by illustrating that 37 basketball courts could be placed in the building.

For obvious reasons the name and location of the firm at this time are not of concern. Unless the money is raised by the deadline the firm's identity has no bearing on the project. Both local banks have investigated the firm's financial background and find it concrete safe with expansion growing pains, pains Pinckneyville citizens would love to bear.

An information center has been set up in the old Illinois Power office across the street from Luke's Cafe. People are on duty there from 9 to 9 to answer questions not covered in the information released to date. You'll find no evasiveness or putting off. Outright answers are given.

Why should all support this factory drive? It is not the responsibility of local businessmen alone. Everyone will benefit. A community either grows or dies. No one can claim Pinckneyville as a boomtown though there are many many willing workers without work. The constant drain of our youth to larger cities is not an asset to the community. Schools, churches, city government, and agriculture suffer from this. With an upswing of employment the tax costs can be spread more evenly over the population as new homes are built, schools and churches expand. Laying off help and people drawing unemployment are acts that no one enjoys. All men would rather be on salary of free enterprise than Government relief.

In Pinckneyville annually the graduation class either joins the service, goes to college, or to cities seeking employment. A small few find jobs in Pinckneyville. Eight years of grade school plus four of high school tax money is spent on educating these keen sharp minds. They are exported, not by choice, to another community that benefits from their education.

With the growth of mechanization today the average farm is no longer large enough to support the father and sons. The young men must leave Pinckneyville. The situation is overall, it effects all in the Pinckneyville area, not a restricted few or group.

In the information center two thermometers are drawn on the window. As money comes in the thermometers go up. Handbills concerning pertinent information are available. The two Pinckneyville banks are geared to make loans.

COOPERATION TREMENDOUS

Pinckneyville has had factory drives before. They met with mild to warm enthusiasm. This one must be handled with asbestos gloves. The mass meeting Monday night at the courthouse spelled it out clear. The crowd filled every seat, was backed down the steps and out on the lawn. Men who seldom see each other are this week working as a team going after prospective lenders and contributors. At first workers were surprised at some of the loaners and contributors. But not so by Tuesday. The sources are proving that this time they don't expect the businessman to carry the load alone. People are digging into savings accounts. Men who are mortgaged to the hilt have hit the bank for "just one more." You see people giving who can't afford to. Yet they know that Pinckneyville can't afford not to give. There's an air of determination and unselfishness about the whole affair. No few are carrying the ball. Volunteers are coming in from all walks of life.

What is Pinckneyville like in a boom? None of the ex-servicemen in Pinckneyville remember the old hometown booming since they've been in business. Yet, new businesses have continued to open, established ones keep up with modernization and hold their own. It's impossible for them to imagine what it would be like to have to hire more help, worry about expansion problems and feel good times. But they'd like to try it.

So would those numerous small groups who drive daily to Scott Field, St. Louis, or the weekenders who get home Saturdays only. A local businessman, formerly from a city once commented that the ability of local merchants amazed him. "They can adjust to anything. They open a new business and work night and day to keep it open so they can stay in Pinckneyville. They could go to the city and make big money but they don't budge out of this town. And the longer I am here the more I feel the same way." New industry is coming into a healthy climate.

Tuesday a priest and three ministers had their heads together in the information office drawing up an ad that appears on the front page of this issue of the Democrat. People who came in suddenly were quiet out of respect to the work these men were doing. So many words have been spoken of the material value of the coming of the factory. But these men are giving the drive the balance it needs in reminding one and all that it is more blessed to give than to receive.

Sunday all who attended church were told from the pulpit about the factory. They were impressed with the seriousness with which the clergy regards this factory drive. They were also reminded that there's much to be gained spiritually this week. People shouldn't pass up this golden opportunity.

GIVE, GIVE, GIVE

How can a newspaper with written word impress on a community the necessity of giving. Next week is too late. You're hard up for money? Then join the club.

Wall Street has never been able to put anything on the stock market that will pay as much dividend locally. The returns are clear. Want your son to be able to stay here next year? Then give. Want your son or daughter and those beautiful grandchildren back in Pinckneyville instead of Rockford or St. Louis? Then give.

Want your son, now in the service, to have a chance to unpack his barracks bag permanently in Pinckneyville? Then give.

Tuesday someone seeing four local doctors going around after loans commented "There's a lot of sick people in their offices today who won't get to see those doctors."

There will be several thousand sicker people if we let this factory slip by.

[From the Perry County Advocate]

HALFWAY POINT REACHED IN FACTORY FUND DRIVE, SATURDAY IS DEADLINE

The members of the Pinckneyville Industrial Committee called a mass meeting last Monday night at 7 p.m. at the county courthouse. The courtroom and halls were overflowing with people who were desirous of hearing what progress had been made toward locating a new factory in Pinckneyville.

Members of the committee were introduced, and each man, according to which phase he was heading, reported on his progress.

Prominent civic authorities and townspeople spoke in behalf of the venture.

The city is to raise a total of \$240,000, the largest amount, \$210,000, is for construction; the lesser amount, \$30,000, is for the purchase of a site upon which to build the factory.

The enthusiastic response of the townspeople resulted in the raising of \$100,000, by 4 p.m. Tuesday afternoon, on the larger amount, and \$18,000 on the lesser amount.

An instance recorded pictorially elsewhere on this page, illustrates the interest shown by persons who do not even live in the area. Townspeople are responding at a good rate, but the hardest part of this job will be the raising of the final \$115,000, and \$5,000. It is the opinion of the businessmen, clergy and townspeople that this cannot, must not fail, and that it will succeed.

[From the Perry County Advocate]

THIS WE MUST AGREE ON

The city of Pinckneyville is faced with the biggest problem it has yet encountered. They have to raise \$240,000 in cold cash to enable them to realize the efforts of five men who have worked tirelessly for a total of 16 months to get a new factory, to be located in the Pinckneyville area. By the time the Advocate reaches you, the hard working committees composed of businessmen throughout the city, will have raised half of the goal.

These men are in dead earnest and have the backing of both banks in town, the ministerial alliance, and all civic organizations within the town.

You can have, as a prospective contributor or investor, no greater recommendation than this group has, businessmen, clergymen, and children.

You ask why both newspapers and all organizations of the city are behind this 100 percent?

Reason one: We have lost hundreds of jobs through the closing down of Pyramid mine, south of Pinckneyville, and the hosiery mill within the city limits.

Reason two: Your children, upon graduation from high school and college, are having to go elsewhere to seek employment. Their brothers and sisters before them have had to do the same.

Reason three: Families, long associated with the city have had to pull up stakes and settle elsewhere, where there was work for them.

Reason four: There is no concrete evidence available to those asking as to whether the city of Pinckneyville will ever get any State or Federal assistance to bring new industry to its city limits or even near it.

Reason five: If we cannot count on outside help, we will have to do the job ourselves.

Entry of a new factory in our community, will produce the following benefits:

It will give immediate employment to 200 men upon completion.

It will raise property values by some 20 percent.

It will create additional jobs over the 200 mentioned above. A national survey discloses that, for every seven men employed in a new factory, one more man will have

to be employed in other places of employment within the city.

It will make possible a greater tax return from the government, which will be spent within the community (by its civic officials), thereby stimulating the local economy.

It will spur the building of new homes, make possible the modernization of others.

It will show Federal and State government, that at least in the city of Pinckneyville, we are not waiting for a "handout."

It will attract other new industry to Pinckneyville, since it has shown that it can rise above defeat.

It will increase the population of the city, thereby making the present low utility rates, as far as gas and water are concerned, remain stable.

Finally it will do that which hits you and I the hardest. It will keep your children home, and take one more stride toward employing our local high school graduates.

It remains to say finally, that this must not fail. It is of complete necessity that we contribute as much as we can to raise the two totals, \$210,000 and \$30,000.

[From the Du Quoin Evening Call, Mar. 4, 1961]

PINCKNEYVILLE FACTORY FUND GOES OVER TOP—COMPANY NOTIFIED COMMUNITY HAS MET ITS OBLIGATIONS

The Pinckneyville Chamber of Commerce today formally notified a metal fabricating industry that it has raised its \$210,000 factory loan fund and now considers a contract between the two parties "in full force."

People from throughout the area defied a threat of rain to gather in the county seat to celebrate the agreement, which provides for establishment of a \$700,000 plant that will employ up to 200 men and provide an annual payroll estimated at \$1,000,000.

In 6 days, the chamber of commerce raised not only \$210,000 in loans, but also \$30,000 in outright contributions.

In fact, it went 10 percent over its goal for each fund and made plans to return the excess loan money on a pro rata basis. Excess contributions will be retained in a special fund to meet additional expenses of locating the factory.

"We are very grateful for the tremendous response and very proud of the confidence the people have shown in the chamber of commerce," a spokesman said. He said the chamber is still getting checks and that loans and contributions have come from Memphis, Tenn., St. Louis, East St. Louis, Centralia and Steelville in addition to Perry county communities, such as Du Quoin, Tamaroa and Cutler.

The chamber still declined to identify the company involved but said it is expected to sign a construction contract next week and that work will then begin immediately at the plant site.

The factory will be located on the Walter Pick property at the east edge of Pinckneyville.

Despite overcast skies, preparations for Pinckneyville's "achievement celebration" went ahead this morning. Officials still hoped to hold the event on the courthouse lawn but were prepared to move inside if necessary.

Serving of free sauerkraut and wieners, cornbread and cookies made from sorghum grown on the plant site was to begin at 2 p.m. If the weatherman interfered, the Sherman House and factory fund headquarters were to be available and the Eagles lodge if needed.

REPUBLICAN COUNTY CENTRAL COMMITTEE,

Perry County, Ill., March 7, 1961.

Hon. Senator EVERETT M. DIRKSEN, Washington, D.C.

DEAR SENATOR: Enclosed are some clippings from the Pinckneyville Advocate and the

Perry County Democrat, in regard to the new factory that we are getting in this area. You will note Pinckneyville was obligated to raise some \$200,000 in order to secure this factory. This was done in a matter of 6 days.

I am also sending you the front page of the Du Quoin Evening Call, which gives an account of this fund drive. You will also note that Centralia is getting a plant that will employ approximately 350 persons. You will also note that no State or Federal funds were required.

Not too bad for a depressed area.

Sincerely,

WILLIAM HACKLEMAN,
Perry County Chairman, Du Quoin, Ill.

A WORLD TRADE CENTER FOR NEW YORK

Mr. KEATING. Mr. President, work is progressing rapidly in New York on the planning of a World Trade Center to be located in lower Manhattan. The Port of New York Authority has been studying this proposal for over a year. Yesterday, the authority submitted a report which envisions the construction of an ambitious and far-reaching \$355 million center.

I was delighted to learn about this report, as I have been very enthusiastic about the construction of a World Trade Center in New York, ever since this proposal was first put forth by David Rockefeller and John D. Butt of the Downtown-Lower Manhattan Association.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point an excellent editorial from the New York Times of this morning, discussing the center and urging speedy action to expedite its construction.

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

[From the New York Times, Mar. 14, 1961]

A WORLD TRADE CENTER

The \$355 million World Trade Center proposed for the bistate port of New York would have a stimulating influence on the whole metropolitan area. The location chosen, a 16-acre site in lower Manhattan, bounded by Old Slip, Fulton Street and Pearl and Water Streets, is logical—one might almost say mandated by circumstances, historic and present. In this strip along the East River a multilevel concourse, a 72-story World Trade Mart, a circular 8-story Securities Exchange, a 30-story World Commerce Exchange and a 20-story Trade Center gateway would be built in a construction schedule that calls for the completion of these structures by 1968.

When David Rockefeller and John D. Butt, acting for the Downtown-Lower Manhattan Association, delivered a package of ideas to City Hall October 14, 1958, for salvage and redevelopment of the southern part of the island it was the forecast of a great future, in which hundreds of millions of dollars would be invested. The idea for a World Trade Center was a sequel of this early planning, and was put to the Port of New York Authority to study and test out feasibility. The port authority has spent a year in such study, has even enlarged the horizons of what in the beginning seemed a highly ambitious undertaking, and has declared its confidence that the project is practicable, financially and otherwise.

The essence of the plan and the genius of the idea are to bring together in one concentration as completely as possible the

governmental and private functions and personnel having to do with world trade. It would be a central market place, clearinghouse, gathering place for American and foreign interests. It would simplify and expedite the doing of business; it would centralize information; it would unify all governmental agencies, simplify communication and contact.

The port authority is the agency to undertake this vast job. In fact there are no other takers. It can do so only with the authorization of the legislatures, which are its masters. With the New York Legislature in its final weeks, the time is short if a year's delay is to be avoided. A bill to authorize the port authority to finance and construct the World Trade Center is ready. It should be passed, with the hope and expectation that New Jersey likewise will see the great advantage of the continued cooperation between the States in promoting the port welfare so long demonstrated to be indivisible by political boundaries.

DEFENSE PROCUREMENT

Mr. KEATING. Mr. President, I was interested to learn about the granting, announced yesterday, of a \$1 billion contract to Lockheed, for the development of jet cargo transports. There was competitive negotiation on this contract, which was all to the good, and at least 50 percent of the work must be subcontracted. This one contract represents nearly three times the amount of money we are now considering for area redevelopment. The work on this contract can therefore do the whole economy of the country three times as much good as the area redevelopment bill if—and this is the important point—if the Air Force makes a real effort to see that subcontracts are spread over a fair geographical area and not concentrated in any one spot. I have already written to the Secretary of the Air Force asking exactly how much supervision and control will be maintained over subcontracting in this important contract. I hope the Secretary will keep a close watch on the operation of this contract which is so vital not only to our national defense but also to our economic progress.

Mr. President, I have received a report from the Department of Defense revealing that the value of military prime contracts of over \$500,000 in upstate New York has increased from 53 percent of the total State figure in the first half of calendar year 1960 to 59 percent in the second half of the year.

At the same time, however, Westchester County, Long Island, and New York City have received nearly \$200 million less in military prime contracts and their percentage fell from 47 to 41 percent of the State totals.

New York State as a whole did maintain its national position, getting 12.6 percent of total military prime contracts in both halves of calendar year 1960. This amounts to an increase over the 1959 figures, as New York received 11.4 percent of military prime contracts in the first half of 1959 and only 10.4 percent in the last half of 1959.

Although I am glad to hear of the increase in defense work in upstate New York, I am very distressed to learn that defense work downstate has fallen off somewhat. Moreover, I am very much concerned that New York State still gets

only about half as much defense procurement work as California.

Of course, I know that defense contracts cannot—and I would never contend that they should—be awarded on a geographic basis, and I know that we do not want to pay a premium price for defense contracts anywhere in the country if they can be done more economically somewhere else. But at the same time, I refuse to believe that California is the only State in the Union that is able to make missiles.

New York has many fine firms; it has excellent facilities. New Yorkers have all the know-how. What they need is a little more consideration from the Department of Defense which seems to have taken quite literally Horace Greeley's remark about going west.

New Yorkers can certainly do a bigger job for the national defense than they have been allowed to do. Although these figures which I have presented do not cover a long enough time range to be by any means decisive and although they do not cover the very substantial field of subcontracts at all, New York State as a whole can and should move forward to recover the preeminence it once held in this important field.

PROPOSED MERGER OF PHILADELPHIA BANKS

Mr. SCOTT. Mr. President, we in Pennsylvania were deeply concerned when the Department of Justice brought suit in Philadelphia Federal district court to prevent the merger of the Philadelphia National Bank and the Girard Trust Corn Exchange Bank. The action of the Department came only a week after the Comptroller of the Currency approved the merger as being in the public interest.

I ask unanimous consent to have printed in the RECORD a joint statement by the two banks and editorials which appeared in the Philadelphia Evening Bulletin and Inquirer.

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

STATEMENT BY PHILADELPHIA NATIONAL BANK AND THE GIRARD TRUST CORN EXCHANGE BANK

The Comptroller of the Currency has found the merger of our two banks to be in the public interest and has approved it. The duty to approve or disapprove is placed on him by act of Congress. We believe that his decision to approve is correct and that the merger is in the best interest not only of our depositors, but of the people of the Philadelphia area.

The purpose of this merger is to create a bank more nearly commensurate with the national and international banking needs of the broad area we serve. Ours is the fourth most important industrial region in the Nation and yet its largest bank ranks only 20th in resources.

We intend to resist the action instituted by the Department of Justice.

[From the Philadelphia Evening Bulletin, Feb. 28, 1961]

AN OVERZEALOUS WATCHDOG

The Department of Justice is supposed to be the watchdog which protects free competition in business. This watchdog is assuming a strange role in filing suit to bar the merger of two Philadelphia banks.

Its suit, if successful, would mean that Philadelphia could not compete with other cities in providing the banking services needed by growing businesses and industries.

Philadelphia as a whole—not just these banks—has a big stake in seeing this merger completed. Here's why:

Business and industrial growth call for loan funds in big lots. So, suppose a growing business here needs a \$30 million loan to finance its expansion.

It would prefer, naturally, to do business with a Philadelphia bank; a bank familiar with its management and prospects.

But banks can lend only 10 percent of their capital and surplus to a single borrower. So the most the Philadelphia National Bank could lend, at present, would be \$3 million. To raise the rest it would be necessary to get the greater part of the loan commitments from other banks, probably in New York. The difficulties would be needlessly increased, and the New York banks would have a preponderant voice in the arrangements, relegating the Philadelphia bank to a secondary place.

The merger of the Philadelphia National with the Girard Trust Corn Exchange Bank was arranged to overcome this difficulty. Combining their resources, they would be able to lend as much as \$15 million to one borrower. Although the combined bank would still rate only 16th in the Nation—being exceeded in size by many banks in such smaller cities as Boston, San Francisco and Pittsburgh—it would be able to compete on more even terms in offering banking service to the business community.

The Comptroller of the Currency has already approved this union, after weighing the banking needs of the community as required by law.

The Department of Justice, in attempting to override his decision, is obviously interpreting competition in the narrow sense, as competition within the city. In taking this stand, it will, if successful, mean that Philadelphia is permanently debarred from competing with other cities in this vital field. It is hard to believe that this is what the law means when it sets out to safeguard free competition.

[From the Philadelphia Inquirer, Feb. 27, 1961]

JUSTICE DEPARTMENT VERSUS DELAWARE VALLEY

The civil action filed by the U.S. Justice Department against the Philadelphia National Bank and the Girard Trust Corn Exchange Bank is a serious setback to the growth of the Delaware Valley area.

The merger of the banks was approved last week by the Comptroller of the Currency, who acted after hearing from the Justice Department and other Federal bodies authorized to advise him. Quite evidently the recommendations given by the Justice Department to the Comptroller, Ray M. Gidney, must have been against the merger—yet he believed, as we do, that the combining of the two banks was in the public interest. Now, acting on its own, the Justice Department has moved to block the merger.

The key Government charge is this: "Existing and potential competition generally in commercial banking in the Philadelphia area will be substantially and unreasonably lessened."

We don't believe it—and further, the record does not bear this out. In the last 10 years several of our smaller banks have grown proportionately faster than our larger institutions.

And therein lies the rub. Our larger institutions have not been growing fast enough to keep up with the needs of this growing region. Although the proposed Philadel-

phia Girard National Bank & Trust Co. would become the largest bank in this city, its total assets would be less than \$2 billion, its total lending ability to any one borrower only \$15 million.

This would give it only the second highest rank in Pennsylvania (Mellon National of Pittsburgh is bigger) and 16th in the Nation. This is the fourth largest city in the Nation, the Nation's first port for foreign trade and a metropolitan area whose growth statistics over the last decade are startling.

Why Philadelphia should be singled out by the Justice Department to be held to competitive disadvantage, compared to other cities, is a mystery. In New York alone there are seven larger banks—and it is to New York our industries all too often must go to finance their expansion. To the extent that interest and fees must be paid in New York, this is dead loss to Philadelphia.

And to make the discrimination even more evident, five smaller cities have bigger banking facilities than we do: Pittsburgh, Cleveland, Boston, Detroit, and San Francisco.

We think the Justice Department's action was ill advised and we are glad that the Philadelphia banks will fight it. We expect them to win their case in simple justice to Delaware Valley, its needs and its future.

RECIPROCITY ON TOURIST SPENDING

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD a recent letter to the Washington Post and Times Herald which suggests an interesting reciprocal arrangement for tourists to bring back duty-free merchandise.

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

SHOULD WE LIMIT TOURIST SPENDING?

I respectfully take issue with one of the measures our President has recommended to Congress "to correct the basic payments deficit and achieve longer-term equilibrium."

I refer to his recommendation in which he urges Congress to reduce the duty-free customs exemption for returning American tourists from the present \$500 to what he refers to as "the historic basic duty-free allowance of \$100."

The so-called historic \$100 duty-free allowance remained the same for over 50 years. When various means were being devised in the late 1940's to close the then existing "dollar gap," the Treasury Department recommended to the Congress that this exemption be increased to \$1,000. The Departments of State and Commerce agreed with this recommendation.

Subsequent efforts to obtain legislative action on this recommendation ran into firm opposition from the protectionist elements in this country. The hearings held by the Ways and Means Committee will confirm this statement and that the committee refused to even report a bill to increase the \$100 exemption to a greater figure.

The legislative history of the two increases from \$100 to \$500 shows quite clearly that it was necessary to add two amendments to tax bills then pending on the floor of the Senate, in order to circumvent the protectionist lobby. It should therefore be kept in mind that this increase was not easily obtained, nor, I submit, should it be easily abandoned now.

Suffice to say, our neighbors and friends abroad were thus substantially benefited by the dollars spent by our tourists, and

these dollars were used to buy and pay for other exports from this country.

Now that the United States is running a payments deficit, the President recommends on the one hand that this \$500 exemption revert to \$100 and on the other hand he urges a broad program to promote and encourage foreign travel to the United States. In this latter connection, he points out that our tourists spend some \$2 billion in foreign countries while foreign travelers only spend about \$1 billion in this country. Obviously, the object is to have more money spent in this country by foreign tourists.

I suggest, that for this country suddenly and unilaterally to cut back this \$500 exemption will be considered by our friends abroad to be a form of protectionism. To do this requires amending the Tariff Act and certainly such a move will be applauded and supported by the foes of the reciprocal trade agreements program, who fought the increase in the first place.

Such action will most certainly leave a real dollar vacuum in friendly neighboring and foreign countries, and I will wager that our negotiators at the GATT session currently underway in Geneva will face a reaction to such a move.

As evidence of what this would mean to our friends: last year American tourists spent \$2,380 billion in travel abroad, of which \$1.6 billion was exclusive of transportation. Europe and the Mediterranean got \$604 million; Bermuda, West Indies, Central America, \$174 million; South Africa, \$41 million; other overseas countries, including Russia, \$76 million; Canada, \$365 million, and Mexico, \$350 million.

In my opinion, rather than take such extreme action and lose the negotiating power of our present \$500 duty-free exemption, we would be far wiser to embrace a simple policy of reciprocity with our friends, and say to them, we will continue to allow our returning tourists to purchase up to the \$500 worth of duty-free merchandise in your countries, if you will grant your tourists returning from the United States exactly the same duty-free exemption.

We are about to embark on a large-scale program to get more foreign tourists to come to the United States and such a reciprocal arrangement would mean greater expenditures in this country by them. But to take away these tourist dollars from our friends and at the very same time try to get their citizens to spend their money here, seems unnecessarily naive.

Such a reciprocal offer to our friends would not be an unreasonable position for us to take and would be fully understood by them. The ultimate decision would rest with the foreign countries themselves, and if country X only wished to permit its returning tourists a \$75 duty-free exemption, we would allow exactly the same exemption for purchases in country X by our tourists. I think such a reciprocal approach to this question would tend to equalize tourist expenditures to our mutual benefit.

GORDON W. RULE.

RATIFICATION BY TENNESSEE OF PROPOSED 23D CONSTITUTIONAL AMENDMENT

Mr. KEFAUVER. Mr. President, last Monday my home State of Tennessee became the first State in the South to ratify the 23d amendment, permitting citizens of the District of Columbia to vote in presidential elections. This brought to 26 the number of ratifying States, leaving only 12 to go.

As chairman of the Constitutional Amendments Subcommittee which re-

ported this amendment to the Senate floor, I wish to congratulate the General Assembly of Tennessee for this fine demonstration of belief in the right of all American citizens to vote. I desire also to congratulate Governor Buford Ellington for his leadership in this very worthy cause.

I ask unanimous consent that an editorial in the Washington Star of March 7, commenting on Tennessee's ratification, appear in the RECORD at this point.

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

TWELVE TO GO

Tennessee's ratification of the District suffrage amendment yesterday was an immensely important and encouraging milestone. For while 26 States now have approved, Tennessee is the first State of the South to do so. Hopefully, with the barrier now broken, other Southern States—particularly North Carolina and Texas—may also join the parade.

Likewise, the action in Nashville is a dramatic example of the necessity of informed leadership in the States. Several days ago,

as the result of a misunderstanding of the simple purpose of the amendment—to permit Washingtonians to vote for President and Vice President—the ratification drive was stalled in the Tennessee Legislature. Not until Gov. Buford Ellington personally intervened, urging legislative leaders to reconsider, was the path cleared for yesterday's vote.

Apart from Tennessee, a State-by-State survey by the Star has indicated that prospects are good that 11 more States, during the next several weeks, also may approve. This would leave the District a single State away from the 38 necessary to complete ratification.

But as hopeful as the indications are, the attainment of final approval this year still is far from assured. In several of the 11 most promising States, legislative leaders spoke optimistically of speedy approval, of the campaign being off and running, of being absolutely confident. In others, however, time is becoming increasingly a factor; although there is little opposition, the amendment is competing with heavy workloads of high importance to the States.

Meanwhile, Washingtonians can assist the campaign by supporting the District Citizens' Committee which is working so effectively

with backers of the amendment in each State. While the financial needs of the committee are modest—primarily to meet the costs of correspondence and long-distance telephone calls—they nevertheless are real.

EXPENDITURES BY COMMITTEES

Mr. HAYDEN. Mr. President, in accordance with the Mutual Security Act of 1954, as amended, I ask unanimous consent to have printed in the RECORD the reports of the Committee on Interior and Insular Affairs, the Committee on Foreign Relations for the Interparliamentary Union meeting in Tokyo, and the Committee on Aeronautical and Space Sciences, on the foreign currencies and U.S. dollars utilized by the Committee on Interior and Insular Affairs, the Interparliamentary Union meeting in 1960, and the Committee on Aeronautical and Space Sciences, in connection with foreign travel.

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

Report of expenditure of foreign currencies and appropriated funds by the Committee on Interior and Insular Affairs, U.S. Senate

[Expended between Jan. 1 and Dec. 31, 1960]

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Linden, S. K.:											
Germany	mark	400	95.20	244	58.07	186	44.27			830	197.54
Switzerland	franc	375	87.38	164	38.21	111	25.86			650	151.45
Italy	lira	85,000	136.85	52,000	83.72	70,006	112.73			207,006	333.30
Great Britain	pound	51.0.0	142.80	32.0.0	89.60	2.0.0	5.60			85.0.0	238.00
Total			462.23		269.60		188.46				920.29
Moss, F. E.:											
Spain	plasters	2,625	43.75	3,532	58.76	470	7.83	680	11.46	7,307	121.80
Tangier, Morocco	franc	11,000	22.00	6,500	13.00	8,600	17.05	2,500	5.00	28,600	57.05
Casablanca, Morocco		8,350	16.70	8,412	16.82	700	1.40	700	1.40	18,161	36.32
Do	Appropriated U.S. dollar.								.50		.50
Libya	pound	3,020	8.52	1,065	3.00			.440	1.28	4,525	12.80
Do	Appropriated U.S. dollar.								2.42		2.42
United Arab Republic (Egypt)	pound	33.13	74.55	46.15	103.84	1,725	3.85	1.40	2.15		184.39
Ethiopia	dollar	109.50	43.80	34.00	13.62	1.67	.67	5.40	2.18	150.57	60.27
Kenya	shilling	247.35	34.85	4.00	5.72	325.30	45.82	30.00	4.28	642.65	90.67
Tanganyika	do	184.20	26.00	118.00	16.64	173.00	24.37	177.40	25.11	652.60	92.12
Rhodesia	Appropriated U.S. dollar.		25.20		14.45		2.80		1.33		43.78
Congo (Elisabethville)	franc	473	9.46	516	10.34	61	1.22	55	1.10	1,105	22.12
Congo (Leopoldville)	do	1,143	22.86	2,576	51.52	119	2.40	110	2.20	3,948	78.98
Nigeria	pound	24.0.0	67.20	11,16.0	32.54	13.7.0	37.34	1.4.0	3.35	50.7.0	141.43
Togo	Appropriated U.S. dollar.		15.00		18.60		20.00		2.00		55.60
Ghana	pound	16.0.0	44.90	4.0.0	11.20	9.0.0	25.24	8.15.0	24.27	37.15.6	105.61
Ivory Coast	Appropriated U.S. dollar.				16.92		18.83		4.41		40.16
Liberia	do		39.60		29.45		10.00		5.50		84.55
Mali	franc	2,500	10.40	11,776	49.26	740	3.07	292	1.24	15,308	63.97
Guinea	Appropriated U.S. dollar.		28.00		20.84		1.50		4.24		54.58
Senegal	franc	4,430	18.29	500	2.16	333	1.38	175	.73	5,438	22.56
En route airplane	Appropriated U.S. dollar.				190.80						190.80
Total			551.08		679.48		224.78		107.15		1,562.48
Callaghan, R. L.:											
Japan	yen	18,380	50.19	17,000	47.39	986	2.72	2,720	7.60	39,086	107.90
Taiwan	New Taiwan dollar.	800	20.00	725	18.13	320	8.00	320	8.00	2,165	54.13
Hong Kong	Hong Kong dollar.	339.60	60.00	416.01	73.50	108.11	19.10	136.28	24.08	1,000	176.68
Okinawa	Appropriated U.S. dollar.		10.00		12.00		2.00				24.00
En route airplane	do				20.88						20.88
Total			140.19		171.90		31.82		39.68		383.59
French, Stewart:											
Australia	pound	40.0.0	90.00	30.0.0	67.50	1.0.0	2.25	4.0.0	9.00	75.0.0	168.75
Taiwan	New Taiwan dollar.	400	10.00	360	9.00	160	4.00	366	9.15	1,286	32.15

¹ \$2.65 per day times 36 days.

Report of expenditure of foreign currencies and appropriated funds by the Committee on Interior and Insular Affairs, U.S. Senate—Con.

[Expended between Jan. 1 and Dec. 31, 1960]

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
French, Stewart—Continued											
Hong Kong	Hong Kong dollar.	509.40	90.00	545.62	96.40	507.14	89.60	77.83	13.76	1,640	289.76
Philippines	peso	46.51	20.00	55.25	23.76			14.90	6.41	116.66	50.17
En route airplane	Appropriated U.S. dollar.				23.20						23.20
Total			210.00		219.86		95.85		38.32		564.03
Gruening, Ernest:											
Japan	yen	14,190	41.65	16,000	44.61	1,500	4.18			31,690	90.44
Okinawa	Appropriated U.S. dollar.		10.00		14.00						24.00
Taiwan	New Taiwan dollar.	1,187	33.43	400	10.00			160	4.00	1,897	47.42
Hong Kong	Hong Kong dollar.	339.60	60.00	353.56	61.30	67.92	12.00	438.92	77.54	1,200	210.84
Philippines	peso	46.51	20.00	49.50	21.28			37.75	16.23	133.76	57.51
En route airplane	Appropriated U.S. dollar.				32.48						32.48
Total			165.08		183.67		16.18		97.77		462.70
Long, Oren E.:											
Japan	yen	14,190	41.65	12,000	33.45			4,300	11.99	30,490	87.09
Okinawa	Appropriated U.S. dollar.		10.00		14.00						24.00
Taiwan	New Taiwan dollar.	1,069	26.73	300	7.50			33	.83	1,402	35.06
Hong Kong	Hong Kong dollar.	339.60	60.00	324.04	67.25	46.98	8.30	286.68	50.65	1,000	176.20
Philippines	peso	46.51	20.00	39.50	16.99			21.50	9.25	107.51	46.24
En route airplane	Appropriated U.S. dollar.				18.56						18.56
Total			158.38		147.75		8.30		72.72		387.15
Southwick, P.:											
Japan	yen	14,190	41.65	15,000	41.82	4,000	11.15	2,810	7.84	36,000	102.46
Okinawa	Appropriated U.S. dollar.		10.00		10.00		4.00				24.00
Taiwan	New Taiwan dollar.	800	20.00	910	22.75	200	5.00	340	8.50	2,250	56.25
Hong Kong	Hong Kong dollar.	339.60	60.00	380.92	67.30	74.99	13.25	204.49	36.13	1,000	176.68
Philippines	peso	46.51	20.00	37.25	16.02			9.20	3.96	92.96	39.98
En route airplane	Appropriated U.S. dollar.				32.48						32.48
Total			151.65		190.37		33.40		56.43		431.85
Sundborg, George:											
Japan	yen	14,190	41.65	18,300	51.02	4,900	13.67	6,321	17.63	43,711	123.97
Okinawa	Appropriated U.S. dollar.		10.00		11.00		3.00				24.00
Taiwan	New Taiwan dollar.	800	20.00	600	15.00	90	2.25	300	7.50	1,790	44.75
Hong Kong	Hong Kong dollar.	339.60	60.00	441.48	78.00	65.09	11.50	303.83	53.68	1,150	203.18
Philippines	peso	46.51	20.00	48.05	20.66	3.75	1.61	31.80	13.67	130.11	55.94
En route airplane	Appropriated U.S. dollar.				32.48						32.48
Total			151.65		208.16		32.03		92.48		484.32
Takamune, Thomas:											
Japan	yen	14,190	41.65	13,100	36.52	3,500	9.76	5,210	14.53	36,000	102.46
Okinawa	Appropriated U.S. dollar.		10.00		14.00						24.00
Taiwan	New Taiwan dollar.	800	20.00	710	17.75	280	7.00	420	10.50	2,210	55.25
Hong Kong	Hong Kong dollar.	339.60	60.00	389.13	68.75	48.11	8.50	223.16	39.61	1,000	176.86
Philippines	peso	46.51	20.00	47.00	20.21	2.80	1.20	20.65	8.88	116.96	50.29
En route airplane	Appropriated U.S. dollar.				18.56						18.56
Total			151.65		175.79		26.46		73.52		427.42
Grand total			2,141.91		2,246.58		657.28		578.07		5,623.84

RECAPITULATION

Foreign currency (U.S. dollar equivalent)	Amount
Appropriated funds:	
S. Res. 330	144.00
Other	369.44
Government department: Department of the Air Force	369.44
Total	5,623.40

JAMES E. MURRAY,

Chairman, Committee on Interior and Insular Affairs.

JAN. 2, 1961.

Report of expenditure of foreign currencies and appropriated funds by the Committee on Foreign Relations, U.S. Senate, for U.S. Delegation to the Interparliamentary Union meeting, Tokyo, Japan (authority, Public Law 86-628)

[Expended between Jan. 1 and Dec. 31, 1960]

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator A. S. MIKE MONRONEY:											
Ireland	U.S. dollar				4.00		2.00		2.00		8.00
Netherlands	do		12.00				2.00		2.00		16.00
Switzerland	do		30.00				24.00		12.00		66.00
Lebanon	do		10.00		15.00				4.00		29.00
Israel	do		14.00				58.00		5.00		77.00
India	do		26.00				2.00		9.00		37.00
Thailand	do		15.00				4.00		6.00		25.00
Hong Kong	U.S. dollar and Hong Kong dollar	319.20	56.00		22.00		5.00		19.00	319.20	102.00
Taiwan	U.S. dollar		16.00						5.00		21.00
Okinawa	do								8.00		8.00
Japan	do		154.00				12.00		35.00		201.00
Japan to Oklahoma City	do						90.00				90.00
Total			333.00		41.00		199.00		107.00		680.00
Senator STROM THURMOND:											
Netherlands	U.S. dollar		8.00		7.50						15.50
Switzerland	do		23.00		19.75			4.00			46.85
Lebanon	do		14.76		10.00						24.76
Jordan	do		5.88		4.50						10.38
India	do		23.31		8.50		10.50				42.31
Thailand	do		12.93		11.00		2.50				26.43
Hong Kong	do		23.80		24.00		4.50				52.30
Taiwan	do		16.25		12.00						28.25
Japan	do		79.31		89.50						168.81
Hawaii	do		3.75		18.00						21.75
Aiken, S.C., to Washington, D.C.	do						72.00				72.00
Total			210.99		204.85		93.50				509.34
Senator FRANCIS CASE:											
Custer, S. Dak., to Washington, D.C.	U.S. dollar		32.00		16.00		142.00				190.00
Japan	do		194.54		102.20				9.00		306.74
Washington, D.C., to Custer, S. Dak.	do		16.00		8.00		119.36				143.36
Total			242.54		126.20		262.26		9.00		640.00
Senator MIKE MANSFIELD:											
Japan	U.S. dollar		84.00		41.75		9.90		64.35		200.00
Do	Hong Kong dollar	240.65	42.12	216.60	38.10	57.00	10.00	57.00	10.00	571.25	100.22
Total			126.12		79.85		19.90		74.35		300.22
Senator J. W. FULBRIGHT: Japan											
Senator THOMAS H. KUCHEL: Japan											
Delegation expenses:											
Japan, etc	do		235.09		192.71		58.60		216.60		640.00
Do	do		221.95		119.80		62.00		236.25		640.00
Total			1,369.69		1,061.41		695.26		1,104.59		4,230.95

¹ Reimbursed to U.S. Navy by Dr. Franklin Dunham for miscellaneous expenses.
² Paid out by U.S. Navy for inflight meals and other expenses for Senate delegates.

