

Cohoe: Freda Lewis, postmaster. "Cohoe was shook up with only minor damage. The piano slid around the living room, plants landed on their faces and water splashed out of the toilet. I went outside, planning to get in the car but it was jumping around so much I couldn't catch it."

Homer: Arlene Kranich, postmaster. "Personal loss in the area was not great, broken dishes, I have a broken finger. The post office is a shambles of tipped over cabinets. The school is a total loss, they say."

Valdez: Durwood Huls, postmaster. "It is understood that the new post office has received structural damage but is probably basically all right. Also that Woody's new home, just completed, also received some damage. The town of Valdez, of course, received a near fatal blow."

The offices at Chenega, Paul Kampkoff, postmaster, and Afognak, Martha Nelson, postmaster, were wiped out along with the towns. The postmasters nor any employee were not hurt.

### THE BANKRUPTCY OF U.S. FOREIGN POLICY IN THE MIDDLE EAST

Mr. GRUENING. Mr. President, in a thought-provoking article published in the New York Times for May 17, 1964, the able correspondent Dana Adams Schmidt, writing from Beirut, Lebanon, under the title "Russia and Egypt Find Common Goal in Mideast," comes to the conclusion that:

The old U.S. policy toward Mr. Nasser has completely failed. It has neither persuaded him to do certain things, like withdrawing his troops from Yemen, nor to refrain from doing others, like attacking the British in Aden.

Repeatedly on the floor of the Senate I have pointed out that U.S. policies toward President Nasser offer the classic example of the failure of any policy of appeasement toward a dictator. I have also pointed out long ago that President Nasser was playing Russia's game. This has now become even more evident by Nasser's newest gambit in Aden where he is instigating local tribesmen to attack the British.

We have helped neither Egypt and her people nor ourselves through this policy of appeasing the quest for power in which President Nasser has been engaged for a dozen years. Our hundreds of millions of dollars in economic aid to Egypt have now gone toward the waging of a bitter, cruel, and bloody war in Yemen.

Now President Nasser is showing his true colors—and they are red. It should come as no great surprise to any student of events in the Middle East, since Nasser seized political control of Egypt in 1952, that he is and has been acting as Khrushchev's cat's-paw. He has now come out openly and seeks to throw the British out of the Middle East and control that oil-rich area.

As Mr. Schmidt points out:

The oil of the Persian Gulf is United States and Western European oil as well as British.

It is time that those in the State Department who have been busy appeasing President Nasser realize that in so doing they are in fact appeasing Russia and helping it to get a stranglehold on the oil resources of the Middle East. Both Nasser and Khrushchev are playing this

dangerous game for their own ends with U.S. dollars.

I repeat, Mr. President, it is high time to call a halt to aggression in the Middle East. The Congress has declared clearly in the "anti-aggressor" amendment to the current foreign aid law that it is opposed to using U.S. dollars to arm aggressors. Let the will of the Congress be carried out. Let us stand firm against the Russian-Egyptian drive to control Middle Eastern oil reserves. Economic aid to Nasser's Egypt should be cut off now before it is too late.

I ask unanimous consent to have Mr. Schmidt's article printed in the RECORD. There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### RUSSIA AND EGYPT FIND COMMON GOAL IN MIDEAST

(By Dana Adams Schmidt)

BEIRUT, LEBANON, May 16.—President Nasser and Premier Khrushchev, sitting side by side at the site of the Aswan High Dam this week, embodied the parallel interests of Egypt and the Soviet Union.

Egypt, an ambitious but underdeveloped leader of the pan-Arab nationalist movement; the Soviet Union, an economically and politically ambitious force in the Middle East—both for different reasons want to force the British out of the great military, naval and air base at Aden.

That is important enough in itself. The power concentrated at Aden radiates out into Africa and the Middle East and serves as Britain's halfway station to the Far East.

