

that he is against the trend of municipalities to ask the Federal Government to cure all the ills of the cities. It is unlikely, however, that the Kennedy administration would settle for an advisory-only type Department, and if Federal money is channeled to the cities, controls will follow.

A Federal Housing and Urban Affairs post more than likely would result in a further dilution of local government powers and create a more highly centralized Federal Government, which from our point of view is too centralized already.

GOVERNMENTAL FISCAL POLICIES

Mr. DWORSHAK. Mr. President, we are continually receiving literally hundreds of requests for new money spending programs in this body each day from various groups, both within and without our Nation's borders. Today I invite the attention of my colleagues to a request of a different nature—a call for more fiscal responsibility and soundness.

While it would be a pleasure to be able to approve every fund request made of us, I am certain that most of us agree that spending our Government into bankruptcy would not only soon make impossible the granting of any fund requests, but might actually cause cancellation of some programs now operating. Thus it is essential that all Americans be made aware of the fiscal limitations of their Government; and I feel that groups like the Associated Taxpayers of Idaho are doing an outstanding job in face of many obstacles.

I ask unanimous consent that the news release and policy statement of the Associated Taxpayers of Idaho be printed at this point in the Record as a part of my remarks.

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

The Associated Taxpayers of Idaho declared today that only a fiscally responsible Congress, determined to evaluate the Government's financial requirements on the basis of reasonable, but tough, spending priorities, could insure that the new Federal budget just submitted by President Kennedy would remain in balance.

The new budget for the fiscal year 1963, which begins next July 1, forecasts net budget receipts in that fiscal year will total \$93 billion. It estimates that Federal expenditures (exclusive of trust fund expenditures for highway construction, social security, etc.) will total \$92,537,000,000, and that there will be a surplus of \$463 million.

Noting that the revenue and spending levels must be predicted 13 months in advance of the fiscal year end, Max Yost, executive manager, spokesman for the statewide citizen taxpayer organization, cautioned that the fiscal budgetary result will depend in large measure upon maintenance of a healthy economy, and upon the fiscal actions of the session of Congress just under way.

"Citizens of Idaho have no small stake in the new budget," Yost said. "Idaho's share of the \$92.5 billion total of estimated Federal expenditures will amount to \$240,596,200."

(This estimate is based upon a formula for allocating the Federal tax burden among the States, developed by the tax foundation, a national research and citizen education agency.)

"There is a need for Congress to apply stern priorities in considering Federal spending programs," the statement continued. "Ex-

penditures for protection purposes—defense, international affairs, and related national security programs—will total \$55,686,000,000 under this new budget. These programs will cost Idaho's taxpayers an estimated \$144,783,600. Our share of the \$9,398,000,000 budgeted for interest on our huge national debt will amount to another \$24,434,800.

"The remainder of the estimated spending total—\$27,797,000,000—is for domestic civil benefit programs and general government activities. Idaho's share of these expenditures is an estimated \$72,272,200. It is significant that spending for these nondefense programs has been steadily rising, even in these times of international tensions and crises.

"The implications are clear. Insuring the balanced budget just submitted by President Kennedy—a budget in precarious balance at best—can only be achieved by a fiscally responsible Congress, supported by our citizens, which is determined to evaluate the Government's financial requirements on the basis of reasonable, but tough, spending priorities—providing for the essentials, postponing the merely desirable, and rejecting nonessential or unsound spending programs."

The following statement of governmental fiscal policies was adopted at the association's 15th annual meeting, December 13, 1961. The association will follow this policy vigorously during 1962 in its work with local, State, and Federal levels of government:

"STATEMENT ON GOVERNMENTAL FISCAL POLICIES

"Government today is so big and complicated that its operations demand the application of the best and most thorough fiscal controls. The Associated Taxpayers of Idaho, recognizing the unprecedented expansion of government and its corresponding tax impact strongly recommends the following:

"1. A dedication of fiscal responsibility at all levels of government to provide; an annual budget review which will relate receipts and expenditures; the elimination of deficit financing at the Federal level, except in times of grave emergency; and the elimination of expenditures outside the budget through trust funds and other devices which bypass traditional appropriation procedures.

"2. That the facts be given to the people of the entire problem of government financing, particularly the projection of future costs of new and contemplated programs, to give the taxpayers a realistic price tag of the function or proposals.

"3. That the operation of State and local governments be strengthened, decreasing the reliance on so-called grant-in-aid programs, and that the demands to match Federal funds be decreased, thus restoring the balance of power among the levels of government.

"4. That equity be the guiding principle in levying of taxes of all levels of government.

"5. That the emphasis on productive jobs is a critical challenge of the 1960's and all phases of government should be directed accordingly.

"The Associated Taxpayers of Idaho vigilantly demand that mounting military budgets, caused by the critical international situation, be closely scrutinized and that any increases that may be deemed necessary be offset by an equitable control of domestic civilian spending.

"The Associated Taxpayers of Idaho strongly disagrees with the expressed theory that public spending should be enlarged in relation to private spending. Our American system of free enterprise has flourished under the concept of private ownership of property, individual initiative, and limited

government. Further encroachment by government at all levels can only lead to curtailment and destruction of personal liberties, individual incentive, and our productive capitalistic system."