RECAPITULATION

Foreign currency (U.S. dollar equivalent)	Amount
Appropriated funds:	
Senate Resolution	
Other Public Law 86-628	3,663.24
Government department: U.S. Navy	411.39
Total	4,230.95

J. W. FULBRIGHT,
 Chairman, Committee on Foreign Relations (for the IPU).

Report of expenditure of foreign currencies and appropriated funds by the Committee on Aeronautical and Space Sciences, U.S. Senate

[Expended between Jan. 1 and Dec. 31, 1960]

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Thomas E. Martin:											
France	franc	798.00	162.49	513.80	104.78	110.80	22.50	383.00	78.02	1,805.60	367.79
Do	Appropriated				15.55				15.00		30.55
Spain	peseta	88.97	147.48	55.33	82.63	9.45	16.87	15.79	25.90	169.54	271.88
Germany	deutsche mark	545.11	130.71	139.46	33.81	157.55	37.69	553.40	131.53	1,395.52	333.74
Do	Appropriated		33.75		105.00		19.26				158.01
The Netherlands	guilder	71.45	18.80				8.00		50.00	13.22	34.12
England	pound	23-0-6	64.48	7-0-9	20.86	7-0-0	19.00	35-17-3	100.41	72-18-6	205.35
Do	Appropriated		21.08		60.80		470.50		10.34		552.72

Report of expenditure of foreign currencies and appropriated funds by the Committee on Aeronautical and Space Sciences, U.S. Senate—Continued

[Expended between Jan. 1 and Dec. 31, 1960]

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Thomas E. Martin—Continued											
Sweden.....	krona.....	775.50	149.59	140.90	26.25	226.84	44.02	564.60	110.44	1,707.84	330.30
Denmark.....	kroner.....	373.05	54.11	248.35	36.05	196.30	28.39	132.05	19.25	949.75	137.80
Norway.....	do.....	112.60	15.79	21.10	2.94	257.00	36.03	73.65	10.33	464.35	65.09
Italy.....	lira.....	2,572.60	401.31	391.50	63.19	397.30	63.77	1,354.05	219.69	4,715.45	747.96
Do.....	Appropriated.....				21.00				28.06		49.06
United States.....	dollar.....				1.50			158.60			160.10
Total.....			1,199.59		564.36		918.33		762.19		3,444.47
Eilene Galloway, Sweden.....											
	krona.....	450.00	87.34	299.95	58.21	80	15.53	300.05	58.23	1,130.00	219.31
	deutsche mark.....					2,829.96	1,673.80				673.80
Total.....			87.34		58.21		689.33		58.23		893.11
Grand total.....			1,286.93		622.57		1,607.66		820.42		4,337.58

¹ Round trip ticket to Sweden from Washington paid by State Department in deutsche mark.

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent).....	\$3,387.14
Appropriated funds:	
Senate resolution.....	
Other.....	
Government department: Department of the Army.....	950.44
Total.....	4,337.58

LYNDON B. JOHNSON,

Chairman, Committee on Aeronautical and Space Sciences.

FEDERAL AID FOR EDUCATION

Mr. CURTIS. Mr. President, within the near future this body will be debating an issue of exceeding importance—that of proposed Federal aid for education. I am now in my 23d year in the Congress, and with Divine tolerance I am due to be here for a few more years. I doubt that during my service I shall deal with any matter as profoundly significant as this proposal. I doubt that any other single act of the Congress during my tenure can affect so deeply the present line of demarcation between Federal and sub-Federal responsibilities. We have, through assumption of many obligations at the Federal level, moved far toward a dominant and omnipotent Federal Government. Thirty years ago the Federal Government collected about 1 out of every 3 revenue dollars. Today, it collects about 3 out of 4 revenue dollars. Federal preemption of the sources of revenue leaves little wonder that executives of our several States must come here, hat in hand, seeking grants to finance all or part of State and local programs. The record of debt and deficit does not support the thesis that we are wiser or more prudent in the collection and disbursement of revenues than are our sub-Federal counterparts; it merely indicates, as I have stated, that we have preempted the field. Because of this volume of Federal revenues, many who have not informed themselves on the national fiscal affairs are prone to believe that the Federal bounty costs them nothing. If this fiction is widespread, we have a duty to destroy it. Regardless of whether Washington collects 3 of 4, 4 of 5, or 2 of 7 of all revenue dollars, all of them come from

the only asset known to all tax gatherers—the one who pays the taxes.

But the many considerations attendant to Federal aid for education extend beyond the issue of its financing. These I hope to discuss in a series of speeches. It is my earnest desire to expand the pros and cons and to look dispassionately at the total problem. I most sincerely feel that we must deliberate this matter fully and temperately. I hope the old shibboleths which have been used on past occasions for appeal to emotion, rather than to reason, can now be discarded. My patience is sorely tried when some zealot waggles his finger at me and cries, "But don't you want the best for our children?" Of course I do, as does every parent. But here and now I cannot subscribe to the view that the best comes only from Federal direction. Let us not prejudice the atmosphere of our labors with nauseating remarks such as one commentator's recent statement that—

Wyoming is more interested in control of noxious weeds than in education of its children.

I urge that we be moved by a record of fact and motivated by the soundest reason. We cannot temporize; we cannot let the lure of next year's vote become dearer to us than the next generation's verdict for failure today.

In remarks which I shall submit on subsequent occasions, I hope to make a useful contribution to this body. History offers some enlightenment; earlier debates deserve accounting. The force of my argument will come, not from the U.S. Chamber of Commerce or from the National Association of Manufacturers, but from statistics compiled, for the most part, by the U.S. Office of Educa-

tion and the National Education Association.

As we deliberate, we must seek the most dollars for our education and the most education for our dollars. We may well discover that the answer to the needs of education is not solely a Federal answer.

Let me remind Senators that expenditures for public education were \$2.3 billion in 1930, and \$16 billion in 1960. Between 1950 and 1960 school outlays grew a billion dollars a year. The rise of gross national product for the next decade will increase this outlay at least \$6 billion from current sources. In this 30-year period, school enrollment grew 42 percent; instructional staff grew 65 percent. The average of teachers' salaries increased from \$1,420 per annum to \$5,160. Teacher-pupil ratio decreased from 29.2 to 25. This, I submit, shows no stagnation, no disregard for school needs.

So today we face the proposition that the difference between inferior and superior public education is achieved by adding to a \$16 billion annual outlay a Federal increment of a billion-plus a year for 5 years. We note that, happily, our problem will be solved in the year of our next Presidential election.

Financing is but one facet of the Federal-aid-to-education issue. About others I shall speak later.

EIGHTY-EIGHT-MILE, TEXAS-SIZE NATIONAL SEASHORE RECREATION AREA ON PADRE ISLAND FAVORED BY MOST TEXANS

Mr. YARBOROUGH. Mr. President, the hundreds of thousands of Texans and other Americans who are supporting my proposal, S. 4, to establish a na-

tional seashore recreation area on Padre Island, were highly encouraged by President Kennedy's recent endorsement of the project.

In his message to the Congress on natural resources, President Kennedy urged the Congress to establish three new national seashore recreation areas, one of which would be located on Padre Island.

Although field investigators for the National Parks Service have recommended an 88-mile-long seashore recreation area, as provided in S. 4, certain major property owners and a few others favor a much smaller area for public use and a larger area for private exploitation for the fortunate few of considerable wealth.

Congressional action this session to preserve 88 miles of 118-mile-long Padre Island, America's longest, southernmost unspoiled beach, will assure that we can preserve enough of this place of natural beauty to meet the needs of all Americans.

Moves to reduce the size of the national recreation area and to force the construction of a highway the length of the island, if successful, would constitute a tragic giveaway of public heritage and an unconscionable waste of taxpayers' money. The speculators and promoters would like to see the Federal Government establish a 50-mile park in the middle of the island, much of which is less desirable shell bank area, and build a four-lane highway from Corpus Christi to Brownsville. They would have some 68 miles of high priced choice beach property—made high price and choice by the action of the Federal Government in building a highway where there is now none—located on a taxpayer financed highway that they could peddle for considerable profit at the tax expense of the majority of the people who couldn't afford the luxury of owning such beach property.

As one who has introduced three bills providing for establishment of this national seashore recreation area and after having spent many hours studying and considering the present and future need for public preservation of Padre Island, I am unalterably opposed to those who would see this project degenerate to a windfall for a few private promoters.

The letters and other reports that I am receiving from Texas strongly indicate that the people of our State are alert to this danger, and that most Texans and other people across the country who are interested in national parks, conservation, and the preservation of beaches and parks agree with respect to the need for the full 88-mile size national seashore recreation area on Padre Island.

TRIBUTE TO PAUL C. JOHNSON

Mr. JORDAN. Mr. President, as chairman of the Subcommittee on the Senate Restaurant, I think it fitting that I take this occasion to mark the latest milestone of the most senior employee on Capitol Hill. I refer to Paul C. Johnson, whom all of us know as the friendly, tactful, and efficient headwaiter in our

Capitol dining room. On December 24, last, Paul completed his 60th year as an employee of the Senate Restaurant.

When Paul was only 17 years old, he left his home in Culpeper, Va., and came to Washington. His first job at the Capitol was as a substitute bus and pantry boy under a Mr. Page, who was then the restaurant manager. He was recommended for a permanent position by Senator Daniels, of Virginia. By his commendable industry, he worked his way from busboy to waiter and finally to headwaiter in 1935. Throughout the years, he has worked under the supervision of some 20 managers, all of whom found his services of the highest order.

Paul was married for the first time in 1905. His wife died in the late 1930's, and he married again in 1940. He has one child by his first wife and expects to become a great-grandfather around the 1st of April. His hobby is botany, with a particular interest in yellow Texas roses. His most memorable experience during the time he has been employed here was a bomb explosion in the Senate Reception Room during the First World War.

I am sure all of my colleagues appreciate the diplomacy it requires to care for the requirements of the Senators and their many distinguished guests within the limitations of our dining room seating capacity. Paul has always proved himself worthy of the task. Although he is nearly 78 years old, he has the physique of a man in his early sixties. He is blessed with a remarkable memory and can talk with intimate recollection about Senators who have long since gone from our midst.

I feel sure that I speak for all the Members of this body when I say, "Congratulations, Paul, on your 60 years of dedicated service. May the good Lord see fit to keep you in good health so you may continue as our headwaiter in the new enlarged Senate dining room soon to be available."

ARTS COUNCIL OF GREAT BRITAIN ANALOGOUS TO U.S. ARTS FOUNDATION (S. 1250)

Mr. JAVITS. Mr. President, my proposal for the establishment of a U.S. Arts Foundation is closely analogous to the Arts Council of Great Britain, which has been in operation since 1946; a Canadian Arts Council is also now in operation. The experience and example of the Arts Council of Great Britain have considerable significance in any program for the encouragement and diffusion of the performing and visual arts in the United States. Headquarters of the British Arts Council are in London with special committees functioning in Scotland and Wales, and it operates on a total appropriation of £1,500,000, or 7d. per capita. Its annual report is a printed document of 124 pages, and to illustrate its activities I ask unanimous consent to have printed in the RECORD significant excerpts which I have made from the "Fifteenth Annual Report, 1959-60, of the Arts Council of Great Britain."

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

EXCERPTS FROM THE 15TH ANNUAL REPORT OF THE ARTS COUNCIL OF GREAT BRITAIN, 1959-60

Without their present subsidies from the Arts Council there would be no Royal Ballet, no Covent Garden Opera, no Sadler's Wells or Old Vic, and it is more than doubtful whether such fruitful experiments as those of the English Stage Co. at the Royal Court Theater or the Mermaid Theater at Puddle Dock would have been possible without the support and association of the Arts Council. For many years now London has enjoyed an international art exhibition of outstanding quality, organized entirely by the arts council. The latest of these is the great Picasso exhibition which packed the Tate Gallery this summer. Outside London none of the five permanent symphony orchestras would have survived without arts council grants, nor would the 30 repertory theaters in England and Scotland which are nowadays the thin red line of defense against the total mechanization of drama. Since the war many annual festivals of the arts have been initiated or revived, and again, without the cooperation of the Arts Council it is unlikely that Edinburgh, York, Leeds, Norwich, Aldeburgh, Bath, Cheltenham, King's Lynn and Swansea would continue to mount these exemplary and festive demonstrations of the fine arts.

NECESSITY FOR PUBLIC PATRONAGE

The arts in this country maintain in general a high level of performance, and they are attracting audiences very much larger than those of prewar years; yet their economic condition is such that without a national levy of 7d. a head they would have to put up the shutters tomorrow. The audiences contribute around 2 million pounds a year to the music, drama, opera, ballet, and art exhibitions provided by the bodies the Arts Council supports, yet a contribution of another million and a half from public funds is essential to keep those arts alive.

It regards its major responsibility as being to maintain in the metropolis a few national institutions: Covent Garden Opera, the Royal Ballet, Sadler's Wells Opera, and the Old Vic. A related obligation is to insure that these national institutions are also seen, as far as possible, outside London.

Of the grants made by the Arts Council, in the current year, 60 percent will be given to bodies based on London and 40 percent to bodies based outside. But when the figures are adjusted to take into account the subsidies required to send on tour Covent Garden, the Royal Ballet, Sadler's Wells, the Old Vic, and the London Philharmonic Orchestra, the proportions of Arts Council money spent in London and in the rest of Britain work out approximately at 50-50.

PROVINCIAL PRIORITIES

The Arts Council recognizes that it has certain primary obligations outside London as well as in London. In the English provinces it endeavors to consolidate a limited number of regional strongholds of music and drama. Thus it makes substantial grants to the four permanent provincial symphony orchestras—Halle, Royal Liverpool, city of Birmingham, and Bournemouth (a total of £115,000 in 1960-61, compared with £79,000 the previous year). These orchestras perform not only in the towns on which they are based, but they also visit many other places within their regions, apart from occasional long-distance forays. In the English provinces, again, the Arts Council follows the policy of supporting a limited number of repertory companies—25 of them at

present (at a cost of £100,000 in 1960-61, compared with £50,000 the previous year). These repertory theaters, like the orchestras, endeavor to serve audiences outside as well as inside the towns on which they are based, and the Arts Council's scheme of special transport subsidies to bring audiences in from a reasonable radius has proved a valuable instrument of diffusion.

Finally, in its list of primary obligations in the English provinces, the Arts Council includes a group of festivals, some annual, some triennial, which serve as focal points for the occasional presentation of the fine arts at a level much more ambitious than any which such places could normally sustain.

AMATEUR INFLUENCE

Another factor which bears closely on this problem of diffusion is the important role played by the organized amateur movements in music and drama * * *. The amateur orchestras, choirs, and theatricals may be short of high professional competence—although bodies like the British Drama League and the National Federation of Music Societies now give them considerable guidance in various ways—but they can certainly foster an interest in the arts and, within their accepted limits, they are a powerful auxiliary of diffusion * * *. For reasons of finance and policy the Arts Council concentrates its aid upon the professional performances of the arts; yet it recognizes the amateur element as being a valuable auxiliary of diffusion and is this year distributing nearly £50,000 among amateur music societies and arts clubs of various kinds.

IMPACT OF TELEVISION

Since the Arts Council was set up in 1946 there has been developed the most potent instrument of diffusion yet to appear—television * * *. If TV is to be accepted, however, as the major mode of diffusion in the future, those who command its resources must be aware of their duty to replenish the arts they consume on the screen. They must accept their share of maintaining those powerhouses of the living arts on which they ultimately depend for what they put out. It is in the theaters, opera houses, and concert halls of this country that there will continue to be found and trained the actors, singers, dancers, composers, decorators, and producers on whom TV must so deeply depend for its creators and technicians * * *. This logical alliance between the powerhouses of the arts and the vast networks of TV transmission is one which needs every encouragement.

AID FOR THE ARTIST

The Arts Council applies the bulk of its annual income to opera and ballet companies, repertory theaters and orchestras, all of which are self-governing bodies wholly responsible for their own policies and programs. But for several years now the Arts Council, recognizing its obligations to the individual artist, has set aside money to assist and encourage a number of such artists, and several private benefactors have also entrusted money to the Arts Council for the same purpose. Twelve young dramatists have been awarded bursaries to enable them to develop their talent, 10 producers and 3 designers have been given travel grants to visit theaters abroad and observe what is being done in the European playhouses. A further method of giving young and promising talent a chance it might not otherwise get is the Council's policy of offering theater managements limited guarantees to stage productions of new plays which would be deemed too speculative a risk in the usual way of business. In music the Council administers funds of about £2,000 a year to assist young artists to pursue more advanced studies and to launch themselves in the professional field.

The largest expenditure of this kind occurs on the visual arts. At present the Arts Council is setting aside £5,000 a year for the purchase of paintings, sculpture, and drawings by contemporary artists.

These methods of encouraging practitioners in all the arts are at present costing the Arts Council some £10,000 a year.

The Arts Council rejects this simple arithmetic of equal shares. It applies a means test to all applicants, and calls for estimates of income and expenditure over the trading year before determining what grant or guarantee it will make to an orchestra or a theater company. It also requires periodic trading returns from these bodies so as to observe the course of business, and appoints an Arts Council officer as an assessor at all meetings of the management committees of the bodies it assists. The Arts Council must see all the figures, including the occasional profits a company makes from a foreign tour, the income of a rare legacy, or the timely contribution of a supporters' club * * *. The Arts Council recognizes the anxiety some of its beneficiaries feel about the present system of annual grants. These would be obvious advantages if the Arts Council were enabled to operate, like the university grants committee, over a given period of 3 or 5 years, and thus give stronger assurances of support than it can offer at present. A long-term pattern of development is difficult to design on the basis of grants that have to be sought annually and sought, sometimes, in a period of squeeze and restriction.

HUNGARIAN INDEPENDENCE DAY

Mr. HUMPHREY. Mr. President, March 15 marks the 153d anniversary of the Hungarian revolution of 1848. This day is celebrated by Hungarians the world over in commemoration of the freedom fight of the Hungarian nation against the Hapsburg dynasty and which was finally crushed by the United Austrian and Russian Armies.

It is indeed tragic, Mr. President, that in this era of emerging, independent nations, Hungary, with a history of a thousand years' independence, is under bondage to the Soviet Union. And this bondage continues despite another world-shaking freedom fight in 1956—a freedom fight suppressed by the iron boot of the Kremlin, but which won the hearts and sympathy of free people throughout the world. Those Hungarian heroes of the 1956 revolt will not soon be forgotten, and it is our profound hope that they will not have died in vain.

Moscow is not, nor will it ever be, the true spokesman for its captive nation. People who will fight and die for their individual freedom and national independence will never be stilled, regardless of the form of imperialism under which they must suffer. We have a glaring example of the sociopolitical imperialism of the Soviet Union in the Baltic States—Lithuania, Estonia, and Latvia. But, Mr. President, our interests and efforts in the name of personal and national independence must include the nations enslaved under the label of Slavic brotherhood. The Hungarian people, despite secret trials and executions; despite collectivization of agriculture; and, despite the violation of human rights are still—and will remain—a people who want, desire and should have the right to institute their own form of government—if necessary, under

the auspices of the United Nations. I can only urge, Mr. President, that the 12 political resolutions adopted by the United Nations General Assembly since the Hungarian revolution be enforced; that basic human rights and the rights of self-determination be restored.

Our Government was founded on the principle that self-determination of the governed will determine the type of government they shall have. I would wish this freedom of choice for all nations, and it is one of my fondest hopes that through the United Nations we shall employ facilities to enable those now enslaved to have free elections, spiritual, personal, and political independence reinstated.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1173) to authorize the appointment of Dwight David Eisenhower to the active list of the Regular Army, and for other purposes.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, without the time necessary for the call of the roll being applied to the unanimous consent agreement for consideration of S. 1.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

AREA REDEVELOPMENT ACT

The Senate resumed the consideration of the bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. The pending business, namely, the distressed areas bill, now automatically comes before the Senate?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. The pending business before the Senate then is the distressed areas bill?

The PRESIDING OFFICER. The Senator is correct.

The Chair lays before the Senate the unfinished business. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, in the nature of a substitute.

Mr. FULBRIGHT. Mr. President, I call up my amendments designated 3-9-61-D.

The PRESIDING OFFICER. The clerk will state the amendments. Does the Senator desire to have the amendments read in full?

Mr. FULBRIGHT. I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, the amendments will be printed in the Record without reading.

The amendments are as follows:

On page 40, strike out lines 9 through 18, and insert in lieu thereof the following:

"AREA REDEVELOPMENT ADMINISTRATOR

"Sec. 3. There shall be appointed by the President, by and with the advice and consent of the Senate, an Area Redevelopment Administrator in the Department of Commerce who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce. The Administrator shall perform such duties in the execution of this Act as the Secretary of Commerce (hereinafter referred to as the 'Secretary') may assign."

On page 40, line 20, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 40, line 25, strike out "of Commerce".

On page 41, line 10, strike out "of Commerce".

On page 41, lines 15 and 16, strike out "of Commerce".

On page 41, line 21, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 42, in lines 2, 4, and 25, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 43, in lines 9, 10, 11, 20, and 23, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 44, in lines 12, 17, and 23, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 44, lines 24 and 25, strike out "the Secretary of Commerce,".

On page 45, in lines 3, 4, 6, 12, and 17, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 46, line 10, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 47, in lines 11 and 24, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 48, in line 4, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 49, in lines 1, 2, 5, and 16, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 50, line 14, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 51, in lines 20, 23, and 24, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 52, in lines 5 and 10, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 53, line 12, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 54, in lines 4 and 7, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 55, line 18, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 56, in lines 15 and 21, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 57, line 18, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 58, in lines 4, 13, and 23, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 59, in lines 6, 7, 13, 15, 22, and 23, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 60, in lines 10 and 11, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 61, in lines 17, 21, and 25, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 62, in lines 3, 4, and 5, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 63, in lines 15 and 24, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 64, in lines 9, 12, 13, and 14, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 64, lines 24 and 25, strike out "Area Redevelopment Administrator" and insert in lieu thereof "Secretary of Commerce".

On page 67, line 9, strike out "Area Redevelopment Administrator" and insert in lieu thereof "Secretary of Commerce".

On page 68, in lines 1 and 2, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 69, line 19, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 71, in lines 10 and 23, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 72, in lines 4, 8, 11, 18, 20, and 24, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 73, in lines 5, 8, 11, 15, and 21, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 74, in lines 3, 5, and 6, strike out "Administration" and insert in lieu thereof "Department of Commerce".

On page 74, in lines 2, 16, and 17, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 75, in lines 1 and 11, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 76, lines 20 and 23, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 77, in lines 6, 9, and 10, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 78, in lines 11, 12, 15, and 24, strike out "Administrator" and insert in lieu thereof "Secretary".

On page 79, in lines 1 and 8, strike out "Administrator" and insert in lieu thereof "Secretary".

Mr. FULBRIGHT. Mr. President, I call up my amendments designated as 3-9-61-D, which I discussed when I presented it on Thursday, March 9.

These amendments will provide for the administration of the area redevelopment program under S. 1 in exactly the same manner in which the President has requested.

On January 25, 1961, President Kennedy wrote to the Vice President and the Speaker of the House recommending

the enactment of area redevelopment legislation. In his letter, President Kennedy made the following statement:

The proposed legislation will involve more than one existing department of Government. All must be drawn into the effort. In my judgment, the department best equipped to supervise and coordinate the program is the Department of Commerce. However, if the Congress should decide that a new agency would be more appropriate I believe such an agency could also carry out the objectives I have outlined.

On February 20, 1961, President Kennedy wrote the Speaker of the House again, recommending the prompt enactment of legislation on this subject and enclosing with his letter a draft bill which he urged the House to consider. This bill, which has been introduced as H.R. 4569, vests the powers and functions created by the act in the Secretary of Commerce, instead of creating a new independent agency.

The President has now twice made it entirely clear that he favors vesting these powers and functions directly in the Secretary of Commerce, rather than create a new independent agency reporting directly to him.

The difference between the President's area redevelopment bill and S. 1, the Douglas bill as reported by the committee, on the point of administration, can be stated very simply.

Section 3 of the President's bill reads as follows:

There shall be appointed by the President by and with the advice and consent of the Senate, an Area Redevelopment Administrator in the Department of Commerce who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce. The Administrator shall perform such duties in the execution of this Act as the Secretary of Commerce (hereinafter referred to as the Secretary) may assign.

Section 3 of the Douglas bill reads as follows:

In order to carry out the purposes of this Act, there is hereby established in the Department of Commerce an Area Redevelopment Administration. Such Administration shall be under the direction and control of an Administrator (hereinafter referred to as the "Administrator") who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the same rate as that prescribed by law for an assistant secretary of an executive department.

My amendment on the point of administration reads exactly as does the President's bill.

It had been my intention to support the administration's bill this year, although I had opposed similar bills in the past, mainly on the grounds of my fears about the way in which they would be administered.

In my opinion, the wide powers which this bill provides, particularly with respect to the selection of redevelopment areas, require supervision at Cabinet level. The pressures which will be brought to bear upon the administration to designate this area or that, present great opportunities for favoritism, not to say boondoggling. To deal with these pressures requires the prestige and power which cannot be found at lower than

Cabinet level, and the type of judgment which business background gives.

The President has never indicated his approval of the proposal in S. 1, as reported. The Department of Commerce wrote me under date of March 8, and I read from that letter as follows:

While Secretary Hodges is unable to reply personally to your letter today, I am confident that he would express complete endorsement of the amendment which you propose. In the first place, your proposed amendment, if adopted, would make S. 1 consistent with the bill now pending in the House on the same subject—and on which the Secretary testified several days ago. For your convenient reference, I enclose copy of Secretary Hodges' testimony before the House subcommittee. In addition, I enclose copy of his testimony before the Senate subcommittee, at which time he took the same position on the issue of administration of this proposed area redevelopment program.

I would also emphasize that adoption of the amendment which you have proposed would, on the issue of administration, be consistent with the views of the President as reflected in a draft bill on area redevelopment which the President transmitted to the Speaker of the House several days ago. This bill is now pending in the House as H.R. 4569.

It is our very definite opinion that the amendment to S. 1 which you have proposed should be adopted.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this letter.

After the receipt of that letter, the Secretary of Commerce called me and stated that this was his personal view. He endorsed the letter. He called to clear up the matter because the letter had been written in his absence.

Thus, the Department of Commerce letter to me stands as the viewpoint of the administration on this proposal. The fact is, of course, that it was cleared with the Bureau of the Budget as shown in the text of this letter, and it represents the viewpoint of the administration.

As I said on last Thursday, it seems to me that the President's preferences with respect to organizational matters are entitled to a great deal of weight, particularly, as in this case, where they do not involve quasi-legislative or quasi-judicial powers but are purely administrative and executive powers.

This same principle ought to apply to activities placed in a department. That is, the views of the Secretary of Commerce, in the absence of any overriding consideration, certainly should govern on the question of administration.

The Douglas bill would place the administration in the Department, but the Secretary would have no control whatsoever over the powers of the Administrator.

The placing of the Area Redevelopment Administration in the Department is not a compromise at all. In my opinion it is worse than an independent agency. It invites all sorts of questions with respect to the relations between the Administrator and the Secretary of Commerce and sows the seeds of discord between the President, the Secretary, and the Administrator. The confusion and conflict which inevitably

will result from this proposal in my judgment will be harmful to the program.

When I spoke last Thursday, I invited attention to the fact that the committee amendment flies in the face of the first principles of the Hoover Commission. The 1950 reorganization plans recommended and supported by the Hoover Commission were designed to transfer to the heads of departments the powers and functions of officials within the departments. Reorganization Plan No. 5 of 1950, dealing with the Department of Commerce, was adopted. The Senate report on the resolution dealing with the plan included the following statement:

The paramount importance placed by the Hoover Commission on clarity of lines of authority is demonstrated time and again in its reports. That major thesis is first developed in general terms in the text and recommendations of Report No. 1 on general management, and is then followed up in the separate reports dealing with individual functions or agencies of the Federal Government:

"Report No. 1, on general management

"The introductory chapter of Hoover Commission Report No. 1, on general management, opens with the following paragraphs:

"In this part of its report, the Commission on Organization of the Executive Branch of the Government deals with the essentials of effective organization of the executive branch. Without these essentials, all other steps to improve organization and management are doomed to failure * * *.

"Definite authority at the top, a clear line of authority from top to bottom, and adequate staff aids to the exercise of authority do not exist. Authority is diffused, lines of authority are confused, staff services are insufficient. Consequently, responsibility and accountability are impaired.

"To remedy this situation is the first and essential step in the search for efficiency and economy in the executive branch of the Federal Government.

"There follow the * * * numbered recommendations from the same report relative to centralization of functions and an adequate supervisory staff:

"14. Under the President the heads of departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down through every step of the organization and no subordinate should have authority independent from that of his superior.

"18. Each department head should receive from the Congress administrative authority to organize his department * * *.

"20. We recommend that the department head should be given authority to determine the organization within his department."

The new Area Redevelopment Administration which would be created by S. 1, as reported, would be exactly the kind of organization which the Hoover Commission in 1950 was trying to get rid of.

In the debate on my amendments last Thursday, the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Illinois [Mr. DOUGLAS] cited three examples of agencies within departments which would be, as they said, set up in a manner identical to the Area Redevelopment Administration under the Douglas bill. The examples they gave were the Rural Electrification Administration in the Department of Agriculture, the Public Health Service in the Department of Health, Education, and Welfare, and

the Wage and Hour Division in the Department of Labor.

They were wrong in all three instances. On the contrary, the status of these agencies within their respective Departments is the same as the status of the Area Redevelopment Administration under my amendment and under the President's plan.

The REA is administered by the "Administrator of the Rural Electrification Administration under the general direction and supervision of the Secretary of Agriculture."

The Public Health Service is administered by the Surgeon General "under the supervision and direction of the Secretary of Health, Education, and Welfare."

With respect to the Wage and Hour Division, the functions are vested, under the provision of Reorganization Plan No. 6 of 1950, in the Secretary of Labor, and the Administrator of the Wage and Hour Division administers those functions delegated to him by the Secretary.

The examples cited by the two Senators are, or ought to be, proof of the validity of my position.

I think the President and the Secretary of Commerce are entitled to our support, or at least their views are entitled to overwhelming consideration in the absence of some really persuasive reasons to the contrary on matters dealing solely with administration within their own Administration or Department. I ask Senators to support the President and the Secretary by voting for my amendments.

I hope the Senate will adopt the amendments.

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

Mr. FULBRIGHT. I yield.

Mr. DOUGLAS. I think the amendments offered by the Senator from Arkansas are a mistake. I argued this matter last week. I then made it clear that we have no objection to the Secretary of Commerce or to his Under Secretary or to his Assistant Secretaries, but that the record of the Department of Commerce in the past has been one of very vigorous opposition to the whole idea of area redevelopment. I stated that the staff of the Department of Commerce carries over into the new administration, and that they cannot be expected, as conscientious men, quickly to change their minds.

Furthermore, I pointed out that the Business Advisory Council, of 60 members, which is very close to the Department of Commerce, represents primarily big business enterprise and really consists of the moving spirits in the National Association of Manufacturers and the chamber of commerce, and that those two organizations have consistently opposed this measure and continue to oppose it. I said, therefore, that I thought it would have been putting the measure in danger if its administration were lodged in the Department of Commerce.

I think it is significant that virtually every organization which has opposed and is opposing the measure wishes to have it lodged in the Department of

Commerce, and that virtually every Senator who is opposed to the measure wishes to have it lodged in the Department of Commerce. I have been very careful to say that I do not believe that everyone who wishes to have the administration of the act lodged in the Department of Commerce is necessarily opposed to the measure; I simply have said that those who are opposed to the measure are in favor of having it administered by the Department of Commerce. There is good reason for this. If they cannot defeat the measure in an outright fashion, they wish to have it placed in a body which has been unsympathetic to it in the past and which they believe is still controlled by groups which are unsympathetic. So I think the amendments may be a grave mistake, and I wish to make my own record clear.

However, we have been counting noses, and I think it is apparent that the amendments would carry; and, of course, the views of the distinguished Senator from Arkansas, who is always influential, will have great weight. So, as in war, it is sometimes necessary to retire from the front lines to a prepared position. I am ready to accept the amendments, provided the Senator from Arkansas can assure us that they come from a friendly heart and are not merely a prelude to a further series of gutting amendments which would take virtually all the vigor and benefit from the bill. I should like some assurance from the Senator from Arkansas as to how he feels about certain other portions of the bill before I formerly accept his amendments.

I am in a very cooperative mood. In the interest of harmony and peace, as well as with a recognition of the fact that on a yea-and-nay vote we might lose, I am ready to accept the Senator's amendments. However, I hope the Senator from Arkansas will not subsequently join those who are attempting to gut what remains of the bill.

Mr. FULBRIGHT. Mr. President, first, I should not have to remind the Senator from Illinois that since the days he mentioned, there has been an election. There is a new Secretary of Commerce, and I feel certain that there will be a number of new members of the Advisory Council, if not a completely new Council.

Mr. DOUGLAS. That is a mistake which the Secretary of Commerce fell into in his broadcast on Sunday. The members of the Business Advisory Council are not named by the Secretary of Commerce. It is a self-perpetuating body, the members of which choose their successors. This is a very important point to consider.

Mr. FULBRIGHT. I was only reminding the Senator that one of the very prominent members of that Council resigned.

Mr. DOUGLAS. No; he did not resign from the Council; he resigned as its chairman.

Mr. FULBRIGHT. Well, he resigned as chairman. However, the Secretary of Commerce has stated that he has under consideration the whole matter of what to do about the Business Advisory Council. In any case, the Secretary is a new Secretary, and the administration is

a new administration. The attitude of this administration is quite different from that of the previous one with respect to the proposed legislation.

I do not mind saying to the Senator from Illinois that my own view about the character of the administration and its quality is greatly influenced by the change in administrators. Perhaps the Senator from Illinois is not affected as much as I am by the difference in the parties, but the change makes quite a difference to me.

Mr. DOUGLAS. I think I am even more affected by it than is the Senator from Arkansas.

Mr. FULBRIGHT. On the matter of supporting the bill, I have stated my position. I will pursue the Senator's other comment at a different time.

Mr. DOUGLAS. The Senator started it, so I replied.

Mr. FULBRIGHT. My State seems to do better in supporting the party nationally than does the State of the Senator from Illinois. My State has not deserted the party for many more years than the Senator's State. He has nothing to brag about concerning the loyalty of the State of Illinois to the Democratic Party.

Mr. DOUGLAS. I think the State of Illinois has done very well. I am ready to match the voting record of the senior Senator from Illinois with that of the junior Senator from Arkansas.

Mr. FULBRIGHT. In the last election, the result in Illinois was so close that it is still undetermined.

Mr. DOUGLAS. No, it is not undetermined at all. However, I do not wish to enter into a debate with the distinguished Senator from Arkansas, because I know that his accents are much more polished than my own. I will not enter into a shouting match. I am ready to accept the Senator's amendments.

Mr. FULBRIGHT. Then I have nothing more to say, if that is all. Let us vote.

Mr. DIRKSEN. Mr. President, on these amendments I yield back the remainder of my time.

Mr. SCOTT. Mr. President, before the Senator yields back his time, will he yield to me?

Mr. DIRKSEN. I yield to the Senator from Pennsylvania.

Mr. SCOTT. I do not speak in opposition to the amendments. I support the amendments. They are substantially the same as the provision contained in the bill which I introduced, S. 6, and I am very happy to see it become a part of the bill now under consideration.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of my time.

Mr. DIRKSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Arkansas.

The amendments were agreed to.

Mr. FULBRIGHT. Mr. President, I move that the vote by which the amendments were agreed to be reconsidered.

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

The PRESIDING OFFICER. The question is on agreeing to the motion

to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. DIRKSEN. Mr. President, I submit an amendment in the nature of a substitute. I do not ask to have the amendment read; instead, it can be reported by title.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD, without being read at this time.

The amendment submitted by Mr. DIRKSEN is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Area Assistance Act of 1961".

DECLARATION OF PURPOSE

SEC. 2. The Congress declares that, even during periods of prosperity for the Nation as a whole, some of our communities suffer substantial and persistent unemployment; that such unemployment causes hardship to many individuals and their families and detracts from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment to take effective steps in planning and financing their economic development; that Federal assistance should enable communities to achieve lasting improvement and decrease economic vulnerability by the establishment of stable and diversified local economies; and that new employment opportunities should be created rather than merely transferred from one community to another.

AUTHORITY OF SECRETARY OF COMMERCE

SEC. 101. (a) The Secretary of Commerce, hereinafter referred to as the Secretary, may designate as an area of substantial and persistent unemployment any area certified as eligible for such designation by the Secretary of Labor.

(b) To assist areas in the United States designated as areas of substantial and persistent unemployment, the Secretary is authorized—

(1) to make grants for technical assistance for such areas in accordance with the provisions of section 106(a) of this Act; and

(2) to provide loans for such areas in accordance with the provisions of section 107 of this Act.

(c) The Secretary is also authorized—

(1) to extend the full cooperation of the Federal Government to all areas in the United States (including Puerto Rico) in promoting the more effective use of local resources, in the establishment of new industries based on local resources, and in the expansion of existing industries; such cooperation to be provided through technical advice and consultation and, when necessary, through the conduct of special studies.

(2) to decrease, through grants made in accordance with the provisions of section 106(b) of this Act, the economic vulnerability of (i) towns predominantly dependent on one industry, (ii) small towns which could serve as centers for economic diversification of low-income rural areas, and (iii) other low-income rural areas not subject to assistance as in (ii), by helping them to develop manufacturing, processing, and other activities calculated to diversify and improve their economies; and

(3) to coordinate his functions under this Act with those of the Secretary of Agriculture and other officials administering Federal programs affecting local economic conditions.

(d) As used in this Act:

(1) The term "United States" includes the several States and the District of Columbia;

(2) The term "State" refers to an individual State or the District of Columbia; and

(3) The term "loan" includes loans, immediate participation in loans, and purchase of evidences of indebtedness.

AUTHORITY OF SECRETARY OF LABOR

SEC. 102. (a) The Secretary of Labor shall from time to time, or upon the request of the Secretary, certify the existence of areas eligible for designation as areas of substantial and persistent unemployment whenever he finds, on the basis of available labor force data, or studies which he initiates when he deems necessary that—

(1) the rate of unemployment in the area, excluding unemployment due primarily to temporary or seasonal factors is currently 6 per centum and has averaged at least 6 per centum for the qualifying time periods specified in (2) below; and

(2) the annual average rate of unemployment in the area has been at least—

(A) 50 per centum above the national average for three of the preceding four calendar years, or

(B) 75 per centum above the national average for two of the preceding three calendar years, or

(C) 100 per centum above the national average for one of the preceding two calendar years.

(b) In the case of labor market areas for which appropriate historical labor force data have not been compiled, the Secretary of Labor shall certify as eligible for designation as areas of substantial and persistent unemployment those areas in which the unemployment rate and duration, based on a survey of available labor force data, generally equals or exceeds the rate and duration specified in section 102(a).

(c) The Secretary of Labor may also certify under subsection (a) or (b) of this section the existence of eligible areas upon request of any appropriate State government agency, instrumentality, or political subdivision.

(d) The Secretary of Labor is authorized, upon request and whenever he determines that such studies are needed, to undertake, or to provide assistance to others in studies of the size, characteristics, skills, adaptability, occupational potentialities, and related aspects of the labor force of an area certified under this section.

(e) When skills of the labor force in an area designated under section 101 are not such as to facilitate full utilization of the human resources in such area, the Secretary of Labor is authorized to provide advice and technical assistance in developing and carrying out a program to improve the utilization of such labor force.