But it is above all because it serves as a shield for Britain's privileged economic and political position in the Persian Gulf, with its immense oil interests, that Mr. Nasser and Mr. Khrushchev would like to destroy Aden. Kuwait, Abu Dhabi, Bahrain, Qatar—those are the joint Egyptian-Soviet objectives.

Meanwhile, the British in Aden are not merely embattled. They have launched a counteroffensive against their foe insofar as he takes the tangible form of the Red wolves of Radfan, the Nasser-backed tribal guerrillas who have been harassing traffic on the Aden-Dhala road.

#### SKILLFUL PROPAGANDA

That is the overall picture in the Middle East. President Nasser's greatest resource in this struggle is propaganda, which he is using with consummate skill in several ways.

First, in leading a public campaign against the imperialists in Aden and even inspiring infiltration across the border, he is obscuring in the eyes of the world—and above all of the Arab world—his political and military failure in Yemen. In Yemen he has not only failed to win the tribesmen who form the majority of the population but has also failed with 40,000 men, tanks and airpower to subdue them.

By brandishing the anti-imperialist banner he is also trying to distract the attention of the Arab world from Palestine, where the Israelis have begun to draw water from the Jordan River. President Nasser cannot stop them any more than he can destroy the royalist Yemeni tribesmen. His plan for diverting the headwaters of the Jordan River will take years to carry out and even then would be dependent on his ability to stand off Israeli military interference.

Mr. Nasser's explanation now is that once the imperialists have been kicked out of the Middle East it will be easy for the Arabs to deal with Israel. The implied connection between British bases in Aden and elsewhere and the Israelis is probably specious, but it serves the purposes of Nasserite editorial writers.

President Nasser's diversionary propaganda has, however, not yet been altogether successful. Baathists in Damascus, who are always looking for ways to discredit Mr. Nasser, and independent Arab journals here have seen to that.

#### ARABS STRESS RIVER

Indignant that the Arabs should have to stand idly by while Israelis unilaterally take water from the river, which has acquired great importance as a nationalist symbol, they go right on writing about the Jordan.

Aden is distant and peripheral. Even for Mr. Nasser it is hard to build a campaign there into a vibrant cause. One can only say he is showing his usual skill in turning a bad situation to advantage.

Having Premier Khrushchev around is, of course, a great help in this business of propagandistic sleight of hand.

The Arabs are flattered by the Soviet leader's attention in such a long (16-day) state visit. President Nasser is cast as a friend of one of the most powerful men on earth. His own prestige necessarily soars by association.

The Arabs are close enough to their colonial past to like anything that discomfits the West.

To the Arabs there is no moral issue between East and West. They have known both good and evil from the West and thus far only good in the form of economic assistance from the East.

In the face of all this, the British in Aden have rolled up their sleeves in a "Battle of Britain" spirit. They have had "a jolly good bash" at the dissident tribesmen, which, if it did not destroy the dissidents, at least freed the road in question. They have done it with professional military skill.

Now Duncan Sandys, Britain's Colonial Secretary, has gone back to London to seek reinforcements in both troops and money. The British Government is expected to put Britain's presence on a more acceptable political basis by setting independence as the goal within a specified time limit.

But the British are aware that no matter how they turn they will always be wrong in the eyes of Arab nationalists, that they can stay where they are only as long as they are willing to be tough in defending their position with force.

The only chink in British defenses is uncertainty as to whether the Government in London will stand fast in the face of leftist and some-not-so-leftist disparagement of the Aden base or of the federation of feudal sultanates and emirates that serve as its outer buffer. No one is sure what the attitude of a Labor government might be.

The British are grieved also that they have not been able to persuade the United States to share their view of Mr. Nasser and the Yemeni Republic and the threat they constitute not only to British but to Western and more particularly to U.S. interests.

Mr. Khrushchev doesn't mind being used by Mr. Nasser; he is using Mr. Nasser. Who will come out ahead remains to be seen. Meanwhile Mr. Nasser's Arab nationalism can do much against their common enemy, the British in the Middle East, that neither the Communist Party nor Soviet diplomacy can do.