REPORT ON SHIPMENTS OF STRATEGIC GOODS TO THE COMMUNIST BLOC

Mr. KEATING. Mr. President, during the congressional recess the Internal Security Subcommittee had under study the operations and effectiveness of U.S. export controls on shipments of strategic goods to the Sino-Soviet bloc. For this purpose partly in conjunction with Senator Dobb and staff members, I spent considerable time discussing with U.S. Embassy officials and some representatives of other countries the problems confronting us in carrying out existing arrangements and programs. Information obtained as a result of these conversations raises serious questions with regard to whether our present control programs are working effectively.

In my view, in the present state of world affairs, it would be inexcusably shortsighted for the United States or any free-world country to cooperate in building up the military or economic strength of the Communist bloc. In the light of the continued and, at times, increasing belligerence of the Soviets and their Chinese cohorts, it is obvious that every increase in Communist strength increases the threat to our own security. I just cannot fathom the apparent willingness of some members of the free-world community to contribute valuable equipment and know-how to the Reds which may be used against all of us.

In Berlin, the United States, French, and British soldiers are functioning under wartime alert conditions just a few yards from a powerfully armed potential enemy. We have separated families, interrupted schooling, and imposed other severe hardships on tens of thousands of American reservists to bolster our Berlin garrison and our general combat readiness. We have given repeated assurances of our readiness to fight, if necessary, to preserve Berlin's freedom. In Asia, the fighting began many years ago and smolders even at this moment in Laos and Vietnam where we today have casualty lists.

In the face of this military crisis, some of our allies persist in sending planes, electronic equipment and other strategic items to those who have vowed to bury us. In a shocking display of a double standard, nations seemingly ready to ask the ultimate sacrifice from their young men are unwilling to interfere with profitable trade opportunities with the adversary. I believe there would be an overwhelming outcry of indignation if all the people were fully aware of the facts. No one can possibly justify a business-as-usual attitude at a time of such grave danger.

No one should underrate the military or economic capabilities of the Sino-Soviet bloc. No one can deny their ability, without any help from the West, to develop and maintain a tremendous

military machine and an increasingly productive economy. There is danger, however, in overrating, as well as in underrating, the potential foe. Despite the spectacular Soviet scientific achievements in the past decade, every expert I have consulted agrees that the Communists crave our technology and products and can offer very little of value to the West in exchange. Western trade with the bloc is not a balanced proposition in which the West gets as much as it gives. More typically, it is a question of exchanging machine tools for feathers and electronic equipment for furs. It is incredible that despite the economic advantages of the West, the Reds have been able to set conditions in trade which give them every possible benefit in the exchange.

The Reds are strong, but their efforts surreptitiously, as well as openly, to obtain a host of special items from the United States and our allies give every evidence that even they believe that we are stronger. In any event, when your opponent is strong to begin with, it is suicidal to help make him stronger if you can avoid it.

Whatever shortcomings there may be in U.S. programs, it must be acknowledged that the United States has done more than any of our allies in attempting to curb the flow of strategic materials to the Communist bloc. Responsibility for the present situation does not lie primarily in U.S. policies, but in the failure of our allies to cooperate fully. For this reason I am dismayed by reports that a preinaugural Presidential task force under now Under Secretary of State Ball has recommended a virtual scrapping of the existing embargo on exports of strategic materials to nations of the bloc. I cannot believe that either the President or the Congress will accept this recommendation. If anything is to be scrapped, I hope it will be this task force report and not continued American efforts to prevent the Communists from building up their war potential and industrial power with our help.

In my opinion, the free world has missed an opportunity to utilize trade as a powerful weapon on our side of the struggle. Our trade advantage should be employed to the maximum extent possible to win concessions from the bloc and to further Western objectives. Certainly nations willing to fight should be willing also to take the initiative in promoting an economic counteroffensive against the Communists. If this involves some sacrifice of profits or other temporary benefits, it is a price we have to pay to help assure the ultimate victory of freedom over communism. Furthermore, it is not too much to expect such sacrifices when we are asking thousands of young men and women to be ready to sacrifice their very lives to preserve the outposts of freedom throughout the world.

This is no time to talk about scrapping export controls on shipments to the bloc. On the contrary, we should be considering ways of making these controls more effective. Getting the closer cooperation

of our allies must be our No. 1 objective in this regard.

During our trip, we conferred with officials in the United Kingdom, France, West Germany, Belgium, the Netherlands, Austria, Italy, Switzerland, and Israel. The situation varies in each of these countries, but I would like to highlight briefly some of the conditions we found:

CURRENT BLOC PROCUREMENT FROM THE WEST

About 25 percent of the commerce of the Communist-bloc nations is with countries outside the bloc. All of this trade is carefully planned and regulated by state agencies within the bloc. In the U.S.S.R. all foreign commerce is under the jurisdiction of the Minister of Foreign Trade, who is also a member of the Central Committee of the Communist Party. Bloc trade generally is coordinated by the Council for Mutual Economic Assistance, which meets in Moscow weekly. Foreign trade is skillfully planned by the bloc countries to enable them to reap the greatest possible advantage out of every transaction. Such trade is related closely to Soviet political and military objectives, and ordinary commercial considerations sometimes are completely ignored.

The long-range objective of the Communists naturally is to develop economic self-sufficiency in order to avoid any dependence on the West. Nevertheless, they are ready to utilize as much advanced Western technology and supplies as we are willing to exchange for surplus bloc goods. Almost 80 percent of all Sino-Soviet-bloc trade with nonbloc nations is with the industrial countries of the West, the principal bloc imports being manufactured goods and machinery and equipment. The principal bloc exports to the West, in contrast, are raw materials, food, beverages, tobacco, fats, and oils.