(f) Whenever the Secretary of Labor finds a need for vocational education services in an area designated under section 101 and when such area has an economic development program as provided in section 107(b)(9) he is authorized to assist interested agencies to determine the vocational training needs of unemployed individuals residing in the area, and he shall notify the Secretary of Health, Education, and Welfare of the vocational training or retraining requirements of the area. The Secretary of Health, Education, and Welfare, through the Commissioner of Education, is authorized to provide assistance, including financial assistance when necessary or appropriate, to the State vocational education agency for the provision of such services in the area. There is hereby authorized to be appropriated not to exceed \$1,500,000 annually for the purpose of providing financial assistance under this subsection.

AUTHORITY OF HOUSING AND HOME FINANCE ADMINISTRATOR

SEC. 103. Title I of the Housing Act of 1949, as amended, is amended by adding the following new heading and section at the end of title I:

"AREAS OF SUBSTANTIAL AND PERSISTENT UNEMPLOYMENT"

"Sec. 113. (a) When the Secretary of Commerce certifies to the Administrator (1) that any county, city, or other municipality (referred to as 'municipality' in this section) is situated in an area designated by the Secretary of Commerce pursuant to the Area Assistance Act of 1961 as an area of substantial and persistent unemployment, and (2) that there is a reasonable probability that with assistance provided under the Area Assistance Act of 1961 and other undertakings the area will be able to achieve lasting improvement in its economic development, the Administrator is authorized to extend financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"(b) The Administrator may provide such financial assistance under this section without regard to the requirements or limitations of section 110(c) of this title that the project area be clearly predominantly residential in character or that it will be predominantly residential under the urban renewal plan.

"(c) Financial assistance under this section may be provided for any project involving a project area including primarily industrial or commercial structures suitable for rehabilitation under the urban renewal plan for the area.

"(d) Notwithstanding any other provisions of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided*, That any disposition of such land to such public agency or corporation under this section shall be made at lot less than its fair value for uses in accordance with the urban renewal plan: *And provided further*, That the purchaser from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations imposed in conformity with the requirements of section 105(b) hereof.

"(e) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested under this section for the completion of such project notwithstanding any determination made after the execution of such contract that the area in which the project is located may no longer be an area of substantial and persistent unemployment.

"(f) Not more than 10 per centum of the funds authorized for capital grants under section 103 after June 30, 1960, shall be available to provide financial assistance under this section."

SEC. 104. (a) The first sentence of section 202(c) of title II of the Housing Amendments of 1955 is amended to read as follows:

"(c) In the processing of applications for financial assistance under this section, the Administrator shall give priority to applications of counties, cities, and other municipalities and political subdivisions for financing needed public facilities in areas determined to be areas of substantial and persistent unemployment under the Area Assistance Act of 1961: *Provided*, That the Secretary of Commerce certifies there is reasonable probability that with assistance

made available under the Area Assistance Act of 1961 and other undertakings such areas will be able to achieve lasting improvement in their economic development; and equal priority to applications of smaller municipalities for assistance in the construction of basic public works (including works for the storage, treatment, purification, or distribution of water; sewage, sewage treatment, and sewer facilities; and gas distribution systems) for which there is an urgent and vital public need; the Administrator shall give a first priority above all others to applications for financing needed public facilities in connection with, and that will directly serve, a project eligible under section 107 of the Area Assistance Act of 1961."

(b) The first sentence of section 203(a) of title II of the Housing Amendments of 1955 is amended to read as follows:

"(a) In order to finance activities under this title, the Administrator is authorized and empowered to issue to the Secretary of the Treasury from time to time, and to have outstanding at any one time in an amount not exceeding \$100,000,000, notes and other obligations, which limit shall be increased by such amounts, not exceeding \$100,000,000, as may be specified from time to time in appropriation Acts."

URBAN PLANNING GRANTS

SEC. 105. Paragraph (3) of section 701(a) of the Housing Act of 1954 is amended by inserting after "Cities, other municipalities, and counties which" the following: "(A) are situated in areas designated as areas of substantial and persistent unemployment under section 101(a) of the Area Assistance Act of 1961, or (B)".

GRANTS FOR TECHNICAL ASSISTANCE

SEC. 106. (a) In carrying out section 101(b)(1), the Secretary is authorized to make grants for technical assistance including studies evaluating the needs of, and developing potentialities for, economic growth of areas designated under section 101(a). These grants may be made without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529). Appropriations are hereby authorized for these grants in an amount not to exceed \$1,500,000 annually.

(b) In carrying out section 101(c)(2), the Secretary is authorized to make similar grants for the benefit of towns and areas described therein. Negotiations taking into account the financial ability of the grantee and other relevant considerations shall be made for contributions to costs of projects undertaken hereunder. These grants may be made without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and appropriations therefore are hereby authorized in an amount not to exceed \$2,000,000 annually.

LOANS

SEC. 107. (a) In carrying out section 101(b)(2) of this Act the Secretary is authorized to purchase evidences of indebtedness and to make loans (including immediate participations therein) to aid in financing any project within an area of substantial and persistent unemployment for the purchase or development of land and facilities for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use. Such financial assistance shall not be extended for working capital, for purchase of machinery or equipment, or to assist establishments relocating from one area to another.

(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

(1) The total amount of loans and loan participations (including purchased evi-

dences of indebtedness) outstanding at any one time under this section shall not exceed \$75,000,000;

(2) Such assistance shall be extended only to applicants, both private and public, approved by the State (or any agency or instrumentality thereof concerned with problems of economic development) in which the projects to be financed shall be located;

(3) The project for which financial assistance is sought is reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the area of substantial and persistent unemployment wherein it is, or will be, located;

(4) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms;

(5) No loans shall be made unless it is determined that an immediate participation is not available;

(6) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment;

(7) No loan, including renewals or extension thereof may be made hereunder for a period exceeding thirty years and no evidence of indebtedness maturing more than thirty years from date of purchase may be purchased hereunder: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or if extension or renewal for additional periods, not to exceed, however, a total of ten years, will aid in the orderly liquidation of such loans or of such evidence of indebtedness;

(8) Each loan shall bear interest at a rate equal to the interest rate currently payable under section 108(e) on advances from the Treasury, plus one-half of 1 per centum per annum for administrative expenses and a reserve for losses on loans;

(9) (A) Not less than 15 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities, and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project shall be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization, as equity capital or as a loan repayable only after the financial assistance hereunder has been repaid in full according to the terms thereof, and, if such loan is secured, its security shall be subordinate and inferior to the lien or liens securing the financial assistance hereunder;

(B) Of the remaining 85 per centum of the aggregate cost, 35 per centum of the aggregate cost may be loaned by the Secretary under the terms of this Act and security for such a loan may be subordinate and inferior to the lien or liens which secure any loan or financing other than funds required by section 107(b) (9) (A).

(C) Loans shall not be available hereunder unless other funds are available in an amount which, together with assistance provided hereunder and funds provided under section 107(b) (9) (A), shall be sufficient to pay such aggregate cost; and

(10) No such assistance shall be extended unless there shall be submitted to and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this Act shall authorize financial assistance for any project prohibited by laws of

the State or local political subdivision in which the project would be located.

AREA ASSISTANCE FUND

SEC. 108. (a) There is hereby authorized to be established in the Treasury of the United States a revolving fund to be known as the area assistance fund (hereinafter referred to as the "fund"), which shall be available to the Secretary for the payment of all obligations and expenses in connection with the loans authorized under section 101(b) (2).

(b) When requested by the Secretary, advances shall be made to the fund from the appropriations made therefor. There is hereby authorized to be appropriated for the purpose of making advances to the fund, without fiscal year limitation, an amount not exceeding \$75,000,000.

(c) Receipts arising from the loan program shall be credited to the fund.

(d) Any moneys in the fund determined by the Secretary to be in excess of current needs shall be credited to the appropriation from which advanced to be held for future advances to the fund.

(e) There shall be paid into miscellaneous receipts of the Treasury at the close of each fiscal year interest on advances to the fund at rates which shall be determined by the Secretary of the Treasury at the time the advances or commitments for advances are made after taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to loans made by the Secretary.

(f) Contributions shall be made from the fund to the civil service retirement and disability fund, on the basis of annual billings as determined by the Civil Service Commission, for the Government's share of the cost of the civil service retirement system applicable to employees (and their beneficiaries) performing activities authorized under section 101(b) (2). Contributions shall also be made to the employee's compensation fund, on the basis of annual billings as determined by the Secretary of Labor, for the benefit payments made from such fund on account of employees performing activities authorized under section 101(b) (2). The annual billings shall also include a statement of the fair portion of the cost of the administration of the respective funds, which shall be paid by the Secretary into the Treasury as miscellaneous receipts.

TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

SEC. 109. Whenever the Administrator shall determine that employment conditions within any area previously designated by him as an area of substantial and persistent unemployment have changed to such an extent that such area is no longer eligible for such designation under section 101(a) of this Act, no further assistance shall be granted under this Act, with respect to such area and, for the purposes of this Act, such area shall not be considered an area of substantial and persistent unemployment: *Provided*, That nothing contained herein shall—

(a) prevent such area from again being designated an area of substantial and persistent unemployment under section 101(a) of this Act if the Administrator determines it to be eligible under such section or

(b) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this Act prior to a determination by the Administrator that such area no longer qualifies as an area of substantial and persistent unemployment. The Administrator shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

BUDGET AND AUDIT

SEC. 110. In the performance of and with respect to the functions, powers, and duties vested in him by section 107 of this Act, the Secretary shall—

(a) prepare annual and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended; and

(b) maintain a set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That the Secretary with respect to the program of financial assistance authorized by section 101(b) (2) shall determine the character of and the necessity for obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations.

AREA ASSISTANCE ADMINISTRATOR

SEC. 111. There shall be appointed by the President by and with the advice and consent of the Senate an Area Assistance Administrator in the Department of Commerce who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce. The Administrator shall perform such duties in the execution of this Act as the Secretary may assign.

POWERS

SEC. 112. In the performance of, and with respect to the functions, powers, and duties vested in him under this Act, the Secretary may—

(a) adopt, alter, and use a seal, which shall be judicially noticed; and subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this Act, and define their authority and duties;

(b) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(c) under such regulations as he may prescribe, make such findings and determinations as may be required for the proper administration of this Act and such findings and determinations, together with those required to be made by the Secretary of Labor pursuant to section 102 hereof, shall be final and shall not be subject to review in any court by mandamus or otherwise: *Provided*, That with respect to the validity, effect, and enforcement of section 101(b) (2) hereof or security taken thereunder, statutes, rules, and regulations pertaining generally to suits by and against the United States shall be applicable;

(d) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as the Secretary shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans granted under this title, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such loans until such time as such obligation may be referred to the Attorney General for suit or collection;

(e) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as the Secretary shall determine to be reasonable, any real property conveyed to or otherwise acquired by him in connection with the payment of loans granted under this title;

(f) pursue to final collection by way of compromise or other administrative action prior to reference to the Attorney General, all claims against third parties assigned to the Secretary in connection with loans made by him. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made under this title if the premium therefor or the amount thereof does not exceed \$1,000. The power to convey and to execute in the name of the Secretary deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein acquired by the Secretary pursuant to the provisions of this title may be exercised by the Secretary or by any officer or agent appointed by him for the purpose;

(g) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in section 101(b)(2) of this Act; and

(h) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made or securities acquired under the provisions of this title: *Provided*, That no attorney's services shall be produced by contract in any office where an attorney or attorneys are or can be economically employed full time to render such service.

ADVISORY BOARD

SEC. 113. To advise the Secretary in the performance of functions authorized by this Act, there is authorized to be created an Area Assistance Advisory Board, hereinafter referred to as the "Board", which shall consist of the following members, all ex officio: The Secretary, as Chairman, the Secretaries of Agriculture, Health, Education, and Welfare, Labor, and Treasury, the Administrators of the Housing and Home Finance Agency and of the Small Business Administration. The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

DEPOSITARIES AND AGENTS

SEC. 114. The Federal Reserve banks are authorized and directed to act as custodians and fiscal agents for the Secretary in the general performance of the powers conferred by this title. Each Federal Reserve bank shall be entitled to be reimbursed for all expenses incurred as such fiscal agents. Any banks insured by the Federal Deposit Insurance Corporation, when designated by the Secretary of the Treasury, may act as custodians and depositaries for the Secretary.

PENALTIES

SEC. 115. With respect to financial assistance authorized by this Act:

(a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or

anything of value, under this Act, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

(b) Whoever, being connected in any capacity with the Secretary—

(1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or

(2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Secretary makes any false entry in any book, report, or statement of or to the Secretary, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft bill of exchange, mortgage, judgment, or decree thereof, or

(3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Secretary, or

(4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Secretary shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

(c) As used in this section, the term "Secretary" shall mean, with respect to the lending activities of the Housing and Home Finance Administrator authorized under this Act, the Housing and Home Finance Administrator.

USE OF OTHER FACILITIES

SEC. 116. (a) To avoid duplication of activities and minimize expense in carrying out the provisions of this Act, the Secretary shall to the extent practicable and with their consent use the available services and facilities of other agencies and instrumentalities of the Federal Government on a reimbursable basis.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

CONSULTANTS

SEC. 117. The Secretary is authorized to obtain services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55(a)), at rates not to exceed \$75 per diem for individuals.

ANNUAL REPORT

SEC. 118. The Secretary shall make a comprehensive annual report of his operations under this Act for the fiscal year ending on the preceding June 30, to the President, for transmission to the Congress as soon as practicable in each year, but in no case later than the third day of the following January.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 119. In addition to appropriations specifically authorized by sections 106 and 108, appropriations are further authorized for the carrying out of other provisions and purposes of this Act.

Mr. DIRKSEN. Mr. President, I believe I am entitled to be recognized by the Chair for 1 hour, to speak in support of my amendment in the nature of a substitute.

The PRESIDING OFFICER. Yes, for 1 hour.

Mr. DIRKSEN. Mr. President, momentarily I withdraw my amendment, in deference to the distinguished chairman of the Banking and Currency Committee, who has an amendment to submit.

Mr. ROBERTSON. Mr. President, I call up my amendments identified as 3-7-61—A.

The PRESIDING OFFICER. The clerk will state the amendments offered by the Senator from Virginia.

Mr. ROBERTSON. Mr. President, I ask unanimous consent to dispense with the reading of the amendments in extenso and to have them printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

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

On page 49, line 25, strike out "raised" and insert in lieu thereof "appropriated".

On page 53, line 6, strike out "raised" and insert in lieu thereof "appropriated".

On page 56, beginning with line 14, strike out all through line 15 on page 57, and insert in lieu thereof the following:

"Sec. 9. (a) When requested by the Administrator, advances shall be made to the revolving funds, established under sections 6(c) and 7(f) of this Act, from appropriations made therefor. There is hereby authorized to be appropriated for the purpose of making advances to such funds, without fiscal year limitation, an amount not to exceed \$300,000,000.

"(b) Receipts arising from the loan programs authorized in sections 6 and 7 shall be credited to the appropriate revolving fund. Any moneys in any such fund determined by the Administrator to be in excess of current needs shall be credited to the appropriation from which advanced to be held for future advances to such fund.

"(c) There shall be paid into miscellaneous receipts of the Treasury at the close of each fiscal year interest on advances to any such fund at rates which shall be determined by the Secretary of the Treasury at the time the advances or commitments for advances are made after taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to loans made by the Administrator under this Act."

On page 57, line 16, strike out "(b)" and insert in lieu thereof "(d)".

Mr. ROBERTSON. Mr. President, the amendments present no new question for us. Ever since the days of the Reconstruction Finance Corporation, we have been confronted with the question raised by the amendments. We did not have much cash, and we did not know how much money Congress wanted to put into the rehabilitation of banks, railroads, and other defunct businesses, and so we resorted to an unfortunate device. It is known as back-door financing. Under that device, we authorize an agency to borrow money, whatever it says it needs, directly from the Treasury, and the agency offers its notes. Presumably, the loans will be repaid, but I am sure anybody who reads this bill will agree that many loans made under the bill will never be repaid.

S. 1 would establish three revolving funds for three lending programs. The money for these revolving funds would

be borrowed from the Treasury Department under the so-called borrowing authority or back door financing.

I have long been opposed to the use of the borrowing authority as a device to bypass the appropriations process. This device not only bypasses the Appropriations Committee; it also bypasses the basic principle that all money bills must be initiated in the House of Representatives.

The Constitution of the United States provides, in article I, section 9, that:

No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

This constitutional mandate has been implemented in both Houses of the Congress by the adoption of rules establishing the standing Committees on Appropriations. Rule XXV of the Standing Rules of the Senate sets forth explicitly the jurisdiction of the Appropriations Committee. Under the rule, all proposed legislation dealing with the appropriation of the revenue for the support of the Government must be referred to that committee. Identical language is contained in rule XI of the Rules of the House of Representatives, which states the jurisdiction of the House Appropriations Committee.

As all of us know, proposed legislation creating a new governmental activity is considered by some other committee than the Committee on Appropriations. In order to provide for the financing of such new activities, the basic legislation generally provides authority to obtain an appropriation, by the use of language such as "There is hereby authorized to be appropriated for," and so forth.

In January 1932, in order to meet the emergency situation caused by the depression, the Committee on Banking and Currency adopted a new procedure, with little or no precedent, to finance the activities of the Reconstruction Finance Corporation. The Reconstruction Finance Corporation Act authorized the RFC to sell its obligations directly to the Secretary of the Treasury, with the purchase of these obligations to be treated as a public-debt transaction. By borrowing directly from the Treasury in this manner, there was no necessity to secure the approval of the Committee on Appropriations for the expenditure of these funds.

This method of appropriating funds from the Treasury in a legislative bill was used from time to time during the depression years and World War II. Perhaps this procedure can be justified in emergency situations, but its use in recent years has become increasingly commonplace.

It is surprising that over the years this procedure for authorizing direct borrowing from the Treasury in the legislative bill has not been tested by a point of order in the Senate. On many occasions the reverse situation, legislation in an appropriation bill, has been ruled out of order. It is obvious that any language in a bill which orders the payment of money from the Treasury without the necessity of further action by the Congress is an appropriation, and the Senate

rules require such legislation to be referred to the Committee on Appropriations.

Those who defend the right of committees other than the Appropriations Committee to include an appropriation in a legislative bill claim exemption from rule XXV of the Senate because of the language in that rule "for the support of the Government." According to that claim, the Government, for which appropriations must be handled exclusively by the Appropriations Committee, consists of the three branches of the Government—executive, judicial, and legislative—and nothing more. But that interpretation would exclude the biggest appropriation bill for defense. On the other hand, if we admit that the Armed Services Committees of the House and Senate could not bypass the Appropriations Committees and report appropriation bills for the Defense Department, we are forced to admit that the words "support of the Government" mean any duly authorized operation of the Government, and that covers everything that the Congress is authorized by the Constitution to do.

Frankly, it was a sad day for those of us who believe in economy as well as in States rights when the Congress claimed that the general welfare clause was a general grant of power instead of a limitation upon the taxing power, and that claim was upheld by the Supreme Court of the United States, because, if we place no constitutional limitation upon what Congress can do, confusion arises concerning terms used at a time when the Government was exercising no powers except those granted by the Constitution, expressly or by necessary implication. The Government is now engaged in a multiplicity of actions never dreamed of when rule XXV was originally adopted. Clearly, therefore, it would be an improper construction of rule XXV to say that it included some functions of the Government, and not all functions.

Again, it has been claimed that a legal right to bypass the Appropriations Committee has been established by precedent. Under the English common law, and I assume under the laws of all States, it is possible to gain possession of real estate by adverse possession, but there is nothing in the rules of the Senate or in the history of those rules to indicate that any rule of the Senate can be legally changed simply by frequent violations of it.

While admitting that members of the Senate Appropriations Committee have been negligent through the years in the protection of their exclusive jurisdiction in the handling of appropriations bills, it should be apparent to all that the time has come when Members of the Senate must make a definite decision on how they prefer to make appropriations and to manage the national debt.

If the Banking and Currency Committee can use this procedure to finance any new program its members desire, there is no reason why all the other committees cannot do the same. I would not be at all surprised if an attempt is made in the near future to finance the entire foreign aid program by direct borrowing from the Treasury, thus

avoiding the risk of having these funds cut by the Appropriations Committee. In fact, there already is precedent for such action. The \$3.7 billion loan to England in 1946 and the \$60 million loan to Spain in 1950 were financed by direct borrowing from the Treasury. If the violation of rule XXV is permitted to continue, an endless number of Government programs could be financed in this manner.

I realize there may be emergency situations in the future necessitating the use of the direct borrowing procedure. In such situations, the orderly legislative procedure would be to waive the rule by unanimous consent. In this manner the jurisdiction of the Appropriations Committee would be recognized and the entire process would be open and above-board.

There are those who argue for use of the borrowing authority in the case of loan programs and the use of the appropriations processes in expenditures programs. I do not agree with this position, but even its adherents should hesitate to use the borrowing authority for the loan programs under S. 1. The loans will be secured, if at all, by third and fourth and fifth mortgages. They will be made for long terms—25 years in the case of industrial and commercial facilities, and up to 40 years in the case of public facilities. There is no requirement that they should be amortized. Under the original bill a small sinking fund was provided for of one-fourth of 1 percent per annum, but under the amended bill, not even this tiny percentage need be set aside in a sinking fund.

Senators should remember that these loans are to be made in distressed areas where outside financing is not available, where the redevelopment program may or may not succeed over the next 25 to 40 years, with no amortization required, and perhaps no security whatever. It seems to me entirely vain to hope that any substantial part of these loans will ever be repaid.

What has happened under the Defense Production Act borrowing authority may well happen again. The agency may well become insolvent as a result of having to pay interest on money borrowed from the Treasury which has gone down the drain. The administration, like those administering the Defense Production Act borrowing authority, may soon be back pleading to have the interest waived, pleading to have the interest canceled, and pleading to have the losses forgiven. By that time it will be too late for the Appropriations Committee or any other congressional committee to review the programs and to see whether any caution or discretion has been used in administering them.

In short, I oppose the use of the borrowing authority under S. 1, both because it conflicts with what I consider sound principles of constitutional government and because the loan program is so loose and so vague that the only results will be losses of funds.

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

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. I concur with the views expressed by the Senator from Virginia in regard to back-door financing. I should like to ask a question dissociated from the subject of the discussion today. I invite the Senator's attention to the community facilities bill which was passed either last year or the year before. How did that bill differ in its provisions from the section of the bill we are now considering for lending funds to build community facilities?

Mr. ROBERTSON. The community facilities program, or more precisely the public facilities program in the community facilities administration is part of the housing bill. As the Senator from Virginia recalls, they were included in a general back-door financing program.

Mr. LAUSCHE. The community facilities bill which we passed provided for loans to do practically all the things covered by the pending bill in regard to community facilities, except that the pending bill provides for grants as well as loans.

Mr. ROBERTSON. It would be really just a duplication, so far as the loan program in S. 1 is concerned.

Mr. LAUSCHE. The community facilities aspects of S. 1 are a duplication of what was provided in the community facilities bill passed a year or two ago?

Mr. ROBERTSON. The overall answer is, "Yes."

Mr. LAUSCHE. Do the two bills differ from the standpoint that one provides for loans and the other provides for grants?

Mr. ROBERTSON. Both provide for loans.

Mr. LAUSCHE. And grants?

Mr. ROBERTSON. The bill passed 2 years ago did not provide for any substantial grants. The pending bill provides for grants.

Mr. LAUSCHE. I believe \$75 million is provided in this bill for direct grants to build community facilities?

Mr. ROBERTSON. Seventy-five million dollars.

Mr. LAUSCHE. Under the community facilities bill could moneys be loaned to build sewer systems, water supply lines, sidewalks, and other such things?

Mr. ROBERTSON. That is correct.

Mr. LAUSCHE. So we now are asked to provide a duplication of what was provided in the community facilities bill?

Mr. ROBERTSON. The Senator is correct. The Senator from Virginia is opposed to this duplication.

Mr. LAUSCHE. Why are we duplicating it?

Mr. DOUGLAS. Mr. President, will the Senator yield to me so that I may answer that question?

Mr. ROBERTSON. I will yield to the author of the bill. He put in the provision. He is the duplicator, not the Senator from Virginia.

Mr. LAUSCHE. I did not hear the Senator.

Mr. ROBERTSON. I yield to the Senator from Illinois to explain the duplication.

Mr. DOUGLAS. Mr. President, there is no duplication. As the Senator from

Ohio said, the community facilities bill was designed primarily to provide sidewalks, water mains, sewer systems, and so forth, to improve the living conditions within the communities concerned.

The bill now before the Senate would provide \$75 million in grants for public facilities for—and these words are significant—industrial and commercial purposes. In other words, these facilities would be used to help to attract industries to the redevelopment areas.

The area redevelopment bill and the community facilities program were designed primarily to cover two different sets of facilities. One relates to the provision of industrial water, as distinct from water which goes into households. There is a need for industrial lakes for modern industry, which increasingly uses water in the process of manufacturing.

Mr. LAUSCHE. Under the grants?

Mr. DOUGLAS. Grants and loans.

Mr. LAUSCHE. Grants and loans.

Mr. DOUGLAS. The area redevelopment bill would also provide assistance for industrial parks; namely, a group of small buildings, or a large building which can be subdivided, connected with the main highway by access roads and connected also with water systems, sewer systems and power systems, so that the area can be subdivided and leased to a series of small industries.

The two measures have entirely different purposes. We are now considering a bill to provide industrial and commercial facilities intended to attract industry. The community facilities bill was designed for the improvement of living facilities within a community. The two approaches are quite different.

Mr. ROBERTSON. The Senator from Ohio has heard the explanation of the patron of the bill, that there is no duplication.

Another explanation as to why there is no duplication is that the original act was administered by the HHFA. The HHFA administered the act very carefully and narrowly.

The pending bill provides a broad program, so that these people can proceed with what they could have done before, and go beyond anything they did before.

Mr. LAUSCHE. Then do I correctly understand that the community facilities provision in the Housing Act was deemed to be inadequate, so a decision has been made to create a new division of loans and aid for industrial development? Does the Senator from Illinois take the position that under the Housing Act no money could be loaned or granted for community facilities unless they were definitely dissociated from industrial use?

Mr. DOUGLAS. I think the language is sufficiently vague so that, if stretched, the money could be used for such purposes.

Mr. LAUSCHE. It is my understanding the money can be used.

Mr. DOUGLAS. May I finish? In practice, as of last summer no such loans had ever been made. In practice, the Housing and Home Finance Administration interpreted these authorizations in existing law very narrowly. Now there

is some dispute as to whether the existing language could be broadened. The purpose of the pending bill is to make it perfectly clear that this type of assistance should be provided for industrial and commercial public facilities.

Mr. LAUSCHE. Does the Senator take the position that if an Administrator should find that a loan is not sound, based upon the circumstances surrounding it, and that the prospects of repayment are not good and therefore the loan should not be made, we then should pass a new bill to enable un-sound loans to be made?

Mr. DOUGLAS. No; not at all.

Mr. LAUSCHE. Does not the Senator believe that the bill would lead to that result?

Mr. DOUGLAS. Not at all. The Senator from Ohio is caricaturing this point of view. We merely say that in order to attract industry, we need something more than sidewalks or sewer systems or water mains. In many cases—but not in all—we shall need industrial lakes to supply large quantities of industrial water to manufacturing concerns. In many cases we shall need industrial parks, which I have defined as either a large building or a series of small buildings, with access connections of roads, utility facilities, and so forth, so that such parks can be subdivided and leased to a series of small plants.

Mr. LAUSCHE. Would the buildings be used for operating plants?

Mr. DOUGLAS. For manufacturing. The Senator is correct.

Mr. LAUSCHE. Then the taxpayers of Ohio would be giving money to the Federal Government to be used by the Federal Government to give to communities to build industrial plants to be occupied by those who wish to engage in business.

Mr. DOUGLAS. As the Senator from Ohio probably knows, there are two provisions in the bill governing public facilities for industrial and commercial purposes. There is a revolving loan fund of \$100 million. There is also an authorization for grants of \$75 million. One hundred million of the \$175 million would be utilized for loans. The remaining \$75 million would be a grant program.

The position we take, the principle which underlies the entire bill, is that there is a national responsibility and a national obligation to help areas which, through no fault of their own, have suffered prolonged and persistent unemployment. It is not the fault of the coal miners and the coal-mining communities of West Virginia or Illinois that employment in the coal-mining industry has shrunk to about one-third, or more, leaving many communities in distress. It is not the fault of the copper miners on the Upper Peninsula of Michigan that the copper mines around Houghton have become largely exhausted. It is not the fault of the men mining iron ore in Minnesota that the Mesabi Range is being exhausted. It is not the fault of the people in West Virginia that their mining industry has deteriorated, nor is it the fault of the people in Lowell, New Bedford, and Fall

River, and in the textile centers of the North, that the textile industry has moved South. Under those circumstances we say that it is sound national policy to try to bring new industry into those localities so that these people can return to work.

Mr. LAUSCHE. Is the answer to my question that the taxpayers of Ohio would be giving their money to the Federal Government which in turn would give it to communities to build parks—

Mr. DOUGLAS. Industrial parks.

Mr. LAUSCHE. Industrial plants to be occupied by business? Is the answer "Yes"?

Mr. DOUGLAS. To a limited degree. If the Senator from Ohio wishes to repeal the Constitution, and if he wishes to say that the National Government has no responsibility for the general welfare, he can do so. I happen to believe in the Constitution, and I believe that the Nation was in part founded to promote the general welfare as well as the common defense. That statement is made in the preamble and in article I of the Constitution, giving to Congress power to levy taxes and spend money in behalf of the general welfare.

Mr. LAUSCHE. The Senator from Illinois does not believe in the Constitution any more deeply than does the Senator from Ohio, and no more deeply than does any other Senator in this body.

Mr. DOUGLAS. I do not claim to have a monopoly on virtue.

Mr. LAUSCHE. I have some qualms about the ability of the Congress to declare by legislation an area to be suitable for business, when it is lacking in the attributes that attract business. I cannot understand how we would create an area that is acceptable and suitable for the settlement of business from an area which is remotely situated from the consuming public and the raw materials which it needs, and an area in which there is an indifference to the maintenance of law and order, and the protection of life and property.

I differ with the Senator from Illinois in his belief that the U.S. Congress, by some magic wand and the provision of money, can do things that are completely inconsistent with natural laws and natural experience. In my judgment that is what is sought to be done by the bill.

I believe that if the bill is passed, Ohio will be in the position of witnessing Federal money being used to build plants and parks, taking businesses away from Ohio, denying Ohio the right to attract new businesses, and channeling into other areas business that would be in competition with the products of Ohio. I am grateful to the Senator from Virginia for yielding.

Mr. ROBERTSON. I thank my colleague.

Mr. President, I yield back the remainder of my time. If Senators who are opposed to my amendment will yield back the remainder of their time, we can have a vote.

Mr. METCALF. I yield such time to the Senator from Illinois as he desires.

Mr. DOUGLAS. Mr. President, if the amendment is adopted we may as well say goodby to an effective bill.

Before I start to argue the point, let me indicate what is at stake. Under the bill there are three revolving loan funds of \$100 million. One would be set up to help finance loans to industry in industrial areas of high and persistent unemployment. There would be another loan program of \$100 million to finance industry in rural areas of high underemployment and low farm income. There would be another loan program of \$100 million for the public facilities which we have been discussing.

I understand that my good friend from Ohio is opposed to all three of these provisions, because that is what he has seemed to be arguing.

Mr. LAUSCHE. I did not hear what the Senator from Illinois said.

Mr. DOUGLAS. I said that I thought my friend from Ohio was arguing against loans to help establish new industries in industrial areas of high unemployment, and new industries in rural areas of high underemployment and low farm income, as well as the revolving loan fund for public facilities, and that his objection was directed to all three of the \$100 million loan funds.

Mr. LAUSCHE. I would subscribe to a lending program properly financed by the Federal Government through current taxes and not through back-door financing.

Mr. DOUGLAS. I understand.

Mr. LAUSCHE. I do not subscribe to an extension of the gift program of the Federal Government.

Mr. DOUGLAS. I understand. In addition to the three \$100 million revolving funds there is authorization for \$94 million in grants and appropriations: \$75 million in grants for public facilities; \$10 million for retaining subsistence payments; \$4½ million for retraining; and \$4½ million for technical assistance.

We provide for authorizations for all current expenditures and then, later, appropriations by the Appropriations Committees. The issue is on the \$300 million in the revolving loan fund. We are asking that this sum be provided upon Treasury issue rather than by annual appropriations. That is the question before us. The Senator from Virginia made quite an argument, implying that this was a heinous thing. I would like to show that this is a well established practice with many precedents going back for more than 40 years.

Similar authority was granted in 1918 to the Federal land banks. In 1932 it was provided for the Reconstruction Finance Corporation. In 1933 it was provided for the Federal home loan banks. It was granted in 1934 to the Federal Farm Mortgage Corporation. In 1936 it was granted to the Rural Electrification Administration. Also in 1936, it was granted to the U.S. Maritime Commission; to the Public Housing Authority in 1937; in 1938 to the Commodity Credit Corporation.

In addition, it has been provided for a whole series of other agencies or programs, among them, the Farmers' Home

Administration; the Economic Cooperation Administration; urban renewal; the Veterans' Administration; for college housing; the St. Lawrence Seaway Development Corporation; the U.S. Information Agency; the International Monetary Fund; and many others. I ask unanimous consent that there may be inserted in the RECORD, at this point in my remarks, a list of statutes which have provided for the financing of Federal programs through public debt transactions rather than through current appropriations.

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

AUTHORITY TO USE FUNDS BORROWED FROM TREASURY

The following is a list of statutes that have provided financing for Federal programs through public debt transactions, rather than appropriations. The statutes cited are the original statutes granting the authority; there have been numerous later amendments. In some cases the statute listed below authorized the operating agency to borrow from RFC, which in turn borrowed from the Treasury. In each such case, however, a later statute has eliminated this intermediate step, authorizing the agency itself to borrow directly from the Treasury:

AGENCY—STATUTE

- Reconstruction Finance Corporation, January 22, 1932 (47 Stat. 9).
- Federal Home Loan Banks, July 22, 1932 (47 Stat. 728).
- Home Owners' Loan Corporation, April 27, 1934 (48 Stat. 643).
- Federal Deposit Insurance Corporation, June 16, 1934 (48 Stat. 971).
- Federal Farm Mortgage Corporation, January 31, 1934 (48 Stat. 346).
- Federal National Mortgage Association, January 31, 1935 (49 Stat. 3).
- Export-Import Bank, January 31, 1935 (49 Stat. 4).
- Rural Electrification Administration, May 20, 1936 (49 Stat. 1364).
- Public Housing Administration, September 1, 1937 (50 Stat. 989).
- Commodity Credit Corporation, March 8, 1938 (52 Stat. 108).
- International Bank for Reconstruction and Development, July 31, 1945 (59 Stat. 514).
- Secretary of the Treasury (British loan), July 15, 1946 (60 Stat. 535).
- Farmers Home Administration:
 1. Farm Tenant Mortgage Insurance Fund, August 14, 1946 (60 Stat. 1078).
 2. Farm housing loans, July 15, 1940 (63 Stat. 438).
- Economic Cooperation Administration:
 1. General foreign aid loans, April 3, 1948 (62 Stat. 146).
 2. Loan to Spain, September 6, 1950 (64 Stat. 758).
 3. Loan to India, June 15, 1951 (65 Stat. 70).
- Urban Renewal Administration, July 15, 1949 (63 Stat. 415).
- Veterans' Administration (direct housing loans), April 20, 1950 (64 Stat. 77).
- Housing and Home Finance Agency (college housing loans), April 20, 1950 (64 Stat. 78).
- Federal Savings and Loan Insurance Corporation, June 27, 1950 (64 Stat. 259).
- Agencies administering expansion programs under Defense Production Act, September 8, 1950 (64 Stat. 802).
- Federal Civil Defense Administration, January 12, 1951 (64 Stat. 1257).
- St. Lawrence Seaway Development Corporation, May 13, 1954 (68 Stat. 95).

Community Facilities Administration (public facilities), August 11, 1955 (69 Stat. 643).

International Finance Corporation, August 11, 1955 (69 Stat. 670).

U.S. Information Agency, July 18, 1956 (70 Stat. 563).

Federal Flood Insurance Administration, August 7, 1956 (70 Stat. 1084).

International Monetary Fund, July 31, 1945 (59 Stat. 514).

Mr. DOUGLAS. In addition, I also submit for the RECORD a list of legislation dealing with expenditures for veterans which might never have passed Congress if the principle of the amendment of the Senator from Virginia had been always used in the past. I ask that that statement may also be printed in the RECORD at this point as a part of my remarks.

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

1. Grants for specially equipped automobiles for disabled veterans.
2. Compensation for service-connected disabilities for veterans of the Spanish American War, World War I, World War II and the Korean conflict, and peacetime service.
3. Compensation for non-service-connected disabilities, World War I, World War II, and Korean conflict.
4. Hospitalization service for certain veterans of any war or peacetime service.
5. Domiciliary care service for certain veterans of any war or peacetime service.
6. Outpatient medical treatment for veterans of any war or peacetime service.
7. Outpatient dental treatment.
8. Provide feeding or treatment in the use of prosthetics for veterans of any war or peacetime service.
9. Free medical examination in connection with applications of other Federal benefits.
10. Furnishing, repairing or replacing certain aids for blind veterans entitled to service-connected benefits.
11. GI bill education and training benefits for veterans of World War II and Korea.
12. Vocational rehabilitation for disabled veterans.
13. War orphan education assistance program for children of certain disabled veterans.
14. GI loan program.
15. Direct loan program.
16. Grants of assistance for specially adapted wheelchair homes.
17. Unemployment compensation benefits furnished veterans of World War II and Korea, administered by Department of Labor.
18. Mustering out payment of World War II and Korean veterans, administered by the Service Department.
19. Guarantee of premiums of commercial life insurance for any person now on active duty.
20. GI life insurance for veterans.
21. Dependency and indemnity compensation for service-connected debts on or after January 1957.
22. Compensation for service-connected debts prior to January 1957.
23. Compensation for non-service-connected debts of wives and children of veterans.
24. Reimbursement of burial expenses not to exceed \$150.
25. Furnishing burial flags to the veteran's survivor.
26. Six months' death gratuity for survivors who died on active duty, administered by Service Department.
27. Furnishing the headstone or grave marker, administered by Department of the Army.

28. Burial of veterans and immediate members of their families in national cemetery, administered by Department of Army and Interior.