Indeed, Mr. Khrushchev's avid interest in getting the British out of their Aden base and other positions is one of the strongest arguments in the British view of sitting tight.

In addition, the Soviet image as projected by the Aswan Dam is of great value to the Soviet Union in the Middle East, Africa, and Asia. The dam is a symbol of what the Soviet Union wants to stand for in the eyes of the underdeveloped world. With his hand on the mighty dam, Mr. Khrushchev can face Asians and Africans and say: "What did the West ever do for you compared with this?"

And he can subtly evoke Mr. Dulles' tragic error.

It is also true that the Soviet Union wants to close the small penetration the Chinese Communists seem to have made in Syria and to make sure that no others are made. Hence, Premier Khrushchev's praise for President Nasser's halfway socialism, his assertion that every nation, presumably including Baathist Syria, can find its own way to socialism. The dogmatic Chinese could never endorse that.

The Nasser-Khrushchev offensive has been carefully orchestrated to hurt the British but spare the United States. For this there are several reasons. Mr. Khrushchev presumably would not like his Middle Eastern enterprise to interfere with his overall detente in relations with the United States. Mr. Nasser knows that the United States to a large extent feeds Egypt—a task the Soviet Union would not like to attempt—and has just rejected a bid by R. A. Butler, Britain's Foreign Secretary, to put pressure on Mr. Nasser by cutting off food. The United States is in any case less vulnerable than Britain because it has no territorial bases in the Middle East.

But the whole of the West, including the United States, is involved. Aden serves the military purposes of the North Atlantic Treaty Organization as well as of Britain. The oil of the Persian Gulf is United States and Western European oil as well as British.

For the United States, as Britain's principal ally, as Egypt's principal source of food and as the Soviet Union's principal antagonist in the world, the Nasser-Khrushchev campaign raises grave questions.

#### POLICY HAS FAILED

The old U.S. policy toward Mr. Nasser has completely failed. It has neither persuaded him to do certain things, like withdrawing his troops from Yemen, nor to refrain from doing others, like attacking the British in Aden. All U.S. initiatives toward solving the Yemen problem, whether directly or through the United Nations, have been frustrated by Mr. Nasser.

Should the United States, then, go on feeding Egypt? Would it not be opportune at least to cut down the flow? Should the United States go on not only recognizing but also economically assisting the Yemen Republic, which disregarded the pledge it gave at the time of recognition not to interfere in Aden territory? Is Mr. Nasser so much the wave of the future that the United States must appease him and his puppets at any cost and in spite of all provocations?

The tragedy of U.S. Middle Eastern policy is that it has never been either one thing or another. In dealing with Mr. Nasser, some experts hold, one either goes the way of building the Aswan Dam or one goes the way of the Suez campaign.

The United States has done neither. It has not helped Mr. Nasser enough to make him independent of Soviet help, nor has it opposed him sufficiently to destroy him.

#### A HIGH SCHOOL COUNSELOR LOOKS AT S. 2490

Mr. HARTKE. Mr. President, recently I invited the attention of the Senate to testimony on S. 2490, the Hartke college student assistance bill, by a college vocational guidance counselor, Mrs. Josephine Ferguson, of Valparaiso University. On the same day, also as a witness on behalf of the American Personnel and Guidance Association, the Education Subcommittee heard Miss Carolyn Steel, a high school counselor in Minneapolis. The association they represent is a supporter of the bill.

As one who deals directly with the students themselves as they are thinking about the possibilities and the problems of college education, Miss Steel cited specific cases from her own experience. Each of them in its own way was a most pointed illustration of the need for scholarships, loans, and work study aid which my bill provides. I should like to note the stories of two young people whose need she presented in some detail.