In recent months bloc countries have procured from the West such items as a 525,000-volt transformer, electronic equipment for four reversible cold rolling mills, computers, 50,000-foot altimeters, two mass spectrometers for use in nuclear and electronic research, instrumentation and control equipment for an oil refinery, electrical machinery for jet aircraft, high voltage testing equipment, a \$12.6 million hydropower station for a plant on the Soviet-Norwegian border, a sheet metal press, complete equipment for a plant in Rumania to produce 100 trucks per month, equipment for an automated plant for manufacture of dielectric cardboard—used in insulating wires and cables—an aluminum rolling mill, a plant to produce railway wheels and allied products, complete equipment for a cellulose plant, precision machine tools, a semichemical pulp plant, a plant producing hydrogen cyanide, a sodium hydroxide plant, 50,000 tons of synthetic rubber, a complete asphalt plant, a complete nylon plant, a highly automated polystyrene plant, a polyethylene plant worth over \$30 million, a nylon tire cord plant, 3 large urea plants, optical lens grinders, papermaking machinery, a 5,500-ton lifting capacity floating dock, a complete cement plant with a daily

output of 1,800 tons, almost 35 vessels including more than 15 tankers, diesel engines, earthmoving machinery, over 150 excavators, hundreds of tractors, almost a thousand railroad cars, copper rods, steel plates, 240,000 tons of steel pipeline, natural gas pipeline, precision tubing, ball bearings, and 500 tons of lacquered tinplate.

All of these transactions and dozens of others occurred within a period of 18 months, and similar procurement continues to this very moment at a rate of over a billion dollars a year. There is no doubt of the importance of such items in building up sectors of the Sino-Soviet economy. Their contribution to the welfare of the bloc has been conceded even by Khrushchev. Unquestionably, over a period of years the NATO countries have made a substantial contribution to Communist growth and power by being major suppliers of advanced technology and machinery to the Sino-Soviet bloc.

There are no signs of a change in this situation. In recent weeks, for example, the United Kingdom has concluded an agreement for the sale of six Vicker's Viscount planes to Red China. These planes can easily be used to transport Communist troops to Vietnam, Laos, Korea, and other hot spots. Moreover, the planes are equipped with radar and navigational equipment, which is on the COCOM strategic list for embargo to the Sino-Soviet bloc. COCOM—the Coordinating Committee for International Controls—is an international agency in which we participate with our allies which coordinates and enforces unanimously agreed upon controls on shipments to Communist countries.

I have urged the Department of State to take whatever steps are possible to prevent these Viscounts from ever being delivered to Communist China, and the Department has made strong objections to the British. The United Kingdom, however, appears not only to be determined to fulfill this order, but to fill additional Red orders for similar products. This attitude on the part of our principal NATO ally undermines the whole strategic control system and is bound to encourage similar deals by other countries.

If this international control system of trade with the Sino-Soviet bloc collapses, the Reds will have scored a major victory. A unilateral U.S. embargo can have only a limited impact, and it is simply inequitable to impose the whole burden on American industry and workers. There is a situation in my own State now in which an American-based subsidiary of an international company has been denied an export license for the shipment of paper-making machinery to the U.S.S.R., even though the same equipment can be made and shipped by other foreign companies with impunity. The American concern, moreover, is located in an area of substantial unemployment, which makes the burden even more severe. I can well understand the feeling on the part of the company and its employees that the denial of an export license under such

circumstances makes them pay a heavy price with little return to U.S. interests.

A unilateral control system also raises tremendous enforcement problems, even with regard to products on which the United States may have a substantial monopoly. Once the goods leave the United States, it is practically impossible for us to control their use or transshipment without cooperation from other countries. There have been thousands of cases of diversion since our control machinery was set up in 1948, and while the critical areas may change, this trend continues unabated to this day. Some countries, including our closest allies, actually resent any effort to enforce our unilateral controls against transshipment of U.S.-origin goods as interference in their internal affairs, and with some exceptions none will give us any formal cooperation.

These difficulties are no justification for authorizing the sale to the Sino-Soviet bloc of any U.S. goods which our experts rate strategically important. Our objective instead must be to induce our allies to accept similar controls and narrow the differences between the United States' positive list and the international list administered by COCOM. This could perhaps best be done by assigning the control function to NATO while continuing to enlist the participation of non-NATO countries, such as Japan, which is a member of COCOM. Such a move would serve to emphasize the close relationship between the economic and military aspects of the cold war and perhaps would encourage greater exploitation of our economic advantages in achieving our objectives.

TRADE TACTICS IN GERMANY

West Germany offers a concrete example of the ability of the West to employ economic measures to advantage. In 1960, Soviet East German agents began interfering with access to Berlin of West German civilians, contrary to Four Power agreements on Berlin. As a result, the West Berlin administrator of the Interzonal Trade Agreement, which regulates trade between West Berlin and East Germany, gave notice that the agreement would be terminated by December 31, 1960. This was equivalent to saying that there would be an embargo on trade with East Germany unless the harassment of civilian traffic to West Berlin from the Federal Republic ceased.

The result of this announcement was prompt and dramatic. The harassment did cease, and there apparently have been no instances of interference by the Soviets and their East German agents with such travel to West Berlin since that date. It is obvious that the Soviets were more deeply concerned about the repercussions on East Germany of a halt in goods from the West than they were in continuing to interfere with access to West Berlin from the Federal Republic. This experience illustrates better than any theoretical arguments or statistical tables the importance of Western goods to the bloc and the possibilities of exploiting our trade advantage to protect and advance free world rights.