Mr. DOUGLAS. Mr. President, I would now like to argue the substance of the amendments offered by the Senator from Virginia, and not confine myself to precedents. Before I do so, however, it is very interesting to note that some of those present have allowed some of these precedents to continue to exist and have not objected to them. But when a measure is introduced which would try to help the unemployed of our country, they object to this method of government finance. That is very significant. If these people wish to be consistent, then let them introduce bills to do away with all these precedents. However, that has not been done.

Let us now turn to the question of the arguments in the case. In considering this bill we must distinguish between current expenditures and investments. This is also a crucial distinction which every private business observes. Current expenditures are those which keep the business running to carry out current activities. They are expenditures for wages, for raw materials, for depreciation, for taxes, and so forth.

In addition to these expenditures, there are investments made to increase the productivity capacity or the earnings of the concern in the future.

Current expenditures should be met, of course, out of current revenues. However, there is no requirement that investments and increases in the capital assets of a private concern must be met out of current income. In public utility financing the common procedure is for the public utility to issue bonds, which will permit the construction of new plants. And, in certain cases the improvement of existing plants is similarly financed.

This has been the prevailing business practice, although it is true that in recent years manufacturing firms have been financing expansion to a further degree out of net profits. However, the basic distinction in accounting, which should always be drawn, is between current expenditures and investment or capital expenditure.

In our Federal budget, it is true that we have not always observed this distinction. As a matter of fact, we normally do not do so. I believe this is an error in Federal financing. The present accounting procedure leads to an exaggeration of the indebtedness of the Federal Government. The Committee on Government Operations of the House has published a table which shows the assets of the Federal Government in terms of original cost, not reproduction cost; not market value, but original cost. This table indicates that the assets of the Federal Government are approximately equal to the outstanding national debt, and that there is, therefore, no net indebtedness of the Federal Government. If we were to use the reproduction costs or current market values as the basis for valuation, I am confident that the assets of the Federal Government would exceed the outstanding obligations.

Let me point out that this principle is precisely the principle incorporated in the pending bill in its present form. Current expenditures are to be met by appropriations. Capital investments are to be met by direct borrowing. The Federal Government is to lend \$300 million to private concerns and to local groups for capital investment. In the case of private concerns, the loans will be used for plant and buildings, up to a certain percentage of the cost, plus, in rare cases, for machinery and equipment.

In the case of the public facility loans, they will be used, as I have said, for facilities for industrial and commercial purposes, such as industrial water and industrial parks. These will be income-yielding or income-generating projects.

As a matter of fact, the amounts loaned will have to be repaid within 25 years, so far as the industrial and rural private loans are concerned, and repaid with interest at a rate one-half of 1 percent higher than the rate at which the Government borrows money on issues of comparable maturity. The one-half of 1 percent loading is intended to meet the administrative cost of making loans and cover losses, and in my judgment it will be adequate.

So we are confident that there will be no loss of capital on the part of the Government. The money which is borrowed will be reloaned at a higher rate of interest. Therefore, I see no reason why we should go to the antiquated system of accounting which would require capital investments to be financed out of the current tax revenues of the Federal Government.

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

Mr. DOUGLAS. I yield.

Mr. BUSH. That is where the original money comes from; is it not?

Mr. DOUGLAS. No; it comes from the money market; from investment funds in the capital markets.

Mr. BUSH. Does the Senator mean that the Treasury does not get its money from the taxpayers?

Mr. DOUGLAS. In this case the Government will borrow money from the general money market and will pay the current rate of interest. It will relend the money at that current rate of interest, plus one-half of 1 percent.

Mr. BUSH. The Government will not borrow the money if it has the money. It may borrow if it is in deficit, but it will not necessarily borrow it.

Mr. DOUGLAS. No, but we can assume that the money will be borrowed.

Mr. BUSH. Is that something new to this administration?

Mr. DOUGLAS. No; I think any administration would do it.

Mr. BUSH. As I see it, the whole purpose of the amendment offered by the Senator from Virginia is to provide congressional review of this proposal once a year, when the appropriations are made for the succeeding year. I cannot see why the Senator from Illinois objects to having this kind of review year by year by the Committee on Appropriations—by Congress. After all, that is a very useful idea.

Mr. DOUGLAS. It is a useful idea if one is opposed to the measure.

Mr. BUSH. No. I think the measure will work just as well one way as the other.

Mr. DOUGLAS. Under the bill, Congress will have ample opportunity to review. Under section 9(b), the Administrator will be required to prepare and submit annually a budget program in accordance with sections 102, 103, and 104 of the Government Corporations Control Act. This will require the submission, as a part of the President's annual budget, of complete information about the Administrator's financial activities.

Furthermore, the Committee on Banking and Currency will have the duty to watch over the activities of the Administrator.

Finally, a new section 27 was inserted in the bill. The Senator from Connecticut gave valuable service in helping on this change. This section requires the Senate Committee on Banking and Currency to make a complete review of the act after it has been in operation for 2 years; to report to the Senate on its review; and to make such recommendations as the committee deems desirable. So there is full provision for review, but there is no provision for electrocution.

Mr. BUSH. There is a provision for one review, and it is in the bill.

Mr. DOUGLAS. There is a continuing review under the various provisions of the bill.

Mr. BUSH. I am glad the Senator from Illinois acknowledges my help, together with that of the Senator from Wisconsin [Mr. PROXMIER], in getting that provision into the bill.

Mr. DOUGLAS. Yes; that is correct.

Mr. BUSH. What the Senator is talking about is an annual review by the Committees on Appropriations, by the Senate, and by the House of Representatives. That is all. That is what happens with our defense appropriations and with almost all of the other big appropriations.

I hope the Senator from Illinois will yield to us on this point. He may get some support for the bill if he will yield.

Mr. DOUGLAS. In other words, if I agree to kill the bill, the Senator from Connecticut will support it. Is that correct?

Mr. BUSH. I do not agree this amendment would kill the bill. With this and a few other amendments, I might well vote for it.

Mr. DOUGLAS. I understand the purpose of the Senator from Connecticut. I do not intend to be beguiled in this fashion.

There is another factor which needs to be considered, if the financing of the program is to be reviewed by the Committee on Appropriations each year. The Secretary of Commerce will now be in charge of the bill. He will not have the opportunity to prepare a thorough program, because he will not know what will happen in the future in regard to financing. This is a continuing program. The applications for loans will go through many stages, and an application started in one year cannot be concluded, frequently, until another year. We will be putting a bludgeon over the head of the

Secretary of Commerce and the Administrator, with the result that at any moment the program could be called off. By such an amendment, we would virtually prohibit any efficient long-range program.

Furthermore, this amendment, if adopted, could lead to excessive commitments. The Secretary of Commerce and the Administrator, as the year draws to a close, and they face the prospect of their appearance before the Committee on Appropriations, will say, "let us get rid of this money as quickly as we can, because nobody knows when the iceman cometh," so we might find them making all kinds of commitments which, if they had a longer time in which to consider the matter, they would not approve.

Mr. BUSH. Mr. President, will the Senator further yield?

Mr. DOUGLAS. I am glad to yield to the distinguished Senator from Connecticut, who is always amiable, and who is now as slender of girth as when he played on the Yale baseball team years ago—

Mr. BUSH. The Senator from Illinois has a wonderful memory.

Mr. DOUGLAS. I remember admiring the Senator when he was a college student. He was not only a good baseball player, but a fine singer and his rendition of the "Whiffenpoof Song" touches all hearts.

Mr. BUSH. I am embarrassed among all these visitors.

Some of us look upon this program as a rather experimental program. The Senator from Illinois speaks of it as though it were as well established as the college loan program and some other programs which have been in force and effect for a good many years and have proven themselves to be satisfactory.

I think one of the best arguments for the amendment of the Senator from Virginia is that this is definitely an experimental program. It is different from anything we have ever done in the history of Congress. It is quite different, even, than the Small Business Administration. It is really a great adventure, and it may turn out to be a very useful one.

Mr. DOUGLAS. Not if the Senator from Connecticut can help it.

Mr. BUSH. Wait a minute. The Senator from Illinois must not say things like that, because the Senator does not know whether I will vote for the bill or not. I told the Senator in committee that if he was reasonable about some amendments, I might well support the bill, and I may.

Mr. DOUGLAS. The Senator from Connecticut seems to want to cripple the bill with amendments, so that it will be unworkable.

Mr. BUSH. The Senator from Illinois must be careful not to impute any motives to me or to any other Senator. I do not impute to him anything except the highest motives.

Mr. DOUGLAS. I assume the Senator from Connecticut is acting in what he believes to be the best interest of the Nation.

Mr. BUSH. So long as it is an experimental or a sort of pilot project—

and the Senator from Illinois must agree that that is what it is—why not give the Senate and the House of Representatives a chance and a duty, under the amendment offered by the Senator from Virginia, to review the act from year to year until it establishes itself as a worthy project to proceed on a revolving basis or until it has demonstrated that it simply will not work. That is my point. Why is not the Senator from Illinois willing to yield that much?

Mr. DOUGLAS. I simply ask, Why should not Congress pass on these matters? Why should we delegate this power to the Committee on Appropriations?

Mr. BUSH. No; Congress has the power.

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

Mr. DOUGLAS. I yield.

Mr. MANSFIELD. I hope the Senate will uphold the position taken by the Senator from Illinois, who has worked so long and arduously on the bill. He has made trips into the depressed areas of the country. He has devoted considerable time and energy, not only this year, but in the past several years, to this particular proposal. He has shown that he is willing to go halfway by accepting the amendment offered by the Senator from Arkansas. I hope that on this amendment the Senate will support the Senator from Illinois and retain the amendment in the bill.

Mr. DOUGLAS. Mr. President, I feel very much better after that very forthright statement by the distinguished majority leader.

Now I wish to make some comments to my good friend, the Senator from Connecticut, if he will permit me to do so.

Mr. BUSH. I should like to ask a question, if the Senator from Illinois will yield.

Mr. DOUGLAS. Certainly.

Mr. BUSH. Did the Senator from Illinois accept the amendment of the Senator from Arkansas? I ask the question because I was momentarily off the floor when that matter was being handled.

Mr. DOUGLAS. Yes; I accepted it.

Mr. BUSH. I congratulate the Senator.

Mr. DOUGLAS. But I wish to say that now that some of the opponents of the bill have tasted blood, they are moving in for the kill. [Laughter.]

Without drawing any analogy between human beings and sharks, let me say that when I was in the South Pacific, I learned something about the habits of sharks. They can be swimming peacefully along; but if there is a little blood in the water, it stirs them, and they attack human beings as well as each other.

Let me say that I have shed a little blood, here on the floor, by accepting the amendment of the Senator from Arkansas; and now there is blood on the carpet, and it has excited the opponents of the bill, and is giving them a great sense of victory, and they are moving in for the kill. I felt all along that was the case, until the Senator from

Montana [Mr. MANSFIELD] came to my rescue in this fashion, and made his statement which gave us the prospect of more votes.

Now I should like to reply to the Senator's statement.

Mr. BUSH. I was hoping the Senator would. [Laughter.]

Mr. DOUGLAS. Now I have to say something which all of us know, although we seldom speak about it: I refer to the bipartisan, unholy alliance which exists in this body, and also in the House of Representatives, between the conservative Republicans and the conservative Democrats of the South.

Mr. DIRKSEN. Mr. President, that is the sheerest nonsense I have ever heard spouted on the floor of the Senate. [Laughter.]

Mr. DOUGLAS. It is one of the truest statements ever made. I thought that would stir up the alliance. But that statement is true.

Mr. DIRKSEN. Mr. President, that is an untruth; and if that is a violation of the rule, I shall submit to discipline by the Senate, because we shall cite the record. This business of talking about unholy alliances is the sheerest "stuff." [Laughter.]

Mr. DOUGLAS. No, it was well stated by Mr. HALLECK, in the House of Representatives; he openly admits the fact.

Mr. President, I am ready to entertain a motion that I be compelled to take my seat; and then I shall argue the issue.

Mr. DIRKSEN. Oh, no, Mr. President; I simply let my words stand, too; and if the Senate wants to take them out, that will be all right.

Mr. DOUGLAS. Well, Mr. President, let mine stand, also.

Mr. President—

Mr. BUTLER. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. BUTLER. If that is an unholy alliance, cannot the Senator engineer a little more of it—because I think the country needs a little more of it.

Mr. DOUGLAS. Then the Senator admits that it exists, does he?

Mr. BUTLER. I admit nothing; the Senator from Illinois stated it.

Mr. DOUGLAS. But the Senator from Maryland does not deny it. After all, it is known to everyone.

Mr. BUSH. Mr. President, will the Senator from Illinois yield for a very polite question?

Mr. DOUGLAS. I should like to finish my statement.

Mr. BUSH. But I should like to ask a question before the Senator from Illinois leaves this very interesting point.

Mr. DOUGLAS. I am not going to leave it, I assure the Senator.

Mr. BUSH. I refer to the Senator's reference to the unholy alliance.

Mr. DOUGLAS. I shall continue to refer to it in that fashion.

Mr. BUSH. Will the Senator from Illinois yield for a question?

Mr. DOUGLAS. Yes.

Mr. BUSH. Suppose it did exist—although I am not a member of it, and I do not know anyone who is—but suppose it did exist: Why does the Senator from Illinois call it unholy?

Mr. DOUGLAS. Because it is a combination of the conservative elements of both parties, which is seeking to prevent the consummation into law of the will of the people as registered in the presidential elections.

Mr. BUSH. Does the Senator from Illinois mean that it was registered recently by an overwhelming vote? [Laughter.]

Mr. DOUGLAS. Well, the only way we have to decide matters of this sort is by majority vote. This year, the majority was not as large as I would have liked it to have been; but in 1948 it was larger; and in 1944 it was very much larger; and in 1940 it was larger. But ever since 1938, this alliance—holy or unholy—has dominated the Senate and has dominated the House; and this alliance is opposing this bill, today. There is no use denying it. Why do we as Senators deny what everyone knows to be true?

Mr. CAPEHART. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. Of course.

Mr. CAPEHART. I wish to ask which part of the alliance—the conservative Republicans, or the conservative Democrats—is unholy. [Laughter.]

Mr. DOUGLAS. It is the chemical combination. Although individually they may be very fine persons, when they are put together they have a chemical effect which is not good; and the Senator from Indiana is well aware of the nature of such chemical combinations—in other words, two chemicals which are very beneficial can, when mixed together, have a final result which is very adverse.

So although I would say that individually these persons are very fine gentlemen, and all of us like them as friends—for instance, I like my colleague from Illinois, and we get along personally very well, although we seldom agree. But when we return home, we do not attack each other; and I am ready now to display my friendship. In fact, to demonstrate it, I now shake him by the hand. [Laughter.]

But, Mr. President, I say that when these two groups join together as they commonly do they threaten the enactment of legislation which the vast majority of the American people vote for when the Presidency is at stake.

Mr. CAPEHART. Would it be an unholy alliance if we on this side of the aisle were to line up with you liberals? That would not be an unholy alliance, would it? [Laughter.]

Mr. DOUGLAS. I would say it would be the beginning of virtue; and "while the lamp holds out to burn, the vilest sinner may return."

Mr. CAPEHART. That is a typical remark by an extreme liberal.

Mr. DOUGLAS. Oh, I am a very moderate man.

I argued to the Fulbright amendment at the request of the Department of Commerce—in order to obtain agreement and harmony. But, as I said, the sight and the taste of blood have excited a desire to kill this bill by means of crippling amendments.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. First, I should like to finish my comment, because we have lost sight of it.

Mr. WILLIAMS of Delaware. Yes.

Mr. DOUGLAS. I was going to say that the Appropriations Committee serves as a magnet to draw together a very large proportion of the members of this unholy alliance; and the members of the alliance are stronger in the Appropriations Committee than they are on the floor of the Senate. When I make that statement, it is not a reflection on any individual member. Of course, I know that many members of the Appropriations Committee, such as the distinguished Senator from West Virginia, are not members of this alliance in any respect. Many of those who are members of the alliance—in fact, all the members of the alliance—are individually very fine persons; and there is no reflection on them, personally. But the Appropriations Committee is one of the strongholds of the alliance; it is one of their castles; and they are saying, "Put the fair maiden into this secret recess, separate her from the light of day, and let murder or worse things be committed upon her."

Now I yield to the Senator from Delaware. [Laughter.]

Mr. WILLIAMS of Delaware. It is my understanding that in the recent election President Kennedy endorsed the reelection to the Senate of every southern Senator on the Democratic ticket, and strongly supported all of them. In fact, can the Senator from Illinois name one member of the conservative Democratic group, either in the South or in the North, who was not supported by Mr. Kennedy in the recent election?

Mr. DOUGLAS. I think the President was more cooperative than many of those candidates were, but I think in many cases it was an unrequited affection. In fact, that has been our experience: We lavish affection and help on our southern brethren, but it is not always returned. I do not know how much longer we should do it. We live in hope, but our hopes are always dashed.

Mr. WILLIAMS of Delaware. Will the Senator from Illinois admit that every Member of the Senate who comes from the South and who was seeking reelection in the last election was supported by Mr. Kennedy?

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

Mr. DOUGLAS. I yield.

Mr. McCLELLAN. Is the unholy alliance the group of which the Senator from Illinois speaks when he refers to lavishing affection on the southerners?

Mr. DOUGLAS. I say it is an alliance of persons of the two parties who, although basically good, form a chemical combination which is adverse.

Mr. McCLELLAN. Does the Senator from Illinois mean that he lavishes affection when he charges the existence of an unholy alliance? [Laughter.]

Mr. DOUGLAS. I lavish all kinds of affection on them, individually.

Mr. McCLELLAN. If that is affection, I do not want the Senator from Illinois to love me. [Laughter.]

Mr. DOUGLAS. Mr. President, in spite of being spurned by the Senator

from Arkansas, let me say that I still have affection for him.

Mr. McCLELLAN. Mr. President, I repeat that under such circumstances I do not want the Senator from Illinois to love me.

Mr. DOUGLAS. Mr. President, even though the Senator slaps me on one cheek, I will turn the other. Even though he will not walk with me the first mile, I will walk with him the second. Even though he takes my coat from me, I will give him my cloak.

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

Mr. DOUGLAS. Yes.

Mr. McCLELLAN. The Senator from Illinois is about to join the unholy alliance, if he keeps walking. [Laughter.]

Mr. DOUGLAS. Mr. President, I do not wish to see this bill confined to the mercies of the Appropriation Committee each year, and I hope very much this amendment will be defeated. Very frankly, if the amendment is agreed to, we shall have to consider whether or not we will go on with the bill, or whether, perhaps, it will not be better for it to be withdrawn.

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

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Does the Senator yield time from the time allotted to him in order to have a quorum call?

Mr. DOUGLAS. I think, technically, under the rules, it should be charged to me. If my good friend and colleague [Mr. DIRKSEN] is willing to share the time with me, I will appreciate it. I do not ask for it; I merely make that suggestion.

Mr. DIRKSEN. Yes, Mr. President; I may resort to the same procedure after a while. So I suggest that we have a quorum call, not to be charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

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

Mr. BUSH. Mr. President—

Mr. DIRKSEN. Mr. President, if the Senator will yield, in order to keep the proceedings in order, I point out that the Senator from Virginia [Mr. ROBERTSON] is momentarily off the floor. Normally, the time would come under my control. I shall be glad to yield such time as the Senator from Connecticut wishes. I take it he is in favor of the amendment.

Mr. BUSH. I am for the amendment.

Mr. DIRKSEN. I yield the Senator from Connecticut 10 minutes.

Mr. BUSH. Mr. President, after all these unkind remarks, and I am sure the senior Senator from Illinois means all these unkind remarks very kindly, he should be reminded that those of us who are supporting the amendment of the

distinguished Senator from Virginia are also supporting the administration's bill. We are supporting President Kennedy in his message to the House of Representatives, when he told them what he wanted in this part of the bill. He wanted to eliminate back-door financing, and to return to the appropriation process. So in this unholy alliance the Senator is talking about, we are only supporting the President of the United States on the New Frontier.

Mr. DOUGLAS. Mr. President, I am very glad that there has just hurried into the Chamber the distinguished senior Senator from Minnesota [Mr. HUMPHREY], the majority whip, who has a message which, in language of the Napoleonic wars, comes, I think, from the horse's mouth; and I think he can state what the attitude of the White House is on the question of financing either by annual appropriations, as the Senator from Connecticut is advocating, or by Treasury issue.

I may say that I am somewhat startled to find the Senator from Connecticut has suddenly become a great defender of the President of the United States. This is really like a Confederate putting on a Federal uniform and coming across the lines.

Mr. BUSH. It is exactly the reverse, I say to the Senator. Nevertheless, I ask the Senator if I am not correct in what I stated about the wishes of the President of the United States in respect to the proposal.

Mr. DOUGLAS. May I have permission to yield to the Senator from Minnesota?

Mr. BUSH. I have the floor.

Mr. DOUGLAS. I beg the Senator's pardon.

Mr. BUSH. I shall be glad to yield to the Senator from Minnesota if he desires to have me do so. Otherwise, I shall be glad to yield the floor and let the Senator seek it in his own right.

I do so, Mr. President. I yield back whatever time I have remaining from the time allowed.

Mr. HUMPHREY. Mr. President—
The PRESIDING OFFICER. Is time yielded to the Senator from Minnesota?

Mr. BUSH. I was yielded as much time as needed.

Mr. DOUGLAS. Mr. President, I am glad to yield time to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I think the issue is not, particularly, what the President may have indicated to the Senator from Connecticut or to the Senator from Minnesota. The real issue is, Which is the better way to proceed? In other words, what kind of program would we like for area redevelopment? How do we wish to initiate the program in order to give it the impetus and the impact which is needed?

Mr. BUSH. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. BUSH. The Senator was not in the Chamber when his good friend on his right accused me and other Senators of being in an unholy alliance with certain members of his party. I rose a moment ago to remind the Senator that

the so-called unholy alliance, which is in fact not an alliance at all—nevertheless, what the Senator thinks of as such—was only supporting the new President of the United States in respect to the particular issue.

Mr. HUMPHREY. When the Senator speaks of an unholy alliance I say that I require no religious test on any of these political issues. I do not wish to invoke the Deity, nor do I wish to try to claim any amoral purposes in whatever arrangements may be reached.

I merely say that the administration has made it quite clear it would prefer to have—I have said this to the Senator from Illinois [Mr. DOUGLAS]—the administrative establishment of a new agency within the Department of Commerce. The administration has made it equally clear, in order to expedite the operation of the area redevelopment program, that it would be preferable to have what is called Treasury financing.

We run into problems in connection with the desires of those in the other body. Those who serve in the other body are concerned about appropriations to take care of the programs of investments, loans, and grants.

On the subject of grants, there is no doubt that the appropriation process should be followed. In the bill there is a provision for slightly in excess of \$90 million of grants, and that should be provided by the appropriation process. It is so provided in the Senate bill.

With respect to repayable loans, which are not grants, but good, solid investments, of exactly the same type as loans of the Development Loan Fund or of the highly successful Reconstruction Finance Corporation, it seems to me the sensible method is what we call Treasury financing, so that the programs may get underway without undue delay.

I state for the record that if the Senate will pass a bill which will provide for administration of the bill within the general confines of the Department of Commerce—and I understand the Senator from Illinois has accepted that proposal—and at the same time provide for Treasury financing, the administration will find it very much to its liking, very much in accordance with its desires, and it will be found to meet the requirements of sound legislation.

I do not come to the floor of the Senate to speak for the President of the United States. I deplore that sort of thing. That was done in the other administration, and every so often a telephone call would come in at about the time some Member thought he was speaking for the President, and there would be a change of signals. I am not that fleet footed.

I have been involved in the legislative conferences which have been held in regard to the bill, and I can say with absolute conviction and sincerity that the proposal now being advanced by the Senator from Illinois, in respect to which he has made the concession relating to the administration of the measure, with Treasury financing, is considered by the administration to be sound, workable, and within the general program of the President.

Mr. BENNETT. Mr. President, will the junior Senator from Illinois yield me 2 minutes?

Mr. DIRKSEN. I shall be glad to do so, if I may have the permission of the distinguished Senator from Virginia.

Mr. ROBERTSON. I yield to the Senator.

Mr. DIRKSEN. I am glad to yield 5 minutes to the Senator.

Mr. BENNETT. The Senator from Utah wishes to express his surprise and shock upon hearing the senior Senator from Illinois say that if a proposal for Treasury financing should fail, or if the Robertson amendment should be agreed to, the Senator would seriously consider whether the bill itself should be withdrawn. This to me indicates that the basic purpose of the bill must not have very much foundation, if as an expression of lack of faith in the appropriations process and the Senate Appropriations Committee the Senator would rather see the bill as a whole go by the board.

The normal program of financing Government operations is through the appropriations process. I can understand that there are those who believe this proposal would be an improvement on it, but the Senator from Utah cannot believe that to return to a normal program would be so serious as to justify the killing of the bill.

I should be delighted if the bill were killed, as the Senator from Illinois knows. I opposed the bill in the committee. I oppose it now. However, with respect to this bill or any similar proposal, I have consistently taken the position taken by the Senator from Virginia, that back-door Treasury financing is a departure from the normal—and I think the appropriate—method of financing Federal programs and operations.

I hope Senators will support the amendments offered by the Senator from Virginia. If they are agreed to, I shall be interested to see whether the Senator from Illinois then will move that the bill be tabled or returned to the committee.

Mr. DOUGLAS. Mr. President, will the Senator yield to me, on my own time?

Mr. BENNETT. I yield.

Mr. DOUGLAS. The Senator from Utah was not in the Chamber when the Senator from Illinois made his argument, though he is doubtless familiar with the contentions I advanced.

Instead of this being a new method, there are over 30 specific precedents for it. In addition, I pointed out that a distinction must be drawn between current expenditures and capital investments. Current expenditures certainly should be met out of annual appropriations, but capital investments need not, and in my opinion should not, be met in that way. The practice of public utilities is to finance capital investments by bond issues and borrowing.

In this particular instance what we are seeking to do is to lend money from three revolving funds totaling \$300 million. The program involves investments.

The rate of interest will be in excess of the rate which the Government has to pay for its borrowings.

I see no reason why the program should be financed by annual appropriations.

In my characteristically undiplomatic fashion, I mentioned that such a procedure would consign to the Appropriations Committee, the decision over whether the program should continue. This committee, I said, served as a magnet to attract the more conservative members of both parties. I would prefer to have the issue settled by the Senate as a whole and by the House of Representatives as a whole, rather than to have the maiden invited into the dark chamber amongst a group containing very few of her friends.

Mr. BENNETT. This is a very interesting word picture of the Senate Committee on Appropriations.

Mr. DOUGLAS. No.

Mr. BENNETT. That committee is headed by the dean of the Senate, the Senator from Arizona [Mr. HAYDEN].

Mr. DOUGLAS. The Senator from Utah was not in the Chamber when I said, furthermore, that the Committee on Appropriations was like a chemical compound in which elements extremely good individually, when combined, have a deleterious effect. There is no reflection upon any individual; it is merely a statement that the chemical combination is not too beneficial for ideas such as these.

Mr. BENNETT. The fact that the Senate has made similar mistakes earlier with respect to other programs does not convince the Senator from Utah that this kind of back-door financing should continue.

I should like to make another brief observation. The Treasury of the United States is in debt nearly \$300 billion, so there is no reserve from which to lend the proposed funds. The Treasury must borrow them or add to the deficit. Presumably, if the funds go through the appropriation process, there is an opportunity to measure their relative value compared to other programs in the Government; and while I admit that this barrier is easily breached, I think there would be more likely to be responsible administration of the funds in such a process than there would be if the door were opened and the man who was responsible for the administration of the program were permitted to call up the Secretary of the Treasury and say, "I need more money."

Mr. DOUGLAS. Mr. President, if I may reply to the Senator from Utah on my time, let me say first that he was not in the Chamber when I pointed out that if we took into account the assets which the Federal Government has on the basis of original costs, those are approximately equal to the total amount of the national debt, and if we consider market value, it would be in excess of the national debt. So the picture of the Federal Government being bankrupt is completely beside the point and unfounded.

Furthermore, I am interested in the fact that in 1957 a similar issue was raised in connection with the Development Loan Fund, and the distinguished Senator from Oregon [Mr. MORSE] offered an amendment to delete the bor-

rowing authority from the bill and substitute annual appropriations.

I note with much interest that the distinguished Senator from Utah [Mr. BENNETT] voted "nay" on that measure and voted to maintain the borrowing authority. Apparently the Senator from Utah thinks it is all right to have—

The PRESIDING OFFICER. The 5 minutes allotted to the Senator from Utah has expired.

Mr. DOUGLAS. I asked to have the time charged to me.

Mr. BENNETT. The Senator from Illinois has been talking on his own time.

The PRESIDING OFFICER. The Senator is correct. Originally, the time was charged to the Senator from Utah.

Mr. DOUGLAS. I ask that any time I have taken be charged to me. I shall finish the sentence. Apparently the Senator from Utah thought it was all right to have Treasury financing to help people abroad, but wrong to have Treasury financing to help people at home. To my mind, a common principle should run through both operations. I am very happy to say that I voted against the Morse amendment, as did the Senator from Utah. My only regret is that he has changed his position in the meantime.

Mr. BENNETT. The Senator from Utah would like to offer a deal to the Senator from Illinois—

Mr. DOUGLAS. No; I do not make deals.

Mr. BENNETT. In view of the fact that I voted in favor of his position the last time, I propose that he vote for my position this time.

Mr. DOUGLAS. No; I believe in being consistent.

Mr. DIRKSEN. Mr. President, on the amendment I ask for the yeas and nays. The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be not charged to either side under the provisions of the unanimous consent agreement.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, in conformity with the suggestion of the distinguished Senator from Virginia [Mr. ROBERTSON] I feel at liberty to allot 5 minutes to the distinguished Senator from Ohio on behalf of the pending amendment.

Mr. ROBERTSON. I have no objection.

Mr. LAUSCHE. Mr. President, I will support the amendment offered by the Senator from Virginia. I do so on the basis that the proposal he makes is right. Over and above that, I do so because the President of the United States has clearly, with reference to the bill, indicated how he wanted the financing to be arranged.

Mention has been made of an unholy alliance today. That statement practically declares that the President is a part of the unholy alliance, because he has clearly stated in the bill which he submitted to the House of Representatives that the financing shall not be done through the back door. I take it that the President of the United States has weighed the subject of back-door financing. My belief is that he has concluded that in order to avoid the censure of the public for heavy spending and huge taxing, resort has frequently been made to the method of back-door financing rather than by way of appropriations made each year as recommended by the Appropriations Committees. I repeat that the President of the United States, in effect, has declared to the proponents of the measure that he does not agree with the back-door financing method.

Let us take a look at the bill which the President submitted to the House. I read from it:

AREA REDEVELOPMENT FUND

SEC. 9. (a) There is hereby authorized to be established in the Treasury of the United States an area redevelopment fund (hereinafter referred to as the "fund"), which shall be available to the Secretary for the payment of all obligations and expenditures arising from the purchase of evidences of indebtedness and loans authorized under sections 6 and 7.

(b) When requested by the Secretary, advances shall be made to the fund from the appropriations made therefor. There is hereby authorized to be appropriated for the purpose of making advances to the fund, without fiscal year limitation, an amount not exceeding \$300,000,000.

That is the view of the President. Along come the proponents of the pending measure, which includes back-door financing, and they state to the people of the country that the President is wrong, that the financing should not be done in the normal way of appropriations, but should be done in their way, through the back door.

I would feel rather defenseless if I stood here arrayed against the proponents of the bill if I did not have on my side the definite view of the President.

I should like to know, as we continue our debates during this session, how frequently we are going to reject this sound method of running public financing and substitute therefor what in my opinion has properly been labeled as going in the back door and out the back door, thereby avoiding the sunlight of Appropriations Committees, and thus not letting the public know what is happening. The bill from which I have read was submitted to the House. It is the President's bill. I believe we ought to follow it, not only because the present item is involved, but because of the grave implications it has upon all our operations.

The Senator from Connecticut [Mr. BUSH] made the statement that this is a pilot bill; it is a test. That is another reason why, in my opinion, we ought to support the amendment. It has been said that if this amendment shall be agreed to, the bill will be killed. I ask Senators who argue in that way, Did the President submit a bill containing provisions which in themselves carried the seed of destruction? Of course, he did

not. He believed the recommendation he made was in the interest of the people of the United States, and he recommended, therefore, that each year appropriations be made to support the finances needed to make the law effective.

I have no qualms about my position in this matter.

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

Mr. LAUSCHE. May I have 1 more minute?

Mr. ROBERTSON. I yield an additional minute to the Senator from Ohio.

Mr. LAUSCHE. Arguments will be made that the bill is to provide work for the unemployed. Certainly, we want to do that; but even on that score, I am of the opinion that there is a great deal of deception in what is proposed. From my standpoint, we ought to begin early in stopping this indefensible practice of back-door financing, and adopting a course which will be open to the eyes and the ears of the people of the country each year when we discuss the subject.

Mr. DIRKSEN. Mr. President, will the distinguished Senator from Virginia yield me 10 minutes?

Mr. ROBERTSON. I yield 10 minutes to the distinguished Senator from Illinois.

Mr. DIRKSEN. This has been a prolonged discussion. I do not know that it has always been interesting and edifying. We have listened to an interesting mixture of Shakespeare and Scripture. We have heard a lecture on the "unholy alliance." I never knew that such an alliance, holy or unholy, ever existed, notwithstanding the professions of my distinguished colleague from Illinois [Mr. DOUGLAS]. I have yet to see the time when there has been formalized, on the floor or off the floor, a meeting of Senators on this side of the aisle and a meeting of Senators on that side of the aisle. The term "alliance" is now used instead of the old, hackneyed phrase "coalition." But whether either one is used, it presupposes some concerted action, and that is derived from the fact that either we see eye to eye with some of our distinguished colleagues on the other side of the aisle, or they see eye to eye with us. However, we can only draw the inference that there is an unholy alliance or that there is a coalition. I have said before, and I shall repeat it, that I reject that kind of inference on every possible kind of occasion.

I do not know what is said in the other body, but I do know what the statement is in this body. I think it is something of an affront to the Senate. I think it is a reflection upon the Senate and upon its public integrity to go around mouthing the terms "coalition" and "unholy alliance." I mean to raise my voice against it on every possible occasion. If anyone is willing to stand anywhere and bring a single iota of truth, of documentation, or of fact, to substantiate it, I am ready to withdraw everything I have said about it this afternoon.

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

Mr. DIRKSEN. I yield.

Mr. DOUGLAS. I shall be very glad to submit yea-and-nay votes on economic measures and on antifilibuster proposals indicating the degree to which the dominant group on the Senator's side of the aisle and the southern conservative group on this side of the aisle think alike and work alike; two souls with but a single thought; two groups with but a single thought; two groups that think as one.

Mr. DIRKSEN. That is the most transparent deception I can think of. Simply because the Senator from Virginia [Mr. BYRD] and I vote on the same side of an issue, that is supposed to constitute an alliance; or if I vote on the same side of a question with the distinguished Senator from Rhode Island [Mr. PASTORE], that is supposed to constitute an unholy and concerted action, one which was premeditated. A yea-and-nay vote will mean nothing except that Senators see through their own eyes what the issue is, and then determine how they will vote.

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

Mr. DIRKSEN. I yield.

Mr. KEATING. I am indeed happy that the distinguished minority leader has tried to lay to rest the allegations about interparty alliances and coalitions which control the Congress. I often find myself in agreement with the Senator from Illinois [Mr. DOUGLAS] on issues affecting the right of our citizens, but on this issue and on many others, where the fundamental appropriating powers of Congress are at stake, I stand foursquare with the distinguished Senator from Virginia [Mr. ROBERTSON] and with the distinguished minority leader. We must never attempt to fool the American people about how we get the money to do things which we want the Government to do. That does not mean that this Senator is a part of any unholy alliance or coalition. On this issue, I happen to agree with the Senator from Virginia.

Mr. DIRKSEN. Mr. President, I wish to pose the issue for the Senate. We are considering the amendment of the distinguished Senator from Virginia [Mr. ROBERTSON], who is the chairman of the Committee on Banking and Currency. What he proposes to do is to close the back door to the Treasury and require the appropriation process in dealing with the loan money in the pending bill. The Constitution is very clear. It reads:

No money shall be drawn from the Treasury, but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

That does not say "loan." It is not a current expenditure. The Constitution does not talk about a capital investment. The Constitution provides:

No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

All that the distinguished Senator from Virginia seeks to do is to give Congress, through its Committees on Appropriations, an opportunity to take a look.

Arguments have been made in derogation of the Committees on Appropriations. Prior to 1921, every committee recommended appropriations for its own measures. In that year Congress passed the Budget and Accounting Act. It has worked well. I prize my service on the Committee on Appropriations, both in the House and in the Senate. Both committees worked diligently in the interest of a sound economy, of fiscal responsibility, and the solvency of the Republic.

I was proud of every member of those committees, on both sides of the aisle, and equally proud of my own service.

So get the issue, and get it straight. Shall the money be dispensed by the back-door method, or shall it be according to the appropriation process? That is what is involved in the amendment. That is all I have to say on the subject.

Mr. ROBERTSON. Mr. President, the Senator from Illinois is most correct. These are not minor items which we are drawing from the Treasury. Thirty-three billion dollars is now outstanding, drawn from the Treasury in this manner.

Mr. DOUGLAS. Mr. President, before I yield to the distinguished Senator from Montana, I may say that I have listened with great interest to the statement of my friend and colleague from Illinois [Mr. DIRKSEN], in which he denies that there is any alliance, holy or unholy, between the conservative Republicans and the conservative Democrats. I know he will forgive me if I say that his statement reminds me of a passage in "Macbeth." I know that he, as a Shakespearean student, is familiar with it. It is the passage in which Lady Macbeth after killing the King of Scotland is walking in her sleep and rubbing her hands together, stained with blood, and saying, "Out, out, damned spot."

Mr. DIRKSEN. The Senator has beat me to it. I thought of that when he was talking about blood on the carpet. I thought: "Out, damned spot."

Mr. DOUGLAS. The Senator knows what follows which is very appropriate:

All the perfumes of Arabia will not sweeten this little hand.

I say that all the perfume of the oratory of my friend and colleague cannot wash away the fact that the yeand-nay votes on vital measures which concern conservative Republicans and conservative Democrats are virtually identical.

Mr. DIRKSEN. How many times did my distinguished colleague from Illinois, when the civil rights bill was before this body, sit down in concert with Senators on this side of the aisle who saw eye to eye with him, and avoid Senators on his side of the aisle who did not see eye to eye with him? He did not talk with them, did he? Would the Senator say that that was an unholy alliance? Was that an unholy, concerted action?