Judy, Miss Steel told the subcommittee, is a Minneapolis Negro girl who graduated last year in the top tenth of her class, was active in school organizations, and had good college capabilities. Her stepfather deserted Judy and her mother when she was nine; and they have existed to a large extent on Aid to Dependent Children funds, which of course ceased for Judy by the time of her graduation. Even though she received a \$250 scholarship, the cost of a year at the University of Minnesota, in spite of living at home, would be around \$700. Judy's aim is psychology or pre-law; but because of finances, she took a full-time job, and began this year with only one course in night school. Miss Steel summarizes:

She thinks that she will work another year and try to save some money and continue with night school. One can guess that she will give up her ideas of going into a field that takes 6 or 7 years and settle for something less. She probably will also find it hard to give up the security of a full time job for the financial insecurity that goes with full time attendance at college. Funds from S. 2490 might make Judy a full time college student and make another job open for someone else.

Allen took his first quarter last fall at the University of Minnesota Institute of Technology. With a high school standing in the top 15 percent and in the top quarter of college freshmen on aptitude tests, Allen wants to be an engineer. Two years ago, his stepfather lost his job in the Minnesota iron mines; he then relocated in Minneapolis, and last winter took on a second job in a filling station. The family wants Allen to go to college; but with four children and a low family income, Allen felt he had to go to work, to be able to pay for tuition and books; and his grades suffered. He dropped out for a quarter. Now he is discouraged, and is thinking of staying out for a full year. His stepfather felt unable to endorse a National Defense Education Act loan for Allen, and he was not eligible for other financial help. With the aid of S. 2490, he would have a much better chance.

These are only two cases, Mr. President, out of thousands which could be related by Miss Steel and other counselors. There is great need for aid to students faced with mounting college costs.

I sincerely hope S. 2490 will be favorably reported and favorably acted upon by the Senate.

#### RUSSIAN BUILDUP IN CUBA CONTINUES

Mr. DOMINICK. Mr. President, last week I had an opportunity to place into

the RECORD one or two articles which cast extreme doubt upon the claims of highly informed sources in the Department of Defense that Russian troops were removing themselves from Cuba.

I have recently received a letter and accompanying intelligence report from Cuban intelligence which would indicate that the Russians not only are not removing themselves from Cuba but they are, in fact, increasing their military buildup in that island.

The opening paragraph of this letter states:

Despite misleading statements to the effect that the Soviet Union has practically withdrawn all of its troops from Cuba, the fact is that the Russian military buildup continues on the island.

The intelligence report confirms this, insofar as Cuban intelligence is concerned, from sources within the island.

Let me make explicitly clear that the reports I am spreading on the RECORD are not from intelligence sources in the United States. They are reports from Cuban intelligence sources.

The report reveals what I believe will be of extreme interest to a number of Senators—namely, the specific locations of the build-ups in Cuba, including the underground and underwater submarine pens at the Bellamar Caves; and reference is made to the ability of Russian submarines to enter these caves without surfacing. Reference is also made to the degree of security maintained around what are alleged to be missile sites on the island.

This report should be of extreme interest to the United States as a whole. It bears upon the attitude of the Department of Defense and the information it has given out, and conclusively shows that Cuba is both a center for Communist subversion in Latin America and South America—as we have indicated—and a military menace not only to ourselves but to all the free world, by means of such strongly armed Communist fortifications.

Mr. President, I ask unanimous consent that this intelligence report be printed in the RECORD.

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

INTELLIGENCE REPORT ON CUBA SUBMITTED TO GEN. MAXWELL D. TAYLOR, CHAIRMAN OF THE JOINT CHIEFS OF STAFF, BY DR. NESTOR CARBONELL, JR., ATTORNEY AT LAW, LL.M. HARVARD 1958, WHO HAS SERVED AS SPECIAL REPRESENTATIVE OF CUBAN EXILE GROUPS TO THE ORGANIZATION OF AMERICAN STATES

(1) A high sense of duty, as a freedom-loving Cuban concerned over the fate of this hemisphere, prompts me to write you this letter in order to alert U.S. authorities to the new political and military fraud which the Soviet Union is attempting to perpetrate in the strategic island of Cuba.