This experience also raises a question as to why similar measures were not taken when the Soviets erected their prison wall around East Berlin. This hideous structure—a monument to the weakness and barbarism of the Communists—was a much more drastic infringement of Four Power agreements on access to West Berlin than were the provocations in 1960. An economic squeeze in 1961 similar to that employed with such effectiveness in 1960 might have had tremendous impact. Doubt is sometimes expressed as to whether the Soviets are convinced of our determination to fight for Berlin if necessary despite the solemn pledges which have been made. Maybe the Soviets are skeptical about the willingness of the West to risk a military showdown when it still appears to be unwilling to risk a much less perilous economic showdown. Of course, we are ready to fight for Western rights in Berlin, but how can we possibly justify sending troops to battle before we have exploited to the full the possibilities of achieving our goals by an economic squeeze on the bloc?

It is my strong conviction that a Western economic initiative would improve prospects for a favorable settlement of differences with the Soviets. We should have learned by now from a dozen examples that firmness is the most constructive attitude in dealing with the Communists. The Communists are most certainly waging economic warfare against the West. An economic counteroffensive against them could pay richly in the allied effort to advance peace with freedom not only in Berlin but throughout the world.

CONTROLS ON CUBA

Cuba, on which the United States has imposed a total embargo, is not treated as a Communist bloc country by COCOM. This means that our allies are free to fill any gaps in Cuban imports which may result from the unilateral U.S. embargo.

There is no longer any doubt of Cuba's complete fidelity to communism, and its formal recognition as a bloc country by COCOM should certainly be pressed by the United States. Information gathered during my trip suggests that no such effort has yet been made by the Department of State. It is difficult to understand the Department's reluctance to enlist the cooperation of the COCOM countries in our efforts to cut off strategic trade with this Communist satellite now that its status is recognized by everyone and its adherence to communism has been conceded by Castro himself.

It is not enough to ask our allies to prevent evasion of the U.S. embargo. They should be expected to join forces with us against trade in strategic goods with this puppet state just as we have all joined together in barring such trade to other bloc countries. The fact that Cuba is so close to the shores of the United States is no reason for it to be omitted from the international control system the allies have imposed upon every other satellite state.

Furthermore, we cannot rely on our allies to enforce unilateral U.S. policies with regard to Cuba any more than they enforce unilateral U.S. controls in other areas of the world such as Red China. As I have noted, we get less than full cooperation under such circumstances, since the other countries take the position that they are under no obligation to enforce U.S. laws within their territory. Adding Cuba to the COCOM list, on the other hand, would commit each COCOM country to a policy of at least avoiding shipments and transshipments of strategic goods to this Red outpost in the Western Hemisphere.

MOBILIZING PUBLIC OPINION

These observations certainly raise serious questions about the willingness of our allies to carry out necessary measures to effectively regulate trade with the bloc. There should be no misunderstanding, however, about the extent of free world solidarity in the struggle against tyranny. The nations of the free world are united in their fundamental objectives, and I would not want anything I have said to suggest that the Western alliance is weak or divided.

I have been discussing only one aspect of the broad and multifaceted free world alliance. I am convinced that on this question of trade with the bloc we have not achieved the cooperation of our allies which the situation justifies. This is not because those with whom we have joined together to defend freedom are soft on communism or will be unwilling to stand with us when our determination is put to the test.

It is not a difference in objectives that is at the root of the problem. The difficulties arise out of less lofty considerations. To put the matter directly, most of these difficulties arise out of the unwillingness of the governments involved to deny to private economic interests profitable opportunities for trade with the bloc. They appear to be unusually vulnerable to potent domestic pressure and most fearful of the domestic political repercussions of any effort to join in a more effective economic squeeze against the Communist bloc.

Personally, I find it hard to believe that any people who cherish freedom would accept the present conditions if they were fully aware of the implications. Even Switzerland, which avoided the ravages of both World Wars and scrupulously maintains its neutrality to this day, is the scene of a genuine citizens' movement to curb trade with the East. In recent months signs have appeared in store windows throughout Switzerland reading "No More Trade With the East. In this store no commodities are sold which were manufactured behind the Iron Curtain." In one town in Switzerland, Thun, the signs were decorated with drawings by teenagers after hearing the nature of communism explained to them in the schools. According to reports which have appeared in the Swiss press, this boycott, though only recently started, has shown remarkable success.

The United States must do its best to convince not only allied officials, but the people of the free world of the dangers

inherent in present bloc trade policies and the advantages to the West of employing trade as a cold war weapon. Instead, the United States has allowed these problems to become shrouded in secrecy and most people simply are unaware of the functions of organizations like COCOM and the dangers to its effectiveness posed by such transactions as the United Kingdom's sale of Viscounts to the Red Chinese. Some of these issues involve military and other security matters and must, of course, be classified. But we have cooperated in imposing a veil of secrecy on many transactions not for security reasons but simply to avoid embarrassment to nations willing to make questionable deals with the Reds.

This attitude effectively prevents any mobilization of public opinion against such transactions. Perhaps if U.S. diplomats showed less concern for the sensitivities of our allies, our allies would show more concern for our own sensitivities, and in the process, all of us would be more apt to pursue the course dictated by principle rather than expediency. I may be overly optimistic about the reaction of the free world community to a full and frank disclosure of the facts, but the countries of the world, committed to free institutions, really have no choice. Free people have to be told the truth. There is no other way of preparing them for the sacrifices which they may be called upon to make to preserve their freedom.

ALASKA'S POWER NEEDS

Mr. GRUENING. Mr. President, Alaska, which has had the benefit of only one Federal hydro power project which was authorized some 15 years ago and supplies the metropolis of Anchorage with electric current as well as the two neighboring REA cooperatives, the Chugach and the Matanuska, will soon be running short of power. The problems and needs of west-central Alaska, which is also the so-called railbelt area, have been the subject of a series of articles published in the Fairbanks News-Miner. I have presented the first four of these articles in the Appendix of the CONGRESSIONAL RECORD. I ask unanimous consent that the fifth article be inserted in the RECORD at this point.

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

MINE-MOUTH POWER STUDY AUTHORIZED BY
USBELLI
(By Paul Lien)

Working toward a common goal to relieve the power shortage in Alaska, towns along the railbelt have gone together to form a power pool for the purpose of studying this problem and to find a solution.

Hydroelectric plants have been suggested at both Rampart and Devil Canyon, but they are long range projects, and will take many years to build.

In an effort to get quicker interim power, badly needed, focus was brought to bear on using mine mouth steamplants, which could possibly provide a reasonable interim source of power.

Usibelli Mining Co., Inc. of Fairbanks, authorized Parsons-Stefano, a joint venture,

to make a study for the purpose of constructing a mine-mouth powerplant at Usibelli coal mines on Healy Creek between the towns of Healy and Suntrana in the Alaska railbelt area.

Two sizes of units were presented; namely, 22,000-kilowatt and 33,000-kilowatt plants.

Unit costs of energy of the 22,000-kilowatt plant were expected to be 11.07 mills per kilowatt-hour bus bar (bus bar is a conductor carrying electric current) and would be delivered to Fairbanks for 13.07 mills per kilowatt-hour.

The unit costs of energy of the 33,000-kilowatt plant are expected to be 10.39 mills per kilowatt-hour and 12.39 mills per kilowatt-hour delivered to Fairbanks.

The Parsons-Stefano report further stated that projected kilowatt requirements from recent studies by the Federal Power Commission and other agencies for the Greater Fairbanks area indicated the growth rate will require an additional 40,000 to 50,000 kilowatts to be delivered by 1970.

PROJECTED INCREASE

This was conservatively based on a projected 10 percent per year rate of increase in power consumption. Historical energy sales for the previous 8-year period were said to substantiate this.

No consideration was given in the report to the projected increased requirements need in the areas presently supplied by Golden Valley Electric Association outside the greater Fairbanks area. It was conceived that this demand could be even more.

Accelerated load growth rapidly developing in the Greater Fairbanks area, combined with the extension of power to the adjacent areas shows that a shortage will develop unless increased supply is provided, according to the Parsons-Stefano study. They said the problem was further aggravated by the fact that much of the present generating equipment has an increasingly high operating and maintenance cost and is rapidly approaching complete obsolescence and retirement.

LOW COST

In conclusion the Parsons-Stefano report stated the mine plant at Healy was feasible as a low cost source of power for supplying the Fairbanks area. It further concluded that it would be competitive with any known source of power likely to be proposed as an interim supply, pending developments such as the Rampart Dam project, or similar large hydroelectric projects producing very low cost power.

It was recommended that a further study be made so financing can be secured and action taken without delay.

Estimated cost of the 22,000-kilowatt plant was estimated to be \$5,600,000, and the 33,000-kilowatt unit \$7,400,000.

Ten years was given to amortize the loan. If a 20-year amortization period was set up and Rural Electric Administration funds used costs to the consumer would be lower.

Power from the 22,000-kilowatt plant would be delivered in Fairbanks for 10.34 mills per kilowatt-hour, and from the 33,000-kilowatt plant for 10 mills per kilowatt-hour.

FARMERS—REAL HEROES IN FIGHTING INFLATION

Mr. PROXMIRE. Mr. President, it is my understanding that in a few days the President of the United States will send to Congress his farm message, asking for a substantially changed farm program. The position of the farm worker with respect to the rest of the economy and society has been badly misunderstood by much of the public and badly distorted by the Nation's press.

I bring these points up because yesterday the New York Times revealed that the price index, the cost of living, had increased one-half of 1 percent during 1961.

This was the smallest increase in the price level since 1955. Prices were as nearly stable as they have been at any time during the past 6 years.

Any analysis of what happened to prices over the past year discloses, in my judgment, that the real hero of price stability is the farmer. The fact is that last year every major component of the cost-of-living index other than food increased—most of them substantially. For example, medical care increased by almost three percent. Reading and recreation increased 2½ percent. Apparel, transportation, housing—all of these elements in the cost of living—increased. But the cost of food declined. It declined almost 1 percent—0.8 percent. The reason for the drop in the cost of food is, of course, that the farmer is doing a more efficient and productive job than he has done before. The farmer has consistently, over the last 15 years, improved his efficiency and productivity more rapidly than has any other element of American society. This lower cost of production of food last year was the prime element in maintaining stable prices.

The fact is that we American consumers are better fed at a lower real cost than ever before. We talk about the fact that prices for food have over the past 30 years increased. All prices have increased in this generation. But when we recognize how much wages have increased, we can see, I think, how the farmer and his efficiency have benefited the economy.