Mr. DOUGLAS. There is a gallant band of Republicans, undoubtedly small in number, who upon occasion vote with us. To paraphrase a line from the poem *Abou Ben Adhem*:

May their tribe increase.

Mr. DIRKSEN. To refer again to Scripture, it is said that the Devil can cite Scripture.

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

Mr. DIRKSEN. Mr. President, I do not intend to take on all these classical scholars, but I yield to the Senator from Minnesota.

Mr. HUMPHREY. I am certain the Senator meant no reference to his colleague from Illinois, because his colleague was not quoting Scripture; he was quoting Shakespeare; and there is a difference.

Mr. DIRKSEN. Oh, yes; Lady Macbeth does not appear in the Scriptures, as far as I know.

Mr. HUMPHREY. I am glad to be reassured. [Laughter.]

Mr. BENNETT. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. BENNETT. It seems to me the debate has now reached a point where we are discussing who is "holier than thou" and who is "unholier than thou."

Mr. DOUGLAS. Mr. President, at this time I yield to the Senator from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. President, if we can digress from quoting the Scriptures and quoting Shakespeare, and if we can now get down to the matter at hand—namely, the area redevelopment bill—let me say there has been some discussion about what some persons call back-door financing and others call Treasury financing.

There are some interesting names on a vote taken on June 14, 1957, at which time the Mutual Security Act of 1957 was under consideration, and an amendment was offered by the Senator from Oregon [Mr. MORSE] and the then Senator from Wyoming, Mr. O'Mahoney. That proposal was to do away with Treasury financing, which would have been used to establish the Development Loan Fund for the fiscal years 1959 and 1960.

From examining the rollcall, I note that the author of the amendment now pending, the Senator from Virginia [Mr. ROBERTSON], is consistent in his views; but that so far as some others are concerned—namely, the Senator from Montana, who now is speaking—although at this time he is opposed to the proposal of the Senator from Virginia [Mr. ROBERTSON], the Senator from Montana was with the Senator from Virginia on that occasion. But let me say that consistency is not always a jewel.

Then we find, on the other side, my distinguished friend the Senator from Utah.

Mr. BENNETT. Mr. President, will the Senator from Montana yield briefly to me?

Mr. MANSFIELD. Yes, indeed.

Mr. BENNETT. The Senator from Illinois [Mr. DOUGLAS] has already pointed that out—with some glee.

Mr. MANSFIELD. I shall not do it with glee; I merely wish to point out that under certain conditions, changes do occur; that we are not always consistent in our outlook.

So I hope that without going into those facts and figures, we shall proceed to vote on the pending amendment at a reasonable time, and then shall pro-

ceed to deal with the other amendments.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. HUMPHREY. Mr. President, we are very much indebted to the majority leader for bringing this debate back to the issue, away from esoteric discussions of either the Scriptures or Shakespeare.

Today we are facing hard reality—namely, depressed areas; and they require effective, timely action—which means in a hurry.

Mr. President, we can argue either way in regard to the manner of providing these funds. It is well known that the present President of the United States is fully aware of the tradition of the House of Representatives, in terms of utilizing the Appropriations Committee process to obtain funds for any program of a public nature, either in terms of grants or in terms of loans. Every Member of this body knows that the other body has insisted upon the Appropriations Committee process and the appropriations acts as the means of providing funds.

When the President sent his message to the other body, on February 20—his message was addressed to the Speaker—the President sent along with it a draft bill which took into consideration the tradition of the other body to which I have referred, namely, the Appropriations Committee process, the process of providing through an appropriations bill the funds required, in this case, for the depressed areas legislation.

But, Mr. President, it is equally well understood and acknowledged that on many occasions the Senate has used what we call Treasury financing.

All names such as "unholy alliance," "holy alliance," "back-door," or "front door" are for the newspaper headlines; but they do not contribute one bit of information to the facts of the situation; they contribute nothing to the reality with which we are faced.

Let us consider this issue. It is one of personal choice; and a Senator is neither "holy" nor "unholy" if he prefers the appropriations process. He is neither pure nor impure if he favors the process of so-called Treasury financing, which means that when the Treasury issues interest-bearing certificates to provide funds for a program that has been authorized by an act of Congress, the money will be made available, not for the purpose of gifts, but for investment purposes, for loans repayable on schedule.

Mr. DOUGLAS. And with interest.

Mr. HUMPHREY. Yes, with interest—as the Senator from Illinois indicates.

Private banks even do such things, and Congress authorizes them to do it. That is done through the credit mechanism. The banks do not obtain congressional appropriations for that purpose; they do it through a special law which was enacted by Congress.

The Congress made a provision of this sort in connection with the Reconstruction Finance Corporation; and Senators who now serve in this body voted for it.

As the majority leader has indicated, we attempted to provide for it in connection with the Development Loan Fund. When my worthy colleagues speak of the present President of the United States and his views on the matter of area redevelopment legislation and how it should be financed, I think the record is quite clear.

In 1955, the then junior Senator from Massachusetts, Mr. Kennedy, voted for the area redevelopment bill, with Treasury financing. Not only did he vote for the bill; he handled the bill on the floor of the Senate; he was a cosponsor of it.

In 1957, he did the same thing.

In 1959, he was a sponsor, with the Senator from Illinois [Mr. DOUGLAS], of a measure similar in form to the proposed legislation the Senator from Illinois presents to us today.

Some persons may not be consistent in their records on this matter; but when the President of the United States was a Member of the Senate, he was consistent. And we are voting here in the Senate, not in the House of Representatives. We are voting on a bill which was presented to the Senate by the Senator from Illinois.

The PRESIDING OFFICER. The time yielded to the Senator from Minnesota has expired.

Mr. HUMPHREY. May I have a little more time?

Mr. DOUGLAS. Mr. President, I yield 2 additional minutes to the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Illinois.

Mr. President, let me say to the junior Senator from Illinois [Mr. DIRKSEN], my good friend, the minority leader, whose speeches are always exciting to me, and always are exhilarating and entertaining, if not always illuminating and enlightening, but I find them enjoyable, and he is a staunch adversary in any discussion—that I always admire the way in which the distinguished junior Senator from Illinois can almost make the Senate Manual look like Holy Scripture. Of course, when the Senate Manual is examined from a distance, it does have a Biblical appearance; but one should not examine it too closely if he wishes to compare it with Holy Scripture. Mr. President, I have heard Senators read from the manual of the Senate rules as if it were divine edict or holy writ. But really, Mr. President, it is not.

Then I heard the Senator from Illinois read from the Constitution; and the intonation of his voice would lead one to believe that the Founding Fathers provided not only for the appropriations process, but also for the Appropriations Committee. But they did not provide for that committee, Mr. President. They said the Congress shall appropriate moneys, but they did not say the Congress shall pass an appropriations act which shall advance through the Appropriations Committees of the House and Senate. The Constitution does not provide such a process, and I am surprised that one as learned in the law as is the

distinguished minority leader should attempt to pass off a general principle as if it were specific detail. But, of course, when one is short of facts, it is better to pound the breast and to give intonation to the voice, in an endeavor to make it appear as though, somehow or other, one had the truth.

Mr. President, what is the fact which is facing us? The fact is that the Senate has the power either to accept or to reject the Robertson amendment.

The PRESIDING OFFICER. The time yielded to the Senator from Minnesota has again expired.

Mr. DOUGLAS. Mr. President, I yield 5 minutes more to the Senator from Minnesota; I yield that time from the time available on the bill.

Mr. DIRKSEN. Mr. President, I am glad to have the Senator from Minnesota proceed with his customary eloquence—because then I shall answer him. [Laughter.]

Mr. HUMPHREY. I may not take all that time, because I should like to conduct a slight brush-fire war with the minority leader. There will be no massive deterrent weapons used. It will be all with conventional weapons as we proceed to debate.

Mr. President, what we have before us is a method to finance a program that needs action. It is strange to note, and unhappy to note, that so many Senators who are so concerned about how we shall finance the bill, are not going to vote for it, and that many Senators who are concerned as to how the money is to be provided have repeatedly voted against area redevelopment bills.

They are deeply concerned about conception, but not about birth. They are deeply concerned about the pieces of the meal, but not the totality. I suggest that those of us who are interested in the nibbling process of trying to push something here, or trying to push something there, should be deeply concerned over the effectiveness of the bill and the fact that these suggestions will not contribute to the solution of the problem before us. Perhaps in Illinois everything is jolly, but in many parts of Minnesota, this bill should have been passed in 1957. It should have been passed in 1959. We did override the veto in 1960.

President Kennedy knows full well the idea behind the legislation. He is deeply concerned about the problem involved. We need legislation with which, once it is put on the desk of the President, he may go to work.

Some Senators wanted to make sure that the Secretary of Commerce had full jurisdiction in the program. I tried to help. I think the Senator from Illinois [Mr. DOUGLAS] will agree that we adjusted the differences between the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Illinois [Mr. DOUGLAS]. Those differences have been reconciled. Secretary of Commerce Hodges has general jurisdiction and supervision of the whole program. The only question is whether we are to let him supervise something on the day the bill is signed, or whether we are to go through the authorization process and then wait for 1 month, 2 months, or 3 months, before proceeding.

Let me assure Senators that the amount provided in the bill for the people of the United States is inadequate. The amount of \$300 million is not nearly enough, but it is apparently the best anyone is willing to try for in a concerted action. Apparently it is all right to talk about \$1 billion for the world, but not \$300 million in repayable loans for our own people, without getting into an argument as to how we are to produce the money.

I think the best way is for the U.S. Treasury to issue securities that are interest-bearing to provide money for the Secretary of Commerce in order to "get the show on the road" and on the way. If that is done, it will be legitimate. It will fulfill the interpretation of the Constitution, despite any other interpretation that may be made. It will fulfill the traditions of the U.S. Senate. It will fulfill the legislative pattern of the President, who, on three occasions, as a Member of the Congress, joined with the Senator from Illinois and the Senator from Minnesota in measures to provide financing in exactly the way this bill provides. So if Senators want to join those who have become recruits for the New Frontier, at least for now, they will give a little legislative support for what the President supported when he was a Member of this body.

Mr. DIRKSEN. Mr. President, I shall take only a moment. First, I express my affection for my friend from Minnesota. I almost turned out to be a Minnesotan. When I went to school there, my whole ambition was to practice law in the city of Minneapolis, but some untoward fate steered me away from it. I would have been more enriched in spirit and morality if I had been able to carry out that ambition.

Mr. DOUGLAS. Mr. President, I protest against this indirect reflection on the State of Illinois. [Laughter.]

Mr. DIRKSEN. Mr. President, one of the finest qualities of the distinguished Senator from Minnesota is that he is never inhibited by facts or the lack of facts. He pats this great volume. But he never read the passage I referred to, having to do with getting money from the Federal Treasury. He said I talk about it as if it were Holy Writ. Mr. President, it comes pretty close to it, because what is written in the Constitution is the framework of government and the foundation of liberty; and the Apostle Paul, if I remember correctly, once said, "Where liberty is, there is the spirit of the Lord." That is why I pat that book so reverently and also think of it as I think of Holy Writ.

My friend might have had a bill long ago, because in 1959 a bill was passed in this body by a vote of 49 to 46. It was just a little before the New Frontier. My friend could have worked on the old frontiersmen. There were plenty here. There were 65 votes on his side. And yet the bill squeezed through by a margin of three votes.

When the President vetoed the bill, the party of the Senator from Minnesota controlled the Senate, and the Senator and his party let the veto message languish for 6 solid weeks before it was called up. And when it was called up,

of course, the President's action was sustained. Only 39 votes were obtained against the President of the United States.

I know my facts. [Laughter.]

I am not inhibited by a lack of facts, either, because I know what the record shows.

The Senator could have had a bill. It required no great eloquence to get it. But, no, the proponents would not meet the President of the United States, Mr. Eisenhower, halfway on the measure, in order to arrive at a good bill; and, as a result, it went down the drain.

Mr. President, I shall not discuss the subject any longer. There has been no improvement in Senate bill 1, which is about the same as the old Senate bill 722, introduced by my distinguished colleague from Illinois [Mr. DOUGLAS].

I shall offer a substitute. It will be the bill that President Eisenhower asked for within a day after he vetoed the old bill. It may be rejected, but the Senate is entitled to know now what I shall do. I shall vote against Senate bill 1, introduced by my distinguished colleague, and cosponsored by other Senators, because I cannot see it as a remedy for the problem they are trying to meet.

With that, Mr. President, I am prepared to vote.

The PRESIDING OFFICER. Does the Senator yield back the time remaining to him?

Mr. DIRKSEN. I yield back the time remaining to me, if the other side will do likewise.

Mr. DOUGLAS. I yield back the time remaining to me.

Mr. ROBERTSON. I yield back the time remaining to me.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Virginia [Mr. ROBERTSON].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

I further announce that, if present and voting, the Senator from Texas [Mr. BLAKELEY] would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Arizona would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from New Jersey [Mr. CASE] is necessarily absent attending the funeral of a friend in the State.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from Vermont [Mr. PROUTY] is absent by leave of the Senate because of illness.

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from New Mexico [Mr. CHAVEZ].

If present and voting, the Senator from Arizona would vote "yea," and the Senator from New Mexico would vote "nay."

The result was announced—yeas 45, nays 49, as follows:

[No. 9]

YEAS—45

Alken	Eastland	Morton
Beall	Ellender	Mundt
Bennett	Ervin	Robertson
Boggs	Fong	Russell
Bridges	Hayden	Saltonstall
Bush	Hickenlooper	Schoepfel
Butler	Holland	Scott
Byrd, Va.	Hruska	Smathers
Capehart	Jordan	Smith, Maine
Carlson	Keating	Stennis
Case, S. Dak.	Kerr	Talmadge
Cotton	Kuchel	Thurmond
Curtis	Lausche	Wiley
Dirksen	McClellan	Williams, Del.
Dworshak	Miller	Young, N. Dak.

NAYS—49

Anderson	Hartke	Monroney
Bartlett	Hickey	Morse
Bible	Hill	Moss
Burdick	Humphrey	Muskie
Byrd, W. Va.	Jackson	Neuberger
Cannon	Javits	Pastore
Carroll	Johnston	Pell
Church	Kefauver	Proxmire
Clark	Long, Mo.	Randolph
Cooper	Long, Hawaii	Smith, Mass.
Dodd	Long, La.	Sparkman
Douglas	Magnuson	Symington
Engle	Mansfield	Williams, N.J.
Fulbright	McCarthy	Yarborough
Gore	McGee	Young, Ohio
Gruening	McNamara	
Hart	Metcalf	

NOT VOTING—6

Allott	Case, N. J.	Goldwater
Blakley	Chavez	Prouty

So Mr. ROBERTSON's amendments to the committee amendment were rejected.

Mr. DOUGLAS. Mr. President, I move to reconsider the vote by which the amendments were rejected.

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

The motion to lay on the table the motion to reconsider was agreed to.

Mr. HUMPHREY. Mr. President, on behalf of the distinguished Senator from New Mexico [Mr. CHAVEZ] I ask unanimous consent that a statement prepared by him be printed in the RECORD at this point.

I also ask unanimous consent to have printed in the RECORD at this point a supplementary statement prepared by the Committee on Public Works, of which the distinguished Senator from New Mexico is chairman.

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

STATEMENT BY SENATOR CHAVEZ

I join wholeheartedly with my colleagues in urging passage of S. 1 to relieve depressed areas. The facts on our deteriorating economic situation cannot be denied nor hidden. It is time we faced directly and clearly these troublesome truths.

A few years ago certain counties in New Mexico were classified as depressed areas by the Department of Labor because of chronic unemployment, and the number has increased considerably in recent months. There is every indication of a decline in our economy with most business indicators showing a steady economic decline.

Not too long ago I received a joint memorial from the New Mexico Legislature pointing out that 16 counties in New Mexico are considered by the legislature as chronically depressed areas, and urging our immediate assistance. Counties such as Rio Arriba, San

Miguel, Mora, Santa Fe, Guadalupe, Colfax, Taos, Socorro, and Grant, are suffering immeasurably from the present economic situation and let me assure my colleagues that the citizens of these counties are in definite need of Federal assistance to combat their economic ills. It is no longer a local problem but a problem which must be met by the Nation as a whole; if we are to remain ahead internationally we must bolster our economy here at home.

A steady loss of population, a rise in the number of welfare cases and other significant indicators are clear evidence of our deteriorating economic conditions. Little money is available locally to counteract these conditions. In some counties more than 10 percent of their population is dependent upon public assistance. Seven of these counties account for 13 percent of the population of the State and approximately one-third of the population in these counties are public assistance recipients. In Espanola and Las Vegas the number of unemployment claims per 100 insured workers is as high as 17 and 18 percent. The rate of unemployment claims per 100 workers for the State of New Mexico as a whole is 4.3 percent. There are 7,535 public assistance cases in these counties including 15,000 persons. 20,862 persons are certified to receive surplus commodities.

Considering the need of these areas and the number of welfare cases in them, it is my opinion that immediate assistance should be made available to these areas to improve their economic situation. Applications for surplus commodities and applications for unemployment compensation have increased by leaps and bounds. We are hard pressed to meet these demands and I urge you to act with haste to improve our economic situation in New Mexico.

A public works construction program I believe to be one of the most satisfactory and quickest methods for relief of unemployment. In most cases a backlog of authorized projects is available, and plans and specifications are complete and projects can be placed underway within a short period of time.

For example, Federal aid to highways: There is no better or faster method of putting people to work than on the construction of highways. A large amount of labor is used in such construction, both onsite and offsite. Projects can be placed under construction within a short period of time.

Additional projects which would provide employment for the citizens of New Mexico and the Nation are small watersheds; a large number of small watershed protection and flood prevention projects could be initiated in labor surplus areas. Forest development roads and trails could be developed; forest seeding and development programs could also be accelerated. A number of flood control projects could be started in labor surplus and underdeveloped areas.

I also suggest that the General Services Administration could review their Federal building program to determine if there is need for additional Federal buildings in labor surplus areas.

These are just a few of the many public works activities which could be expanded and accelerated to provide employment in the depressed areas of New Mexico and the Nation.

It is my sincere conviction that public works activities of all types should be expanded and accelerated to relieve our critical depressed conditions, and I would like to see such projects included in S. 1.

I solicit the support of my colleagues in achieving these aims.

SUPPLEMENTARY STATEMENT PREPARED BY PUBLIC WORKS COMMITTEE, SENATOR CHAVEZ, CHAIRMAN

In supplementing the depressed areas legislation it would appear desirable to con-

duct any public works construction program by existing Federal agencies, from presently authorized projects or programs, within the framework of existing laws, supplemented by additional legislation to provide authorization where believed necessary.

A public works construction program is believed to be one of the most satisfactory and quickest methods for relief of unemployment. In most cases a backlog of authorized projects are available, and plans and specifications are complete, and the projects can be placed underway within a short period of time. In addition to providing employment for men on the job, they also provide employment off the site. The benefits derived from such projects are large and permanent, and in most cases extend over a large region.¹

The following programs appear to be worthy of consideration in establishing a public works construction program:

Flood control; navigation: A water resources policy should be established with reference to new starts and acceleration of projects in labor surplus and underdeveloped areas. Priority should be given to multiple-purpose projects which include water supply and low-flow regulation, and units in comprehensive development plans.

A large number of projects are presently authorized. A program in the neighborhood of \$100 million annually could be started for these projects in distressed areas. Additional projects of marginal economic justification, or slightly below such justification, could be authorized due to the additional economic benefits they would provide at this time.

There are three auxiliary programs that could be prosecuted at existing flood control and navigation projects that would be very beneficial. These are:

1. Development of recreational facilities at existing Federal projects, and at State and national forests and parks in such areas. A program of \$25 million annually would care for these needs. Only about 25 percent of these projects are near depressed areas.

2. Additional operation and maintenance of existing projects, much of which has been deferred for several years. A program of about \$20 million annually for this feature would be helpful. About 50 percent of these projects are in or near depressed areas.

3. Rehabilitation of existing works, which consist of levees, floodwalls, jetties, channels, etc. Much of this work has also been deferred because of lack of appropriations. A program of about \$20 million annually for this work should suffice. About 50 percent of this work would be in or adjacent to labor surplus areas.

Public buildings: A large backlog of public buildings has been authorized. Some of them are under contract, sites have been obtained for most of them, and plans have been completed and are underway on many of the others. Thirteen new buildings and repairs and alterations to 10 existing buildings have been authorized in cities in labor surplus areas, having a total estimated cost of about \$400 million. A 3-year program for completion of these buildings would cost about \$133 million annually. The GSA could review their Federal building program to determine the need of additional Federal buildings in labor surplus areas.

Small watersheds: A large number of small watershed protection and flood prevention projects have been authorized, but few of these are in labor surplus areas. The Department of Agriculture is continuing investigations on these watersheds. Priority

in these investigations could be given to those watersheds in or adjacent to labor surplus areas and those reports expedited.

Water pollution control: The program for Federal grants for construction of sewage and waste treatment facilities has proved very popular. A relatively small amount of authorization remains available for appropriation. A large number of applications for these grants are on hand, and plans are complete on many of them. There are several bills pending before the committee for broadening and extending the scope of the existing law. A program at least double the present one would be very advantageous, with emphasis on work in labor surplus areas. It is believed that the local pollution control agencies could meet their share of the projects.

Federal-aid highways: There is no better or faster method of putting people to work than on the construction of highways. A large amount of labor is used in such construction, both onsite, and offsite. In most States, a backlog of plans and designs are available, and projects can be placed under construction within a short period of time.

Practically all the States have a balance of funds on hand, both A-B-C and interstate funds, that could be programmed for work in labor surplus areas. Such programming and expenditure is purely an administrative matter within the States. It is noted that many of the States have requested that additional highway funds, A-B-C and interstate, be made available for immediate expenditure. In view of this request, it is believed that the States have or could obtain State matching funds with which to match any additional funds.

As of January 31, 1961, the various States had available about \$2 billion of A-B-C funds unobligated, and about \$5 billion of interstate funds. On January 31, 1961, 8 States were utilizing 1962 interstate funds, 21 were utilizing 1961 funds, 15 were using 1960 funds, and 6 were still working on 1959 funds. On that date 14 States were utilizing 1962 A-B-C funds, 32 were using 1961 funds, and 6 using 1960 funds. The A-B-C funds get first call on the trust fund, and the interstate gets what is left.

The major objection to providing additional funds is, of course, the present financial condition of the highway trust fund. If the highway program is placed back on the original schedule, additional taxes must be raised or additional transfers to the trust funds authorized. If immediate work is desired, a resolution could be considered permitting the highway program to go ahead and expenditures authorized, pending new financial arrangements.

The additional road programs for roads on Federal lands could also be expanded, and additional funds for roads in those categories authorized. The agencies now have contract authorization for these funds and could award contracts 1 year ahead of the fiscal year for which authorized. These roads are as follows:

Forest highways: Present authorization, \$33 million for each of fiscal years 1962 and 1963. The funds are apportioned to the States. Additional funds could be used on the highways, although the major national forest lands are in the Western States, remote from labor surplus areas.

Forest development roads and trails: Present authorization, \$35 million for 1962, and \$40 million for 1963. Additional funds for these timber access roads could be advantageously used, although as for forest highways, many of these roads are located in Western States. Funds can be allocated on a needs basis, and can be programmed for expenditure in or near labor surplus areas. Additional funds for these roads could be used for recreation roads in national forests, or included as a separate classification.

Park roads and trails: \$18 million for each of 1962 and 1963. Additional funds for these roads could be used, and could be programmed in labor surplus areas.

Parkways: \$16 million for each of 1962 and 1963. Remaining work on authorized parkways is largely in the vicinity of Washington, and on the Natchez Trace in Tennessee and Mississippi. Additional funds could be used, but little of them could be used in labor surplus areas. West Virginia has long wanted a national parkway authorized in the Monongahela National Forest.

Indian roads: \$12 million for each year, 1962 and 1963. Additional funds for these roads could be used. Local Indian labor could be used.

Public lands highways: \$3.5 million for 1962 and \$3 million for 1963. The Bureau of Public Roads has applications for about \$15 million worth of these roads on hand. Additional authorization would be needed.

Funds for these roads on public lands come from the general fund, and additional funds for them would have no effect on the highway trust fund.

Mr. LONG of Louisiana. Mr. President, I call up my amendment, which is at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 79, between lines 13 and 14, to insert a new section—

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with, and that the amendment be printed in the RECORD without reading.

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

The amendment offered by Mr. LONG of Louisiana is as follows:

On page 79, between lines 13 and 14, insert a new section as follows:

"MILITARY INSTALLATIONS IN REDEVELOPMENT AREAS AND OTHER AREAS

"SEC. 27. (a) No military installation which is classified as a permanent installation on the date of enactment of this Act shall be deactivated or removed to a new location for reasons of economy, if such installation is situated in a redevelopment area. The Secretary of Defense shall cause to be reactivated any military installation which has been deactivated or removed for reasons of economy within five years prior to the date of enactment of this Act, if—

"(1) such installation was classified as a permanent military installation prior to such deactivation or removal; and

"(2) such installation was situated in an area which is determined by the Administrator to be a redevelopment area.

"(b) The Secretary of Defense shall notify the Administrator before taking any action leading to the deactivation or removal, for reasons of economy, of any military installation which is not included within the terms of subsection (a), but which is classified, on the date of enactment of this Act, as a permanent military installation. The Secretary of Defense shall also notify the Administrator of any action which has been taken within five years prior to the date of enactment of this Act which resulted in the deactivation or removal, for reasons of economy, of any military installation which is not included within the terms of subsection (a), but which was, prior to such action, classified as a permanent military installation.

"(c) The Administrator shall appoint a committee of such persons as he shall determine to investigate the economic effects of any action proposed to be taken, or which has been taken, by the Secretary of Defense with respect to which he has received a notification as provided in subsection (b) of this

¹ Some provision might be necessary where local cost sharing is a part of the project, to relieve the local agencies in depressed areas from all or part of such cost, or arrange for loans with which the agencies can meet the cost.

section. In determining the economic effects of any such action, any such committee shall, among other relevant matters, consider and make findings with respect to (1) the probability that such action will increase unemployment or underemployment in the affected area to such an extent that the area will become a redevelopment area; and (2) the approximate amount of money which has been, or may reasonably be expected to be, saved by any department or agency of the Government as a result of such action, compared with—

"(A) the approximate costs or losses which have been, or may reasonably be expected to be, incurred by other departments or agencies of the Government, or by State and local governmental units, as a result of such action;

"(B) the approximate losses which have been, or may reasonably be expected to be, incurred by private interests as a result of such action in connection with any facilities which they have provided to serve the needs of any such installation and which would otherwise have to be provided by the Government;

"(C) the approximate cost to the Government of relocating any such installation in the event that such installation has been, or will be, relocated; and

"(D) the approximate cost to the Government of reactivating, in a national emergency or other contingency, any such installation with respect to which any such action has been, or is proposed to be, taken. Any such investigation shall be conducted as expeditiously as practicable, and the findings resulting therefrom shall be submitted to the Administrator for transmittal to the Secretary of Defense and to the Congress. The Secretary shall take no further action in connection with the deactivation or removal of any existing military installation, with respect to which he has sent a notification to the Administrator under this section, unless he has received the findings made in connection therewith as herein provided.

"(d) Upon the request of the Administrator, the departments and agencies of the Federal Government shall, subject to the requirements of the national security, make available to any committee, established under this section, such available information and services as may be requested by such committee in furtherance of the purposes of this section.

"(e) Persons appointed to any committee under this section who are not otherwise employed by the Government may be compensated at a rate not in excess of \$75 per diem, and, while such person is away from his home or regular place of business, he may be allowed transportation and not to exceed \$15 per diem in lieu of subsistence and other expenses."

On page 79, line 15, strike out "27" and insert "28".

On page 80, line 2, strike out "28" and insert "29".

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

Mr. LONG of Louisiana. I yield to the Senator from Ohio, provided such yielding does not prejudice my right to the floor. I ask unanimous consent that I may yield on that basis.

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

Mr. LAUSCHE. Mr. President, I send to the desk an amendment. The amendment, if agreed to, would eliminate from the bill that part of it which provides for grants as distinguished from loans. The bill presently provides \$75 million by way of gifts. My amendment, if agreed to, would eliminate the gift provision of the bill.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie at the desk.

Mr. LONG of Louisiana. Mr. President, I hope the managers of the bill will be able to accept the amendment which I have proposed. The purpose of the amendment is to require that a permanent military base be not closed for reasons of economy if, by closing the base for economy purposes, much of the area involved would become a depressed or distressed area. The amendment upholds the idea that the right hand should know what the left hand is doing. The amendment relates to a situation in which we are told that the closing of a military base is for reasons of economy, but with respect to which a full study would show that if all levels of Government were examined, there would be no saving, and the cost to the Government would be greater by reason of making the area a distressed area. I know that the committee has not had sufficient opportunity to consider the amendment fully, but it will be considered on the House side, if agreed to. I hope the managers of the bill will accept the amendment.

Mr. DOUGLAS. Mr. President, I shall be glad to accept the amendment of the Senator from Louisiana.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. LONG of Louisiana. I yield.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of South Dakota. Is the Senator asking that the amendment be agreed to?

Mr. LONG of Louisiana. Yes.

Mr. CASE of South Dakota. Without debate?

Mr. LONG of Louisiana. I shall be glad to debate the amendment, but it is my understanding that the managers on behalf of the bill will accept it.

Mr. DOUGLAS. I am ready to accept the amendment.

Mr. CASE of South Dakota. Even so, some of us may wish to have a vote on the amendment. I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered. Mr. DIRKSEN. Mr. President, I ask for recognition.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

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

Mr. LONG of Louisiana. I am delighted to yield to the Senator from Illinois.

Mr. DIRKSEN. First, I wish to ask a question. Has the amendment ever been submitted to the Committee on Armed Services?

Mr. LONG of Louisiana. No; it has not. It has been submitted to the Senate.

Mr. DIRKSEN. Mr. President, will the Senator yield to me 1 additional minute?

Mr. LONG of Louisiana. I yield.

Mr. DIRKSEN. The amendment provides that we could not move a military installation out of a redevelopment area for reasons of economy. What is pro-

posed to be done to the Army, Navy, and Air Force? Is it proposed to tie their hands? The first paragraph of the amendment so provides, and the chairman of the Senate subcommittee is willing to accept the amendment.

I suggest to the Senator from South Dakota that he renew his request for a yeas-and-nays vote on the amendment because it would go pretty far. The amendment has never been submitted to the Committee on Armed Services, so far as I know.

Mr. President, if the amendment is acceptable to the subcommittee, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LONG of Louisiana. I should like to explain the amendment a little more. I did not believe there would be any opposition to it. It provides that no military base of a permanent nature shall be deactivated or removed to a new location for reasons of economy, if such an installation is situated in a redevelopment area. I have in my hand a statement on this point, which I am asking the pages to distribute to Senators.

If a military station is to be closed to save \$2 million for the Army, for example, but the FHA, by reason of such closing, will lose \$20 million over a period of years, the base may be kept open, if by closing it the Government would save \$2 million but lose \$20 million. It would be necessary to consider whether there is an overall savings to the Government or an overall loss.

Consideration would have to be given to whether the country would be benefited by closing down such a military base. Consideration would have to be given to whether the closing down of a military base would make a redevelopment area out of the given region, or a depression would result by reason of the closing of the base. The question would be whether it would cost the taxpayers of the country more instead of less. Consideration would have to be given as to what the cost would be to State and local governments.

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

Mr. LONG of Louisiana. I yield.

Mr. BRIDGES. The Senator makes a very eloquent plea for his amendment. However, in my judgment it is not a good amendment, because the illustration which he has given, of saving \$2 million on the one hand but losing \$20 million or more on the other, can be stated the other way, too. It would be possible to save the economy \$40 million on the one hand, and cost the Government \$2 million or \$3 million on the other. His illustration sounds very reasonable, but it can be twisted the other way just as easily. A proposal like this should not be enacted unless it is first passed upon by the Armed Services Committees of the Senate and the House. It would destroy the entire concept of the operation of our military installations in this country.

Mr. LONG of Louisiana. If it were not a redeveloped area, there would be no requirement that the base should be kept open. Certainly consideration should be given to all these matters.

Where there is a redevelopment area, there is a high degree of unemployment, and consideration must be given to not making a situation worse when it is attempted to make it better.

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

Mr. LONG of Louisiana. I yield.

Mr. SALTONSTALL. I call attention to another clause in the Senator's amendment:

The Secretary of Defense shall cause to be reactivated any military installation which has been deactivated or removed for reasons of economy within five years prior to the date of enactment of this Act, if—

(1) such installation was classified as a permanent military installation prior to such deactivation or removal; and

(2) such installation was situated in an area which is determined by the Administrator to be a redevelopment area.

The Senator was a member of the Armed Services Committee at one time, and he knows that if an area is deactivated for 5 years and it is to be reactivated, it will cost a great deal of money, if it was deactivated 5 years prior to that time. In our modern day, from a military standpoint, it would have no particular value; it would not only be a very great expense to the Government to reactivate it, but it would be strategically unwise for the military to do so. It would be unfortunate for the area itself, because it would mean that the military would enter the picture temporarily and then go out again. It would be difficult for the military to reactivate a plant which had been deactivated for at least 5 years.

Mr. LONG of Louisiana. I shall be glad to amend my amendment to meet the Senator's thought on that point. I shall modify my amendment by striking out the word "shall" and substituting therefor the word "may." I assume that will meet the Senator's objection. That is certainly one of the factors to be considered.

Mr. President, I modify my amendment by striking out "shall" and substituting "may" on line 9 of page 1.

The PRESIDING OFFICER. Is there objection to the modification? The Chair hears none, and the amendment is modified accordingly.

Mr. LONG of Louisiana. I stress the fact that the amendment would prevent false economy, and it recognizes that we should not be trying on the one hand to provide for redevelopment areas while on the other hand creating redeveloped areas.

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the Senator from South Dakota.

Mr. CASE of South Dakota. The amendment would turn the Defense Department into boondoggle. I read from the amendment:

The Secretary of Defense shall notify the Administrator before taking any action—

That means the man who would be administering S. 1—

The Administrator shall appoint a committee of such persons as he shall determine to investigate the economic effects of any action proposed to be taken, or which has been taken, by the Secretary of Defense with respect to which he has received a notifica-

tion as provided in subsection (b) of this section.

That would give to the Administrator the power and responsibility to appoint a committee to determine whether a military base should be closed or maintained.

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

Mr. CASE of South Dakota. I yield.

Mr. SALTONSTALL. It would also put the Administrator over the Secretary of Defense.

Mr. CASE of South Dakota. That is the point I am seeking to make. The Administrator of the depressed area bill would have greater power than the Secretary of Defense in determining whether a military installation should be closed.

In connection with some programs which President Kennedy is recommending, I have seen the observation made that one of the things which are considered to be unquestionably necessary for Latin American countries, if they are to become rehabilitated, is to remove some of the oppressive burden of excessive military establishments.

The amendment would on its face say that the United States will adopt a policy of maintaining military establishments not on the basis of their military necessity, not on the basis of their importance to national defense, but on the basis that if we do not maintain a military installation it will result in some unemployment or underemployment in an affected area.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I do not yield at this time. I cannot conceive of anything that would be more dangerous to a sound national defense policy than to make the maintenance of a military installation dependent upon a committee selected by an administrator who is concerned with unemployment.

Already the defense costs of this country account for more than 50 percent of the national budget. Out of a \$80 billion budget, \$40 billion is devoted to the Defense Establishment alone. After that come the Atomic Energy Commission and related activities. The total runs to close to \$50 billion out of \$80 billion. The amendment, if adopted, would be serving notice on the world that our military establishments are not selected or maintained on the basis of their importance to the military security of the country but purely upon a boondoggling basis of whether they will provide some employment.

We would be saying to the personnel stationed on a base, the men who form the companies and battalions and regiments, that they are not drafted into the service because of the needs of national security, but merely to provide employment.

I myself have some doubts about the constitutionality of the bill. I have some doubts about its wisdom in many respects. The bill carries a heavy enough load now without adding to it any such proposal as this amendment would provide.

I think it might be useful to read a few other sentences in the amendment. I read from page 4, starting at line 8:

Any such investigation shall be conducted as expeditiously as practicable, and the findings resulting therefrom shall be submitted to the Administrator for transmittal to the Secretary of Defense and to the Congress.

Then listen to this sentence:

The Secretary—

Meaning the Secretary of Defense—

shall take no further action in connection with the deactivation or removal of any existing military installation, with respect to which he has sent a notification to the Administrator under this section, unless he has received the findings made in connection therewith as herein provided.

If that does not subordinate the Secretary of Defense to the Administrator to be created under the bill, and subordinate the Secretary of Defense to the findings of the committee named by the Administrator, I do not know what could. Paragraph (d) reads:

Upon the request of the Administrator, the departments and agencies of the Federal Government shall, subject to the requirements of the national security, make available to any committee, established under this section, such available information and services as may be requested by such committee in furtherance of the purposes of this section.

Mr. President, I have some doubts about the constitutionality of the bill, because it is a Senate bill. I think that section 9, which was under fire in the amendment offered by the Senator from Virginia, deals with the public revenue. It is entirely conceivable that the bill might be regarded as a revenue bill, because it provides:

The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued under this section and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchase of such notes and other obligations.

That language, directing the Secretary of the Treasury to take money from the Treasury to provide funds for the Administrator, could easily be interpreted as being a revenue bill. If it is, then I think the Supreme Court, in line with all the precedents, would be obliged to hold that the bill would have to originate in the House of Representatives. So there may be some question about the constitutionality of the bill itself.

There are many other questions about the need for the bill, but certainly I hope the Senator from Louisiana will not press his amendment, and turn the bill into one which would make the Department of Defense purely a boondoggle to be maintained not upon its need for national defense, but its effect upon the unemployment picture in certain areas.

Mr. LONG of Louisiana. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. LONG of Louisiana. Will the Senator inform me when was the first time he read the amendment?

Mr. CASE of South Dakota. I read it when the Senator from Louisiana offered it.

Mr. LONG of Louisiana. So the Senator read it for the first time only a few minutes ago. Based upon that statement, would the Senator be surprised to know that he does not even understand the meaning of the amendment?

Mr. CASE of South Dakota. If the Senator from South Dakota does not understand the meaning of the amendment, he thinks that is all the more reason why it ought to be debated. The Senator from South Dakota started to read the amendment when the Senator from Louisiana called it up.