(2) According to reliable reports received from diplomatic and underground sources in Cuba, Russia is pretending to withdraw all of its troops from Cuba, when in reality there are still more than 15,000 Soviet-bloc soldiers and technicians digging in deeper on the island. Notwithstanding the fact that there has been a reduction of Soviet-bloc military personnel since the October crisis, the bulk of the occupation forces still remains in Cuba.

(3) In order to give the impression of a massive evacuation of its military personnel, the Soviet Union has been "rotating" its troops and moving most of them from populous areas to secluded bases, many of which have underground facilities provided with special electrical and ventilation systems.

(4) The following are some of the bases, camps, and military installations where there are reportedly concentrations of Soviet-bloc soldiers and technicians. For the sake of brevity, I shall only refer to those located in the extreme provinces of Cuba; namely, Pinar del Rio and Oriente:

#### PINAR DEL RIO PROVINCE

San Julian airbase; "La Guatana" camp, near San Luis; "La Coloma" camp; underground installations in the area of Soroa; strategic installations in "Los Portales" — cave, located in "La Guira" farm, near San Diego de los Baños; the 12-mile long "Great Cavern of Santo Tomas," converted by the Russians into the military reserve warehouse of the western zone; strategic base, provided with underground silos for offensive missiles, in the area of "Suset" farm, between Artemisa and Cayajabos; Mariel naval base; general headquarters of the western zone located in la Gobernadora hills; Electronic Control Center in Blanquizar hills (also known as Anafe plateau) between Calmito del Guayabal and Guanajay, etc.

#### ORIENTE PROVINCE

Military camps in the area of Manati and Puerto Padre; Holguin airbase, provided with underground hangars and protected by a chain of camps and installations; strategic military zone, provided with underground silos for offensive missiles and submarine installations, in the coastal area of Cabo Lucrecia, Punta de Mulas and Banes; strategic bases of Mayari, Pinales de Mayari and Mayari Arriba; military installations between Baltony sugar mill and the naval base of Guantanamo; strategic base of Las Mercedes; military installations in "Potosi" farm, north of Victoria de las Tunas, etc.

(5) The Soviet Union not only keeps in Cuba the bulk of its forces, but also continues to increase or enlarge its strategic bases. In this connection, it is of interest to refer specifically to the famous Bellamar Caves, located north of Matanzas Province. These caves connected through newly built tunnels with Matanzas Bay, have been reinforced and converted into a submarine base, with adjacent underground fuel and arm depots.

(6) Matanzas Bay is so deep, that the submarines do not have to surface in order to reach the pens, which are provided with a special system of gates controlling the flow of water. The pens are finished, but we do not have, as yet, any evidence of Soviet submarines operating from this base.

(7) The military constructions in the area of the Bellamar Caves began more than 2 years ago. At that time, Cuban officials closed some of the galleries of the caves, alleging that they were being enlarged for tourist purposes. Security measures were later enforced under the pretext that gold deposits had been found in the excavations. In the final stage of the military constructions, Soviet specialized personnel replaced the Cuban engineers and workers. At present, most of the Bellamar Caves, as well as the adjacent tunnels and submarine installations, are under Soviet control.

(8) In connection with the submarine installations, it is of interest to refer to the May 1963 Interim Report on Cuba issued by the Senate Preparedness Subcommittee, which states that "advanced Soviet submarine bases could be established in Cuban ports with very little effort."

(9) The Bellamar complex is protected by a chain of military installations located in the mountains bordering on Yumuri Valley,

just by San Juan River; in Margot Mines, near the town of Cidra; in the quarries close to the town of Limonar; in the hills adjacent to Canimar River, and in Hicacos Peninsula. The electronic equipment covering this area are mainly concentrated in the mountains bordering on Yumuri Valley.