One hour's factory work buys 83 percent more round steak, 120 percent more milk, 138 percent more oranges, or 169 percent more bacon than in 1929.

In the past 30 years we have had this real increase in the living standards of Americans because of the great strides in productivity and efficiency by American farmers. Yet it is an unfortunate fact that the incomes and living standards of farmers have not kept pace with other sectors of our prosperous economy.

Mr. SYMINGTON. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. SYMINGTON. I commend the able senator from Wisconsin for making his statement today. The farmer is always the butt of criticism. I noticed the other day that a particular stockpile which we seldom if ever hear criticized, namely, the stockpile of metals, minerals, and materials, is worth many billions of dollars more than the stockpile of agricultural products. These stockpiles, in both cases, are owned by the taxpayer.

Would not the able Senator from Wisconsin agree as he pursues ably his policy of defending the farmers of this country on the floor of the Senate, that there will probably be more need, in case of hostilities for agricultural surpluses than there will be for any surplus of metals and minerals?

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for the work he has been doing during his short term as chief executive.

On behalf of the people of Idaho, I wish to extend our condolences to the State of Montana and its people, and also to express our sympathy to the Governor's family.

Mr. MANSFIELD. I thank the Senator from Idaho for his remarks on this occasion.

CENSORSHIP OF SPEECHES BY MILITARY LEADERS

Mr. MILLER. Mr. President, in yesterday's edition of the Washington Evening Star there is an illuminating article, written by Cecil Holland, setting forth some examples of censorship of military leaders' speeches, which have been developed during the course of the present hearings before the special subcommittee of the Senate Armed Services Committee. It seems to me, Mr. President, that much of this unfortunate controversy could have been eliminated if there had been a requirement that censorship policy be clearly defined and be made a matter of public record. In such a circumstance, our military speakers would know what the policy was, and could have their speeches drafted accordingly. Moreover, if the publicly announced censorship policy appeared to be too soft or indecisive, so far as the American people are concerned, sufficient pressure could then be brought to bear on the Congress and the White House to have it changed appropriately.

I ask unanimous consent that Mr. Holland's article be printed in the RECORD.

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

THE EXACT WORDS IN CENSORSHIP (By Cecil Holland)

(Censorship as practiced in the Pentagon and in the State Department has come under fire. At hearings last week on charges that military leaders have been muzzled, the Senate Armed Services Preparedness Subcommittee was told that references in speeches to communism often were toned down. Adm. Arleigh A. Burke, retired Chief of Naval Operations, testified he thought changes made in many of his speeches were capricious. Gen. Thomas D. White, former Air Force chief, described them as unnecessary. Lt. Gen. Arthur G. Trudeau, chief of Army research and development, said some of the changes made in his speeches gave him cause for wonder about the motivation involved. These are some examples of the actual blue pencil of the censors at work on the speeches of the three officers as presented at the hearings.)

From drafts of Admiral Burke's speeches from January 1, 1961, to August 6, 1961.

Original: "The Communists, however, are not going to abandon their relentless drive toward world empire even though they dare not risk the inevitable retaliation that a nuclear war would bring."

Revised: "Potential aggressors, however, cannot be expected to surrender their objectives without a struggle."

Original: "Today the United States is engaged in a grim competition with an alien philosophy that has taken over whole countries without firing a shot. That is why the only real way to increase the strength of our Nation is to strengthen what is under attack—to strengthen the individual."

Revised: "Today, as in the past, the only real way to increase the strength of our Nation is to strengthen what is under attack—to strengthen the individual."

Original: "Challenge of communism—Communist challenge—the Communist threat."

Revised: "Challenge of competing ideologies—challenge—the threat."

From General White's speeches from September 21, 1960, to April 25, 1961:

Original: "Since the Air Force's future offensive and defensive missions, as we reach farther out into aerospace."

Revised: "Since the Air Force's future missions, as we reach farther out in aerospace."

Original: "Approximately 90 percent of the general war striking power."

Revised: "A very large percentage of the deterrent power."

Original: "These same forces could also contribute substantially to a general war effort."

Revised: "These same forces could also contribute substantially to a major aggression."

Original: "The Soviet economic-military potential is guided by a regime which can count on the backing—however unenthusiastic—of the Russian people. In addition, the Soviets have another great intangible resource which can best be described as gall. They are showing ever-increasing confidence—even arrogance—in their military and scientific strength and growth of their influence, spawned and perpetuated in brutal wars, dedicated to the mission of world revolution—their fervor for subversion and force makes them believe that Communist domination of the world is inevitable. They are further strengthened in this belief by their close partnership with Communist China."

Revised: "Furthermore in any revolution of the Communist threat we cannot disregard the close partnership between Soviet Russia and Communist China."

Original: "The unquestionable capacity to repel and decisively counter any attack."

Revised: "The unquestionable capacity to decisively counter any attack."

Original: "Weapon systems have been developed to overpower either."

Revised: "Weapon systems have been developed to overcome either."

From General Trudeau's speeches covering the period from August 1, 1961, to December 8, 1961:

Original: "On toward the turn of the century—world communism."

Revised: "On toward the turn of the century—Sino-Soviet communism."

Original: "There are voices today which whisper that the vicious, dangerous, and false doctrine of peaceful coexistence and expediency."

Revised: "There are voices today which whisper that the vicious, dangerous, and false doctrine of aggression masquerading as peaceful coexistence and expediency."

Original: "If the Russians can mobilize 1,000 scientists and a billion dollars to seize space, we must equal and surpass this effort or lose space."

Revised: "If the Russians can mobilize 1,000 scientists and a billion dollars to try to dominate space, we must equal and surpass this effort or give them a free hand."

(Some passages were deleted entirely and not revised or deletion was suggested. Some examples from the speeches of the three officers follow:)

Admiral Burke's speeches: One speech dealing with the destructive forces of communism at work in Southeast Asia, Africa and Cuba was censored in its entirety.

For just this sort of free, unrestricted thinking has produced most of the remarkable accomplishments throughout our Nation's history. And it is precisely this kind

of free discussion of alternative solutions to our problems that we must rely on for our future progress.

General White's speeches: Current Communist propaganda to the world concentrates on the same central theme which it has always emphasized, the destruction of capitalism, colonialism, and imperialism. But, under this guise, they really intend the destruction of everything which does not bend to their will. * * *

If our cold war efforts fail, armed conflict could occur * * * as has happened in the past. The Korean and Taiwan actions are examples.

Furthermore, the Soviets have demonstrated by their intensive research and development programs that they unquestionably seek a clear military advantage over the free world alliance at the earliest possible date.

General Trudeau's speeches: The three sputnik satellites lend substance to Communist claims of an intercontinental ballistic missile and their lunar probes should clinch them.

SHIPMENTS OF ARMS TO CUBA

Mr. MILLER. Mr. President, in the January 26 edition of the Des Moines Register there is an interesting article entitled "Contain Castro's Cuba," written by Mr. Walter Lippmann. I believe a reading of this article would be helpful in evaluating this thorny problem. However, I should point out that I must disagree with Mr. Lippmann's statement that we cannot blockade Cuba. We can, Mr. President. For a year and a half I have been advocating that we do so, insofar as war materiel is concerned. Our policy should be: "No war materiel in and no war materiel out," permitting trade with other nations on other items as the policy of those nations dictates. I think it is very shortsighted to have permitted 50,000 tons of war materiel to be shipped into Cuba already, thus placing those Cubans who might wish to rise up against their Communist dictator in the same position as that of the Hungarian patriots who could not beat off tanks with sticks. How long must this be permitted to continue, Mr. President? Are we to sit idly by while more war goods are shipped in, for eventual re-shipment to support Castro-type uprisings in other Latin American countries? Are we to sit idly by until the threat posed against this country by Mig's and missiles with nuclear warheads becomes so unbearable as to require direct intervention as a matter of self-preservation? Mr. Lippmann's containment by surveillance suggestion would, I fear, merely lead to the very situation of direct intervention which he so persuasively argues against at this time.

I ask that Mr. Lippmann's article be printed in the RECORD.

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

CONTAIN CASTRO'S CUBA (By Walter Lippmann)

WASHINGTON, D.C.—The Conference of American Foreign Ministers in Uruguay has not concluded its work as this article is written. But it is not too soon to say that there is being created an artificial and misleading standard by which to judge what is going on. Much too often the issues at Punta del Este are treated in terms of the United States

winning or losing: If the condemnation of Fidel Castro is very severe and is accompanied by an all-around rupture of diplomatic relations and of trade relations, we win; anything less than this is something of a defeat.

This, I believe, is much too simple a view of an extremely difficult problem. The problem is how to contain and isolate Castro's revolutionary interventions, how to turn the Cuban Government from its attempt to become a full satellite of Moscow, how to convert it into a good and reliable member of the hemispheric system.

STRONG WORDS CAN'T STOP IT

This will not be done by strong words in a resolution. Strong words never stop any revolution. Almost certainly it cannot be done by breaking off diplomatic relations in this hemisphere. The more Cuba becomes a part of the Soviet and Chinese system, the more it will use their channels to other states.

It cannot be done by a general trade embargo. For 80 percent of Cuba's trade is now with the Communist bloc and the rest is with Mexico, Canada, and Western Europe. Cuba's trade with the other American states is negligible. Castro, we must remember, is not nearly so dependent on the Western Hemisphere as was Rafael Trujillo.

There is no good reason for crying out that we have been defeated because the biggest countries in South America will not vote for sanctions that would make big headlines in the United States but could have no substantial and decisive effect on Castro's regime. What can be done that is worth doing?

A BASIS FOR CONTAINMENT

The first thing to do is, as Brazil and Argentina have been arguing, to lay a sound juridical basis for the containment of Castro. Existing hemisphere law was drafted by men who were thinking of World War II. They were thinking of the threat which had been posed of a Nazi or Fascist conquest of South America.

If that were the present danger, if there were real danger of a Soviet military establishment in Cuba, those old treaties would still be quite useful. But the existing law is not directed accurately against the methods of the cold war.

There is every reason to think that we can work out with the assistance of the big South American countries a statement of hemispheric law which fits the problem of Castro.

ESTABLISHING SURVEILLANCE

With a law amplified and clarified, we can move with general consent to organize inter-American machinery, in which we would take an active part, to expose and counter Castro's agents in this hemisphere.

Moreover, while we cannot blockade Cuba, we can establish surveillance by sea and air and, without violating Cuban airspace, we can keep close watch on the military situation for signs of active Soviet intervention.

This is a general policy of containment, patiently, persistently, and actively administered. There is one alternative to it. That would be for the United States to occupy Cuba, overthrow Castro, and set up a Cuban Government that we like.

WRINGING HANDS

There are many among us who favor doing this. If it were done, there would at first be very considerable rejoicing and enthusiasm among those who do not look beyond the excitement of the moment.

Once when the church bells were ringing in London to celebrate the beginning of a war, a statesman who had opposed the war said, "Today they are ringing the bells. Tomorrow they will be wringing their hands."

A U.S. occupation of Cuba would have enormous and far-reaching consequences.

Although there are people who affect to think that there is no such thing as the opinion of mankind, or that a decent respect for it is unmanly, the uproar around the world would be tremendous.

IT WOULD BE SMASHED

The inter-American system would be smashed. Whatever happened to Castro himself in Cuba, Castroism, fused with anti-Yankeeism, would rage throughout the hemisphere. And we, in the meantime, would have entangled ourselves in a guerrilla war nourished from outside Cuba.

It would be like the British war in Malaya, like the French wars in Indochina and in Algeria. There is no reasonable ground for thinking that intervention in Cuba could be a short, swift, and clean-out operation. It could not be.

Believing this, believing that intervention would be a calamity. I can see no alternative to a policy of vigorous and alert containment.

THOMAS JEFFERSON AND THE KENNEDY ADMINISTRATION

Mr. MILLER. Mr. President, in the January 20 issue of the Washington Evening Star, the lead editorial, in commenting on some of the speechmaking at the recent Democratic rally here in Washington, deftly points out how readily the President follows the example of Thomas Jefferson where it will suit the purposes of the New Frontier and how readily Thomas Jefferson will be ignored when to do so will also serve those purposes. I ask unanimous consent that this editorial be printed in the RECORD.

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

UNMENTIONABLE

The speechmaking at Saturday night's Democratic rally was in the best partisan tradition. The past was reviewed with pride and the future appraised with hope. If the political opposition ever did anything worthwhile, it evidently escaped the notice of the Democratic orators. After all, the party faithful had not shelled out \$100 a plate to hear about the virtues, if any, of the G.O.P.

We were especially interested in the remarks of President Kennedy. He linked the major programs of his administration with those of former Democratic Presidents—Woodrow Wilson, Franklin D. Roosevelt, and Harry Truman. He also remarked that in determining that the United States will not be second in space, we follow Thomas Jefferson who sent Lewis and Clark to explore the Northwest.

The President, however, did not allude to other areas in which his administration, as well as those that preceded it, would have no desire to follow Thomas Jefferson. Particularly, we have in mind a Jefferson statement as quoted by C. Northcote Parkinson in his little book, "The Law and the Profits." Mr. Jefferson commented, as follows:

"I place economy among the first and most important virtues, and public debt as the greatest of dangers to be feared. * * * To preserve our independence, we must not let our rulers load us with public debt. * * * We must make our choice between economy and liberty or profusion and servitude.

"If we run into such debts, we must be taxed in our meat and drink, in our necessities and comforts, in our labor and in our amusements. * * * If we can prevent the Government from wasting the labor of the people, under the pretense of caring for them, they will be happy."

Naturally, while ringing Thomas Jefferson into the act, there would be no inclination

to mention his views on economy by spokesmen for an administration which is urging Congress to raise the national debt ceiling above the \$300 billion mark.

FIRST ANNUAL REPORT OF PRESIDENT KENNEDY'S COUNCIL OF ECONOMIC ADVISERS

Mr. MILLER. Mr. President, in today's issue of the Wall Street Journal the lead editorial, entitled "Political Magic," makes some very cogent observations regarding the First Annual Report of President Kennedy's Council of Economic Advisers, pointing out the pitfalls that can exist in a report which deals rather loosely with such terms as "productivity," "unemployment," and "gross national product."

One of the most surprising matters pointed out in this most excellent editorial is the fact that in commenting on gross national product the Council of Economic Advisers includes Government spending as a part of the total output, rather than taking into account only nongovernmental spending.

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

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

POLITICAL MAGIC

Economic jargon can be confusing at best, but in the mouths of Government economists it is sometimes something far more serious. Mere words become shibboleths, and the shibboleths become the excuse for policies of the most far-reaching consequences.

The current case in point is the First Annual Report of President Kennedy's Council of Economic Advisers, wherein repeated reference is made to terms like "productivity," "unemployment," and "gross national product." Though each is an extremely slippery concept, the economic advisers are quite prepared to use them glibly, with too little examination of their meaning.

They muse, for example, about the virtues of rising productivity. And they suggest, as a guide for noninflationary wage behavior, that wage increases in each industry not exceed the trend rate of productivity increases in industry in general.

That is all very nice, perhaps. But what is productivity? The advisers give the usual definition, "output per man-hour." Only in the most oblique way do they even hint that productivity rises as a result of more and better equipment for workers to work with. That is, as a result of the increasingly costly capital investment of management.

Yet this is the very key to productivity. It is certainly misleading, to say the least, to talk about rising industrial productivity and rising industrial wages as though they were all mainly the outcome of extra intellectual or physical effort put out by workers. The Government would do better to refrain from devising national policy "guides" based on this kind of misapprehension.

A much more direct "trigger" of Government action is the unemployment rate. The economic advisers spend some time making clear that they are against involuntary unemployment—do they think anyone is for it? And somewhere along the line they seem to admit that unemployment is a far more complex phenomenon than the official figures would indicate. In human as well as economic terms, for instance, it makes a good deal of difference whether the unemployed person is a housewife with a work-