Mr. LONG of Louisiana. The Senator from South Dakota talks about imposing someone over the Secretary of Defense. Does the Senator notice in the paragraph he read:

The Secretary of Defense shall notify the Administrator before taking any action leading to the deactivation or removal, for reasons of economy.

That means that if the Secretary of Defense wishes to take action to close a base for reasons of economy, he shall take into consideration various elements related to whether a genuine economy is being effected. If he wishes to close a base because troops are needed elsewhere or because there is no military requirement for the base, he is not required to comply with any provision in the amendment.

I hope the Senator from South Dakota will recognize that that is a part of the amendment, and that no one is superimposed upon the Secretary of Defense.

Mr. CASE of South Dakota. I spent a good part of yesterday listening to testimony from representatives of the Department of Defense on the reprogramming of certain funds. The Department of Defense had come to the conclusion that certain activities for which it had requested funds not later than last year, and which are available for expenditure in the current fiscal year, are no longer needed for that purpose.

The PRESIDING OFFICER. The 10 minutes of the Senator from South Dakota has expired.

Mr. BUSH. I yield an additional 5 minutes to the Senator from South Dakota.

Mr. CASE of South Dakota. Only yesterday I sat in committee listening to requests for the reprogramming of funds, because within the past year the Secretary of Defense and his Department had come to the conclusion that certain expenditures should not be made. So they were asking the approval of the Subcommittee on Military Construction of the Committee on Appropriations to withhold certain funds which had been allocated for certain activities and certain installations, and to transfer them to other purposes. That was for a reason of economy. The Department of Defense decided that they should not spend money in certain areas. In particular, certain Bomarc installations, it was felt, in the judgment of the Secretary of De-

fense and the Department of Defense, should be closed, and the money which was to have been made available for them should be used for something of higher priority or something which was more important; it should not be used simply to continue an activity which had been started.

The 5-year retroactive feature in the amendment, to which the Senator from Massachusetts has already drawn attention, would mean that several Bomarc installations which have been closed because, in the judgment of the Department of Defense, we could not afford to spend any more money on an activity which was becoming obsolescent, or was obsolete, should not be closed without going to the Administrator and letting him, together with the committee, determine whether they should be closed.

It would mean that portions of the warning system which have been declared to be obsolete, and which have been found to be obsolete because of the change from a manned airplane to a missile, even though they were closed 5 years ago, should not be closed, but that we should continue to spend money on them regardless of whether they were needed. We should not spend more money on them, if they were closed for reasons of economy, and because the Secretary of Defense felt that the money could be used for something better.

Mr. LONG of Louisiana. I am happy to have the Senator's remarks as a part of the legislative history, but if any installation is to be closed because it is obsolete or because it is unnecessary or because it would be better to put the money into something else to serve a military purpose, of course the installation should be closed, and that situation is not involved in the amendment.

The amendment relates to a situation in which a decision is made purely on the basis of economy, and it is false economy based upon the fact that, considering all the factors involved, the Government is losing more money than it is saving.

Mr. CASE of South Dakota. I do not know how "economy" would be defined, if it does not mean that an installation is obsolete, and the Government should not spend any more money on it. If it is obsolete, it should be disposed of, we do not need it. That is a reason for economy.

If the Secretary says that the time has come when we should not spend more money on installations, the amendment requires him to go to the Administrator, to let the Administrator determine whether he should stop the operation which is costing money which could better be spent in the general economy, or better used elsewhere.

Mr. BUSH obtained the floor.

Mr. COOPER. Mr. President, will the Senator from Connecticut yield briefly to me?

Mr. BUSH. I yield 5 minutes to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 5 minutes.

Mr. COOPER. Mr. President, I have supported Senate bill 1 and similar bills

ever since they were first introduced in the Congress. I have been a sincere supporter of those bills, and I am a co-sponsor of Senate bill 1. I support it, and I have spoken for it; and I intend to vote for it unless it is loaded down with amendments which would make it unworkable.

Because I am a strong supporter of the bill, I rise to speak against the pending amendment. This amendment is wrong in principle. I do not think a bill of this sort should attempt to limit in any way the authority of the Defense Department to do whatever it is necessary to do to make proper provision for the defense of our country. When the President of the United States sent to Congress his message on the economy, he directed the various governmental agencies to locate new installations in depressed areas, if such locations could be justified.

So when there arises a question as to whether an installation should be made or whether an existing installation should be removed, under that direction by the President of the United States, I think the Department of Defense should consider all these factors; but I believe it wrong for the Congress to attempt to direct what the Department of Defense shall do in regard to those installations.

The correct principle is that the Department of Defense should be free to do whatever needs to be done for the defense of the country.

I note in the amendment a provision which I think makes it unacceptable; I refer to the provision that an installation shall not be deactivated for reasons of economy, or that if one had been deactivated for such reasons, there is to be a certain procedure for its activation.

I remember that several years ago, when I was in the Senate, there came to Washington a group from Kentucky; they protested against the deactivation of a particular camp. Of course I went with them when they presented their case; but it was apparent that the camp was not needed. Finally, I had to say to my friends, "The only way I know of to secure the activation of this camp would be in some way to get another war started."

Of course I did not mean that such an extreme course should be taken.

However, if such camps and plants should be deactivated, let them be deactivated in the interest of the country. Furthermore, let us not attach to an area redevelopment bill an amendment which would limit the authority of the Department of Defense—although I doubt that the Congress could limit it—to provide in every way possible for the proper and necessary defense of the country.

Because I am a strong supporter of the bill, I hope the pending amendment will be overwhelmingly rejected.

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

Mr. COOPER. I yield.

Mr. SALTONSTALL. I merely add that we have some difficulty in obtaining sufficient able manpower for our Armed Forces. We wish to proceed by

means of voluntary enlistments, rather than by means of the draft. However, if we keep a number of these sites open, even though because of reasons of economy they should be closed, that will mean that more men will be employed in ways that will not be in the best interests of our security; and in that event it will be inevitable that more men will have to be drafted.

Mr. COOPER. I thank the Senator from Massachusetts.

Mr. President, I am afraid that if this amendment is adopted, it will mean the defeat of the bill.

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

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 2 minutes.

Mr. BUSH. I wish to associate myself with the views on the amendment which have been expressed by the able Senator from Kentucky, the able Senator from South Dakota [Mr. CASE], and the able Senator from Massachusetts [Mr. SALTONSTALL].

I do not think one has to go beyond the first sentence of the amendment, in order to realize what an impossible situation it would bring about. That sentence reads as follows:

No military installation which is classified as a permanent installation on the date of enactment of this Act shall be deactivated or removed to a new location for reasons of economy, if such installation is situated in a redevelopment area.

If there is in the U.S. Government any organization which should take steps for reasons of economy, that organization is the Defense Department. It seems to me that it would be absolutely indefensible for the Congress to include in a redevelopment bill an inhibition against such a decision, for reasons of economy, by the Secretary of Defense. I cannot think of any way which would better invite a veto by the new President than to adopt such an amendment. I do not believe the President should sign the bill if it included such an amendment; and I would think he would have to veto the bill under such circumstances.

I cannot speak for the new President, of course. But from examining the amendment, it seems to me it would be entirely inconsistent with the policies the President maintained when he was a Member of the Senate, and would be entirely inconsistent with what he then said about economical administration of the Government.

It seems to me that an amendment of this sort would be entirely at variance with all that.

So I urge the Senate to reject the amendment.

Mr. LONG of Louisiana. Mr. President, I regret that Senators who now examine the bill for the first time undertake to know more about what is intended by it than the author of the amendment himself knows about it.

In the amendment we provide that if an attempt is made to close an existing military base "for reasons of economy"—and I emphasize those words—if the Secretary of Defense or anyone else wishes to close a military installation in the

United States for any reason under the sun—and there could be any of a thousand reasons; for instance, that the troops were needed somewhere else, or any other reason why he might wish to close an existing military installation that the installation could be closed for such reasons, except when the decision to close the base was based on the assumption that the closing of the base would be an economy move.

Thus, the amendment proposes the requirement of a finding that the closing would result in an overall economy, and that the information be available to the Secretary, so that he could determine whether the result would be an overall economy.

Why would that be necessary, Mr. President? It would be necessary because, as I have pointed out, it is entirely possible that there might be a saving to one branch of the Government, but the result might be a great loss to other branches of the Federal Government itself. Furthermore, so far as the taxpayers are concerned, if the net result is to cost him money, it makes very little difference to him whether he is being required to pay the money because of action by the State government, the local government, or the Federal Government.

So if the overall result of closing a base is actually to cause the Government to spend more money, rather than to save it, certainly no economy has been effected.

Unfortunately, Mr. President, today no agency of the Department of Defense is specifically charged with the consideration of such aspects of these matters.

Again I say that if a base or other military installation has no military need, of course, it should be closed. But we know that many closings have been made entirely for reasons of economy. In fact, I have known bases to be closed even though the services have said, "These are badly needed, and we do not want to close them, but we are being forced to close them because of economy; we are having forced on us so-called economies which we do not believe wise in any way whatever."

I believe that in some instances it can be demonstrated that no real economy whatever has been achieved.

If when we consider all the activities of the Federal Government in such fields, we reach the conclusion that the result of the proposed closing would not be overall economy for the Federal Government, much less for other governments, then certainly no such closing should be made.

This amendment deals with installations at which the Government has saved untold millions or billions of dollars by getting the local citizenry to provide the necessary schools, housing, recreational facilities, and various other requirements—sometimes amounting to \$50 million or \$100 million, and in return the Federal Government has promised to make the installation a permanent one in that community; but subsequently the Government has decided to close the installation for reasons of economy, even though there has

remained some military requirement and necessity for the installation; nevertheless, the Federal Government has decided that, for reasons of economy, alone, the base should be closed.

In that event it seems to us that provision should be made, in accordance with the amendment I have submitted, for the making of a determination as to whether a real economy, in the overall view, would be effected. If it is proposed that the base be closed for reasons of economy, and if it is found that, actually, no economy, in the overall view, would thereby be achieved—and no doubt the particular agency concerned would not really be in a position to determine what the actual, overall economy would be—then the installation should stay open. In other words, if there would be no real, overall economy, the base should not be closed.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. CASE of South Dakota. Is it not perfectly clear, under the Senator's own statement, that the determination of economy, as related to the defense needs of the country, would be made, not by the Secretary of Defense, but by a committee to be selected by the Administrator?

Mr. LONG of Louisiana. No. The decision would be by the Secretary of Defense.

He could make that decision under the most unsound argument of economy if he wanted to make it on the basis of defense needs. It would be only if he wanted to proceed on the basis of economy that the question whether there would be an overall economy would be considered and even then he could decide in favor of the base being closed.

For example, as I stated, if one service were to save \$2 million, but other agencies of the Government would lose \$20 million by virtue of the Government's guarantee on home mortgages, that would be a situation in which the Government would lose a vast sum of money.

I could give the Senator many other illustrations in which there appeared to be an economy for one service; but, by looking at the overall economy, it would be seen there would be no saving at all.

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

Mr. LONG of Louisiana. I yield.

Mr. LAUSCHE. With regard to the statement prepared by the Senator from Louisiana relating to the amendment, in which he discusses the case of military installations in nonredevelopment areas, he states:

For example, it is possible that the closure of a military base might result in the saving of \$2 million in the operating budget of the Army, but be accompanied by a \$20 million loss on FHA guaranteed mortgages.

Will the Senator from Louisiana illustrate that point? How would the FHA, under certain circumstances, be liable to lose \$20 million, while, let us say, the Defense Department would save \$2 million?

Mr. LONG of Louisiana. Let us assume that there are 2,000 houses at an installation on which the FHA has

guaranteed the mortgages. Then the Defense Department proceeds to close the installation, and the service personnel are moved out. The houses have to be sawed up and sold. My general impression is that, in moving such houses to different locations, on a \$15,000 house we would do well to get \$500, if it is sawed up and sold. If there is no immediate demand for housing in that area, there is a great loss. Housing then has to be constructed in the area to which the troops have been moved. Such a move appears to be a saving to the military service, but if one looks at the loss in guaranteed mortgages, there is no overall saving to the Government.

Mr. LAUSCHE. I am alarmed by the proposal because it implies that when the Government guarantees mortgages it, in effect, will indulge in uneconomic operations solely for the purpose of protecting itself.

Does it not follow, if this principle is sound, that the Government undertakes, after guaranteeing mortgages, always to operate, even though the operation results in losses, and thus in uneconomic ventures? I foresee a danger in that procedure.

That principle applies even to the bill before the Senate. We guarantee certain ventures. We buy mortgages and evidences of indebtedness. The moment the Government does that, it becomes obligated forever to the particular community in which it has put its money by way of loans and grants.

I may say to the Senator from Louisiana I am only thinking out loud on the matter.

Mr. LONG of Louisiana. So far as the kind of losses which the Senator has indicated are concerned, I believe I can show losses in the millions of dollars on only a single housing contract, under the Wherry or Capehart program, as the case may be. I think, under the Capehart program, as a result of a decision to close a military base, the Government lost, on a single housing contract, closer to \$20 million than to \$10 million. Certainly, such losses should be considered when it is contemplated to close a military establishment.

Furthermore, and I think the Senator is aware of this, it has been a long established policy of the Defense Department to go to a local community and say to it, "We would like to make this military installation permanent; and if you will do certain things we will make it a permanent military installation."

I have witnessed, and perhaps the Senator from Ohio as Governor of his State did, situations in which certain local communities have been asked to provide certain amounts of land, schools, and various and sundry other facilities.

Certainly, such matters should be considered in a decision to close an installation, if it is not done on the basis of military needs, but on the basis of the Bureau of the Budget telling the Armed Forces that it must economize. If the decision to close the installation is being made entirely for reasons of economy, it is fair to ask whether it

will result in an overall, real economy. The people making these investments may lose tens, and sometimes even hundreds, of millions of dollars, and they are entitled to have an indication that it is being done for economic reasons. If, after having invested their money, they lose it, a study might show that no real economy was effected at all.

Mr. LAUSCHE. I recognize the strength of the argument of the Senator from Louisiana, but it still does not negative the distress I am suffering in the belief that we are creating a vicious cycle by the Congress establishing many programs of supposed aid. Congress provides the procedure and provides the loans, and then an agency comes along and says, "There are some facilities we ought to eliminate, but because of previous loans and gifts, they must be continued."

I am familiar with a situation in Ohio that paralleled the experience stated by the Senator from Louisiana.

Mr. LONG of Louisiana. I may point out to the Senator from Ohio that the Government has undertaken programs which do exactly what I have stated. The Capehart housing program, preceded by the Wherry program, did exactly that. When the Government undertakes a contract involving \$100 million invested in housing, the Government is going to lose it in the event the base is closed.

Oddly enough, if the housing belongs to the military establishment, it may consider the loss involved by virtue of the fact that it owned the housing; but when a separate agency is guaranteeing the mortgages, and a decision is made to close the installation in order to make a saving in one branch of the Government, let us say the Army, that decision is made notwithstanding that another branch of the Government, for example, the FHA, will lose a fortune. So in spite of a possible saving of \$2 million in one agency of the Government, it is possible that there may be a loss of \$18 million, or even \$50 million, in another agency, if one looks at the overall picture. That is the basis of my amendment.

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

Mr. LONG of Louisiana. I yield.

Mr. CAPEHART. The Senator's argument, I think, makes good sense, although I am not sure the amendment provides exactly what we should do.

I wonder if Senators really understand how little the bill would do and how little it would help people who need help.

I should like to read the language of the bill with regard to loans and participations, to show how limited are the provisions in the bill. I have never before seen a bill which I thought would fool the people as much as this bill would.

Will the Senator yield some time to me?

Mr. LONG of Louisiana. Mr. President, how much time do the proponents have remaining? If I have sufficient time, I shall be glad to yield.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The Senator from Louisiana has 34 minutes remaining.

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 10 minutes.

Mr. CAPEHART. Mr. President, under the bill the Administrator could make loans to build golf courses. The Administrator could make loans to build swimming pools. The Administrator could make loans to build summer or winter resorts.

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

Mr. CAPEHART. I yield.

Mr. DOUGLAS. Can the Senator justify that statement?

Mr. CAPEHART. I will read the language of the bill:

LOANS AND PARTICIPATIONS

SEC. 6. (a) The Administrator is authorized to purchase evidences of indebtedness and to make loans (including participations therein) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including machinery and equipment in cases of demonstrated need) for industrial or commercial usage, including the construction of new buildings.

Mr. DOUGLAS. That is exactly the point involved. It is for industrial or commercial usage.

Mr. CAPEHART. Is not a golf course commercial?

Mr. DOUGLAS. No; it would be recreational.

Mr. CAPEHART. Is not a summer or winter resort commercial?

I am delighted I have brought up the subject, because the author of the bill is clarifying the language as to the type of loans that can be made.

Mr. DOUGLAS. Possibly motels would come under the language.

Mr. CAPEHART. Motels might be included.

Mr. DOUGLAS. Certainly not swimming pools, golf courses, or any of the others.

Mr. CAPEHART. The Senator will remember the scandals, so called, under the old RFC, with respect to many of these things.

Mr. DOUGLAS. Yes. The Senator from Illinois helped to expose them. I believe, also, we ought to probe development with respect to the so-called Capehart housing.

Mr. CAPEHART. I have no objection to that.

The able Senator from Illinois never wishes to discuss the merits of the case, or to be practical.

I think Senators ought to give consideration to the fact that the proposed legislation will be very, very disappointing. I again invite attention to the possibility that under the language the administrator could lend money for those purposes.

Mr. DOUGLAS. Let us clarify the language in this discussion.

Mr. CAPEHART. The language is very broad.

I shall read further from the language of the bill. I shall read the entire section on "Loans and Participations" to show how limited the provisions are, and how little good, possibly, passage of the bill would accomplish.

The Administrator is authorized to purchase evidences of indebtedness and to make loans (including participations therein) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including machinery and equipment in cases of demonstrated need) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings.

Next is the language I especially wish to bring to the attention of Senators, because it is very important. Every one of the depressed areas about which we talk has sufficient buildings or sufficient facilities. All these areas already have buildings and facilities.

I invite the attention of Senators to the following language:

Such financial assistance shall not be extended (1) for working capital—

Working capital is used to pay salaries of wage earners. Working capital will create jobs. One must have buildings, machinery, and facilities before a man can be given a job, but 9 times out of 10 the facilities and buildings are available. Working capital is essential.

This language of the bill would prohibit loans for working capital.

It is further provided that financial assistance shall not be extended:

(2) to assist establishments relocating from one area to another.

Such a provision would force a person to start a new business with a new corporation, practically. However, there is a limitation:

The limitation set forth in clause (2) above shall not be construed to prohibit assistance for the expansion of an existing business operation from its original location or for the establishment of a new branch affiliate, or subsidiary: *Provided*, That such assistance will not substantially decrease employment in the area of original location.

The point I make for the RECORD is that under the terms of the bill any help provided would be materially limited. In my mind the program would be almost inoperative because the depressed areas now have buildings and facilities. The thing these communities lack is business—ideas, management, and working capital. Above everything else, working capital is short.

I do not know why the authors of the bill eliminated the working capital provision. They did not eliminate the working capital provision under the RFC. Working capital loans can be made by the Small Business Administration.

If we provided sufficient money to the Small Business Administration, the Small Business Administration could do more to help the depressed areas than could be done under the terms of the bill. The Small Business Administration can make loans for working capital which could not be done under the terms of this bill.

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

Mr. CAPEHART. I yield.

Mr. DOUGLAS. Our Republican friends are a continuous marvel to me. Generally they attack the bill on the ground that it would do too much. Now my good friend is attacking the bill because it would do too little.

Mr. CAPEHART. Mr. President, I am not attacking the bill. I am trying to explain the bill.

Mr. DOUGLAS. I would say the Senator is attacking the bill.

Mr. CAPEHART. I am trying to explain the bill. I am a member of the committee. I am merely trying to point out to the people of the United States—particularly to the people in the depressed areas, who are looking for help under the terms of the bill—how limited are the provisions of the bill.

Mr. DOUGLAS. We have never claimed the bill would do everything. We merely said it would make a start. Now the Senator is criticizing the bill because it does not include loans for working capital.

Mr. CAPEHART. I am not criticizing the bill. I am simply pointing out exactly what the bill would do.

Mr. DOUGLAS. I would say it is a criticism.

Mr. CAPEHART. Every Senator, and the people, should understand the limitations.

Mr. DOUGLAS. Then the Senator criticizes the bill because it would prohibit pirating?

Mr. CAPEHART. I did not criticize the bill. I simply read the language in the bill, to show the limitations.

Mr. DOUGLAS. The Senator knows the antipirating language was drafted by the Senator from Connecticut and the Senator from Maine.

Mr. CAPEHART. I so understand.

Mr. DOUGLAS. Now the Senator from Indiana is criticizing his colleagues.

Mr. CAPEHART. I am not criticizing at all.

Mr. DOUGLAS. I see; the comments were not criticism?

Mr. CAPEHART. I am simply being factual about the bill.

Mr. DOUGLAS. I am glad to know the Senator's remarks were not criticism.

Mr. CAPEHART. I am pointing out the provisions in the bill. I hope the Senate will agree to my amendment, to set forth exactly what is meant by reference to a chronically depressed area, and to limit the provisions of the bill to certain specific regions.

I am simply pointing out the limited character of the bill. I say again that the Small Business Administration which is already in existence, if given the \$390 million proposed by the bill, could do a better job. We could say to the Small Business Administration, "Make loans to towns and communities which are in chronic distress." The Small Business Administration could do more than could be done under the terms of the bill, with the exception of the rural part of the program.

The Department of Agriculture is now permitted, under the law, to assist in agricultural sections in depressed areas.

More can be accomplished under the present act than can be accomplished under the bill.

Mr. DIRKSEN. Mr. President, I should like to yield to the distinguished Senator from Indiana an additional 5 minutes so he can tell the Senate more about what the bill will not do.

Mr. CAPEHART. I do not know that I have any more to say at the moment. We are discussing the amendment of the Senator from Louisiana with respect to such installations as Army camps. As I said when I rose to speak, it makes some sense to me, because the bill provides that if an army camp is in a distressed area, the Armed Forces are denied the right to abandon it. If it were proposed to close the camp for economy reasons, an amendment to keep the installation in that area makes some sense. I doubt very much whether the Senate wishes to legislate upon that subject. I think some kind of directive or record made on the floor of the Senate in which the Department of Defense is told that if there exists a depressed area around an army installation, unless exceptionally good reasons exist to remove the installation, it would be poor judgment to move it. Such directive or provision would be particularly justified in view of the proposed legislation that provides that the Government would move into such abandoned area and would start lending money or trying to help the community.

It seems to me there ought to be some thought given to the problem which the able Senator from Louisiana has presented. I do not think the amendment would be good legislation. However, when the amendment is considered in connection with the bill, it makes sense to say that we should not abandon an installation if, the minute it is abandoned, the Federal Government would go back in and grant or lend money to the same community.

I believe we are making a good record on the subject of the amendment of the able Senator from Louisiana. I think if the armed services have the intention of abandoning a camp within a distressed area, even though the amendment is defeated, its submission will have a good influence.

Mr. CASE of South Dakota. Does the Senator from Indiana think we ought to perpetuate an installation that is obsolete?

Mr. CAPEHART. I do not think so, and I do not think that the amendment necessarily so provides. It provides for instances in which the Department of Defense intended to abandon an installation for economic reasons. Of course, the minute the area is no longer in the center of a depressed area, the amendment would not apply.

Mr. CASE of South Dakota. Let me give the Senator from Indiana a concrete illustration. Yesterday afternoon the Subcommittee on Appropriations for Military Construction considered the precise problem of moving a military installation from one point to another point for reasons of economy. If the intended move was from one of the areas that would come under the general definition of the bill, does the Senator from

Indiana think that the Defense Department should subordinate its judgment to the judgment of a committee appointed by the Administrator?

Mr. CAPEHART. Not necessarily, no. I merely am saying that there is some virtue to the amendment of the able Senator from Louisiana. If it is proposed to take money out of one pocket and put it into another, there is some sense to the amendment.

Mr. CASE of South Dakota. Does the Senator believe that such installation should be continued even if soldiers must be drafted to maintain the installation?

Mr. CAPEHART. Oh, no, I did not say that, and neither does the amendment so provide.

Mr. CASE of South Dakota. The amendment provides that military installations may not be deactivated or removed; it provides further that if there have been any military installations deactivated within the past 5 years, the Secretary of Defense shall reactivate them.

Mr. CAPEHART. I do not intend to vote for the amendment. I never once said I did. I did not argue for it particularly. I merely said that the amendment had some merit. I rose primarily to point out the lack of help that the proposed legislation would give to depressed areas. The bill is not confined to chronically depressed areas in the United States; it is tied to a criterion or a formula which aids the great industrial center of Detroit, and possibly a few weeks from now the employment level of that area will be such that the area will not qualify for the benefits of the bill. I shall go into that subject later when I introduce my amendment.

Mr. CASE of South Dakota. In Detroit there is the Nike installation. If the Defense Department believes that money spend on the Nike is being wasted, and that it should be used for development of the Nike-Zeus or something else—

Mr. CAPEHART. That is the weakness of the amendment.

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

Mr. CAPEHART. I yield.

Mr. KEATING. I agree with the distinguished Senator from Indiana that it is a salutary move to call up the amendment. My objection to it is its inherent rigidity. That is the reason I cannot support the amendment. In my judgment the Department of Defense should give some consideration to these factors, and if for purposes of economy it is decided a military installation should be moved, consideration should be given to the economy of that community.

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

Mr. BUSH. I will yield an additional 5 minutes to the Senator from Indiana.

Mr. CAPEHART. And I will yield an additional minute to the Senator from New York.

Mr. KEATING. I see nothing wrong with consideration being given to those factors by the Defense Department. There are areas in the State of New York which might be helped by even an amendment containing rigid provisions.

But, after all, in my judgment, the hands of the Secretary of Defense should not be tied by the bill, and I compliment the Senator from Indiana on his statement.

Mr. CAPEHART. I do not intend to vote for the amendment. I never intended to do so. I merely wished to leave the impression that there is much merit to what the able Senator from Louisiana has brought about here, and I am glad we are discussing the subject, because it does not make sense to me for the Federal Government to abandon an installation in the middle of a depressed area, and then go right back in under the bill and spend a great deal of money, when perhaps, if the installation had to be abandoned, it would not have been necessary to use the terms of the bill.

However, I do not think it is good legislation. I think the problem ought to be handled in some other way. I certainly do not think it should be tied into this particular bill. I think perhaps there is some other way of handling the subject.

Mr. LONG of Louisiana. Mr. President, in the light of the discussion that has occurred here this afternoon, I am constrained to believe that the amendment is perhaps drawn too rigidly, and I should like to have an opportunity, if time permits, to redraft the amendment on somewhat different lines, permitting of more flexibility. I ask unanimous consent that the amendment be withdrawn.

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

Mr. DIRKSEN. Mr. President, reserving the right to object, if the Senator from Louisiana proposes to submit the amendment in different form but with the same purpose in mind, we might as well have the yeas-and-nays vote now and have it over with. I would rather not go through a long discussion again as a result of merely changing the wording of the amendment. There is a principle involved, and the yeas and nays have been ordered. We might just as well have the yeas and nays.

Mr. KEATING. Mr. President, reserving the right to object, I gather from what the distinguished Senator from Louisiana said that he might have in mind something in the nature of a request to the Secretary of Defense, in making his decisions, to take into consideration the factors covered in the bill. To that type of amendment I believe there would be no great objection. I would like to hear the exact language of it, but I am constrained to think that perhaps an amendment could be framed which would meet with universal approval.

Mr. LONG of Louisiana. Mr. President, I believe I am right on the principle that it does not make sense to close a military base under the guise of economy if no genuine economy is to be achieved, and if in fact, considering all levels of government and all activities of government, an actual loss might result. If that is the basis upon which a military installation is closed, it seems to me that an undertaking upon that basis should be part of a distressed areas bill.

I do not believe we ought to have a distressed areas bill under which we permit distressed areas to be created, and by which, not economy, but actual false economy is a result of the initial decision. If the closing of a base results in creating a distressed area on which we then must spend additional money to help an economy that did not achieve economy in the first instance, then the base should not have been closed.

Mr. President, I have asked permission to withdraw the amendment based upon the discussion that has taken place at this time. If there is insistence that there be a yeas-and-nays vote on the amendment, the minority leader has that privilege and, of course, I shall accommodate him.

Mr. DIRKSEN. Mr. President, reserving the right to object, I merely wish to say I think I should defer to members of the committee as to whether or not permission should be given to withdraw the amendment. If it is to be reoffered, we may as well resolve the matter now.

Mr. CAPEHART. I have no objection to its being withdrawn.

Mr. CASE of South Dakota. Mr. President, the yeas and nays have been ordered on the amendment, and it requires unanimous consent to withdraw it. I do not presently contemplate objecting to it, but I should like to point out that my understanding is that the Senator from Louisiana previously had modified his own amendment by changing the word "shall" to "may." As the change was made by the Senator from Louisiana, the change is in line 7 on page 1 of the amendment. The first sentence of the amendment reads:

No military installation which is classified as a permanent installation on the date of enactment of this act shall be deactivated or removed to a new location for reasons of economy, if such installation is situated in a redevelopment area.

As the amendment has been changed, and as it is now at the desk, it reads:

No military installation which is classified as a permanent installation on the date of enactment of this act may be deactivated or removed to a new location for reasons of economy, if such installation is situated in a redevelopment area.

The language is just as rigid as before, if not more rigid.

I do not know whether that was intended, but that is the way the amendment now reads. It is more rigid than it was before. No installation may be deactivated if it is in such an area. I do not believe I am the one to object to the Senator from Louisiana withdrawing his amendment. I believe it is the minority leader, who made the original request for the yeas and nays, who is the one who should decide whether the amendment may be withdrawn.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Louisiana?

Mr. BUSH. Mr. President, this is the type of amendment which I do not believe has any place on the pending bill. The purpose of the bill is to provide Federal money on a loan basis to assist States or localities or private interests within a State or locality to finance a

project, a business project, for profit, and to create job opportunities within that State or area. That is the purpose. I do not believe the bill should have any other purpose than that.

The bill restricts the use of these loan funds for buildings, except, in exceptional cases, for machinery and equipment. The Senator from New York will offer an amendment to strike out this exception, and I intend to support his amendment.

Therefore, I believe that the purpose of the Long amendment is completely extraneous. I should like to ask the Senator from Louisiana, if he withdraws it, does he intend to resubmit a similar amendment? If he does intend to do so, I shall object to his withdrawing the amendment.

Mr. LONG of Louisiana. Neither on this occasion nor on any other occasions, so long as I have not agreed as a general arrangement where others have made similar commitments, will I foreclose my opportunity of offering this amendment or any other amendment. If the Senator wishes to insist on a yea and may vote on the amendment at this time, he may do so. I thought I was accommodating him and other Senators who oppose the amendment by offering to withdraw it. I do not believe that the Senator from Connecticut particularly cares to put himself on record as being unwilling to consider an amendment that another Senator may wish to offer.

Mr. MANSFIELD. Mr. President, I believe the Senator from Louisiana ought to be accorded the courtesy he requests. It is in accordance with the usual procedure in the Senate. That is the way we get along on both sides of the aisle. I believe that every Senator should have the right to withdraw an amendment he has offered. Certainly no Senator should be foreclosed from offering another proposal. If we start on that basis, we might as well begin to recognize that we are seeing the beginning of the dissolution of the Senate. I hope the courtesy will be extended to the Senator from Louisiana.

Mr. BUSH. Mr. President, the Senator from Montana makes a very eloquent plea not only on behalf of the Senator from Louisiana but on his own behalf. I accede to his request.

THE PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is withdrawn.

Mr. BUSH. Mr. President, I call up my amendment, which is at the desk. It is identified as "3-9-61-B."

THE PRESIDING OFFICER. The amendment will be stated.

THE LEGISLATIVE CLERK. On page 79, strike out lines 14 through 23, and insert in lieu thereof the following:

TERMINATION OF AUTHORITY

SEC. 27. (a) This Act and all authority conferred thereunder shall terminate at the close of June 30, 1963.

(b) Notwithstanding the foregoing, effective on July 1, 1963, those assets, funds, contracts, loans, liabilities, commitments, authorizations, allocations, and records of the Area Redevelopment Administration which the Director of the Bureau of the Budget shall determine are necessary to the liquidation of the affairs and functions of such

Administration, are transferred to the Secretary of the Treasury for purposes of liquidation.

(c) The termination of this Act shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into pursuant to this Act prior to the date of such termination, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act.

Mr. BUSH. Mr. President, the purpose of the amendment is a very simple one. It would provide for careful reconsideration of the measure after it had been in operation for a period of approximately 2 years. The reason I have asked for a termination date of 2 years is based upon the fact that this is an experimental bill. It is something new. It is something that is untried. It is much safer, in my opinion, when one embarks on a new enterprise like this, to have it reviewed at a suitable time, so that Congress may determine whether the program is actually working satisfactorily.

My good friend, the Senator from Illinois [Mr. DOUGLAS] has called this amendment "murder." He said on the floor 2 or 3 days ago that the Senator from Connecticut is guilty of proposing infanticide, of killing this child at the age of 2. If that is so, then Congress has committed many such crimes on numerous occasions. The mutual security legislation, which is very important, is on a yearly basis. The Defense Production Act has a terminal date. The direct housing loan authority of the Veterans' Administration, also very important legislation has a termination date. The export controls have a termination date. The direct purchases of Treasury bonds by the Federal Reserve have termination dates. All housing programs are limited either by termination dates or by the amount of the authorizations. I have even seen the Banking and Currency Committee limit FHA loans to a year in order to serve a particular purpose.

Therefore I plead not guilty to the charge of infanticide. I believe very strongly that it is desirable to have this kind of legislation reviewed in the light of how it has worked after a period of 2 years. It may work very well. It is experimental legislation. I do not believe that any of the members of the Committee on Banking and Currency are certain as to how it will work. I have sat in all the hearings and I have listened to all the debates, in both closed and open hearings. I have a great deal of doubt as to how it will work. With all the background that I have acquired on this proposed legislation, I have some doubt as to how it will work.

For that reason, I think it is appropriate that Congress should have a look at it, and be forced to have a look at it, by the placing of a termination date in the bill. Otherwise, it may simply slide along; and not being watched, it could continue for a long time ineffectually. If it is doing well—and if the bill is passed, I hope it will do well and will serve a useful purpose to relieve distress

in some areas—in that case, I have no doubt Congress will reenact it; and that might be exactly the right thing to do, if it is serving the purpose and the ideals which the distinguished Senator from Illinois has for the bill.

Secretary of Agriculture Freeman and Secretary of Commerce Hodges testified that they looked upon the bill as a sort of experimental program. They spoke of demonstration or pilot projects. The Kennedy administration itself proposed to limit the funds even further than they are limited in the bill as reported, by setting a limit of \$30 million on each loan fund for the first year, I believe. That provision, as I understand, was taken out of the bill before it was reported.

Pressures will develop for an enormous expansion of the program if it is successful. If it is successful, and if it really alleviates distress and creates new job opportunities, then I think such pressures would be well received by Congress. However, I think that because of the experimental nature of the bill, it would be quite appropriate for Congress to put a termination date in it. I have suggested in my amendment June 30, 1963, which will be a little more than 2 years from now—2¼ years.

Mr. President, that is my recommendation to the Senate. I hope the amendment will be agreed to.

Mr. DOUGLAS. Mr. President, the proposal of the Senator from Connecticut is to allow the bill to run for 2 years and then to discontinue it. He says this is necessary in order that Congress may have a chance to review the measure.

May I point out that we added to the bill in committee a new section, section 27, in the drafting of which the Senator from Connecticut was very helpful. It requires the Senate Committee on Banking and Currency, or a subcommittee thereof, after the expiration of 2 years, to make a full and complete study and investigation of the administration of the act, and then to report at the earliest practicable date the results of the study and the investigation, together with such recommendations as the committee deems desirable. Then if it is the will of Congress to discontinue the law, Congress can pass an act to repeal it.

The difference is that the Senator from Connecticut would automatically discontinue the act without investigation, and it would require affirmative action to keep it in existence; whereas the present proposal would provide, as almost all measures do, that the law would continue in operation until repealed, but with full opportunity for review and for repeal if Congress so decided.

I understand that I irritated the distinguished Senator from Connecticut last week when I referred to this amendment as being the equivalent of legal infanticide. At the risk of further irritating the Senator from Connecticut, I repeat that characterization today. Murder is a very bad thing. It is one of the most reprehensible of crimes. Infanticide is one of the most reprehensible forms of murder.

Of course, the Senator from Connecticut would not harm the head of a single person. His heart is kind; his disposition is generous. But when he deals with the bill, he is a murderer. What is more, he is a man who plots infanticide. He wants the bill to have a life of only 2 years; then he proposes to cut its throat, unless the rescuers come to its aid immediately and effectively.

Mr. President, this is simply a part of the continuing program of all except a few sturdy souls on the other side of the aisle to defeat the bill, if possible; then if they are not able to defeat the bill, they seek to make it inoperative, or to cripple it or hamper it in every way.

In a sense, I am glad the Senator from Connecticut has offered this amendment, because it shows in clear, crystal form what the real design of the Senator from Connecticut actually is.

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

Mr. DOUGLAS. I am glad to yield.

Mr. BUSH. The Senator from Illinois, it seems to me, is questioning my motives.

Mr. DOUGLAS. I said the Senator from Connecticut plotted legal infanticide.

Mr. BUSH. I shall not call into question the rule as to whether one Senator should question another Senator's conduct. I think murder is quite out of place in this discussion.

Mr. DOUGLAS. As a physical matter, the Senator from Connecticut would never commit murder. Quite the contrary. If peoples' lives were in danger, he would rush to their aid. He would risk his life to save others.

I merely say that when we deal with laws which the Senator from Connecticut does not like, then look out, because in this case the Senator is plotting legal infanticide.

Mr. BUSH. I should like to ask the Senator this question, because he seems to question my motive in offering the amendment.

Mr. DOUGLAS. I think the Senator's motives are transparent. The language of the amendment speaks for itself.

Mr. BUSH. I should like to have the Senator from Illinois listen to me.

Mr. DOUGLAS. All right.

Mr. BUSH. I am not raising a question under the rules; but the Senator from Illinois does question my motive. He thinks I am trying to kill the bill.

Mr. DOUGLAS. Yes, I do.

Mr. BUSH. If the Senator will accept my amendment, I will vote for the bill. I think that is an answer to the Senator's challenge of my motives in the matter.

Mr. DOUGLAS. The Senator's attitude toward the bill is much like that of the mother toward the daughter who wanted to go in swimming. This story is known to everyone, and I hope I will be forgiven if I repeat the hackneyed phrase.

The daughter inquires, "Mother, mother, may I go out to swim?"

The mother replies, "Yes, my darling daughter. Hang your clothes on a hickory limb, but don't go near the water."

Mr. BUSH. I do not know what that has to do with this.

Mr. DOUGLAS. The Senator from Connecticut is for the bill provided it will suffer an immediate death; provided it does not do anything; and provided it is ineffective. Then he is for the bill.

Mr. BUSH. May I ask the Senator if he feels the same way about the Mutual Security Act, the Defense Production Act, and all the other acts which bear termination dates? I just read a long list of very important pieces of legislation on which Congress acts from year to year because termination dates are contained within them.

Mr. DOUGLAS. I think those acts deal with international affairs.

Mr. BUSH. I do not believe there is any disposition to murder in this case. There are important domestic programs which contain termination dates, such as I have proposed for this bill.

Mr. DOUGLAS. Those acts deal with international affairs.

Mr. BUSH. The Senator from Illinois does not quite answer my question. I repeat my offer.

Mr. DOUGLAS. Would the Senator from Connecticut extend the time to 8 years?

Mr. BUSH. No.

Mr. DOUGLAS. The child might then have a chance to live to be a vigorous youth.

Mr. BUSH. I will extend it to 3 years.

Mr. DOUGLAS. No.

Mr. BUSH. I withdraw the offer I will remake it if the Senator wants me to do so.

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

Mr. BUSH. I yield.

Mr. SALTONSTALL. I believe there is merit in the Senator's suggestion, because the whole Congress is brought into the act, and we can extend it before the time runs out. I think 2 years is a little too short a period. I think 3 years would bring it up for reconsideration in an election year. So my suggestion would be 4 years instead of 3 years. I think there is merit in making its duration 4 years. I think there is much merit in having the whole Congress reconsider it. I hope the Senator will make the period 4 years.

Mr. BUSH. I thank the Senator from Massachusetts.

Mr. President, I believe I have the right to modify my amendment. Accordingly, I so modify it to change the termination date from 1963 to 1965.

I ask the Senator from Illinois if he will accept the amendment, as modified.

Mr. DOUGLAS. The infant would still be too young.

Mr. CAPEHART. Mr. President, may I have 5 minutes on the amendment?

Mr. BUSH. Mr. President, does the Senator from Indiana desire the floor?

Mr. CAPEHART. I should like to have 20 minutes on the bill.

Mr. BUSH. I yield to the Senator such time as he may require, up to 10 minutes.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 10 minutes.

Mr. CAPEHART. Mr. President, I made the statement a moment ago that the Small Business Administration, an agency of the Government which is now in existence, and has been for 3 or 4 years or more, and which succeeded the old Reconstruction Finance Corporation, could do more for the depressed areas than can the bill now being considered. I shall read into the RECORD again, from page 45 of the bill, the section dealing with loans and participations:

SEC. 6. (a) The Administration is authorized to purchase evidences of indebtedness and to make loans (including participations therein) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including machinery and equipment in cases of demonstrated need) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings.

I have just now read what the pending bill provides that the Administrator can do for depressed areas which are said to be in dire need of employment immediately. But this part of the bill prohibits the Administrator from making loans for working capital.

Now I wish to read to the Senate the authority of the Administrator under the existing Small Business Administration Act—an act and agency now in existence. This organization already is working and doing business, every day. I shall read from that act the provision in regard to the powers of the Administrator; and Senators will observe that this existing act is more liberal and provides more power and is more helpful than the pending measure could possibly be. I now read from the Small Business Administration Act:

SEC. 636. ADDITIONAL POWERS.

(a) LOANS TO SMALL-BUSINESS CONCERNS; RESTRICTIONS AND LIMITATIONS.

The Administration is empowered to make loans to enable small-business concerns to finance plant construction, conversion, or expansion, including the acquisition of land; or to finance the acquisition of equipment, facilities, machinery, supplies, or materials; or to supply such concerns with working capital to be used in the manufacture of articles, equipment, supplies, or materials for war, defense, or civilian production or as may be necessary to insure a well-balanced national economy; and such loans may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis. The foregoing powers shall be subject, however, to the following restrictions and limitations.

I have just read into the RECORD the powers of the Administrator under the pending bill and the powers of the Administrator under the existing Small Business Administration Act. Under the latter, the Administrator can loan money for working capital; but the pending bill would forbid the making of such loans.

I repeat that many thousands of people will be disappointed with the legislation now proposed, because it will not do what Senators hope it will do. I repeat that in practically all the depressed

areas there are ample buildings and facilities. Additional facilities are not needed. What is needed is a new factory or a new processing plant; and, for that purpose, working capital is needed. But under the pending bill, the administrator would not be allowed to provide working capital to enable a business to be moved from one section of the country to a section where chronic unemployment exists. I am not opposed to providing help to areas where chronic unemployment exists; but the bill would not permit the administrator to help a concern which might wish to move a factory from West Virginia to Connecticut, or vice versa. Of course, Mr. President, I do not think the money of the taxpayers should be used to create employment in one area by creating unemployment in another. But the point is that this bill would disappoint many persons.

We would be better off if we provided that the proposed \$394 million should be placed under the jurisdiction of the Small Business Administration. In that connection we might wish to provide additional powers to that Administration, although I do not know about all the details in that connection. But certainly we would be better off by proceeding in that way. In such situations—for instance, if a factory which was making textiles or woollens has now gone out of business, and if jobs are no longer available there—I believe we should, working in combination with the States and the counties, provide some help. But I think that is as far as we dare go.

Mr. President, it seems that some persons believe that the \$394 million, now proposed to be provided by means of this bill, would help the city of Detroit with its unemployment problem, if the money were used to provide buildings, machinery, and facilities, but not to provide working capital. However, anyone who goes to Detroit will find that an ample number of buildings and facilities now exists there; what is needed there, above all else, is a means to enable the factories which already exist there to recall those who recently have been laid off.

If we are to provide help for situations in which chronic unemployment now exists, although normally there are plenty of jobs and facilities and factories in those areas, such help can be provided by enabling existing factories and employers to obtain more business, so they can reemploy those who were working for them 30 or 60 or 90 days ago.

But no provision of this bill would permit that to be done. Under the pending bill, funds could be loaned to rehabilitate an old building or to purchase machinery or to build a new factory. However, what is needed in Detroit and in 99 percent of the other locations in the Nation where unemployment exists is more orders and more business for existing plants and employers.

The pending bill would really be of help in such situations if it permitted existing factories to be loaned funds for working capital, so they could provide

additional employment. But the pending bill would not do that.

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

Mr. CAPEHART. I yield.

Mr. LAUSCHE. At the committee hearing was there any discussion about whether the bill would permit the doing of things which cannot be done under the Small Business Administration Act, to which the Senator from Indiana has referred?

The PRESIDING OFFICER. The time yielded to the Senator from Indiana has expired.

Mr. CAPEHART. Mr. President, may I have a little more time?

Mr. BUSH. Mr. President, I yield 2 additional minutes to the Senator from Indiana.

Mr. CAPEHART. I thank the Senator from Connecticut.

In reply to the question asked by the Senator from Ohio, I think there was some discussion of that point at the committee hearing. Unfortunately, because of illness I was not there.

Mr. LAUSCHE. I have read the pending bill; and I have heard the presentation the Senator from Indiana has made, today. It seems to me that the provisions of the Small Business Administration Act are wider than those of the pending measure.

Mr. CAPEHART. Of course they are. In fact, the pending bill would prevent the proposed agency from doing much that is provided for under the Small Business Administration Act.

Mr. LAUSCHE. Under the provisions of the pending bill, would the new agency, as now proposed, be empowered to do anything that could not be done by the Small Business Administration?

Mr. CAPEHART. No. As a matter of fact, actually, purely from a commercial standpoint, the new agency now proposed could do less.

Mr. LAUSCHE. The Small Business Administration Act allows that agency to make loans for the construction and conversion of buildings, does it not?

Mr. CAPEHART. Yes, or for working capital. But the pending bill, as it now stands, would prohibit that.

Mr. LAUSCHE. Can the Senator from Connecticut differentiate between the two? The Senator from Indiana has stated that in the existing Small Business Administration Act he finds provisions which cover all the general authority proposed to be granted the administrator under the provisions of the bill now before us. My question is whether the pending bill would permit the doing of anything which cannot already be done under the provisions of the Small Business Administration Act?

Mr. BUSH. I do not know whether the Senator wants me to respond to that question or not.

Mr. CAPEHART. I do not think it does anything, but I am willing to have the Senator answer.

Mr. BUSH. The Senator from Illinois will correct me if I am in error, but one of the things it does is to subordinate the loans of the Government under Senate 1, whereas, under the Small Business

Act loans, that is not done. That is one thing it does.

Something else it does is to limit the amount of the loan that may be made for redevelopment projects to 65 percent of the amount of the industrial loan. Under the Small Business Act, no such limitation prevails.

Those are only two of the differences that I think of offhand. Perhaps the Senator from Illinois can give us others.

Mr. CAPEHART. In other words, the bill limits the loans to 65 percent, meaning private industry within the town must put up 35 percent; whereas the Small Business Agency can lend 100 percent.

Mr. DOUGLAS. Mr. President, if the Senator from Ohio would care to have me reply—

Mr. LAUSCHE. I am very delighted to have the Senator reply.

Mr. DOUGLAS. The bill provides \$100 million in a revolving loan fund for the rural areas of the country which have low incomes and high underemployment. The Small Business Administration would not deal with that problem.

Second, the bill provides a revolving loan fund of \$100 million and grants of \$75 million to provide community facilities for industrial and commercial purposes. The Small Business Administration would have nothing whatsoever to do with that field.

The bill provides for retraining of displaced workers, such as coal miners. In the Hocking Valley, in the Senator's own State, there are large numbers of displaced miners who need to be retrained for other occupations.

Furthermore, the bill provides for subsistence payments while people are taking training, and assistance to small communities to get on their feet, which the Small Business Act does not provide.

This is a thoroughgoing program to help not only the industrial areas of the country, but the rural areas of the country.

If the Senator will look at the map which is in the rear of the Chamber, he will see that the rural areas most likely to be helped are those in the Southern States. I have been distressed to find the vast majority of southern Senators in opposition to a bill which would provide their own areas with real assistance.

My friend from Indiana is virtually proposing to cut all those areas adrift. We have received little help from the representatives of the areas that will be most benefited. But I do not propose to cut the people of those areas out of the bill and allow them to continue to suffer from inadequate levels of economic activity. I think they should be aided, along with the people of the industrial areas.

Mr. LAUSCHE. Is there anything in the Small Business Act that provides loans to rural areas desiring to construct factories or convert factories or needing working capital?

Mr. DOUGLAS. There is no prohibition, but there is no encouragement, and there is no explicit mandate. Furthermore the area loans will not be made unless adequate funds are not available

from private lenders or other Federal agencies. They would back up or supplement the existing loan resources of the Small Business Administration and community facilities. Thus they would not compete with existing programs but rather would complement or supplement them.

Mr. BUSH. Mr. President, the Small Business Administration—

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

Mr. BUSH. Mr. President, I yield myself 2 minutes, in order to reply.

I think the record will show that up to the present time the Small Business Administration has made loans to rural areas amounting to something like \$95 million. They are different types of loans than are contemplated under the Douglas bill. Loans for working capital, or almost any other purpose, may be made.

Mr. LAUSCHE. Is the Small Business Administration allowed to take security of a secondary level, and not a primary level? The Senator from Connecticut said it was required to subordinate.

Mr. BUSH. I do not think there is any prohibition against the type of security which it may take. It may make a type of loan which has a good prospect of being repaid, but I do not think the law requires that a first mortgage or any other particular type of security be taken. The Small Business Administration makes sure that it is a good loan.

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

Mr. BUSH. Yes. I yield myself 2 additional minutes.

Mr. LAUSCHE. Departing from the Small Business Act, what is there in the bill pending before the Senate that is not taken care of by the Community Facilities Act under the housing authority?

Mr. BUSH. The only thing that is not taken care of is grants. Under the Community Facilities Act, loans may be made, and have been made, and are made, for about the same purposes that the grant provisions of this bill provide. However, under the Community Facilities Act, under the HHFA, there is no right at all to make any grants.

Again, the Senator from Illinois may correct me if I am wrong, but, under this bill, it is not provided that loans shall be made for community facilities, but only grants.

Mr. DOUGLAS. Both.

Mr. BUSH. I stand corrected.

Mr. LAUSCHE. \$100 million for loans and \$75 million for grants.

Mr. BUSH. \$100 million for loans and \$75 million for grants. That is correct.

Mr. LAUSCHE. Under the Small Business Act, money may be loaned for the construction of buildings, the conversion of buildings, and needed capital for operation. Under the Community Facilities Act, money may be loaned for the installation of sewers, gas lines,

water lines, sidewalks, and other community facilities.

Mr. BUSH. That is correct.

Mr. LAUSCHE. I have difficulty in learning what is being provided in this bill that is not provided in either the Small Business Administration Act or the Community Facilities Act, except training of men. I am in favor of it, provided some subsistence payments are made. But they amount only to \$19 million. Three hundred and seventy-five million is provided in other aspects.

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

Mr. BUSH. Mr. President, have I time left?

Mr. DOUGLAS. Mr. President, may I yield myself some time on the bill?

The PRESIDING OFFICER. The Senator from Connecticut has ample time.

Mr. BUSH. The Senator from Indiana has asked me to yield him 2 minutes, which I do.

Mr. CAPEHART. Mr. President, after a person in a rural area is trained—and I am in favor of it; I think it is good—either he must move to another town where there is a job available, or, under the terms of the bill, we must persuade some one to build a plant or facility in the neighborhood in which he has been trained. Otherwise, there is no purpose in training him. My point is that, under the terms of the bill, he cannot start a business by receiving a loan, without receiving a loan for working capital. There is a public facilities law which is about as broad as this proposal. There is a Small Business Administration law which can do the same thing here proposed. Then there is the Agriculture Act, with broad powers, providing what is contemplated in this bill. In the State of Indiana, a pilot plan is being operated in one of the counties, which is also being done in other parts of the United States. I am in favor of it.

Mr. President, I never was more sincere and honest. Perhaps we ought to send this bill back to committee and bring out a bill that will really help what we call distressed areas.

Another thing the Small Business Act provides is provision to lend money, on almost any kind of terms, to distressed areas where there have been floods or droughts. My opinion is that a number of communities have such chronic unemployment that they are in as bad a plight or hardship as if they had been visited by droughts or floods and had been pretty much wiped out.

I am in favor of helping such communities, but this bill does not do it.

Furthermore, it would not limit the money to be spent in such areas.

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

Mr. CAPEHART. I wish to go on record—then I shall sit down—that the bill will be a disappointment to the unemployed people of the United States.

Mr. BUSH. Mr. President, is the Senate ready to act on the amendment?

Mr. DOUGLAS. May I ask the Senator from Connecticut exactly which amendment the Senate is considering?

Mr. BUSH. It is my amendment modified to provide for a termination date in 1965, and to conform with the amendment of the junior Senator from Arkansas [Mr. FULBRIGHT].

Mr. DOUGLAS. Mr. President, I am glad to accept the amendment. This would give the infant an opportunity to grow into a more sturdy childhood. I think the infant will be so strong and vigorous by that time that even those who plan to take into the Tower of London and choke it to death, as was done to the young princes by Richard III, will be unsuccessful.

Mr. BUSH. Mr. President, may we vote on the amendment?

The PRESIDING OFFICER. Do Senators yield back their remaining time?

Mr. DOUGLAS. Mr. President, I yield back my remaining time.

Mr. BUSH. Mr. President, I yield back my remaining time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BUSH] as modified, to the committee amendment.

The amendment, as modified, to the committee amendment was agreed to, as follows:

On page 79, strike out lines 14 through 23, and insert in lieu thereof the following:

"TERMINATION OF AUTHORITY

"Sec. 27. (a) This Act and all authority conferred thereunder shall terminate at the close of June 30, 1965.

"(b) Notwithstanding the foregoing, effective on July 1, 1965, those assets, funds, contracts, loans, liabilities, commitments, authorizations, allocations, and records of the Secretary under this Act which the Director of the Bureau of the Budget shall determine are necessary to the liquidation of the affairs and functions conducted under this Act, are transferred to the Secretary of the Treasury for purposes of liquidation.

"(c) The termination of this Act shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into pursuant to this Act prior to the date of such termination, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act."

Mr. THURMOND. Mr. President—

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

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

Mr. THURMOND. I am pleased to yield to the distinguished Senator from Illinois.

Mr. DIRKSEN. Mr. President, the distinguished Senator from New York wished to place before the Senate his amendment dealing with machinery and equipment.

I promised the Senator from South Carolina to yield 30 minutes from the time on the bill, and I am glad to yield that time to the Senator. I hope our distinguished friend from New York can have his amendment placed before the Senate. He will then wait until the Senator from South Carolina finishes his remarks.

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

Mr. THURMOND. I am pleased to yield to the Senator from New York so that he may present his amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that the Senator from South Carolina may yield to me, and that I may offer my amendment without the Senator from South Carolina losing his right to the floor.

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

Mr. JAVITS. Mr. President, I offer my amendment which is identified as 3-9-61-A and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 45, lines 21 and 22, it is proposed to strike out the following:

(including machinery and equipment in cases of demonstrated need).

On page 48, lines 12 and 13, it is proposed to strike out the following:

(including, in cases of demonstrated need, machinery and equipment).

Mr. JAVITS. Mr. President, I reserve my time on the amendment. I thank my colleague.

COMMITTEE MEETINGS DURING SENATE SESSION

On the request of Mr. MANSFIELD, and by unanimous consent, the Committee on Finance, the Committee on Interior and Insular Affairs, and the Subcommittee on Education of the Committee on Labor and Public Welfare were authorized to meet during the session of the Senate tomorrow until 12 o'clock meridian.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Small Business Subcommittee of the Committee on Banking and Currency be permitted to meet tomorrow at 11:30 a.m. This request is made on behalf of the chairman of the subcommittee, the Senator from Wisconsin [Mr. PROXMIRE].

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

LEGISLATIVE PROGRAM AND ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. DIRKSEN. Mr. President, I ask the majority leader what he contemplates may happen for the rest of the day and tomorrow.

Mr. MANSFIELD. Mr. President, in response to the question, it is our hope to conclude by 6:30 this evening, at the latest.

I ask unanimous consent, Mr. President, that when the Senate concludes its deliberations tonight it adjourn to meet at 11 a.m. tomorrow.

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

Mr. MANSFIELD. Mr. President, it is the hope of the leadership—and I have discussed this with the Senator from Illinois—that by coming in at

a reasonable hour tomorrow we can complete consideration of the area redevelopment bill by tomorrow night. It is anticipated that on Thursday, provided we complete action on the bill tomorrow, we shall consider the OECD and Columbia River Basin Treaties.

It is hoped—we live on hope—that tomorrow the Committee on Finance will report the measure for extension of unemployment compensation, so that we can consider it and the measure providing for extension of unemployment compensation benefits for railroad workers on Friday. If we cannot do so then, we can consider the measures on Saturday.

I think the Senate should be informed as to the possibilities for action this week. Extension of unemployment compensation benefits is very important. As soon as the measures are reported from the Committee on Finance it is the intention of the leadership to have them considered at the earliest possible moment.

AREA DEVELOPMENT ACT

The Senate resumed the consideration of the bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas.

Mr. DIRKSEN. Mr. President, I ask the majority leader a further question. In view of the fact that our distinguished colleague the Senator from South Carolina will speak about 30 minutes this evening, since I am fairly sure the distinguished Senator from New York will wish to discuss his amendment at considerable length, can we be assured the discussion will continue and there will be no yeas and nays votes this evening?

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

Mr. DIRKSEN. If a yeas and nays vote is requested on the Javits amendment, can we have the vote tomorrow?

Mr. MANSFIELD. Yes. There will be no record votes tonight, insofar as we are able to prevent them.

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

Mr. President, I should like to have a yeas and nays vote on my amendment, and I am perfectly happy to have the vote tomorrow.

I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I thank the Senator from South Carolina. If the Senator needs more time I shall be glad to yield to him.

Mr. THURMOND. Mr. President, the currently high unemployment in the United States is a matter about which every American should be concerned; and for the Members of the Congress it should be a matter of particularly haunting concern, for the Congress has contributed more than its share to the conditions which are responsible for a large measure of the unemployment through policies of the National Government initiated by the Congress. I am, therefore,

most distressed that the Congress continues to ignore the fact that it must bear a major portion of the blame for unemployment; and it is with sincere regret I feel compelled to point out that the area redevelopment bill, which we are now considering, not only fails to recognize the responsibility of congressional policies for unemployment, but, indeed, adds insult to the injury of the unemployed by representing to the American public, as a program for reducing unemployment, what is nothing more than an impractical, deceptive, expensive portion of political pap and guile.

Despite the high-sounding title of the bill and its proposed creation of a new agency of Government, there is nothing really new from the standpoint of substance in the whole conglomeration. When examined in its separate parts, it amounts to nothing more than a brightly packaged combination of several slightly modified existing programs, appetizingly served, hot from a fire fueled with money plucked from the taxpayers' pockets.

There are three loan programs which would be established by the bill. The first, for which the criteria appear in section 5(a) of the bill, is a parallel effort to loan programs now being administered by the Small Business Administration. There are differences, of course, primarily stemming from the fact that the loans contemplated under section 5(a) are limited to certain geographical areas, and such geographical limitations do not apply to the small business loans. Indeed, the Small Business Administration loans are broader in scope in other respects than the loan program contemplated in section 5, for there is no mandatory limitation on an SBA loan that the funds be used only for the purchase or construction of buildings or for the purchase and installation of machinery and equipment.

Admittedly, it is difficult to determine whether there now exists a loan program which parallels the loans contemplated in section 5(b) for rural development, for the criteria for the proposed program for rural areas is so vague as to defy analysis. The Department of Agriculture, however, does have a program designed to assist rural areas in reaching maximum development.

The community facility loan program under section 7 of the bill is almost an exact duplication of the program now administered by the Community Facilities Administration of the Housing and Home Finance Agency.

Technical assistance is already available to industry and labor by the Departments of Commerce and Labor; and if such technical assistance is not being effectively rendered, I suggest that a review of the appropriations to those Departments will reveal that we have been pouring the taxpayers' money down a rathole, and it would behoove us to find out what these Departments are doing with their funds.

The authorization of \$4.5 million annually for retraining of workers is, to the best of my knowledge, a financial effort which the National Government has not heretofore undertaken. I submit, however, that it is an area in which

State and local action have been most effective, and the National Government under this authorization would be something of a Johnny-come-lately novice.

The authorization of an annual appropriation of \$10 million for payments of subsistence to workers undergoing retraining is no more than a special unemployment compensation program financed by general revenue funds for a comparatively fortunate and favored few of the unemployed.

I would not for a moment have it thought that my principal objection to this legislation derives from the fact that it is duplicative. Had the programs, which are sought here to be duplicated, been effective in the prevention or minimization of unemployment, a cogent argument could be made for at least expanding those programs, if not duplicating them. My reference to the duplication was to point out that the programs embodied in the area redevelopment bill do not stem from new ideas or approaches, but rather are merely redecorated versions of existing programs which obviously have a very limited influence on the rate of unemployment.

The principal fallacy of this legislation stems from the fact that it is based on the completely erroneous conception that the location of industrial facilities is contingent on the availability of financing for buildings or machinery and equipment. As a consideration bearing on the geographical location of plants, available financing is a relatively minor factor. Even in those cases where the availability of financing is a consideration, its bearing on the decision as to the location of the industry is primarily important not from a fiscal standpoint, but rather as an indication of the degree of local interest in the business endeavor. More relevant by far to decisions on the geographical location of industries are such factors as the availability of markets, the absence or existence of an adequately trained labor force, the availability or absence of raw materials, the status of transportation facilities, the availability of utilities and fuel and their cost, the State and local tax structures, and—possibly the most important of all—the attitudes of the local community and work force toward industry. Unless at least a minimum of such factors are favorable, not even the almighty dollar, so readily sucked out of the taxpayers' pockets by the National Government, can enable any enterprise to locate and operate competitively.

It is also quite apparent that those persons undertaking to establish new industries, or expand existing ones, would be irresponsible to accept loans from the National Government, even if pushed upon them, when the prospect for repayment of those loans was overly doubtful because of existing conditions in the community in which the Government dictates that the industry must locate in order to qualify for the loan. It is inconceivable to me how anyone can be so naive as to presume that an industry financed by an agency of the National Government would succeed where an industry, under the same economic

conditions and factors, financed from private resources, has failed. I fail to perceive any change in the character of the dollar when it passes up the tax channels and through the hands of bureaucrats—except a notable shrinkage.

Even assuming that the availability of financing for buildings and equipment were a material factor in the location of industrial facilities—which it certainly is not—there is no evidence whatever of a lack of financing from private sources. The funds proposed to be authorized by this bill in the form of loans, as extravagant as they be in terms of the good they will do through this use, are relatively insignificant when compared to the annual outlay of private funds for buildings and machinery in the location of new industries and the expansion of old ones. In short, the funds authorized by this bill will not be a drop in the bucket. According to the figures released by the Department of Commerce, even in 1959, which is the latest year for which the figures have been compiled, it required a capital investment of \$15,866 on the average to create a job in manufacturing. The capital investment required per production worker is rapidly increasing and by now probably approaches \$17,000. It should be quite clear that were all the funds authorized by the bill converted immediately and directly into jobs, the impact on unemployment would be slight.

Traditionally, industrial employment and production has been financed from the personal savings of the American people. Despite the fact that we are experiencing an economic slump of sizable proportions, personal savings continue to increase. For instance, in the third quarter of 1960, the Department of Commerce reports that personal savings were at the seasonally adjusted annual rate of \$29.2 billion, as compared to \$22.5 billion in the third quarter of 1959, and \$27.1 billion in the third quarter of 1958. Admittedly, it is unlikely that these personal savings will be invested for the purpose of inaugurating industries in geographical areas where factors affecting business success indicate an excessive risk of failure.

This brings us to the false premise of the area redevelopment bill. The approach embodied in this legislation can be summarized as an effort to shift the increment by which industrial efforts in certain geographical areas are noncompetitive to the shoulders of the general taxpayers, rather than trying to correct the underlying and basic causes which make the industries in question noncompetitive in the first place. I cannot help but conclude that this fallacious approach stems at least in part from a reluctance of the Congress to squarely face the fact that its own policies are responsible for many of the factors rendering it impossible for industries of certain types and industries in certain geographical areas to be competitive, and, indeed, for mitigating the competitiveness of our entire industrial structure.

Some of these factors could hardly be more obvious. For instance, employ-

ment in the textile industry dropped by 325,000 during the period 1947-57, and since that time employment in this particular industry has declined by another 85,000. If anyone doubts that the major cause of this decline in employment by the textile industry is due overwhelmingly to the ever-increasing flow of low-wage foreign textile imports into this country, I invite them to read the hearings on the problems of the domestic textile industry held last month by a subcommittee of the Interstate and Foreign Commerce Committee. Not even in the rosier glow of fuzzy optimism could one expect the provisions of the area redevelopment bill to produce employment for 85,000 people. Yet the Congress has had numerous opportunities to take positive action to limit the imports of foreign textiles which would have undoubtedly saved these 85,000 jobs. It is a strain on my imagination to believe that the area redevelopment bill could induce the inauguration of 128 new industries which would not have been inaugurated without its passage; yet between 1958 and 1960 alone, 128 textile mills closed their doors and went out of operation because they were unable to compete with the influx of textile imports manufactured by labor paid at a small fraction of the American scale and produced by foreign industries stimulated by realistic tax treatment. I need not remind the Senate, Mr. President, that in addition to the 128 industries I have just mentioned, the textile industry lost 710 more mills during the period 1947-57.

Textiles, Mr. President, is but an example—albeit an extreme example—of the impact of congressional laxity and blindness to the lack of reciprocity in our trade program and the utter perversion of its peril point procedure and escape clause provisions.

Mr. President, our trade policy is by no means the only immediate cause of conditions which foster unemployment as a result of governmental policies. Policies originated in the Congress have encouraged increases in wages and fringe benefits not based on productivity, and no small part of the unemployment we are now experiencing is a direct consequence of this violation of basic economic law. Our outmoded and unrealistic depreciation methods and rates embodied in Internal Revenue Bulletin F constitute a heavy damper on the ability of American industries to compete in the world market, and thereby promote unemployment.

Less specific, but equally responsible for our postwar economic lag is the basic philosophy which has promoted such a phenomenal increase in centralization of political power in the National Government, and a corresponding depletion of individual liberty and incentive. The expenditures of government—National, State and local—are now equivalent to 38 percent of personal income in the United States. Completely aside from the fiscal picture, which in itself is alarming, this means that more than one-third of the decisions on the utilization of resources in our whole country are made by govern-

ment rather than by the individual. It is a law of human nature that individual incentive varies directly with the rewards for initiative. Quite obviously, the rewards in our society have been reduced drastically, and no small portion of our economic slump is duly reflected by the reduction in individual initiative. As much as we might desire it otherwise, humanitarian considerations can never replace profit as an incentive for human endeavor, sacrifice and accomplishment.

If the Congress truly desires to accomplish a reinvigoration of the American economy, let us remove the chains of Government control, regulation and interference, reduce the cumbersome burden of excessive taxation, and then witness an unexcelled growth in the gross national product and the full employment which will attend it.

Mr. President, not only is the program embodied in the area redevelopment bill pretentious, expensive, impractical, and unworkable, but unfortunately it also has a distinct potentiality for further damage to our economy and to American citizens.

Once again we are confronted with a resort to backdoor financing, for \$300 million of the \$394 million authorized by this bill is removed from the annual review and evaluation by Congress through the method of authorizing the newly created agency to borrow directly from the Treasury and to establish revolving funds for the loans. I have long been convinced that no circumstances justify the circumvention of the normal annual appropriations procedures of the Congress, for each such circumvention mitigates congressional control over expenditures, and embodies a shirking by the Congress of its responsibilities in this field.

The use of such a method of financing for a program that is admittedly experimental is particularly unwise and unjustified.

Mr. President, I would also call attention to the fact that the area redevelopment proposal makes changes and modifications in the urban renewal program, which, when considered by the Congress in the past in the normal framework of housing legislation, has received somewhat less than an enthusiastic endorsement.

Mr. President, we are regaled without cessation on the desirability of nondiscrimination in all facets of our society's endeavor, and particularly those endeavors of society which are undertaken by government. I could not in good conscience, therefore, ignore all the lectures we so constantly receive on nondiscrimination by failing to point out that the proposals embodied in the area redevelopment bill are thoroughly and unfairly discriminatory. It is obvious that the philosophy of those so preoccupied with the necessity for nondiscrimination did not allow any of their philosophy to spill over into this proposal.

Only approximately one-eighth of the unemployed are located in chronically distressed areas, into which the funds proposed to be authorized by this bill would flow. Even within those selected areas, relatively few of the unemployed

could possibly benefit from the funds expended. Even if the program worked—for which there is not a chance—this bill, at best, and under the most optimistic view of its possible effectiveness, would assist only the favored few employees and industries. The great majority of unemployed would not be helped, and the industries and communities not subsidized would be discriminated against. The industries which were favored with loans from the public funds would be, were this bill to be effective, placed at a competitive advantage over their more numerous, but less favored, competitors in the same field.

I have encountered repeatedly over the last three congressional sessions, during which substantially this same proposal has been before us, a school of thought which assumes that the loan fund included for the rural areas has as its purpose the acquisition of the votes of representatives of predominantly rural areas, of which, as nearly as I can ascertain from the elusive criteria, are located mostly in the southern United States.

Since I represent one of these predominantly agricultural States, I realize that this school of thought must be erroneous, for the inclusion of a program of loans purportedly to be made largely among my constituency tempts me not in the slightest to support this atrocious bill. Even were I so tempted, there are counterbalancing influences to offset such temptation. These influences arise by virtue of the fact that I do represent a State from this particular area of the country, and because of the social customs and laws which prevail there because our citizens determine them to be in the best interest of our own society. In this regard, I am not unmindful of the Executive order issued by the President on March 7 on the subject of nondiscrimination in Government employment and equal employment opportunities to be afforded by Government contractors. I am not insensitive to the fact that it is but one short step between the application of such an Executive order to those employers contracting with the Government and the application of a similar Executive order directed to those employers and contractors who utilize funds originating from the Treasury of the National Government. My realization of this danger is emphasized by the provisions of section 21 of this proposal, by the terms of which the Secretary of Labor, for all practical intents, is vested with control of wages and hours for anyone employed in whole or in part as a result of funds expended under the provisions of this bill. Nor am I unmindful of the breadth of the language of subsection 12 of section 12, which embodies the power to issue regulations for the Administrator of the Area Redevelopment Administration.

I repeat, that even were the funds provided for rural redevelopment a temptation for me to support this legislation—which they emphatically are not—I would be more than dissuaded from submitting to that temptation by

the very real specter of a baby FEPC which might well follow these funds.

Mr. President, one of our greatest Presidents once said:

It is true that you may fool all of the people some of the time; you may even fool some of the people all of the time; but you can't fool all of the people all of the time.

At the moment this proposal may fool most of the unemployed and, indeed, a majority of Americans for a short time; and if we fail to enact it, a great majority of Americans may never know what a farce it really is. Should this proposal become law, however, Mr. President, it will be readily apparent to almost all of the people for all time to come that the area redevelopment proposal was nothing more than a great hoax, perpetrated on an unwary and still unbelievably trusting public, an act of Government unequaled for ineffectiveness since Nero fiddled while Rome burned.

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

Mr. THURMOND. I am pleased to yield to the distinguished Senator from West Virginia.

Mr. RANDOLPH. I have listened with intense interest to the remarks of the distinguished Senator from South Carolina. Although we differ in our approach to many proposals in this body, I have enjoyed personal friendship with him.

I noted that during his address he stated that there is no lack of private capital in the United States at the present time; that the resources are available in the commercial financial institutions for the loans which might be needed.

I now refer to the testimony of my colleague from West Virginia [Mr. BYRD], and I direct the attention of the Senator from South Carolina to the hearings on the proposed legislation and to the statement of Senator BYRD which was given before the Senate Committee on Banking and Currency on Wednesday, January 18, 1961. Senator BYRD stated in his testimony that of the 77 national banks which are doing business in West Virginia, only 16 have assets in excess of \$10 million. He also indicated that only five banks of those banks have in excess of \$25 million.

Consequently, in the State of West Virginia, there has been difficulty in the securing of local bank loans, either for new industry or for the expansion of old industry. For this reason, West Virginia industries oftentimes have to come to the Federal Government to take advantage of the Small Business Administration loans, which have been helpful throughout the country, and which in many instances are very helpful in West Virginia.

Would the Senator from South Carolina agree, or at least partially agree, that at least in the State of West Virginia, the banking institutions might not have the financial strength with which to help provide the capital needed to stimulate industrial growth?

Mr. THURMOND. I do not know whether the distinguished Senator from West Virginia was in the Chamber at the beginning of my address, when I

called attention to the fact that three loan programs are established in the bill. The first, for which the criteria appear in section 5(a) of the bill, is a program which is parallel to the loan programs now being administered by the Small Business Administration.

I also acknowledged that it is unlikely that private funds will be invested where factors exist which make the risk of failure high.

The community facility loan program, under section 7 of the bill, is almost an exact duplicate of the program now administered by the Community Facilities Administration of the Housing and Home Finance Agency.

I also pointed out that technical assistance is already available to industry and labor by the Departments of Commerce and Labor.

So I do not see how, under the bill, industry in the Senator's State of West Virginia will get any financing which is not now available. Furthermore, where there is a proper atmosphere in an area, industry will invest and will seek loans. Industry will not go to West Virginia or any other State unless there is a wholesome atmosphere for it. My opinion is that private industry, if we lend it any encouragement, and do not pass laws which tend to discourage industry, can operate successfully in this country. It is my firm belief that industry has been attracted to the South because the South has a proper industrial atmosphere. I believe some of the other States also will get industries if they will improve the industrial atmosphere within the States. Then private money will be attracted there and will be available.

As for particular banks in the Senator's State of West Virginia lending money, a great many banks in the States lend money, but I am informed that some banks in some States, where the labor leaders have arbitrary control of the economic and political situation, will not make loans. The Senator from West Virginia himself will have to decide whether the labor leaders are controlling the factors affecting industry in his State and thereby hampering industrial development.

I certainly am interested in West Virginia and every other State in the Nation, but it is necessary to have the right industrial atmosphere in any State, otherwise industry will not go there; or if it goes there, it will not succeed. The mere fact that the Federal Government may finance industry in West Virginia or any other State, where industry which has been financed privately has already failed, is no assurance that industry will succeed simply because it is financed by the Government.

Mr. RANDOLPH. Mr. President, will the Senator from South Carolina further yield?

Mr. THURMOND. I am pleased to yield.

Mr. RANDOLPH. I remember when there was opposition to the Federal loan program of the former Reconstruction Finance Corporation. But I recall a situation at Parsons, W. Va., in the mid-1930's when the local banking facilities

could not supply the funds to reopen the then closed Dorman Mills. I was a Member of the House of Representatives at that time, and I recall having helped arrange a conference with the bankers from Parsons and officials of the Dorman Mills which led to the securing of an RFC loan. There was a very slight participation by the bank; but had the bank been the sole available lending agency, the Dorman Mills would have remained closed. With the RFC loan, the mill reopened and provided reemployment for over 100 idled workers. It has remained in operation and today employs 201 persons.

I am informed the RFC loan was repaid ahead of schedule with interest and profit to the Government.

Would the Senator from South Carolina say it was wrong for the Reconstruction Finance Corporation in that day, or the Small Business Administration in this day, to lend money to reopen a plant in West Virginia, when that plant could not secure funds from private financial institutions?

Mr. THURMOND. I am not familiar with the details of the loan to which the Senator refers, so I cannot pass on its advisability. I would answer this question by asking the Senator from West Virginia what the pending bill will do that the Small Business Administration cannot now do. Of course there are differences, primarily stemming from the fact that the loans contemplated under section 5(a) would be limited to certain geographical areas, and such geographical limitations do not apply to the Small Business Administration loans. The Small Business Administration loans are really broader in other respects than the loans contemplated in section 5; for example, Small Business Administration loans are not subject to a mandatory limitation that the funds must be used only for the purchase of buildings or for the purchase and installation of machinery or equipment.

In short, almost all phases of the pending bill are now paralleled by provisions already in existing law.