(10) I am submitting this report in the hope that it will merit a careful investigation. My sole interest is to collaborate with the authorities of this great country, committed by the congressional joint resolution of October 3, 1962, "to prevent in Cuba the creation or use of any externally supported military capability endangering the security of the United States," and "to work with the Organization of American States and with freedom-loving Cubans to support the aspirations of the Cuban people for self-determination."

NESTOR CARBONELL, JR.

MAY 1, 1964.

#### INACTIVE DEFENSE FACILITIES IN NEW YORK

Mr. KEATING. Mr. President, the Defense Department is now maintaining in the State of New York, or expects to continue to hold, 108,847 acres of land which is currently inactive or at this time is scheduled for inactive status; 108,052 acres are currently inactive, but the Defense Department has no plans for disposal of the land; 795 acres will be inactivated within the next few years; but the Defense Department indicates that it has no present plans for disposal of them and intends to keep them for possible Defense Department use.

In other words, Mr. President, a total of 108,847 acres of land in New York will shortly be held by the Defense Department, serving no Defense Department need that has yet been indicated, paying no taxes, and contributing no community services of any kind.

Mr. President, this is a substantial amount of land. In terms of the jobs that might be created on that land if defense facilities were operating there, it is a great deal. In terms of taxes that might be paid if privately held, it is a lot, also, I am urging the Defense Department to consider the possibilities for this property as soon as possible, so that New York can have either the jobs or the taxes that this land might offer. New Federal facilities on this land would be one way of saving the Government money and putting these unused properties to work again. I am also studying other methods of coping directly with the hardships caused by this retention of idle, untaxed land.

Mr. President, I ask unanimous consent to include in the Record, following my remarks, the text of the communication on this subject from the Defense Department.

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

OFFICE OF THE ASSISTANT  
SECRETARY OF DEFENSE,  
INSTALLATIONS AND LOGISTICS,  
Washington, D.C., May 14, 1964.

HON. KENNETH B. KEATING,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR KEATING: This is in reply to your letter of May 4, 1964, concerning the amount of land held by the Department of

Defense in the State of New York in an inactive status and for which no disposal plans have been made. In addition, you expressed interest in properties which have been scheduled for inactivation within the next 3 years but which are to be retained for other possible use.

The properties held by the Department of Defense in New York which are inactive but which are not at present the subject of disposal action are:

	Acres
Camp Drum, Watertown.....	107, 675
Camp Hero, Montauk Point.....	362
Auburn Ordnance Shell Plant, Auburn (leased).....	15
Total.....	108, 052

Defense properties in New York which were announced for closure but which are to be retained by the Department of Defense for other possible use are:

	Acres
Fort Slocum, New Rochelle.....	123
Fort Tilden, N.Y.....	312
Fort Totten, N.Y.....	147
Miller Field, Staten Island.....	213
Total.....	795

In connection with the Seneca Army Depot, this installation consisting of 10,688 acres of land is considered to be in an active status and, accordingly, is not included in the above list of inactive properties.

We trust this information will prove helpful. We shall be happy to furnish additional information on these properties if you so desire. Your interest in this matter and your continued support of our national defense efforts are greatly appreciated.

Sincerely yours,

EDWARD J. SHERIDAN,

Deputy Assistant Secretary of Defense  
(Properties and Installations).

#### THE STATE OF THE ECONOMY

Mr. LONG of Louisiana. Mr. President, when Congress passed the Revenue Act of 1964, the largest revenue bill ever to be passed by Congress, it provided for the largest tax reduction we shall probably see in our lifetimes; perhaps the largest to be made in many generations.

When the Revenue Act of 1964 was passed, many of us had high hopes that the fiscal policy then adopted would do much to continue the prosperity the Nation was enjoying; that it would avoid a recession that, in some respects, might have been regarded as overdue; that it would increase American production and American income; and that it would also help to solve our fiscal and monetary problems, including the problem of the outflow of gold from American reserves.

Since that time, the economic indicators and information coming to us from financial sources have demonstrated that the Nation is enjoying the type of increased employment and production that had been hoped for; that the trend is extremely favorable; and that we are experiencing the type of prosperity we had hoped would result from the revenue legislation.

All this speaks well for the fiscal policy of President Johnson and of the late President Kennedy, who initiated this proposal.

Mr. President, I ask unanimous consent to have printed at this point in the Record an article entitled "Trends Reverse Forecasts," written by Eliot Jane-

way, and published in the Evening Star of today, May 18, 1964; and an article entitled "Steel Output Best in Year."

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

[From the Washington (D.C.) Star,  
 May 18, 1964]

**AS JANEWAY VIEWS IT: TRENDS REVERSE FORECASTS**

(By Elliot Janeway)

**NEW YORK.**—Last autumn, the dollar was in trouble. Here and abroad, bankers were warning of a run on the dollar, and Washington was getting ready for a money squeeze.

There's no fear as infectious as fear for the value of money. Our bond market, which reflects confidence in money, was sick; and our stock market, which reflects confidence in the use to which money is put, was jittery.

By contrast, every currency on the continent of Europe looked strong, and the entire economy between the Iron Curtain and the English Channel looked rich. Because everything in Europe looked so rosy, while the outlook here was growing murky, money wanted to leave here and go there. This was making a bad situation worse. Specifically, it was making a weak dollar weaker still.

Veterans of market storms know that many big changes come as surprises—especially as political surprises which break the continuity of familiar economic ups and downs. Johnson's Presidency has brought us a major surprise of this kind. The change it has brought has certainly broken all continuity with 1963 market forecasts and performances.

**SEEKING HAVEN HERE**

For 1964 is seeing not the threatened run on the dollar but, instead, a flight to the dollar. Hard cash is pouring out of Europe and seeking a haven here. The financial history of 1964 is taking form as a reversal of the forecasts of 1963.

The way this big change is working out is as surprising as the change itself. When the dollar was weak, the word was that the beneficiary of money trouble here would be gold. And so it would have been, if only because the United States bulks so large in the world's consumption of hard goods. A money squeeze here would have curtailed our consumption and put the rest of the world on short rations. Commodities would have been worth less and, therefore, gold would have been worth more.

**HAVING MONEY WOES**

But Europe fits differently into the world economy. Now that she's having money trouble, while the dollar is strong again, gold is dead and gone as the market beneficiary of financial strain and retrenchment. Instead, its basic commodities, like copper and hides, that are going to a premium as the sicker currencies go to a discount.

The theory on which Europe is shipping money out and taking commodities in is simple and sensible. First of all, it respects the trendmaking role of the United States in world markets. The momentum of the business improvement here is feeding on the liquidity coming in from abroad. When business here is good, and the United States is an active buyer abroad, consumers in smaller economies must be prepared to bid up and to pay higher for their needs.

Fear of inflation is Europe's other motive for dumping paper money and accumulating hard goods. But no one there expects money trouble to undo the Americanization of consumption and of living standards. All that will happen is that commodity prices will rise as currencies depreciate.

Meanwhile, because we're doing so well should make us not smug but wary. Any time the flow of money here slackens or the strength of commodity prices falter, it will be a warning that we're stumbling again.

**STEEL OUTPUT BEST IN YEAR**

**CLEVELAND.**—Some of the slack in steel orders from automobile manufacturers is being taken up by rising demand from the construction industry, Steel magazine reports.

The metalworking weekly said steelmakers now expect June shipments to drop no more than 5 percent, compared with their forecast of a 10-percent dip a few weeks ago. Reasons for the revision, it added, include:

Automobile manufacturers have reduced steel buying less than anticipated.

Appliance makers and other producers of consumer durables are continuing to buy light, flatrolled steel products at a good rate.

Structural fabricators, railroad carbuilders, machinery manufacturers and shipbuilders are placing big orders for shapes and plates.

The magazine said steelmaking operations are at the highest level in 11 months, with this week's output expected to exceed the 2,492,000 tons produced last week.