I realize that the Senator from West Virginia is sincere, and that he wishes to do what he can to help the people of his State. That is perfectly natural. But the pending bill will not do what the Senator from West Virginia thinks it should do; and the pending bill is at the present time paralleled by services being provided by various governmental agencies which are authorized to do all that it is hoped the pending bill will do.

The PRESIDING OFFICER (Mr. HART in the chair). The time yielded to the Senator from South Carolina has expired.

Mr. JAVITS. Mr. President, if the Senator from South Carolina desires to have additional time, I am prepared to yield additional time to him. I have an hour under my control, and time on the bill is also available.

Mr. THURMOND. I do not wish to have more time yielded to me, unless the Senator from West Virginia desires to ask more questions. However, as a courtesy to him, I shall be glad to have additional time yielded.

Mr. JAVITS. Very well, Mr. President; I yield 5 minutes on the bill to the Senator from South Carolina.

Mr. RANDOLPH. Mr. President, I should like to continue my colloquy with the Senator from South Carolina.

The PRESIDING OFFICER. Does the Senator request additional time?

Mr. RANDOLPH. Yes; and I appreciate very much the courtesy of the Senator from New York.

The PRESIDING OFFICER. The Senator is recognized for an additional 5 minutes.

Mr. RANDOLPH. I also appreciate very much the courtesy of the Senator from South Carolina.

Mr. President, at this point let me state that I am informed that during the calendar year 1960, 31 small business loans were made to West Virginia. I understand that the total or the face amount of those loans was \$1,896,500.

I hope it is not inappropriate for me now to ask whether the Senator from South Carolina supported the legislation which resulted in the creation of the Small Business Administration.

Mr. THURMOND. I was not a Member of the Senate at the time that legislation was considered and passed.

Mr. RANDOLPH. I was not certain whether the Senator from South Carolina was then a Member of the Senate.

Mr. THURMOND. That measure was enacted before the Senator from West Virginia and I came to the Senate.

Mr. RANDOLPH. I realize that the Senator from South Carolina has had much more experience than have I in this body.

I merely wished to check to see what was his thinking about an organization such as the Small Business Administration, and to ascertain whether he would support it now, if he could, even though he was not a Member of the Senate when the measure was passed, and thus was not able to support it at that time.

Mr. THURMOND. Of course such a matter of philosophy would require a long discussion, which I believe would be more appropriate on another occasion, in view of the time limitation on debate now in effect.

I think the Senator from West Virginia well knows my philosophy in regard to administration at the State level, and in opposition to administration by a strong centralized government, at the expense of the States and the institutions which belong to them. But I think this is not an appropriate time for such a discussion.

Mr. RANDOLPH. I shall not pursue the point.

Before the Senator from South Carolina takes his seat, I wish to say that I believe it appropriate that he discuss the matter of our trade policies. I can say to him that I think the Congress has not acted in the way he desires; in fact, I believe many Senators are most vigorous in advocating a policy different from the one we have recently been experiencing.

There was a time, when I was in the House of Representatives, when I opposed granting to the President of the United States the 25-percent so-called leeway in connection with tariffs.

I felt that was a prerogative of the Congress and a flexibility which was too much for the President to have available to him.

I wish to call attention to the fact that the Senate Select Committee on Small Business has held hearings on the impact of imports on small business. I presided over those hearings. It might be valuable—inasmuch as the distinguished Senator from South Carolina has brought this matter into the debate—to mention Report No. 1008, of the 2d session of the 86th Congress. It is a report from the select committee, on the impact of imports on small business. I filed that report in August 1960; and the ideas which are being expressed by the Senator from South Carolina are incorporated in that report.

I know that many Senators, regardless of the sections of the country from which they come or the parties to which they hold allegiance, have a feeling which brings them together on the matter of our trade policies in 1961. So I commend to my colleagues a reading of this report, which I filed from the Senate Select Committee on Small Business. I think there is in it an agreement which many of us share.

Mr. THURMOND. Mr. President, as I stated on a nationwide television program, several days ago, I believe we must go to the root of the trouble. But what is being advocated here, in the pending depressed areas bill or redevelopment bill, will not go to the root of the trouble for it administers to the effects of the difficulty. We must go to the causes, not the effects.

On that television program I mentioned three things: First, we must place a limit on low-wage imports; second, we must provide for a more realistic formula for allowing tax depreciation on machinery; third, we must base increases in wages on increased productivity. Mr. President, by such means we can go to the source, or the root of this trouble. Until we do so, we shall not obtain relief. If we raise wages, solely in order to raise them, but without at the same time having an increase in productivity, industry will be in trouble, and will have to close, regardless of whether it is financed by the Government or by private funds.

If we continue to permit excessive imports to enter the United States from low-wage countries, our own industries will not be able to compete, and will have to close—as I stated in my remarks earlier this evening, when I cited figures from the textile industry.

I may add a fourth point; namely, there must be a favorable atmosphere for industry in a community or a State. Without such an atmosphere, industry cannot succeed.

But if we can bring about those conditions, private enterprise will expand and will rapidly increase its investments; and then the situation about which we are now complaining, and which we are trying to remedy by means of the attempt to enact this unwise and unworkable legislation, can be remedied.

The PRESIDING OFFICER. The additional time yielded to the Senator from South Carolina has expired.

Mr. HUMPHREY addressed the Chair. Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. Do I not have the floor?

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. HUMPHREY. I am sorry that I did not so understand, Mr. President.

Mr. THURMOND. Mr. President, will the Senator from New York yield briefly to me at this time?

Mr. JAVITS. I yield for 1 minute.

Mr. THURMOND. Mr. President, in amplification of the discussion on low-wage imports, I should like to call the attention of Members of the Senate to a supplemental report by the Textile Subcommittee of the Interstate and Foreign Commerce Committee, entitled "Problems of the Domestic Textile Industry," which was made on this day, March 14, 1961.

I feel that this is a most important document, and it bears strongly on the questions which the distinguished Senator from West Virginia and the Senator from South Carolina have discussed here this evening.

Mr. JAVITS. Mr. President, I yield to the Senator from Minnesota [Mr. HUMPHREY] with the understanding that I will not lose my right to the floor at the conclusion of his statement.

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

Mr. HUMPHREY. Mr. President, I have three very brief amendments. I have discussed them with the chairman. The first two amendments would apply to sections 6 and 7, relating to the participation of a State, or of an agency or instrumentality or political subdivision thereof, by adding the words: "or by an Indian tribe or a community or area organization which is nongovernmental in character, as equity capital or as a loan."

There are two amendments, one applying to section 6, and one applying to section 7. I should like to state the purpose of the amendments.

S. 1, as presently worded, provides, in sections 6 and 7, that the Federal Government shall finance up to 65 percent of development projects and that the States or their subdivisions—and in case of section 6, also nongovernmental community organizations—shall contribute not less than 10 percent of the cost of any project.

Provisions have been made elsewhere in the bill for the benefits of the legislation to be enjoyed by depressed Indian reservation areas. However, the requirement that States contribute 10 percent of the cost of any project may prove a serious obstacle to any program on the Indian reservations most in need of help. In many States with large Indian populations, the State authorities may feel that economic assistance to reservation areas is an exclusively Federal problem. The most recent evidence of that sentiment is found in the discussion on the House floor on March 10, 1961, in which Representative BERRY, Republican, of South Dakota, urged an additional Federal contribution to fi-

nance the Indian portion of any new aid to dependent children. It is thus most likely that the States containing large Indian populations may not be prepared to undertake projects on Indian reservations requiring a 10-percent contribution.

It would be most helpful, in order to overcome this serious obstacle, for the 10-percent requirement to be waived in the case of Indian reservation projects.

However, if that cannot be done—and I hope this question will be considered in the conference committee, and I urge that it be done—the 10-percent requirement in sections 6 and 7 should be amended to permit Indian tribes to contribute that share out of the resources available to them. The proposed amendment would do just that.

Mr. President, I send the amendments to the desk and ask to have them read.

The PRESIDING OFFICER. The amendments will be read.

The legislative clerk read as follows:

Amend section 6(b)(9)(B) to read:

"That not less than 10 per centum of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by an Indian tribe or a community or area organization which is nongovernmental in character, as equity capital or as a loan."

Amend section 7(c) to read:

"In making any loan under this section, the Administrator shall require that not less than 10 per centum of the aggregate cost of the project for which such loan is made shall be supplied by the State (including any political subdivision thereof) within which such project is located or by the Indian tribe on whose reservation such project is located as equity capital, or as a loan."

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. DOUGLAS. Mr. President, I am ready to accept the amendments.

The PRESIDING OFFICER. There is an amendment pending. It would require unanimous consent.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the pending amendment be laid aside and that we be permitted to consider the amendments of the Senator from Minnesota.

Mr. JAVITS. Mr. President, reserving the right to object, I shall, regretfully, have to object, because I have no idea what the minority leader thinks about the matter. So I hope my colleague will not press his request.

Mr. DOUGLAS. Mr. President, in order to complete the record, I wish to say that these are constructive amendments. They merely permit the Indian tribes to assume the mandatory 10-percent contribution in the event a State will not do so. I think the proposal is very constructive.

The Senator from North Dakota [Mr. BURDICK] has already spoken to me about the amendments. I think they would help very much; but if the Senator from New York feels unable to consent to the amendments in the absence of the minority leader, we will let them go over until tomorrow.

Mr. HUMPHREY. Mr. President, if this is to be the procedure which is to be followed, I, of course, will have to note the fact. I regret it, because when

the chairman is willing to accept an amendment, the amendment is generally accepted.

I have a second amendment which I should like to have lie on the desk. The amendment is, on page 80, line 6, following the words "Puerto Rico", to strike out the period and add, "and the Virgin Islands."

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. HUMPHREY. Mr. President, the purpose of that amendment is to include in the definition the Virgin Islands. In the definition, the section refers to the several States, the District of Columbia, and the Commonwealth of Puerto Rico; and we propose to add the Virgin Islands.

I shall call up the amendment tomorrow.

Mr. DOUGLAS. Mr. President, speaking for the record, let me say that this amendment also is acceptable.

Mr. HUMPHREY. Mr. President, I wish to make a brief statement relating to the depressed areas proposed legislation insofar as it relates to agriculture. I have been discussing this proposed measure with the Department of Agriculture, the Secretary, and the staff members of the Department.

The Department of Agriculture is administering programs on behalf of farm and other rural people which are aimed at improving living conditions and providing income and employment opportunities. The Department is engaged in an organizing cooperative effort which extends through the States to the local level and which provides assistance to rural people who have, on a cooperative basis, sought to attain the same goals to which the depressed area legislation is directed.

I know that the Department of Agriculture stands ready to implement any provisions of the depressed areas bill that might be assigned to it. We should alert the agencies of the Department to be prepared to carry out such provisions immediately upon enactment of the legislation.

The Department emphasizes that the help that the areas designated under provisions of the legislation might receive would be in response to requests from local citizens and groups. Such requests would be based upon local initiative and cooperation.

I have been assured that the Department will make available the assistance provided by the depressed areas legislation to implement locally conceived and adopted area development plans which have as their objective fuller use of human and other resources in the development of employment and income opportunities for unemployed and underemployed rural people.

Mr. President, the legislation we are discussing today can have a far-reaching effect in the rural communities and small towns of this Nation.

As we all know, technological change and mechanization have had a severe impact on our farm population. In recent years, many thousands of farm families have been forced to close up

their farms and move to town in search of work. Other thousands of families have come to depend almost entirely on the income earned through work off the farm in nearby factories and other enterprises. The Census Bureau informs us that there are now 3.7 million farms in the Nation, a drop of more than a million in just 5 years. Yet in 1959 nearly half of all our farmers worked part-time off their farms. And 3 out of 10 worked off their farms 100 days or more. About one-third of the income of farm people is now derived from nonfarm sources, principally jobs in local industry.

The point of all these statistics is that the growth of rural industries is of crucial importance to the Nation's farming families. Without local jobs and other nonfarm opportunities, to supplement their incomes, many thousands of fine families would be forced to sell out and join the migration to our already crowded cities.

For this reason, I have long been a strong supporter of the rural development program approach inaugurated by the Department of Agriculture a few years ago. This program works with local groups in farming communities and trade centers to promote more opportunities and jobs. I have watched the development of this program in my own State, in the northern cutover region where many of our fine families are having a very difficult time making ends meet. I have said all along that rural development is fine as far as it goes. But the program does not go far enough, and does not have enough equipment to do the job.

The area redevelopment legislation we are discussing today would provide this equipment. It very wisely includes the provision of credit for industrial building, grants for public facilities, technical assistance, and retraining in low-income areas. Significantly, this legislation would naturally strengthen the hand of local leadership in their grassroots campaign to promote development, economic growth, and diversified industry.

As the Secretary of Agriculture said in testimony on this legislation, it will make possible a rural enterprise program that is soundly based upon local leadership and organizations already at work, but the legislation includes a tool that is now missing and badly needed. This tool is credit backed by technical assistance and job training.

PROJECT MIKE

Mr. HUMPHREY. Mr. President, there was recently called to my attention a most sincere and heartwarming story. Because it touched me so deeply, I wish to share it with my Senate colleagues in the hope that they will lend their wholehearted support to a fundraising campaign now being conducted through the American Korean Foundation of New York.

Chang Chull, nicknamed Mike, is a young 19-year-old Korean lad who serves as an interpreter for the Continental Service Club at the 168th Medical Battalion, a few miles east of Seoul. Since

the age of 9, Mike has been alone in the world. Many, under such conditions, would have lost their incentive and purpose for living—but not Mike. His intellectual curiosity gave him the will to live. Thus, he not only supported himself, but also put himself through school. In fact, he graduated from high school just last month, February, near the top of his class.

Mike's one desire is to attend medical school. The men of the 168th, knowing and loving Mike, ask for our help in backing Project Mike, a fundraising campaign now being conducted with Mike's goal in mind. What an opportunity this is for the American public to indicate their sincerity in wishing to utilize all means to implement world peace through people-to-people relationships. Not only Mike's future, but also the future of Korea is involved. If we can contribute in any way to provide more medical aid, as well as intelligent leadership abroad, then let us do so.

Mr. President, I am most hopeful that my colleagues will alert their constituents to this admirable cause initiated by our boys in the 168th Medical Battalion. Contributions should be sent to Project Mike, American Korean Foundation, 345 East 46th Street, New York 17, N.Y.

AREA REDEVELOPMENT ACT

The Senate resumed the consideration of the bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Do I correctly understand that the time consumed by the Senator from Minnesota has been yielded by him to himself from the time on the bill?

The PRESIDING OFFICER. The Senator from Minnesota indicated his understanding that the time was to be taken in opposition to the amendment.

Mr. JAVITS. Mr. President, I shall be very brief, because we have an understanding as to the procedure tonight. I shall merely spread upon the Record what I propose by the amendment, so that Senators may have an opportunity to consider it overnight.

What I propose is to strike out the material in parentheses, which allows "machinery and equipment in cases of demonstrated need," using the words of the bill, to be the basis for aid under the bill in any redevelopment area.

The scheme of the bill is such that the aid under the bill in any project in a redevelopment area, if my amendment is accepted, will be "land and facilities for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings."

The real issue presented by my amendment is, Shall we or shall we not

allow a municipality or other redevelopment authority to include machinery and equipment in what would be offered in order to attract industrial entities into a particular redevelopment area.

Mr. President, I speak as a friend of the bill. I am one of the bill's cosponsors. I believe I have demonstrated today by my voting that I am a friend of the bill and I am a friend of prompt action.

I speak now as a Senator from a large State—indeed, the principal industrial State in the United States—having an interest in accord with other States similarly situated, such as Pennsylvania, or Michigan, the State of the distinguished Presiding Officer [Mr. HART].

We have a certain similarity of interest in the proposal. We all wish to help, I think. I believe the Senate will pass the bill in some form which will be fairly close to the form in which it was introduced. I believe the voting today has so demonstrated.

We wish to help distressed areas. Indeed, we wish to give them every opportunity to attract business.

We have gone to very great lengths in the bill. I believe the Senator from Connecticut [Mr. BUSH] and the Senator from Maine [Mr. MUSKIE] are entitled to very great credit for what has been done—and I shall discuss it in detail tomorrow—in respect to tightening up the so-called antipirating provisions; in other words, the provisions which will prevent the redevelopment areas from bidding for the business which is now in States such as Michigan, New York, Pennsylvania, and other industrial States.

I think that job has been done very well in the bill. What my amendment seeks to provide is protection with respect to normal competition which goes on among the 50 States for the location of industries and the attraction of business to the individual States.

We must understand that this competition will continue notwithstanding the fact that there is a Distressed Areas Act. We shall continue to have competition among the States. Even a State which is replete with depressed areas of the character meant to be helped by the bill—let us consider a State like our sister State of West Virginia—will compete for business. West Virginia is trying to get business now, and I am sure will continue to try to get business after the bill passes, not only for the redevelopment areas, but also for every other part of the State.

At the same time we tighten the antipirating provisions let us give protection with respect to the taking away of a plant from us—speaking of “us” in terms of major industrial States.

What we have not yet done is to right the competitive balance with respect to normal competition which existed before, which still exists, and which will continue among the States, for new business.

I do not wish to give to the redevelopment areas, under the terms of the bill, a special advantage in addition to the normal competitive advantage which will

be given by aid to the State. In short, I am trying very hard by the amendment to give traditional help to the distressed areas, but not to go outside of the traditional help to a different area which will give the redevelopment areas a direct advantage in the normal competition among the States for business.

It is my view that the machinery and equipment is what would break the camel's back. If we add to the right to deal with industrial structures, in order to attract business into a community—which is fairly traditional—the opportunity for facilities in a municipal sense; the opportunity for tax abatement, which is a normal way of attracting business—the right to give a new entrepreneur in a particular community a plant fully equipped with machinery and equipment, we are overweighting the competitive factor, I think, unfairly.

This is a hotly controverted issue and has been controverted before in respect to the bill, but I am buttressed by one other point. We know, as a matter of practical commercial experience, that it is possible for any kind of viable business to get machinery and equipment on very long-term credit—subject to mortgages and so on, but on very long-term credit. In a sense, the ability of a new enterprise to get machinery and equipment to enable it to start involves a sanction which the private enterprise system puts on that particular business to demonstrate its viability. At least some independent private enterprise entity will have to determine whether it is worth while making even a long-term deal with a particular business in a redevelopment area.

I think that is an extremely valuable sanction to us in respect to the bill, to make sure that communities will not go overboard in respect to the kinds of businesses they will establish.

If a community with redevelopment aid under the terms of the bill can give someone a complete plant—land, buildings, machinery, and equipment—it seems to me we deprive ourselves not only of the important competitive factor which I described a while ago but also of some independent judgment by some other business entity that the new enterprise is worth giving a certain amount of credit, a certain amount of backing in the form of machinery and equipment. That is traditional. That is the custom.

Many people starting a business have obtained machinery and equipment because they showed aptitude, skill, and plans which impressed the sellers of the machinery and equipment enough to entice them to make a deal on some basis which enabled the people to go into business, with practically no money but still with some hope of success.

For those two reasons I have, as a friend of the bill, and also as a Senator from a large State with a very real competitive interest in the new business which is constantly available in our country which can be attracted by any State—whether a State has redevelopment areas in it or not, or many of them, or as many as other States—a duty to press this point upon Congress, and it

is for that reason that I have offered the amendment. I consider it a very serious and a very important point. Indeed, I have gone so far as to ask for the yeas and nays with respect to it.

Mr. President, in deference to our arrangement with respect to adjourning at an early hour, I should like now to reserve the remainder of my time on the bill and yield the floor to my distinguished colleague from New York to speak 10 minutes on the bill.

Mr. KEATING. Mr. President, I heartily support the amendment which has been offered and so ably presented by my distinguished colleague. I have something more to say on that subject tomorrow. I hope Senators will read the amendment carefully and will read his presentation of it tonight.

I wish to say a few general words about the bill, and to place in the RECORD a very constructive reference to proposed area redevelopment legislation which comes from the Rochester Chamber of Commerce.

Realizing that there are problems that require attention in distressed areas throughout our Nation, the board of trustees of the Rochester chamber has laid out seven provisions which in the opinion of the governmental affairs council of the chamber are necessary to the success of any legislation in this field.

The provisions mentioned by the council are certainly worthy of the attention of the Senate. I therefore urge that they be read by Senators who are concerned with this proposed legislation, and I ask unanimous consent that they be printed at this point in the RECORD.

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

To the Board of Trustees of the Rochester Chamber of Commerce:

Your governmental affairs council has studied proposed Federal legislation for the purpose of instituting programs of assistance to economically distressed areas of the United States. Your council presents its conclusions on this subject for your consideration.

The principal proposals for Federal action in this area are contained in S. 1 (Mr. DOUGLAS) and S. 9 (Mr. DIRKSEN) which would set up an Area Redevelopment Administration within the Federal Government. The bills differ somewhat in detail, but in general would provide loans, grants, technical assistance, vocational training, and retraining to areas having “substantial and persistent” unemployment as defined by each of the acts.

Without going into the lengthy detailed provisions of each of the bills, it may be noted that neither one is likely to be enacted in its present form but that some legislation to assist distressed areas will probably be passed at this session of Congress.

With this fact in mind, your governmental affairs council recommends that any legislation designed for this purpose contain the provisions as indicated below. Your council favors Federal action in this general area only if it is of a type which will actually serve the purpose for which it is enacted and will not represent undesirable interference on the part of the Federal Government in local affairs.

The provisions recommended by your council are as follows:

1. The establishment of an Area Development Administration should be placed

within the organization of the Department of Commerce rather than as an independent agency;

2. The doctrine of home rule should be followed; namely, that the Federal Government act in this distressed areas field as much as possible through local governments;

3. Any Federal assistance should be given only on the basis of up-to-date analyses of statistics gathered on a uniform basis in the various areas of the United States;

4. Any distressed areas bill should provide encouragement to workers in the areas which are so designated to relocate elsewhere in order to diminish the area's economic distress;

5. Technical assistance to local governments and citizens' groups in such areas should be given to (a) reestablish former industries, (b) establish new ones under a research and development program, and (c) help in strengthening existing industry;

6. Technical assistance to a community should be made available by the Administrator not only to specifically designated distressed areas but to any area which could use such a program (self-help, do-it-yourself, bootstrap operation) in maintaining or improving its economic health;

7. Vocational training programs should be provided as a supplement to the establishment of new industries in the designated areas.

These provisions are, in the opinion of your council, necessary to the success of any legislation in this field. At the same time your council believes that loan and grant functions, whether for public facilities or private businesses, should not be incorporated into such legislation. In the first place, such powers would be outside the regular control and review of Congress. Second, there are already adequate Federal financial facilities through which a distressed areas program could be operated, such as those created by the Housing Act, the Small Business Administration, the Community Facilities Act, and others, not to mention the many nongovernmental sources of financing.

Respectfully submitted for the governmental affairs council.

CHARLES L. GOOD,
Council Chairman.

E. WILLARD DENNIS,
Chairman, Committee on Local, State,
and Federal Relationships.

(The foregoing statement was prepared as a result of meetings held on February 24 and March 3, 1961, with the following members attending: Carey H. Brown, Newton B. Castle, Benjamin R. Crosby, E. Willard Dennis, Thelma S. Ellis, Charles L. Good, Harold S. Hacker, John R. Larimer, Robert E. O'Brien, William B. Pond, Arthur Richardson, Harold J. Roche, R. F. Stark, John W. Tarbox, Elmer H. Taylor, Gilden R. Van Norman, G. Harold Warnock, Ward H. Whipple.)

Mr. KEATING. Mr. President, I also ask unanimous consent that, in addition to this statement of the governmental affairs council, there be printed a statement of the trustees of the chamber of commerce. As will be noted, the full chamber supports the Federal action "if it will not represent undesirable interference on the part of the Federal Government in local affairs."

I think that the present bill already meets a number of the seven criteria outlined by the council. Several others of these points will be covered by amendments presently before the Senate, such as the one presented by my distinguished colleague. I ask unanimous consent that the statement of the trustees of the chamber of commerce 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 THE ROCHESTER CHAMBER OF COMMERCE CONCERNING DISTRESSED AREAS LEGISLATION

The Rochester Chamber of Commerce has studied proposed Federal legislation for the purpose of instituting programs of assistance to economically distressed areas of the United States and presents its conclusions herewith.

The principal proposals for Federal action in this area are contained in S. 1 (DOUGLAS), S. 9 (DIRKSEN), and H.R. 4659 (SPENCE) which would set up an area redevelopment program within the Federal Government. The bills differ somewhat in detail, but in general would provide loans, grants, technical assistance, vocational training and retraining to areas having substantial and persistent unemployment as defined by each of the acts.

The Rochester Chamber of Commerce favors Federal action in this general area. However, such action is endorsed only if it will not represent undesirable interference on the part of the Federal Government in local affairs and private business. The Rochester chamber recommends the following provisions in legislation designed for this purpose:

1. The establishment of an Area Development Administration should be placed within the organization of the Department of Commerce rather than as an independent agency;

2. The doctrine of home rule should be followed; namely, that the Federal Government act in this distressed areas field as much as possible through local governments;

3. Any Federal assistance should be given only on the basis of up-to-date analyses of statistics gathered on a uniform basis in the various areas of the United States;

4. Any distressed areas bill should provide encouragement to workers in the areas which are so designated to relocate elsewhere in order to diminish the area's economic distress;

5. Technical assistance to local governments and citizens groups in such areas should be given to (a) reestablish former industries, (b) establish new ones under a research and development program, and (c) help in strengthening existing industry;

6. Technical assistance to a community should be made available by the Administrator not only to specifically designated distressed areas but to any area which could use such a program (self-help, do-it-yourself, bootstrap operation) in maintaining or improving its economic health;

7. Vocational training programs should be provided as a supplement to the establishment of new industries in the designated areas.

The Rochester Chamber of Commerce believes that loan and grant functions, whether for public facilities or private businesses, should not be incorporated into such legislation. In the first place, such powers would be outside the regular control and review of Congress. Second, there are already adequate Federal financial facilities through which a distressed areas program could be operated, such as those created by the Housing Act, the Small Business Administration, the Community Facilities Act, and others, not to mention the many nongovernmental sources of financing.

Mr. KEATING. I realize, of course, that many besides the chambers of commerce are interested in the proposed legislation, but I do wish to commend the chamber on what I feel is a very constructive and farseeing attitude on the proposed legislation. We have had out-

and-out opposition from many groups connected with business. This is a very moderate and carefully worded presentation of their position, and, as I say, they are not opposed to all legislation in this field.

I wish to make a few observations about the health of our economy with reference to the proposed legislation before us today.

As was pointed out on Sunday by the Secretary of Commerce, it is clear that our economy is moving forward, and that the slump conditions of recent months are clearing up. I emphasize that this progress has been made prior to the enactment of any of the economic recovery programs now embodied in either this proposed legislation or any other legislation before the Congress.

Our recovery has been the result of inherent positive forces in our economy. I am delighted that this has come about. It illustrates the strength and resiliency of our free competitive enterprise system.

I am very much concerned that, if we substantially alter this system as some would have us do, we will undermine and negate the effect of natural recuperative forces which permit our economy to bounce back when conditions are unfavorable.

I favor the enactment of economic "firecrackers" which will stimulate our economy and move it on a little faster. We do not need TNT or an economic atomic explosion.

I hope that the legislation that is before us will be in such form when we finish with it that I shall be able to support it.

I wish to cite a few relevant figures which illustrate that our economy is moving forward.

There are clear indications that unemployment is leveling off. Unemployment was 6.8 percent in December, 6.6 percent in January and 6.6 percent in February. These figures are seasonally adjusted. Although there was a slight increase from January to February, the difference was not statistically significant. What is significant is that unemployment for the last 3 months has been fairly steady. We must never be willing to settle for people being out of work. Unemployment, as we all know, involves tremendous human problems that transcend simple statistics.

There are other favorable signs at the present moment. Retail sales increased in February over January. Inventories are down. The combination of increased sales and decreased inventories may well indicate that goods are moving faster, particularly in light of the coming of the spring season.

Nonresidential construction has increased. Heavy construction contract awards have increased.

Almost all economists have commented on the fact that our economy now seems to be moving forward. Looking back, it would appear that we have been through what, by contrast, might be considered a mild recession similar to several which have characterized the postwar period. We have not had, nor should we expect, a severe recession or depression. Our gross national product is only three-tenths of 1 percent below

the alltime high of over half a trillion dollars reported in the second quarter of 1960.

I repeat, we are not in an emergency. We must not act as if one exists. I heartily agree that there are serious "pockets" of unemployment and economic distress, which can and do warrant our immediate attention. Many of these pockets of joblessness have long histories of economic woe. Legislation along the general lines of S. 1 will help but we must not be deluded into thinking that this is the end-all and cure-all for our Nation, because we all know that the effects of such proposed legislation will not show until sometime in the future, even if we were to enact it today. But I do think a few general observations on the state of our economy are entirely in keeping, and I am grateful to my colleague for yielding me this time.

Mr. SYMINGTON. Mr. President, the measure we are considering today marks a significant step toward recognition of the fact that when one part of our country suffers, we all suffer.

S. 1 recognizes that chronic unemployment, whether in Missouri, or West Virginia, or New England, is a matter of grave national concern.

It should be emphasized that the area redevelopment bill adopts the principle that the major efforts for redevelopment must come from local communities and private groups, not the Federal Government.

The job should not and cannot be done by the Federal Government alone; and local cooperation and hard work is needed in the pockets of chronic unemployment in this Nation are to be effectively eliminated.

The role of the Federal Government can be compared to that of a commercial banker, providing guidance, assistance and funds to rebuild local industries and economies. But the local community must come more than halfway; the major effort rests with private industry and groups.

We have heard a good deal about S. 1 being an uneconomical spending bill. The facts are otherwise. Of the nearly \$400 million provided under this program, \$300 million will be in the form of loans, to be repaid by local governments and industry.

The only major expenditure would be \$75 million in grants to communities for construction of public facilities.

I spent a good many years in business and it is my firm conviction that the program under S. 1 makes good business sense.

This bill is not a hand-out program; nor is it designed to prop up uneconomical business enterprises.

Nor, as spelled out in the bill, will it result in pirating industry from one section of the country to another.

It will provide a pool of capital funds for areas which have the potential for development in terms of human and material resources, but lack the means of getting the initial investment to make full use of this potential. The Federal Government would supply up to 65 percent maximum of the needed capital.

The State governments, local governments, and private investors would supply the rest.

Unfortunately, my own State of Missouri has too many areas which could benefit from the program we are considering today. The men and women of these areas, many with highly developed skills, are ready, willing and anxious to work.

Local groups have been formed; in fact, Missouri has 180 community development organizations—the second highest number in the Nation.

All that is lacking in many such chronically depressed areas of my State and many States is the required initial capital.

S. 1 will fill this need.

Therefore, Mr. President, I urge Senate approval of the Area Redevelopment Act, a sensible, businesslike program which will benefit all America.

Mr. DOUGLAS. I thank the Senator from Missouri for his very concise and commonsense address. He has been a tower of strength throughout the whole struggle, as he has in every move that is of benefit to the Nation. I express my deep feeling of obligation to him.

Mr. SYMINGTON. I thank the able senior Senator from Illinois for his kind remarks. This is just another illustration of the hard work and intelligence which characterize bills that he fathers. Millions of Americans who will be added to other millions, will be grateful to the senior Senator from Illinois when the pending legislation is passed. I know of no greater tribute that I can pay him.

Mr. DOUGLAS. I thank the Senator.

AMENDMENT OF FEDERAL RESERVE ACT AND FEDERAL DEPOSIT INSURANCE ACT, RELATING TO RATE OF INTEREST ON CERTAIN TIME DEPOSITS

The PRESIDING OFFICER (Mr. HART in the chair). The Chair lays before the Senate a communication from the President of the United States addressed to the President of the Senate, relating to rates of interest on time deposits held here by foreign governments paid to domestic depositors. Without objection, it will be printed in the RECORD and, with the accompanying paper, referred to the Committee on Banking and Currency.

The communication from the President is as follows:

THE WHITE HOUSE,
Washington, March 14, 1961.

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

DEAR MR. PRESIDENT: I am transmitting herewith a draft of legislation which would amend existing law by permitting banks in this country to pay different rates of interest on time deposits held here by foreign governments than are paid to domestic depositors. Also transmitted is a memorandum from the Secretary of the Treasury describing the draft bill and its impact in detail.

The draft bill implements a recommendation contained in my message to the Congress dated February 6, 1961, relating to the balance-of-payments problem. It also complements and supports my directive to the Secretary of the Treasury to issue securities at special rates for exclusive holding by foreign central banks or governments.

If commercial banks are permitted to offer foreign governments higher rates of interest in competition with those existing abroad, those governments will be encouraged to maintain dollar accounts in this country rather than require the United States to convert their dollar accounts to gold for withdrawal. In this connection, it is only these foreign governments and their agencies which can directly purchase gold from the reserve stocks of the United States. However, as stated in my message of February 6, the proposed amendment is but one of a series of actions to be taken to alleviate the gold drain. Indeed, the factors which influence any central bank or government to prefer dollar accounts to gold are many and complex. Interest rates are only one. If we pursue policies of stability and growth inspiring world confidence, foreign governments should respond to higher interest rates on time deposits thereby aiding our gold outflow problem.

This inducement to foreign central bank deposits will have practically no impact on domestic market rates of interest. Moreover, any such impact would be confined to the short-term sector of the market and thus be consistent with national policy objectives.

In the interest of orderly procedure, the draft bill also permits similar treatment of deposits of international financial institutions of which the United States is a member.

I will appreciate it if you will lay the draft legislation before the Senate. A similar draft has been transmitted to the Speaker of the House of Representatives. I urge that the Congress act promptly and favorably on the proposal.

Sincerely,

JOHN F. KENNEDY.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. DOUGLAS. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn until 11 a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 43 minutes p.m.) the Senate adjourned, under the previous order, until tomorrow, Wednesday, March 15, 1961, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate March 14, 1961:

PUBLIC HEALTH SERVICE

Dr. Worth Bagley Daniels, of the District of Columbia, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service, for the remainder of the term expiring August 3, 1962.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Wilbur J. Cohen, of Michigan, to be an Assistant Secretary of Health, Education, and Welfare.

The following named persons to the offices indicated:

DEPARTMENT OF AGRICULTURE

James T. Ralph, of California, to be an Assistant Secretary of Agriculture.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Joseph H. McCann, of Michigan, to be Deputy Administrator of the St. Lawrence Seaway Development Corporation.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Theodore Jaffe, of Rhode Island, to be a member of the Foreign Claims Settlement Commission of the United States.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 14, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Luke 11: 28: *Blessed are they that hear the word of God, and keep it.*

Almighty God, may this day be radiant with constructive and helpful legislation as our Speaker and the Members of Congress address themselves humbly and courageously to their many arduous tasks and responsibilities.

Grant that they may be guided and inspired by Thy spirit in their desire and determination to give the life of all mankind a more sacred reading by interpreting its meaning in terms of obedience to Thy will and in service to needy humanity.

Show us how our beloved country, so richly endowed by Thy grace and favor, may be the glorious channel through which there shall be mediated the blessings of freedom for the oppressed, enlightenment for all who walk and wander in darkness, and joy and strength for the weary and heavy laden.

Hear us in the name of our blessed Lord and Saviour. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

COMMITTEE ON VETERANS' AFFAIRS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON PUBLIC WORKS

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may be permitted to sit during general debate this afternoon and during general debate for the balance of this week.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. MOULDER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. Mr. Speaker, the chairman of the Committee on Interstate and Foreign Commerce, Mr. HARRIS, has referred the following educational television bills to the Subcommittee on Communications and Power: H.R. 132, ROBERTS, of Alabama; H.R. 645, Boggs, of Louisiana; H.R. 965, HARRIS, of Arkansas; H.R. 2910, McINTIRE, of Maine; H.R. 5099, ROGERS, of Colorado.

The Subcommittee on Communications and Power will hold hearings on all educational television bills beginning March 20 to March 23, inclusive. I have set Monday, March 20, for hearing Members who have introduced the above numbered bills and we invite all Members who desire to present their views for argument for or against the bills to appear before the subcommittee between 10 a.m. and 12 noon, March 20, as may be arranged with the clerk of the committee, or present your statement for the record of the hearings.

SUBCOMMITTEE ON EDUCATION OF THE COMMITTEE ON EDUCATION AND LABOR

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent that the general Subcommittee on Education of the Committee on Education and Labor may be permitted to sit during general debate this afternoon for the purpose of taking testimony.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. GROSS. Mr. Speaker, reserving the right to object, I wish gentlemen who are asking to transact business of the various committees would go to a microphone so that all Members may hear the request made on behalf of the chairman of a committee or subcommittee. I think the Members are entitled to hear these requests.

The SPEAKER. The gentleman will repeat his request at the microphone.

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent that the general Subcommittee on Education of the Committee on Education and Labor may be permitted to sit during general

debate this afternoon for the purpose of taking testimony.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TRIBUTE TO ADM. F. T. KENNER, U.S. COAST GUARD, RETIRED

Mr. SEELY-BROWN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SEELY-BROWN. Mr. Speaker, many Members of this House have lost a friend whom they admired and respected, in the death of Rear Adm. Frank Terry Kenner, U.S. Coast Guard, retired, who died of an apparent heart attack last Thursday in Honolulu, Hawaii, where he and his wife had made their home since retiring from active duty in 1958.

Adm. Frank Kenner and his twin brother, Adm. William Wilson Kenner, were well known to many Members of Congress, particularly during the 1950's when both of them were on duty at Coast Guard headquarters in Washington.

Although he was a Virginian by birth, Frank Kenner had close contacts with my district, for he and his brother graduated from the U.S. Coast Guard Academy at New London in the class of 1925, and he married the former Elizabeth Ware of Groton on September 10, 1927. New London was his base when he served in the Coast Guard destroyer squadron. Like most coastguardsmen, particularly graduates of the Academy, he always regarded Connecticut as his second home.

I had the opportunity to know him well during my earlier service in Congress, when he was at Coast Guard headquarters, and when I was a member of the Merchant Marine and Fisheries Committee, which has jurisdiction over legislation pertaining to the Coast Guard. I learned to appreciate his fine qualities as an officer, as a dedicated man in the service of our country, and as a man of great integrity as well as of abundant geniality.

Recognition for his distinguished service has been given, in part by the award to him of the Legion of Merit decoration, but greater even than that is the recognition which he earned by his place in the memories of those with whom he served and of all who knew him.

In closing, I would like to extend to Mrs. Kenner, and to his twin brother, my deep and sincere sympathy.

INTER-AMERICAN FUND FOR SOCIAL PROGRESS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105)

The SPEAKER laid before the House the following message from the President of the United States, which was