"This month's production will be about 11 million tons, highest since May 1963," Steel said. "Next month's output may drop to 10.2 million tons, but it will boost the first half's total to 61.2 million tons—2 million more tons than in the first half of 1963."

Steel said market analysts predict a 10-percent drop in steel production and shipments for July, but expect the month's performance to be better than that during July of last year.

"The downturn in July will reflect sharply reduced automotive steel buying, model changeovers in the appliance industry and vacation shutdowns by other big steel-consuming industries," the publication said.

**NATIONAL COMMISSION ON FOOD MARKETING**

**Mr. HUMPHREY.** Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 967, Senate Joint Resolution 71.

The **ACTING PRESIDENT** pro tempore. The joint resolution will be stated by title, for the information of the Senate.

The **LEGISLATIVE CLERK.** A joint resolution (S.J. Res. 71) to establish a National Commission on Food Marketing to study the food industry from the farm to the consumer.

The **ACTING PRESIDENT** pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Commerce with an amendment on page 2, after line 4, to insert:

(b) The President shall designate a Chairman from among the members of the Commission.

At the beginning of line 7, to strike out "(b)" and insert "(c)"; at the beginning of line 10, to strike out "(c)" and insert "(d)"; in line 23, after the word "of", to strike out "subsistence" and insert "subsistence,"; on page 3, line 14, after the word "farming", to insert "and other food production"; on page 4, line 6, after the word "of", to strike out

"opinions." and insert "opinions pertinent to the study."; in line 8, after the word "is", to strike out "authorized—" and insert "authorized by majority vote—"; on page 5, line 15, after the word "to", to strike out "request" and insert "require"; in line 17, after the word "agency", to strike out "available"; in line 19, after the word "authorized", to insert "and directed"; on page 6, line 20, after the word "as", to strike out "it deems" and insert "are"; in line 21, to strike out "its business" and insert "business, except as otherwise provided"; after line 21, to strike out:

**SEC. 6. ADMINISTRATIVE ARRANGEMENTS.**—(a) The Chairman of the Commission is authorized, without regard to the civil service laws and regulations or the Classification Act of 1949, as amended, to appoint and fix the compensation of an executive director and such additional personnel as may be necessary to carry out the functions of the Commission, but no individual so appointed shall receive compensation in excess of the rate authorized for GS-18 under the Classification Act of 1949, as amended.

And, in lieu thereof, to insert:

**SEC. 6 ADMINISTRATIVE ARRANGEMENTS.**—(a) Without regard to the civil service laws and regulations or the Classification Act of 1949, as amended, the Chairman of the Commission is authorized to appoint and fix the compensation of an executive director, and the executive director, with the approval of the Chairman, is authorized to appoint and fix the compensation of such additional personnel as may be necessary to carry out the functions of the Commission, but no individual so appointed shall receive compensation in excess of the rate authorized for GS-18 under the Classification Act of 1949, as amended.

On page 8, line 10, after the word "payments", to strike out "(5 U.S.C. 46c)" and insert "(5 U.S.C. 46e)"; in line 14, after the word "the", to strike out "Commission:" and insert "Commission."; and, after the amendment just above stated, to strike out "Provided further, That the Commission shall not be required to prescribe such regulations."; so as to make the joint resolution read:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established a bipartisan National Commission on Food Marketing (hereinafter referred to as the "Commission").*

**SEC. 2. ORGANIZATION OF THE COMMISSION.**—(a) The Commission shall be composed of fifteen members, including (1) five Members of the Senate, to be appointed by the President of the Senate; (2) five Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives; and (3) five members to be appointed by the President from outside the Federal Government.

(b) The President shall designate a Chairman from among the members of the Commission.

(c) Any vacancy in the Commission shall not affect its powers and shall be filled in the same manner as the original position.

(d) Eight members of the Commission shall constitute a quorum.

**SEC. 3. COMPENSATION OF MEMBERS.**—(a) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence,