United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 89th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 28, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., quoted the verse of Scripture: Deuteronomy 33: 27: *The eternal God is thy refuge and underneath are the everlasting arms.*

Let us pray.

O Thou God of all grace and goodness may we be conscious of Thy presence and power as we endeavor to meet bravely life's stern duties and demands.

We penitently confess that our hearts are often cold and callous and we fail to have a keen sense of our social responsibility and a sincere interest in the welfare of needy humanity.

Grant that in the great adventure of building a better world we may know how to coordinate practical commonsense with lofty idealism.

May we be serenely confident that light will triumph over darkness and that the day is dawning when peace and good will shall be established upon this earth.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2. An act to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

S. 507. An act to authorize the Veterans' Administration to extend aid on account of defects in properties purchased with financing assistance under chapter 37, title 38, United States Code.

The message also announced that the President of the Senate, pursuant to Public Law 88-271, appointed Mr. JAVITS to be a member of the United States-Puerto Rico Commission on the Status of Puerto Rico, vice Mr. Keating.

COMPENSATION OF EMPLOYEES OF STANDING AND SELECT COMMITTEES

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up the resolution, House Resolution 146, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 146

Resolved, That there shall be paid out of the contingent fund of the House of Representatives such sums as may be necessary to pay the compensation for services performed during the thirty-day period beginning January 3, 1965, by each person (1) who, on January 2, 1965, was employed by any standing committee or any select committee of the Eighty-eighth Congress and whose salary was paid under authority of a House resolution adopted during the Eighty-eighth Congress, and (2) who is certified by the chairman of the appropriate committee as performing such services for such committee during such thirty-day period. Such compensation shall be paid such person at a rate not to exceed the rate he was receiving on January 2, 1965.

The resolution was agreed to.

A motion to reconsider was laid on the table.

WILLIAM McKINLEY, 25TH PRESIDENT OF THE UNITED STATES

The SPEAKER. The Chair recognizes the gentleman from Ohio [Mr. BETTS].

Mr. BETTS. Mr. Speaker, I would like to take this opportunity on behalf of and at the request of my colleagues, the gentleman from Ohio [Mr. BROWN], who is chairman of our Republican delegation in the House of Representatives as well as our colleague, the gentleman from Ohio [Mr. BOW], to announce that the carnations that we see our colleagues wearing today are being distributed out of respect for a great Ohioan, President McKinley. Each year on McKinley's birthday, which happens to be tomorrow, January 29, we have always seen to it that Members are given these carnations and usually some time is given to permit recognition of the great services of McKinley to our country. I may say that the Republican delegation from the State of Chio has seen to it that the carnations are here this morning. Of course, I do not mean to imply that this is done as a partisan gesture since we have always found a ready, willing, and hearty cooperation, I might say a bipartisan cooperation, in this yearly tribute to President McKinley.

We in Ohio are very proud of McKinley as a statesman, a soldier, a Member of Congress, a Governor, and as President. As a matter of fact, Mr. McKinley served with distinction in the House of Representatives for many years before becoming President. Here he assumed the high office of chairman of the Ways and Means Committee.

We are quite proud and happy to take this opportunity to call the attention of the House to the great services of Mr. McKinley to his country.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. BETTS. I am glad to yield to the distinguished majority leader.

Mr. ALBERT. Mr. Speaker, for myself and I am sure all Members on this side of the aisle, I wish to say we are always appreciative of this occasion which is made possible by our colleagues across the aisle from the great State of Ohio.

On this day we honor the memory of one of the great men in the history of the United States, a man who was tall among his fellows and who stands tall in the annals of our Republic.

The gentleman alluded, and I believe it in order to allude to it again, to the fact that President McKinley served for many years as a Member of this body. He served with great distinction as chairman of the great Committee on Ways and Means.

We are reminded now as the body of Sir Winston Churchill lies in state, of what was said by Members of the House of Commons the other day when they were paying tributes to him—that he was "of the House," meaning, of course, that his career had grown out of the House of Commons.

I believe it was the service of William McKinley in the House of Representatives which enabled him to prove his stature, and from this service he became not only a President but one of the great Presidents of our country—a martyred President, a beloved President, a loyal and patriotic American who fought for his country, a statesman of tremendous vision and breadth. While he is sometimes referred to as one of the more conservative Presidents, I believe it can be truly said that he was really a progressive President in that he worked for those things which helped to make America great and prosperous.

I join my colleagues from Ohio in this tribute to a great former Member of the House, a great President of the United States, and a great American who served his day and generation well.

Mr. BETTS. I thank the gentleman for his generous remarks and also for associating the life of President McKinley with the life of Winston Churchill, to whom we are also paying tribute at this time.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Mr. Speaker, I might add that the gentleman from Ohio [Mr. Bow] has always taken an interest in these occasions, because President McKinley represented the district in Congress which the gentleman today represents.

GENERAL LEAVE TO EXTEND

Mr. BETTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life and service of former President McKinley.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PRESIDENTIAL DISABILITY

Mr. ROUSH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROUSH. Mr. Speaker, within the past week our attention has been called again to the need for a clearly established policy relating to Presidential disability.

All of us are most gratified by the prompt recovery of President Johnson from his minor illness. But this should not minimize the importance or the urgency of the issue.

The danger inherent in our failure to make this necessary revision to the Constitution are known to all of us. Even when the oceans provided buffers of time and space the need existed. The passage of the years has only served to emphasize this need.

At the same time we make this revision we can also make certain the office of Vice President will be promptly filled if any vacancy should occur in the future. During the past two decades this office has been vacant for 5 years. During the history of our Nation the office has been vacant on 16 different occasions totaling more than 37 years.

If we act promptly on this matter it is possible this most necessary amendment to our Constitution could be effected within this year. Forty-seven of our State legislatures are either in session or will be in session during 1965. I am certain the members of those legislative bodies also are aware of the urgency of the issue.

If there are those who do not believe there is a need for such an amendment they have been silent. And I am certain those who share the belief there is such a need are in a great majority.

The problem is recognized. The solution is clear. Action is demanded. The time to act is upon us.

LONG ISLAND'S CHALLENGE—FROM ARSENAL OF DEFENSE TO ARSENAL OF PEACE

Mr. WOLFF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Speaker—

> The vast defense industry in this Nation is a creature of conscious Government policy. Nowhere in Government at the present time do we have an agency with the mandate and the resources adequate to insure defense-oriented communities and individuals' alternative economic opportunities.

Those were the opening remarks of Senator GEORGE MCGOVERN, Democrat, from South Dakota, made in 1964 in defense of the Economic Conversion Commission, May 1964. I concur with the statements; however, let us review briefly some obvious facts. Long Island has recently been confronted with some very serious economic problems, primarily as a result of a marked reduction in defense spending in our area. Just recently—October 4, 1964—the New York Times reported that Dr. Seymour Melman, of Columbia University, a serious student of the problems of economic conversion, made the estimate that approximately 71,000 workers are employed in defense-related industries located in Nassau and Suffolk Counties. When compared to total manufacturing employment in these two counties, this means that more than 50 percent of total manufacturing force in Long Island is employed in defense-related activities. Based on this fact alone, it must be recognized that even a minor cutback in defense activity in Long Island can have major effect upon the economy.

Following my election to Congress, I immediately began to study this problem in great detail. Moreover, in the process, I have done everything within my power to find out what the Government is doing to alleviate the situation. Unfortunately, I must say at the outset that my investigation to date has shown that the Federal Government to date has not made any major attempt at setting up a comprehensive program to deal with this very pressing national problem in a truly effective manner.

During the course of my investigation, I found only one organization in the Federal Government which is devoting its entire attention to the problem. This organization, known as the Office of Economic Adjustment, was established by Secretary McNamara in 1961 for the purpose of assisting those communities throughout the United States which have been adversely affected by the Defense Department's decision to eliminate or reduce activities at installations located in those areas. Since it operates with a staff of only eight people, and since most of its activities have been devoted to problems associated with the closing of installations rather than problems associated with reduced defense business, you can well see that this organization alone cannot begin to coordinate a comprehensive national program for economic conversion. I might add, however, that the Office of Economic Adjustment, with its limited resources, has done an outstanding job in the area in which it has devoted most of its attention.

In addition to the activities of this organization, President Johnson in December of 1963 did establish a study group known as the Committee on the Economic Impact of Defense and Disarmament. This Committee is composed of representatives of the Defense Department, NASA, the Atomic Energy Commission, the Office of Emergency Planning, the Arms Control and Disarmament Agency, the Department of Labor, Budget Bureau, the Council of Economic Advisers, and the Department of Commerce. When he established this body, the President stated:

> The Committee will be responsible for the review and coordination of activities in the various departments and agencies designed to improve our understanding of the economic impact of defense expenditures and of changes either in the composition or in the total level of such expenditures.

In June of last year, Gardner Ackley, presently the Chairman of the President's Council of Economic Advisers, and also Chairman of this Committee was already in the process of conducting several studies related to the problem of economic conversion and he hoped that the findings of these studies would be forthcoming in the near future. Unfortunately, to date, we have heard very little from this Committee. And, moreover, after careful study of the activities of the Committee, it is evident that this body, too, because of limited staff and the lack of funds, has more responsibilities than it can possibly handle effectively.

It is apparent to me and to many other colleagues in both the House and the Senate, that it is imperative that the Federal Government promptly initiate a highly efficient and comprehensive program for economic conversion and that Congress must act on this matter at the earliest possible date.

In this connection, 29 Members of the House and 15 Members of the Senate cosponsored legislation in the last Congress which called for the immediate establishment of the National Economic Conversion Commission which would be composed of the heads of the nine governmental agencies having a direct interest in conversion problems. The legislative proposal would seek to fulfill three objectives:

First. The Commission is to institute a comprehensive study of the appropriate policies and programs to be carried out by the departments and agencies of the Federal Government to facilitate conversion. The findings of this study in turn should be submitted to Congress and the President within 1 year after the enactment of said legislation.

Second. The Commission shall consult the various State Governors and all interested local officials on the subject of conversion and shall convene a National Conference on Industrial Conversion and Growth within a year after the enactment of the act. In short, this Conference should consider the problems arising from a conversion to a civilian economy, and encourage appropriate planning and programing by all sectors of

the economy to facilitate the Nation's economic conversion capability.

Third. And finally, this act would provide that all defense contractors, who have more than 25 percent of their employees engaged in work under any defense contract, must establish an industrial conversion committee. Such a committee shall be charged with planning for conversion to civilian work arising from a possible curtailment or termination of such contracts or grants.

Shortly after its introduction, the administration stated that, although it subscribed to the overall objective of the legislation, such legislation was unnecessary at this time since, in its opinion, the President's Committee on the Impact of Defense and Disarmament was already fulfilling the major purpose of this proposal.

That this type of activity is necessary is indicated by the fact that many small and large defense firms are already finding it very difficult to convert to civilian activities or find additional defense business, most of the major defense contractors have failed to take the initiative in the way of long-range planning for conversion, and thousands of highly trained and skilled workers recently laid off by defense firms are having such difficulty in finding work commensurate with their abilities.

Although convinced that the Federal Government can be of great assistance to Long Island in dealing with our problem of economic conversion or economic adjustment to reduced defense spending, we must realize that it is up to the community itself to shoulder some of this responsibility. It must work diligently to attract an increase in Federal business and in private business as well.

In doing so, it must certainly engage in some long-range planning. It should seek to attract many more new industries—especially those which are rapid growth industries—through an aggressive program of industrial development. Another solution may be in the development and expansion of the export possibilities. American know-how and American labor have proven they have relatively few equals in the area of skilled technology and mass productivity. Our efforts are imitated but rarely equaled by other nations quick to realize the potential growth possibilities of these products. As an advocate of substitution of foreign trade for foreign aid, our energies could thus be channeled to the transition from the arsenal of democracy in war to the arsenal of democracy in peace.

I am happy to learn that my suggestion of a trade mission in Long Island to promote our wares in the international field has been taken up by the Long Island Association. This is a much needed effort. As this is a plan I set forth during the recent campaign, I can assure the industry and the Long Island Association of the complete support of the U.S. Department of Commerce in assisting its implementation. I applaud the initiative of the Long Island Association in setting up this program. It is this type of aggressive private enterprise activity coupled with a helping hand from Federal authorities and aggressive leadership evidenced by our county executive, Eugene Nickerson, that will reverse the down trend in Nassau and other affected areas and bring increased business and return to use the economic climate that has made Nassau, America's fastest growing business community.

I hasten to report that industry is still moving into our area at a record rate. As the Area Development Council of Long Island Association reported last November, for the fifth consecutive year more than 100 firms have built new plants or purchased new sites for plant construction in our area. For the 12-month period ending with October 1, 1964, 156 companies opened new manufacturing facilities in Nassau and Suffolk and 118 firms expanded in their present locations or moved to larger quarters in the area. Altogether they represent 58 different industrial categories.

Therefore, in light of these and many other encouraging developments, it seems that we have now come to grips with the problems confronting us, and it is now my hope that the future will show that the current period of economic change is just a temporary interruption in the long-term growth of the Long Island economy. I am confident that the Federal Government will become an increasingly effective partner in this endeavor.

ASSIGNMENT OF MEMBERS OF COMMITTEE ON APPROPRIATIONS TO VARIOUS SUBCOMMITTEES THEREOF

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, I take this time to inform the House of the assignment of members of the Committee on Appropriations to the various subcommittees. The assignments are as follows:

Subcommittee on Agriculture: Messrs. Whitten, Natcher, Hull, Morris, Michel, Langen.

Subcommittee on Defense: Messrs. Mahon, Sikes, Whitten, George W. Andrews, Flood, Thomas, Lipscomb, Laird, Minshall.

Subcommittee on the District of Columbia: Messrs. Natcher, Giaimo, Smith of Iowa, McFall, Davis of Wisconsin, McDade.

Subcommittee on Foreign Operations: Messrs. Passman, Rooney of New York, Natcher, Hansen of Washington, Cohelan, Long of Maryland, Shriver, Conte, Andrews of North Dakota.

Subcommittee on Independent Offices: Messrs. Thomas, Evins of Tennessee, Boland, Shipley, Giaimo, Jonas, Minshall, Rhodes of Arizona.

Subcommittee on the Interior: Messrs. Denton, Kirwan, Hansen of Washington, Marsh, Reifel, McDade.

Subcommittee on Labor, Health, Education, and Welfare: Messrs. Fogarty, Denton, Flood, Matthews, Duncan of Oregon, Farnum, Laird, Michel, Shriver.

Subcommittee on the Legislative: Messrs. George W. Andrews, Steed, Kirwan, Slack, Flynt, Langen, Reifel.

Subcommittee on Military Construction: Messrs. Sikes, McFall, Patten, Long of Maryland, Cederberg, Jonas.

Subcommittee on Public Works: Messrs. Kirwan, Fogarty, Evins of Tennessee, Boland, Whitten, Rhodes of Arizona, Davis of Wisconsin, Robison.

Subcommittee on State, Justice, Commerce, and Judiciary: Messrs. Rooney of New York, Sikes, Slack, Smith of Iowa, Flynt, Joelson, Bow, Lipscomb, Cederberg.

Subcommittee on Treasury-Post Office: Messrs. Steed, Passman, Addabbo, Cohelan, Yates, Conte, Robison.

MEDICAL CARE FOR THE AGED

Mr. HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, I have today introduced a bill to provide comprehensive medical, surgical, and hospital benefits for all citizens age 65 and over, to be administered by private insurance carriers, and financed by Federal-State funds, on a matching basis.

This bill, identical to the bipartisan measures submitted yesterday by the gentleman from Missouri, Representative TOM CURTIS, and the gentleman from Florida, Representative SIDNEY HERLONG, of the House Ways and Means Committee, provides for a sliding scale of Federal-State subsidies, depending on the individual States and on each individual's income bracket. For persons under a minimum established by each State, Federal and State funds would pay the entire cost of the premiums, with partial payment for those with middle incomes, and the privilege to purchase at the reduced group rate for all others.

The bill would provide comprehensive health-care benefits tailored to individual need, rather than the limited hospital benefits under the King-Anderson bill, which represents only a fraction of total medical costs.

I believe it is a reasonable approach to the problems which all agree exist. The bill also includes special tax incentives included in previous legislation to permit deductions of medical costs by persons who contribute such help, regardless of the degree of dependency. I believe good legislation can be developed through compromise so long as basic principles are not abandoned.

A key provision of my bill is that it would dispense with the so-called means test now required by State welfare departments under the Kerr-Mills law, and would require, instead, only a simple certificate of income by the recipient. The bill would provide complete protection for senior citizens against the severe costs

of catastrophic illness, a protection not afforded under the King-Anderson bill, which covers only a specified number of days in the hospital.

A comparison of the King-Anderson and the Hall bills is attached:

COMPARISON OF KING-ANDERSON BILL AND HALL BILL FOR HEALTH CARE

KING-ANDERSON BILL	HALL BILL
General description	
Compulsory Federal Program	Voluntary Federal-State Program
Establishes a compulsory payroll tax under social security to furnish limited (hospital and minimal "extended care") benefits to all persons 65 and over, who are eligible to receive social security, and certain other select groups among the aged.	Establishes comprehensive medical, surgical and hospital benefits under State's administration for all citizens over 65, with voluntary, private insurance—sliding scale of Federal-State subsidies, depending on income. For persons with income under State-set minimum, Federal and State funds would pay entire cost of insurance, partial subsidies for those with middle incomes, and "privilege" to "purchase" for all others.
Scope of benefits	
Quarter Coverage	Full Coverage
Inpatient hospital care limited to 60 days per benefit period, and subject to deductible of an amount equal to one day's hospital charges.	Comprehensive health care benefits rather than the limited benefits under King-Anderson, which represents only a fraction of total medical costs. Benefits could include not only payment of hospital and nursing home charges, but also payment of medical, surgical, drug, and other costs. No limit to duration of coverage, thus providing protection against catastrophic illness.
Post hospital "extended care" (skilled nursing facility services) only up to 60 days in a benefit period after transfer from a hospital, provided the institution can meet standards set by HEW.	No such limitation.
"Home health services," up to 240 visits a year—if there is a Visiting Nurses Association available. (Presently existent in only one-eighth of the counties of the United States.)	
"Outpatient diagnostic services," subject to a deductible each 30-day period.	No such limitation.
Institutional benefits limited to those with "agreement" with HEW.	No such limitation.
Omitted are surgical-care, physicians—care in home or office, drugs and medicine, outside the hospital, most nursing home care and private nursing duty.	No such limitation.
Who is eligible for benefits?	
All persons who are age 65 or over and are eligible to receive social security or Railroad Retirement benefits.	Eligibility for benefits determined quickly and readily without need for welfare department type of "investigation." Determined on basis of applicant's simple income statement.
All persons not insured under social security or Railroad Retirement who either: (a) have reached age 65 before 1968; or (b) have reached age 65 after 1967 if they have three quarters of coverage for each year elapsing after 1965 and before the year they reach age 65.	
Who administers it?	
Federal	Federal-States
Through the Social Security Administration.	Through established private insurance carriers (Blues and commercials) by utilizing them for administration.
How is it financed?	
Tax Increase to Worker, Employer, and Self-Employed	Federal General Funds Matched by State Funds (Federal range, 52.5 to 84 Percent)
Increases tax rate on employers and employees and self-employed. Wage base, now $4,800, would be increased to $5,600. Total FICA tax rises to 8.5 percent in 1966–67; 10 percent in 1968–70; 10.4 percent in 1971 and after. For self-employed, rises to 7.8 percent by 1971.	Persons over 65 would purchase wide range of medical, surgical, and hospital benefits through private insurance carriers. They would pay all, part, or none of the premium costs, depending on income as determined by State plan.
How much will it cost?	
First year $2 billion; more thereafter.	Would depend on State's utilization, but far less than King-Anderson, even if fully used.
Medical personnel participation	
Involuntary Servitude (13th Amendment, U.S. Constitution)	Voluntary Participation
Would require some 55,000 doctors (anesthesiologists, physiatrists and X-ray specialists) whose services are included in hospital billing to accept Government-determined "fee schedule."	Participation by medical personnel voluntary, with doctor having option of agreeing to schedule established by each State . . . similar to Federal negotiations with physicians to provide medical care for dependents of servicemen.
Changes in tax code	
None.	Greater Deductions for Medical Expenses
	Permits tax deductions for prepaid health insurance to become effective after age 65.
	Permits tax deductions for any individual who contributes to medical expenses of a person over age 65, regardless of the amount of support received by such individual from such taxpayer.

CLOSING OF VETERANS' ADMINISTRATION FACILITIES

Mr. ADAIR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ADAIR. Mr. Speaker, as you know, the administration recently announced their intention of closing 11 Veterans' Administration hospitals and 4 domiciliaries involving approximately 6,000 beds. Despite protests from many of my colleagues in the House and Senate and despite the announced intention of the distinguished chairman of the Committee on Veterans' Affairs to hold hearings to determine the propriety of the closing order, the Veterans' Administration is proceeding with great haste to effect the hospital closings at the earliest possible date. To prevent such precipitous action until this body has had an opportunity to look into the matter, I have today introduced a resolution expressing the sense of the House of Representatives that none of the Veterans' Administration hospitals and domiciliaries should be closed until the Committee on Veterans' Affairs has completed hearings and reached a determination as to whether the proposed closings are in the best interest of this Nation and its veterans. I sincerely urge my colleagues on both sides of the political aisle to support this nonpartisan resolution.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield to the distinguished minority whip.

Mr. ARENDS. Mr. Speaker, I commend the gentleman on what he is trying to do within his Committee on Veterans' Affairs. I think the gentleman

has taken the most effective step that can be taken under the circumstances confronting us. He seeks to give an opportunity for Members of Congress to be heard before his committee to present our position on this matter, in order that we might call attention to those in the administration who are closing these facilities to the detriment that would eventually occur to the veteran populations throughout the areas affected. To say the least, we in Congress who speak for the people should have a right to be heard before such far-reaching action as this is taken.

Mr. Speaker, again I say I appreciate what the gentleman is doing, and I hope the committee will take expeditious action.

Mr. ADAIR. I thank the gentleman.

VETERANS' ADMINISTRATION UNWARRANTED CLOSING OF VETERANS HOSPITALS

Mr. FINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, I join in support of the resolution offered by the gentleman from Indiana [Mr. ADAIR].

I, too, strongly protest the unwarranted and unfair decision of the Veterans' Administration to close 11 veterans hospitals throughout the country.

It seems to me that this is an inappropriate time to close these marginal hospitals.

To my mind, the closing of these hospitals would work a tremendous hardship to our veterans and their families.

We must bear in mind that our 22 million veterans are advancing in age and, if anything, will need even more hospital facilities in coming years.

The $23 million to be saved is not nearly enough to justify the hardship imposed.

It should be crystal clear that our veterans are the last people who should bear the brunt of economy drives. We are doing little enough for our veteran population as it is.

I urge the adoption of the Adair resolution which proposes to stay the closing of any hospital until our Veterans' Affairs Committee, of which I am a member, has had an opportunity to hold hearings that will bring these unjustifiable plans under the cold glare of public scrutiny.

CONGRESSIONAL MOONLIGHTING

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, when the pay increase bill kiting the salaries of Members of Congress to $30,000 a year was being considered there were long and loud arguments that it was necessary if moonlighting on the part of Members was to be stopped.

This morning I read the statement of a Member of the House, who, although now drawing $30,000 a year, is an active member of a law firm which apparently is doing a thriving business representing corporations which are also doing a thriving business on Government contracts.

It appears, Mr. Speaker, that congressional moonlighting will go on no matter what the salaries of some Members and the costs to the taxpayers.

It appears to be the old, old story of "them that has gits. Them as has not gits not."

TO STIMULATE INVESTMENT INTO NEW ENTERPRISE

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS. Mr. Speaker, at the present time, under section 212 of the Internal Revenue Code a loss is deductible for amounts spent in searching out and investigating a potential business or investment only where the taxpayer has entered into the transaction under contemplation and the loss has resulted from the abandonment of the project. This interpretation of the section came into prominence in 1957 in the Internal Revenue Service's Revenue Ruling 57–418.

Prior to 1957, the expenditures for preliminary investigations of business or investment opportunities were allowed as deductions even though the taxpayer did not, eventually, enter the transaction. I have today offered a bill which would in effect overrule Revenue Ruling 57–418 and reinstate the earlier rule as set out above.

The basis of this amendment is to encourage taxpayers to investigate new ventures and investments. Requiring that a taxpayer materially commit himself to the development of a particular undertaking before the expenses of investigating it in order to weigh its possibilities are allowed as a tax deduction limits the scope of ventures into which careful and responsible taxpayers will look for possible development and this, in turn, limits the development potential of our economy.

Living as we do in a period of rapid technological change and innovation, I feel it is wiser for us to stimulate the activities of those who would move us into new fields by exploring their economic possibilities than to hobble their efforts to help America move forward.

TAX CREDIT TO ENCOURAGE BASIC RESEARCH

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS. Mr. Speaker, in 1957, the National Science Foundation, in a report to the President, indicated that America's basic research efforts must be substantially increased. Progress in the modern world is intimately linked to the efforts of basic research and to maintain America's scientific and industrial preeminence we must encourage basic scientific research in this country.

To this end, I have today reintroduced legislation which would permit tax credits to individuals and corporations for their contributions to basic research. For individuals, contributions to universities or nonprofit organizations for basic research would be treated as a credit against taxes. By the provisions of the bill, the individual taxpayer could claim 90 percent of his contribution as a credit against his tax liability, up to a total of 5 percent of that liability. For businesses which undertake basic research, there would be a credit of 75 percent of the contribution made up to a total of 3 percent of the tax liability.

The control of the incidence of the tax burden has proven to be an effective way to encourage certain activities and discourage others. What it does, in effect, is tell the individual or corporate taxpayer, "We will not order you to make certain expenditures and not others, for this is the legitimate area of personal choice; the disposition of your funds is in your hands alone. We will, however, recognize expenditures which contribute to the general welfare, we will encourage better exercise of your right to do with your funds as you see fit, and we will do this by making the amounts so spent or some part of them free from taxation." The legitimate right of choice remains with the taxpayer, both in the question of how to spend his money and its exact distribution among the competing areas of basic research.

Such a system would be, in my estimation, far preferable to a program by which the Federal Government would underwrite these costs. Guarantees of the good faith of the research expenditures would be left in the hands of the universities and nonprofit organizations where they are involved and in the hands of a certifying board of scientists where corporations are concerned. This bill would foster our national progress in the context of individual freedom which has been so important to our growth in the past.

TAX DEDUCTION FOR PAYMENT OF PARENTS MEDICAL EXPENSES

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS. Mr. Speaker, yesterday, I introduced a bill which would allow

States to bargain with private health insurance carriers for a benefit package that would be available to all the elderly over 65. I have entitled that bill the Eldercare Act of 1965, and I hope that it will be favorably acted upon by the Ways and Means Committee.

That bill also had a feature in it which would allow those under 65 to take a tax deduction for the amount paid in premiums on noncancelable health insurance which would continue in effect after retirement of the individual.

The bill that I am introducing today is an extension of the two principles above. This bill would offer a tax break for those who bear the medical expenses of their parents, when those costs are over and above the amounts available under the Kerr-Mills vendor payment plan, or even when the costs are over the benefit amounts that would be borne by a statewide health insurance plan such as I envisage in the eldercare bill. At present, we have some provision for the deduction of costs when a parent is an actual dependent upon the taxpayer, and this has been extended by giving broader interpretation to dependency than is normal. This has also been liberalized with respect to the 3-percent limitation which exists for regular medical deductions.

My proposal today would further extend the group of taxpayers who might benefit by the deduction when they have paid their parents' medical costs. Now the law covers those situations of actual dependency under the tax laws—where a taxpayer may take his dependent parent as an exemption on his personal income tax—and dependency but for the $600 income limitation—where a taxpayer pays over half of his parent's expenses but cannot take the parent as an exemption due to the fact that the parent has an income of more than $600. Under my bill, a deduction would be allowed when a taxpayer underwrites the medical expenses of his parents who would be eligible for assistance under the medical assistance to the aged provision of the Kerr-Mills Act.

Under Kerr-Mills, help is given through a State-Federal program to those elderly who, although able to meet their normal day-to-day expenses out of their retirement income, cannot stand up to a large medical expense. Aid is given in this one area where it is needed and the individual is not called upon to face the cruel choice of going without help which is needed or, by accepting it, losing entirely his former way of life. Kerr-Mills is a liberalizing step in the welfare field, and by coordinating with this law a tax deduction for the assistance of this same elderly group, another significant step can be taken to alleviate the real problem which exists in the financing of health care for America's senior citizens.

It might be in order at this time briefly to review the progress that has been made in this important area of public interest. The starting point for an examination of the cost problem in health care is an understanding of the dramatic, and costly, progress which has been made in the health sciences. Many of the diseases which were looked upon with dread in the last century and even in the earlier years of this century are no longer a threat in this country. Years have been added to the life expectancy of Americans, 10 to 15 years in the time since those of my age were born. Miracle drugs and miracle cures are commonplace now; no aspect of our health sciences has been without progress of the most awe-inspiring kind. But, as I have noted, progress in the health sciences costs a great deal, just as progress in any field is costly. Much of our present problem resolves around the increased cost of our modern medical care, especially to the elderly who have a greater health care burden than other age groups, and the fact that extra years have been added onto the lives of all of our citizens, years which were not expected and for which no financing plans had been made.

Progress has been made, as well, in the procedures for financing health care costs, but this progress is only now catching up with the costs of health science advances. We have but recently seen tremendous strides forward in health insurance, and these are continuing as the scope and quality of coverage improves. Special plans for the elderly, including noncancelable and prepaid policies and catastrophic illness coverage, are now available. State legislatures in a number of States have given permission to the insurance companies operating within the State to band together, spreading the risks of providing health insurance for the elderly and enabling insurance protection to be made available to the elderly at more reasonable rates. The Blue Cross-Blue Shield plans of various States have also taken steps to provide special low-cost coverage to the elderly. Health insurance is growing in popularity and companies are offering an ever-increasing number of policies allowing a wide range of choice and permitting the individual to find the coverage which best suits his needs.

In the public sector we have been moving ahead also. In older days the form of welfare which society provided its indigents was the county poor farm. Great strides were made in welfare by the initiation of old-age assistance which allowed the individual to remain in his community although a great deal of the control of his life passed into the hands of welfare workers who budgeted the money which he received. The OASDI approach in social security represents another step forward. Here the individual receives aid but is allowed, nonetheless, to control his own life and budget his income as he sees fit. Kerr-Mills, as I have noted, moves us forward again, providing needed aid in the health care sector of the individual's life without disturbing his everyday life outside of this sector.

But welfare is not the only area in which the Government has worked to help provide for the medical needs of the elderly. We, through our Federal Government, assist in the construction of health care facilities; hospitals under the Hill-Burton program, and nursing homes through the FHA loan guarantee program. I am proud to say that I sponsored the legislation which made FHA assistance possible for nursing homes. We assist in the training of personnel in the health sciences and the related technical fields through the National Defense Education Act and through the Practical Nurse Training Act, whose extension I cosponsored. Through our tax structure we encourage gifts to medical charities by making such gifts deductible; we permit corporations to deduct the cost of health benefits provided under employee pension plans, an amendment to the pension sections of the Internal Revenue Code which I sponsored in the last Congress; we permit, as noted above, the deduction of some of a taxpayer's parents' medical expenses paid by the taxpayer.

This is not an exhaustive statement of what we have done in our society, both through the Government and through private initiative, to help meet the problem of medical costs for our elderly. This is a dynamic area, with progress and innovation the norm. We have not achieved a final solution in this area, but we have made substantial and meaningful progress and we are continuing to do so. I believe that the proposal which I have offered today is another beneficial change that will help in reaching the goal which we all desire, that of assuring that our elderly, and indeed all of our people, can enjoy the full benefits of the unparalleled medical care available in our society.

CARDINAL-DESIGNATE LAWRENCE JOSEPH SHEHAN, ARCHBISHOP OF BALTIMORE

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. LONG of Maryland. Mr. Speaker, a great honor has been bestowed on the United States and the State of Maryland by the designation of Lawrence Joseph Shehan, archbishop of Baltimore, as a cardinal of the Roman Catholic Church.

Cardinal-designate Shehan is the only American bishop among the 27 new Cardinals named by Pope Paul VI. In accepting the honor, Archbishop Shehan stated this honor was given him chiefly because the two major goals of his life have been Christian unity and racial justice. He said to the press:

> The Pope and the whole church are interested in racial justice.

Since 1961, Cardinal-designate Shehan has been head of the Baltimore archdiocese, the first bishopric established in the United States by the Vatican. In the 4 years of his leadership in the archdiocese, he established the Commission on Christian Unity, the first of its kind in the United States, and issued a pastoral letter condemning racial segregation and prejudice in his archdiocese.

The first Bishop of Baltimore was Bishop John Carroll, cousin of John Carroll, of Carrollton, signer of the Declara-

tion of Independence. Bishop Carroll was founder of Georgetown University. The archdiocese of Baltimore has had one other cardinal, James Cardinal Gibbons, the friend of labor in the years when the labor unions were coming into existence in our country. Cardinal-designate Shehan has already proved himself a worthy successor of his distinguished predecessors in the see of Baltimore.

Cardinal-designate Shehan is a native of Baltimore and belonged to the same parish to which James Cardinal Gibbons belonged in his boyhood. He is a graduate of St. Charles Seminary, in Catonsville, and received his theological training at the elite North American College in Rome. While Washington was still part of the Baltimore diocese, he became assistant pastor of St. Patrick's Church in the Nation's Capital and spent 18 years there. He was also director of Catholic Charities.

Marylanders are proud of the elevation of this distinguished clergyman to the College of Cardinals. We congratulate him, and we wish him long and fruitful years in the service of God and country.

LEGISLATIVE PROGRAM FOR THE BALANCE OF THE WEEK AND THE WEEK OF FEBRUARY 1, 1965

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I have requested this time in order to ask the majority leader if he can give the Members any information as to what we might expect, if anything, next week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Oklahoma; yes.

Mr. ALBERT. We are not in a position as yet to announce whether there will be any legislative business next week.

We have no further legislative business this week, and it will be my purpose to ask unanimous consent to go over until Monday.

We do have yet pending the economic report and I believe one other report from the White House.

Mr. ARENDS. Should something unexpectedly develop the gentleman will give the Members as much advance notice of such as possible?

Mr. ALBERT. We will give as much advance notice as possible.

Mr. ARENDS. I thank the gentleman from Oklahoma.

ADJOURNMENT OVER TO MONDAY, FEBRUARY 1, 1965

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

BAN ON COMMODITY SHIPMENTS TO THE UNITED ARAB REPUBLIC

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BINGHAM. Mr. Speaker, last Monday, January 25, the day before the House voted a ban on commodity shipments to the United Arab Republic, I prepared the following open letter to the Secretary of State:

JANUARY 25, 1965.

Hon. DEAN RUSK,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: This letter is to express the hope, which I know is strongly shared by a very large number—probably the majority—of my constituents, that no further aid of a type which can be translated into resources for external aggression and adventurism should be extended to the United Arab Republic so long as it pursues its present policies.

I have reached this conclusion after a great deal of thought and not without difficulty. At the time that I was Deputy Administrator of the Technical Cooperation Administration (point 4), I frequently had occasion to argue with representatives of the State Department that assistance for underdeveloped countries should not be given nor withheld for political reasons. I still believe that, in most cases, the purpose and objective of our development assistance programs should be economic and social, rather than political; that is, that we should attempt to assist developing countries to solve their economic and social problems, both because, as President Kennedy said, it is "right" to do so and because we believe that nations that are making progress economically and socially will tend to be better neighbors in an ever shrinking world, and specifically will cling to their independence and freedom against the false temptations of communism. All of us who have taken part in aid programs know that a country cannot buy the friendship of other countries with aid, and that it is better not to try.

Alongside these general principles, however, there are certain other factors which have entered into the formulation of our aid program and, I believe, quite properly so. In the last decade or more, we have directed the great bulk of our aid funds to certain countries whose survival and progress we have considered to be of a special strategic and political importance. We have not considered extending aid to countries, however underdeveloped, which have consistently proclaimed and followed a policy of hostility to us and our friends, such as Communist China, Albania, and Cuba. We have, on the other hand, largely for political reasons, extended certain types of aid to Communist countries, such as Poland and Yugoslavia, who were not acting toward us in a hostile way and who we felt could be encouraged to follow policies divergent from the Soviet Union. We have cut down to a mere trickle our assistance to a country such as Indonesia, which has consistently followed policies adverse to our own and injurious to the security of its area. Accordingly, much as ideally we should like to say that our aid is nonpolitical in nature, we must in all honesty recognize that in many cases (probably the majority, dollarwise) it is not.

Our aid to the United Arab Republic likewise has been carried on for many years for a variety of reasons, partly to assist the people of Egypt to make economic and social progress and so, hopefully, to be better neighbors, and partly in an effort to maintain "a bridge" to Nasser, i.e., in an effort to exert a restraining influence upon him.

I have come to the conclusion that our aid to Nasser has been a failure on both counts. Economically and socially, it has not achieved its objectives because Nasser has diverted such disproportionate resources to his military preparations and adventures. The failure politically is even more obvious.

For years, Nasser has been proclaiming the ultimate destruction of Israel with fervor, but it is only comparatively recently that he has been devoting substantial resources to the development of a missile capability, with the assistance of German scientists, the presumed target for which would be Israel. Even more recently, the Egyptian Government has actively promoted the inauguration of a scheme whose announced purpose is to deprive Israel of its rightful share of the Jordan waters, a clearly hostile act. In addition, Nasser has been engaging in an aggressive adventure in Yemen, and has recently brazenly announced his active support for the Congolese rebels, both lines of action being hostile to the peace and stability of the areas concerned. Added to these are the obviously government-inspired anti-American actions in Cairo and Nasser's own nose-thumbing speeches.

I know it is argued that if we cut off further aid to Nasser, he will be left more than ever to follow a pro-Communist policy. As to this, I would say, first, that I believe it is important to Nasser to maintain the posture of nonalinement and neutralism, in order to continue his policy of trying to exercise leadership among the nonalined and neutralist nations, and that the withholding of any further aid from us will not alter this fact. Secondly, I do not believe the past record justifies the hypothesis underlying this argument.

For all these reasons, I hope that you will give the most careful study to the important decisions that lie ahead as regards the extension of further aid to the United Arab Republic. I am sure that you will do so and I hope that you will conclude that the course of wisdom, as well as of justice, is that such aid should not be extended, at least so long as the United Arab Republic continues its present policies.

Sincerely yours,

JONATHAN B. BINGHAM,
Member of Congress.

Mr. Speaker, although it was not intended for that purpose, the foregoing letter states the reasons for my vote on Tuesday, January 26, in favor of at least a temporary ban on certain commodity shipments to the United Arab Republic.

In most situations, I would not be in favor of congressional action of this type, limiting the President's freedom of action. However, in this case, I felt the situation was sufficiently extraordinary to warrant such congressional action. I believe it may well strengthen the hand of the President and the Secretary of State in seeking to persuade Nasser to alter his policies in the direction of stability and peace.

APPOINTMENT OF MEMBERS OF BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

The SPEAKER. Pursuant to the provisions of 20 U.S.C. 42 and 43, the Chair

appoints as members of the Board of Regents of the Smithsonian Institution the following Members on the part of the House: The gentleman from Texas [Mr. MAHON], the gentleman from Ohio [Mr. KIRWAN], and the gentleman from Ohio [Mr. BOW].

APPOINTMENT OF MEMBERS OF JOINT COMMITTEE TO COMMEMORATE THE 100TH ANNIVERSARY OF THE 2D INAUGURAL OF ABRAHAM LINCOLN

The SPEAKER. Pursuant to the provisions of Public Law 88-427 the Chair appoints as members of the Joint Committee To Commemorate the 100th Anniversary of the 2d Inaugural of Abraham Lincoln the following Members on the part of the House: The gentleman from Illinois [Mr. PRICE], the gentleman from Indiana [Mr. DENTON], the gentleman from Indiana [Mr. BRAY], and the gentleman from Illinois [Mr. FINDLEY].

IMPROVEMENT PROPOSED FOR KERR-MILLS

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. FINDLEY. Mr. Speaker, substantial changes to broaden coverage and simplify administration of the Kerr-Mills medical care program are proposed in a bill I have introduced today.

The bill would authorize Federal grants to the States on a matching basis to help persons 65 years of age and older pay the cost of minimum-standard health insurance if they cannot afford it otherwise. It would utilize private insurance companies.

Full medical expenses—hospital, nursing, and doctor—would be covered. States would have discretion in choosing the type insurance desired, but the bill would require that each policy be noncancelable.

To hold down cost and discourage abuse, I recommend that the States specify policies which cover expenses exceeding $350 and with a top limit of $10,000.

Persons financially unable to meet the first $350 of cost, or expenses exceeding $10,000, would be eligible to have these costs met by the States under present Kerr-Mills authority.

My bill would eliminate family responsibility and the complicated formula now used to determine eligibility under Kerr-Mills, and would substitute a simple certificate of income.

Cost of insurance would be borne entirely by the Government for those elderly individuals whose income falls below limits set by each State. For individuals with incomes between the minimum and the maximum, the Government would pay a part of the cost on a sliding scale according to income.

Individuals with income above the maximum would pay the entire cost, but they would have the benefit of an income tax deduction for such payments, as well as statewide bargaining for the noncancelable health care policies.

Under my bill, each State would have wide latitude, but I recommend that the States contract with private companies for insurance with a $350 deductible feature. This figure is about the average annual cost of medical care for those over 65.

My bill would provide that the insurance must be noncancelable. Several private companies already offer policies with a similar deductible feature at an annual cost of about $120, and the broad character of this program would probably result in premiums of still lower cost.

My proposal would provide complete medical care coverage for those over 65, in contrast with the limited scope of the administration's medical care proposal. It would accomplish the complete coverage at about half the cost of the administration plan.

If utilized by all citizens over 65, I estimate the total combined cost to State and Federal Governments would be $2.1 billion a year. Administration officials have estimated that their proposal, which is limited to hospital and some nursing services, would cost $3.7 billion by 1975.

My proposal could be fully implemented and placed in operation this year, while the administration proposal would not start until June 1966, and would not be fully operative until 1967.

The administration proposal would be financed under social security payroll taxes, which hit low-income people hard. My proposal would be financed by general revenues, whose main source is progressive income taxes.

The administration proposal would cause such heavy new burdens as to threaten the solvency of the social security fund. My bill would avoid this hazard.

In order to eliminate completely the possibility that elderly people might become impoverished as the result of a long and expensive illness, I recommend that the State government give consideration to a requirement that each citizen over 65 be covered by a private policy of minimum standard. This could be accomplished through certification of coverage on State tax returns. If an individual over 65 did not certify coverage, the State could buy a policy for him and tax him for the premium cost.

This would meet problems caused by people who, through oversight or neglect, did not take out coverage themselves.

My proposal would eliminate the family-responsibility requirement which has, I believe, proved to be a handicap under the present Kerr-Mills program.

My proposal reflects a long period of study, analysis of health care problems of my own constituents, and consultation with officials of the public welfare services in Illinois and members of the medical profession.

For nearly a year, I have conducted my own medical care referral service for the benefit of my constituents. During that time I have invited constituents to contact me if they know of anyone who is not getting proper medical care.

This invitation has been publicized widely and has been repeated several times. From February 26, 1964, to January 5, 1965, I received 341 letters. Only 10 of these mentioned cases where a lack of medical care might exist. Through the cooperation of local doctors, these cases were checked out immediately. Only two were found to have substance, and care in those cases was provided.

One hundred and three of the letters asked for general information about existing health care services without stating specific problems. Twenty-four took the opportunity to criticize a variety of things, such as social security, public aid, hospital costs, and doctor fees.

The rest of the letters were from people who seemed to be receiving adequate medical care but were struggling to pay hospital and doctor bills or were trying to pay their parents' bills while supporting their own family.

As the result of my referral service, a number of people became eligible for Kerr-Mills who were previously unaware of its existence.

Information gained from the service convinced me that the present Kerr-Mills program is not adequate.

First of all, the eligibility rules are too complicated and undoubtedly frighten many applicants.

Second, the requirement of family responsibility, while a fine moral objective, causes the program to break down in many cases.

Third, the fact that the program is handled through the Public Aid Commission, commonly known as the relief office, keeps some citizens from applying. Kerr-Mills was intended to keep people from going on relief because of medical costs, but it is handled by the same staff that handles relief cases.

A JOINT COMMITTEE ON ETHICS FOR MEMBERS OF CONGRESS AND LEGISLATIVE EMPLOYEES

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the gentleman from Vermont [Mr. STAFFORD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. STAFFORD. Mr. Speaker, I am pleased to join today with my distinguished colleague from New York [Mr. LINDSAY] and other Members who yesterday introduced legislation to establish a Joint Committee on Ethics for Members of Congress and all legislative employees.

This legislation would both set up an interim code of ethics and establish a joint congressional committee whose responsibility it would be to recommend a comprehensive, permanent code.

Such action is needed, I believe for two reasons. First, the people of this great Nation have every right to know of any possible conflict of interest which could possibly affect the vote of any Member

of the Congress. Secondly, the members and employees of the legislative branch should have the guidance and protection of standards and conduct reasonably to be expected of them.

It is inconceivable to this Member that any one of us would hesitate to give our full support to putting our own house in order in this respect. It is my hope that the majority party members will join in giving this resolution prompt and affirmative consideration.

STUDY OF COMPENSATION FOR PERSONS AFFECTED BY REAL PROPERTY ACQUISITION IN THE FEDERALLY ASSISTED PROGRAMS

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. HALL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HALL. Mr. Speaker, earlier this month, a "Study of Compensation for Persons Affected by Real Property Acquisition in the Federal and Federally Assisted Programs" was distributed to all Members of Congress by a select subcommittee of the House Committee on Public Works.

As a Member representing a congressional district in which two large Federal reservoirs are under construction, I am acutely aware of some of the shortcomings under the present law. I am most favorably impressed with the subcommittee study, and I am, today, introducing a bill to carry out one of its three major recommendations. I have extracted title II of the proposed bill because it deals with changes in the Internal Revenue Code and would, therefore, be referred to the House Committee on Ways and Means. I believe this bill will be of interest to every Member of the House in whose district any major public land acquisition program is contemplated and, indeed, to all others who have an interest in equity and fair play.

For those who may be interested in cosponsoring similar legislation, I call attention to the following news release explaining the details of the bill I have submitted, as well as a discussion of other recommendations in the select subcommittee study:

REPRESENTATIVE HALL SUBMITS BILL TO EASE IMPACT OF FEDERAL LAND ACQUISITION PROGRAM ON PROPERTY OWNERS.

Congressman DURWARD G. HALL has introduced legislation to carry out one of the major recommendations of a select House subcommittee dealing with compensations for persons affected by real property acquisition in various Federal programs.

The study, recently completed by the Select Subcommittee on Real Property Acquisition, revealed that provisions of the Internal Revenue Code relating to involuntary conversions of property often result in sharp inequities for owners of property taken for public use.

Under present law, the owner of land taken for public use can defer any recognition of gain on the compensation he receives only by reinvesting in property of a like kind within a specific period. Otherwise he must pay a substantial capital gains tax. Hall's bill would provide that an owner of property taken for public use may defer any recognition of the gain on the transfer if he reinvests the compensation received for property in (1) any real property, (2) any property used in trade or business, or (3) any property to be held by the taxpayer for investment. The bill follows closely the language suggested by the select subcommittee.

The House study, according to HALL, revealed that in some instances, particularly in large reservoir takings such as are now contemplated at the Kaysinger and Stockton Reservoirs in Missouri, comparable replacement property is not available in the general vicinity and landowners must move considerable distances to reinvest.

"Some owners," he said, "would prefer to remain in their home areas and go into business. Frequently, the owner has reached the age where he doesn't believe it physically possible to start a new farming or ranching life and would prefer to retire.

"The Congress has already recognized the equity of permitting the deferment of gain on the transfer, if the owner purchases replacement real estate. Where real estate is not the most practical means of reinvestment of the funds received for the property taken, it seems only reasonable to permit the owner to reinvest in a business or to buy securities. This recommendation would permit him to do so."

HALL's bill also provides that the period by which this provision shall be effective, shall begin at any time after the owner has reason to believe that his property will be taken.

"Sometimes property owners have good reason to believe that their property will be taken for a public project, and have an opportunity to purchase replacement property before the price rises, which often accompany large reservoir takings. But they're now reluctant to do so because of the uncertainty of the time of threat or imminence of condemnation.

This particular amendment would make it clear that any relocation payments received by a person displaced by a public project after December 31, 1964, pursuant to a law of the United States, will be excluded from gross income.

Another provision of the Hall bill carries out a further recommendation of the subcommittee that taxpayers receiving relocation payments because of displacement by public programs are exempt from payment of the documentary stamp tax (55 cents per $500).

HALL said he believes that other recommendations of the special House subcommittee are equally worthy of enactment, but that he was extracting title II of the proposed bill for submission at this time because it deals with tax changes and must be referred to the House Ways and Means Committee.

Other recommendations made by the subcommittee would (a) insure opportunity for the owner to accompany a Government appraiser, (b) insure full fair value offer for property and reasonable value information to the owner, (c) give the owner first opportunity to remove improvements, (d) establish policy to offer the highest reasonable price for the property, and (e) establish relocation assistance programs and retraining programs.

Citing the select subcommittee study, HALL said "the amount of disruption caused by Federal and federally assisted programs is astoundingly large. The accelerated pace of Government activity, supported by broadened concepts of public use, make any lessening of current activity in the foreseeable future highly unlikely.

"In each of the next 8 years, Federal and federally assisted programs are expected to require the acquisition of real property from 183,000 separate ownerships and the displacement of approximately 111,080 households, 17,860 businesses, 2,310 farm operations.

"The market value standard of just compensation under the fifth amendment requires payment for the property taken, but does not provide for other losses or expenses, however severe, that may be incurred by property owners or tenants because of the taking of property.

"In contrast to the vast amount of displacement and disruption in present-day programs, the market value standard, limiting compensation to the value of the property taken, was adopted by the courts in a comparatively uncomplicated time in our Nation's history, when land was plentiful, and Government acquisitions skirted cities and bypassed homes and businesses, causing few displacements and relatively little damage. Nevertheless, the Federal courts have made it plain that they are bound by the established precedents, and that it is the responsibility of the Congress to determine whether other losses suffered by property owners or tenants should be absorbed by the public.

"The bill I have introduced is intended to be only a first step in carrying out that responsibility. I believe it will, or should, be supported by every Member of Congress whose district is faced with a Federal land acquisition program, whether it be a reservoir, a new highway, urban renewal, or any other Federal activity."

CLEVELAND BILL TO ALLOW CITIZENS THEIR OWN COUNSEL BEFORE FEDERAL AGENCIES

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, today I am reintroducing legislation to permit all citizens to be represented by their own attorneys in matters before the Federal agencies.

At present, a number of agencies refuse to allow a lawyer to appear before them unless he has specifically been admitted to practice before the agency.

This practice seriously prejudices both lawyers and their clients, especially when the latter unexpectedly become involved in administrative proceedings. Sometimes the necessity of obtaining admission to practice before an agency means a delay, perhaps of several months while the attorney goes through the rigmarole required for admission.

For persons of moderate means, this can mean serious hardship. Matters of critical importance to them may not be of sufficient monetary value to compensate a strange lawyer for the time and effort required to familiarize himself with the case.

Inasmuch as every State requires lawyers to demonstrate their educational and moral fitness before admission to the bar, there is no need for individual agencies to impose additional requirements. It is absurd to suggest that a lawyer who is qualified to try cases in State and Federal courts is not competent to represent clients before administrative agencies.

An important additional benefit of this legislation is that it will help to arrest the drift toward centralism in government. As we are all aware, the growth of Federal power, now touching nearly every facet of life in this country, is producing a tremendous concentration of power here in Washington.

The fact that a citizen often cannot even use his own lawyer to plead his cause before a Federal agency compounds centralization further. A breed of specialists far removed from the average American is being created. These specialists, of course, delight as the rules and regulations in their respective enclaves become more and more complicated, restrictive and exclusive.

It will do these agencies a great deal of good if they are exposed to lawyers from Main Street, U.S.A., where commonsense is still important and where the client's legitimate interest is the most important consideration.

LEGISLATION TO AUTHORIZE BENEFITS TO INHABITANTS OF THE RYUKYU ISLANDS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. MATSUNAGA. Mr. Speaker, I have today introduced a joint resolution to authorize a contribution to certain inhabitants of the Ryukyu Islands for death and injury to persons, and for use or damage to private property, arising from acts and omissions of the U.S. Armed Forces, or members thereof, after August 15, 1945, and before April 28, 1952.

This is the identical joint resolution that was recommended by the Secretary of the Army in a letter to the Speaker of this House dated January 8, 1965, and which has been referred to the Foreign Affairs Committee. The resolution is the same, with minor differences, as was introduced by me in the last Congress as House Joint Resolution 1175 and reintroduced by me in the opening days of the present Congress as House Joint Resolution 74. In order to make this a joint effort of the executive and legislative branches, I am withdrawing my proposal and accepting verbatim the proposal which has been made by the Secretary of the Army.

The purpose of this resolution is to rectify a serious omission in the U.S. administration of the Ryukyu Islands and to do justice to hundreds of thousands of the inhabitants whose relatives were killed, or who were injured, or who suffered deprivation of property through the acts of our Armed Forces during the period following the termination of hostilities and prior to the treaty of peace with Japan. The United States exercised direct and exclusive governmental authority at that time, and we had substantial forces in Okinawa in the strategic interest of the United States, not only as a consequence of the war against Japan.

The claims of the people affected have been analyzed and reviewed by a joint committee established by our High Commissioner in the Ryukyus in consequence of which they were scaled down from $43 million, as originally submitted, to approximately $22 million. This includes claims for personal injury and death, for land rentals for the years 1947–50, for restoration of lands released to their owners in damaged condition, for appropriation of water rights, and for damage to buildings and growing crops and trees. Land-use claims are not included for the year 1946 because this was a period of postwar adjustment in which owners had generally not yet returned to their lands and produced crops. No interest is included, although the claims have gone uncompensated for 13 years and more.

As a matter of international law, it is unquestioned that the people of Okinawa are entitled to be compensated for these various acts on the part of the U.S. forces. In the main islands, this was done by the Japanese Government under the supervision of the Supreme Commander for the Allied Powers. In the Ryukyu Islands, there was no financially responsible local government that was able to do this, and the Japanese Government was cut off from all participation. The people of Okinawa have repeatedly presented their claims to the U.S. Government as the administering authority. Since the United States exercised direct and exclusive control during the entire period, there can be no doubt of U.S. responsibility to assure that compensation is effected.

Action on the part of the U.S. Government was delayed by a question with respect to U.S. responsibility in international law to pay the claims, in view of the fact that in the Japanese Peace Treaty, Japan waived all claims of Japanese nationals against the United States arising from the war and the occupation of Japanese territory. The executive branch has recommended that without accepting legal responsibility, compensation nevertheless be made by the United States in the recognition of the facts that the individual claimants were, through no fault of their own, left uncompensated during the 7 years of the occupation, contrary to the practice followed in other occupied areas; that the United States, as the administering authority for the Ryukyus is concerned with the well-being of the people; that such payment would promote the security interests of the United States; and that it would foster respect for the spirit of fairplay and equity of the U.S. Government.

In introducing this bill, I should like to stress just two facts: that these sums have been due to the individual claimants now for many years, and that payment by the United States is an act of simple justice in view of our complete responsibility for what occurred in the Ryukyu Islands since 1945.

I hope that this matter can be acted upon promptly by the Congress with a view to effectuation of payments to the individuals concerned before many more months have elapsed.

PROPOSED CLOSURE OF VETERANS' ADMINISTRATION HOSPITALS

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. GRAY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. GRAY. Mr. Speaker, I was distressed when the announcement came from the Veterans' Administration proposing to close a number of Veterans' Administration hospitals, domiciliary homes and Veterans' Administration regional offices. As a past officer of the American Legion, Veterans of Foreign Wars, and a member of other veterans organizations, I strongly protest this move, both as an individual and as a Representative of the people. The alleged savings of $23 million per year is not in my opinion a real saving. When a veteran, his family and friends are required to travel great distances to other Veterans' Administration hospitals the overall cost to the American people will be far more. In addition, the Veterans' Administration will be required to pay ambulance fees and other costs connected with transportation of veterans great distances.

Mr. Speaker, far more important than dollars is the welfare of these deserving veterans. The Marion, Ill., Veterans' Administration Hospital is in my district and I can cite examples where veterans have died because in the past there was no bed space. Turning a veteran away without proper medical attention or requiring him to travel such a great distance that he decides to go without proper medical attention is cruel, to say the least. This so-called economic move is aimed at eliminating rural facilities and concentrating our Veterans' Administration facilities in the urban areas of the country. This is contrary to the President's policy of trying to aid sparsely populated areas who through no fault of their own have lost population because of a lack of job opportunities. Coal mining and agricultural regions of the country are a prime example.

Mr. Speaker, I am receiving scores of letters from interested veterans and citizens of Illinois concerning the proposed closing of the Veterans' Administration hospital in Dwight, Ill. The arguments I have advanced in my remarks previously, apply to the Dwight Veterans' Administration Hospital, the same as it does to other hospitals throughout the country.

I hope my friends in the Veterans' Administration will reconsider this action because it is a simple case of being pennywise and dollar foolish.

Under leave extended me, Mr. Speaker, I am including a letter received from the Roy Mitchell Post No. 647 of the American Legion at Du Quoin, Ill. The post commander, post adjutant, and service officer are speaking for the hundreds of veterans in their post and community. It is strange that the Veterans' Administration, who should have the greatest interest in our veterans, seem to be the

only group of people who want to close these facilities. A vote by the American people would be overwhelmingly in favor of keeping Dwight Veterans' Administration Hospital and other similar facilities in operation.

I hope the Veterans' Administration will rescind their action in this regard.

The letter follows:

THE AMERICAN LEGION,
ROY MITCHELL POST NO. 647,
Du Quoin, Ill., January 18, 1965.

Re Closing of Veterans' Administration hospital in Dwight, Ill.

Hon. KENNETH J. GRAY,
House Office Building,
Washington, D.C.

DEAR MR. GRAY: Roy Mitchell Post No. 647 of the American Legion, located in Du Quoin, Ill., has read the newspaper and other media that the Dwight Veterans' Administration Hospital and other such hospitals are to be closed permanently between April 1, 1965, and June 30, 1965.

It is our understanding that the Dwight Veterans' Administration Hospital employed nearly 300 and was functioning fully and doing a good job of it.

The closing of that hospital will cause considerable hardship to those who are being hospitalized, as they will have to be hospitalized elsewhere in other hospitals that are already very crowded; and that is not a good thing. It is our understanding that some of those hospitals already have long waiting lists for admissions.

Likewise, it is our understanding that the closing of the Dwight Veterans' Administration Hospital will cause all of those 300 employees to lose their jobs. The employees will be asked to move elsewhere for employment in other veterans' hospitals, but the other hospitals just do not have room to employ additional help, as their lists are filled up.

The closing of that Dwight Hospital will, of course, work a great hardship on the town of Dwight Ill., as it was considered one of the leading employers of that community.

It is too bad that every effort made by the Government to save money has to be aimed at the war veteran and his dependents. Those veterans gave their all and are now entitled to the very best that our Government can provide for them.

Therefore, Roy Mitchell Post No. 647 of the American Legion strongly protests the closing of that Dwight Veterans' Administration Hospital and also any other Veterans' Administration hospitals, wherever located. It is our desire that you exert every bit of your personality and influence to stop the closing of those hospitals.

There is a great need for hospitals at this time. The war veteran is getting older and will need increasing hospital services. It is not proper to close existing hospital facilities at this time and then have to build new facilities later on.

Very truly yours,

TOM MCJELIAN,
Commander.
HAROLD SMITH,
Adjutant.
LESLIE EDEL,
Service Officer.

CLOSING OF VETERANS' ADMINISTRATION FACILITIES

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. OTTINGER. Mr. Speaker, the recent announcement of the Veterans' Administration concerning the closing of regional offices, VA hospitals, and domiciliary homes has been a matter of considerable concern to me, as I know it has been to many of our colleagues.

The apparent ground for this action is economy, but in my opinion, there must be close scrutiny to determine whether, in fact, the closing of Veterans' Administration facilities will mean savings in view of the economic impact both on individuals and communities.

The closing of the VA hospital at Castle Point, N.Y., will alone mean the disruption of 250 patients, the loss of 340 jobs, and the loss of a $2,400,000 annual payroll to the community.

Furthermore, the closing of these veterans' facilities appears to be directly contradictory to President Johnson's announced plan to care for the aged, wage war on poverty, and establish experimental centers designed to overcome diseases which have long plagued mankind.

It is worth noting that domiciliary homes, four of which are scheduled for closing, are occupied by veterans without funds, of advanced age, and suffering from crippling diseases.

In addition, the Veterans' Administration policy of not operating hospitals in rural or semiurban areas is sure to work undue hardship on veterans, their families and their friends. At a time when more hospitals are needed in our rural and suburban areas, why close hospitals that would cost $150 million to replace, and then ask for $90 million to build new ones?

Mr. Speaker, any readjustment in the number or operation of our veterans' facilities should be supported by more substantial evidence than has been offered in this instance by the VA, and such action must be demonstrably in accord with the long-range health care objectives of the administration.

IDAHO MEMORIAL AMENDING THE U.S. CONSTITUTION

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that the gentleman from Idaho [Mr. WHITE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, the Idaho State Legislature, in its current 38th session, enacted a joint memorial asking that the U.S. Constitution be amended so that one house of a State bicameral legislature be allowed to consider factors other than population in its apportionment. I include the full text of Senate Joint Memorial 1, in the RECORD.

At the present time, the Idaho Legislature is under court order to reapportion itself. The Supreme Court decision of June 22, last year, was very brief, merely citing the decisions in the Baker against Carr and Reynold against Sims cases.

Following the decision in the Hearne against Smylie, I introduced House Joint Resolution 1141, which would amend the U.S. Constitution to reserve to each State exclusive power to determine the composition of its legislature and the apportionment of the membership thereof. My purpose in sponsoring the resolution was to restore the principles enunciated by the Supreme Court before the Baker and Sims decisions.

When hearings were called on the proposal I stated that the basis of my sponsorship runs deeper than the inconvenience and impracticality of forcing State legislatures to meet court deadlines at inopportune times. I believe that the above-mentioned decisions are a violation of historical constitutional principles and that it is the duty of the Congress to correct them.

Senate Joint Memorial 1 calls for a constitutional convention on this matter, and I support the aims of this measure.

It is my hope that the Congress will seriously consider the memorial and promptly act upon the application of the Idaho Legislature:

SENATE JOINT MEMORIAL 1

To the Honorable Senate and House of Representatives of the United States in Congress Assembled:

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

Whereas the Constitution of the United States should not prohibit any State which has a bicameral legislature from apportioning the members of one house of such legislature on factors other than population, provided that the plan of such apportionment shall have been submitted to and approved by a vote of the electorate of that State; and

Whereas the Constitution of the United States should not restrict or limit a State in its determination of how membership of governing bodies of its subordinate units should be apportioned; and

Whereas in proposing an article as an amendment to the Constitution of the United States implementing the above freedom from prohibition, restriction or limitation of apportionment, the article, as proposed, should be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission to the States by Congress;

Now, therefore, we your memorialists respectfully make application to the Congress of the United States to call a convention for the purpose of proposing an article as an amendment to the Constitution of the United States, to read as follows:

"ARTICLE —

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

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

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

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

Resolved, That the secretary of state of the State of Idaho be, and he is hereby authorized and directed to forward certified copies of this memorial to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States and to each Member of the U.S. Congress from this State, as being an application of the Legislature of the State of Idaho, pursuant to article V of the Constitution of the United States.

This senate joint memorial passed the senate on the 11th day of January 1965.

JACK M. MURPHY,
President pro tempore of the Senate.

This senate joint memorial passed the house of representatives on the 18th day of January 1965.

PETE T. CENARRUSA,
Speaker of the House of Representatives.

I hereby certify that the within senate joint memorial 1 originated in the senate during the 38th session of the Legislature of the State of Idaho.

ARTHUR WILSON,
Secretary of the Senate.

ELECTION OF MEMBERS TO JOINT COMMITTEES

Mr. BURLESON. Mr. Speaker, I offer a privileged resolution, and ask for its immediate consideration.

The Clerk read as follows:

H. RES. 147

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress.

Joint Committee on Printing: Mr. Burleson, Texas; Mr. Hays, Ohio; Mr. Lipscomb, California.

Joint Committee of Congress on the Library: Mr. Burleson, Texas; Mr. Jones, Missouri; Mr. Thompson, New Jersey; Mr. Lipscomb, California; Mr. Corbett, Pennsylvania.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE ECONOMIC REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 20)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Joint Economic Committee and ordered to be printed with illustrations:

To the Congress of the United States:

I am pleased to report—

That the state of our economy is excellent;

That the rising tide of our prosperity, drawing new strength from the 1964 tax cut, is about to enter its fifth consecutive year;

That, with sound policy measures, we can look forward to uninterrupted and vigorous expansion in the year ahead.

PROGRESS TOWARD OUR ECONOMIC GOALS

FULL EMPLOYMENT

In the year just ended, we have made notable progress toward the Employment Act's central goal of "useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and maximum employment, production, and purchasing power."

EMPLOYMENT

Additional jobs for 1½ million persons have been created in the past year, bringing the total of new jobs since January 1961 to 4½ million.

Unemployment dropped from 5.7 percent in 1963 to 5.2 percent in 1964 and was down to 5 percent at year's end.

PRODUCTION

Gross national product (GNP) advanced strongly from $584 billion in 1963 to $622 billion in 1964.

Industrial production rose 8 percent in the past 12 months.

PURCHASING POWER

The average weekly wage in manufacturing stands at a record $106.55, a gain of $3.89 from a year ago and of $17.50 from early 1961.

Average personal income after taxes has reached $2,288 a year—up 17½ percent in 4 years.

Corporate profits after taxes have now risen continuously for 4 straight years—from a rate of $19½ billion early in 1961 to nearly $32 billion at the end of 1964.

But high levels of employment, production, and purchasing power cannot rest on a sound base if we are plagued by slow growth, inflation, or a lack of confidence in the dollar. Since 1946, therefore, we have come to recognize that the mandate of the Employment Act implies a series of objectives closely related to the goal of full employment; rapid growth, price stability, and equilibrium in our balance of payments.

RAPID GROWTH

True prosperity means more than the full use of the productive powers available at any given time. It also means the rapid expansion of those powers. In the long run, it is only a growth of overall productive capacity that can swell individual incomes and raise living standards. Thus, rapid economic growth is clearly an added goal of economic policy.

Our gain of $132 billion in GNP since the first quarter of 1961 represents an average growth rate (in constant prices) of 5 percent a year.

This contrasts with the average growth rate of 2½ percent a year between 1953 and 1960.

Part of our faster gain in the last 4 years has narrowed the "gap" that had opened up between our actual output and our potential in the preceding years of slow expansion. But the growth of our potential is also speeding up. Estimated at 3½ percent a year during most of the 1950's, it is estimated at 4 percent in the years ahead; and sound policies can and should raise it above that, even while moving our actual performance closer to our potential.

PRICE STABILITY

I regard the goal of overall price stability as fully implied in the language of the Employment Act of 1946.

We can be proud of our recent record on prices:

Wholesale prices are essentially unchanged from 4 years ago, and from a year ago.

Consumer prices have inched upward at an average rate of 1.2 percent a year since early 1961, and 1.2 percent in the past 12 months. Much of this increase probably reflects our inability fully to measure improvements in the quality of consumer goods and services.

BALANCE-OF-PAYMENTS EQUILIBRIUM

The Employment Act requires that employment policy be "consistent" with "other essential considerations of national policy." Persistent balance-of-payments deficits in the 1950's reached an annual average of nearly $4 billion in 1958–60. Deficits of this size threatened to undermine confidence in the dollar abroad and limited our ability to pursue, simultaneously, our domestic and oversea objectives. As a result, restoring and maintaining equilibrium in the U.S. balance of payments has for some years been recognized as a vital goal of economic policy.

During the past 4 years—

Our overall balance-of-payments position has improved, and the outflow of our gold has been greatly reduced.

Our commercial exports have risen more than 25 percent since 1960, bringing our trade surplus to a new postwar record.

The annual dollar outflow arising from our aid and defense commitments has been cut $1 billion, without impairing programs.

Our means of financing the deficit have been strengthened, reducing the gold outflow and helping to build confidence in the dollar.

CONSISTENCY OF OUR GOALS

Thus, the record of our past 4 years has been one of simultaneous advance toward full employment, rapid growth, price stability, and international balance.

We have proved that with proper policies these goals are not mutually inconsistent. They can be mutually reinforcing.

THE ROLE OF ECONOMIC POLICY

The unparalleled economic achievements of these past 4 years have been founded on the imagination, prudence, and skill of our businessmen, workers, investors, farmers, and consumers. In our basically private economy, gains can come in no other way.

But since 1960 a new factor has emerged to invigorate private efforts. The vital margin of difference has come from Government policies which have sustained a steady, but noninflationary, growth of markets.

I believe that 1964 will go down in our economic and political history as the "year of the tax cut."

It was not the first time that taxes were cut, of course, nor will it be the last time. But it was the first time our Nation cut taxes for the declared purpose of speeding the advance of the private economy toward "maximum employment, production, and purchasing power." And it was done in a period already prosperous by the standard tests of rising production and incomes. In short, the tax cut was an expression of faith in the American economy:

It expressed confidence that our economy would translate higher after-tax in-

comes and stronger incentives into increased expenditures in our markets.

It recognized the presence of untapped productive capacity. We cut taxes confident that the economy would respond to increased buying by producing more goods at stable prices rather than the same output at higher prices.

It insisted on getting full performance from the American economy.

The promise of the tax cut for 1964 was fulfilled. Production, employment, and incomes jumped ahead. Unemployment was whittled down steadily.

Since 1960, the balance between budget expenditures and taxes has been boldly adjusted to the needs of economic growth. We have recognized as self-defeating the effort to balance our budget too quickly in an economy operating well below its potential. And we have recognized as fallacious the idea that economic stimulation can come only from a rapid expansion of Federal spending.

Monetary policy has supported fiscal measures. The supply of credit has been wisely tailored to the legitimate credit needs of a noninflationary expansion, while care has been taken to avoid the leakage of short-term funds in response to higher interest rates abroad.

Fiscal and monetary policies to build our prosperity have been buttressed by measures—

To improve the education, skills, and mobility of our labor force;

To stimulate investment in new and modern plants and machinery;

To expand exports;

To assist in rebuilding the economic base of communities and areas that have lagged behind;

To strengthen our farm economy and support farm income;

To conserve and develop our natural resources;

To keep a sound flow of credit moving to home buyers and small businesses;

To redevelop decaying urban areas;

To strengthen our transportation network; and

To offer business and labor a guide for sound and noninflationary price and wage decisions.

Public policies to build a sound prosperity have found their response in equally constructive private efforts.

Our businessmen have controlled their costs, increased their efficiency, and developed new markets at home and abroad.

They have kept their inventories under tight control and have prudently geared their plant expansion to rising markets in an expanding economy.

Consumers have used rising incomes and tax savings to lift their standards of living, while adding to their wealth to assure their future standards of living.

Workers have realized that wage gains which justify employers' raising prices vanish when they take their pay envelopes into the stores—and cost them much when they draw on their savings.

Workers and managers have cooperated to facilitate the adoption of new technology, while solving the human problems it sometimes creates.

As a result of public and private policies, we have come to our present state of prosperity without pressures or imbalances that would foretell an early end to our expansion. Instead, we look forward to another year of sustained and healthy economic growth.

THE UNFINISHED TASKS

Our prosperity is widespread, but it is not complete. Our growth has been steady, but its permanence is not assured. Our achievements are great, but our tasks are unfinished.

1. Four years of steadily expanding job opportunities have not brought us to full employment. Some 3.7 million of our citizens want work but are unable to find it. Up to 1 million more—"the hidden unemployed"—would enter the labor force if the unemployment rate could be brought down just 1 percentage point.

In the next year, 1.3 million more potential workers will be added to our labor force, including a net increase of one-half million below the age of 20.

The more of these 6 million potential workers who find jobs in 1965—

The faster our total output will grow;

The greater will be the markets for the products of our factories and farms;

The larger will be our Federal revenues;

The greater will be the number of our citizens who know they are contributing to our society, not subsisting on the contributions of others;

The smaller will be the number who know the pangs of insecurity, deprivation, even of hunger;

The larger will be the number of teenagers who feel that society has a useful purpose for them.

The promise in the Employment Act of job opportunities for all those able and wanting to work has not yet been fulfilled. We cannot rest until it is.

2. Four years of vigorous efforts have not yet brought our external payments into balance. We need to complete that task—and we will.

The stability of the American dollar is central not only to progress at home but to all our objectives abroad. There can be no question of our capacity and determination to maintain the gold value of the dollar at $35 an ounce. The full resources of this Nation are pledged to that end.

Progress in key sectors of our international payments has been good, but not enough. Gains in trade and savings in Government oversea payments have been offset in large measure by larger capital outflows. As a result our deficit remains far too large. We must and will reduce and eliminate it.

In the process of restoring external balance we must continue—in concert with other nations of the free world—to build an international economic order—

Based on maximum freedom of trade and payments;

In which imbalances in payments, whether surpluses or deficits, are soundly financed while being effectively eliminated;

In which no major currency can be undermined by speculative runs; and

In which the poorer nations are helped—through investment, trade, and aid—to raise progressively their living standards toward those of the developed world.

3. Ceaseless change is the hallmark of a progressive and dynamic economy. No planned economy can have the flexibility and adaptability that flow from the voluntary response of workers, consumers, and managements to the shifting financial incentives provided by free markets.

In those activities entrusted to governments—as in those where private profit provides the spur—the search for efficiency and economy must never cease.

The American economy is the most efficient and flexible in the world. But the task of improving its efficiency and flexibility is never done.

4. American prosperity is widely shared. But too many are still precluded from its benefits by discrimination; by handicaps of illness, disability, old age, or family circumstance; by unemployment or low productivity; by lack of mobility or bargaining power; by failure to receive the education and training from which they could benefit.

The war against poverty has begun; its prosecution is one of our most urgent tasks in the years ahead.

5. Our goals for individuals and our Nation extend far beyond mere affluence. The quality of American life remains a constant concern.

The task of economic policy is to create a prosperous America. The unfinished task of prosperous Americans is to build a Great Society.

Our accomplishments have been many; these tasks remain unfinished:

To achieve full employment without inflation;

To restore external equilibrium and defend the dollar;

To enhance the efficiency and flexibility of our private and public economies;

To widen the benefits of prosperity; and

To improve the quality of American life.

ECONOMIC PROSPECTS FOR 1965

Approval of the fiscal program I have recommended means that GNP in 1965 should expand over 1964's record level and reach—as the midpoint of a $10 billion range—$660 billion for the year.

Carried forward by the momentum of last year's gains and fueled by the continuing stimulus of profits enlarged through tax reduction, private business investment in plant and equipment should grow nearly as much in 1965 as it did in 1964.

Current rapid gains in sales, and slim stocks in 1964, should produce a higher rate of production for inventory in 1965.

Residential construction will remain high.

State and local governments will continue to enlarge their buying.

Consumers' confidence is strong. They will respond to rising earnings, higher social security benefits, and a cut in excise taxes by lifting their purchases, thereby providing a market for a full two-thirds of our expected overall gain in production.

FEDERAL FISCAL POLICY

Private demand will be strong in 1965. It will be further sustained by Federal fiscal measures.

The 1966 budget message outlines my fiscal philosophy. We have four priorities:

To strengthen our national defense;

To meet our pressing human needs;

To maximize the efficiency of Government operations;

To sustain the advance of our Nation's economy.

In these priorities lies the key to our whole strategy of attack on waste:

The waste of lives and property and progress which is the cost of war;

The waste of human potential and self-respect which is the cost of poverty and lack of opportunity;

The waste of excessive government personnel, obsolete installations, and outmoded public services which is the cost of inefficient government;

The waste of men and facilities and resources which is the cost of economic stagnation.

Purposeful expenditures, stimulative tax reduction, and economy in government operations are the three weapons which, if used effectively, can relieve our society of the costs and consequences of waste.

Carrying out these principles, I have submitted a budget which will once again contribute expansionary force rather than restrictive pressure on our economy.

As measured by their effects on incomes and production, Federal expenditures, grants, and transfer payments in calendar 1965 will exceed by $5 billion their amount in 1964. The largest single part of this increase will arise from the 7-percent increase in social security payments I have proposed.

The reduction or elimination of many excise taxes—when fully effective, $1.75 billion a year—partially offset by appropriate new or increased user charges—will accomplish a net tax reduction of nearly $700 million within calendar year 1965. In addition, another $1 billion reduction in corporate income tax liabilities becomes effective this year. So does a further $3 billion reduction in personal tax liabilities—although not in withholding rates.

Should unfavorable developments in the private economy during 1965 unexpectedly make this budgetary stimulus inadequate to maintain a strong pace of expansion, I shall be prepared to consider additional fiscal action.

PROGRESS TOWARD FULL EMPLOYMENT

A GNP of around $660 billion, with expansion throughout the year, will give us our fifth straight year of substantial economic gains—a record without peacetime precedent.

The productive powers of our dynamic economy are now expanding so rapidly that a gain of $38 billion will do little more than keep up with the expansion of our capacity, and will make only modest inroads into the still too heavy unemployment of our human and physical resources. But unemployment in 1965 should average less than the 5.2 percent of 1964.

The road to maximum employment, production, and purchasing power will not be easily or quickly traveled. And it has no final destination. The challenge of maintaining full employment once reached will be as urgent and as difficult as reaching it.

COMBATING RECESSIONS

A time of prosperity with no recession in sight is the time to plan our defenses against future dips in business activity.

I do not believe recessions are inevitable. Up to now, every past expansion has ended in recession or depression—usually within 3 years from its start. But the vulnerability of an expansion cannot be determined by the calendar. Imbalance—not old age—is the threat to sustained advance.

In principle, public measures can head off recessions before they start. Unforeseen events and mistakes of public or private policy will nonetheless occur. Recessions may be upon us before we recognize their warning signs.

We can head them off, or greatly moderate their length and force—if we are able to act promptly.

The stimulating force of tax cuts is now generally recognized.

The Congress could reinforce confidence that jobs and markets will be sustained by insuring that its procedures will permit rapid action on temporary income tax cuts if recession threatens.

Recessions usually arise from a reduction in the intensity of private demand for goods and services. At such a time, it may be appropriate to employ idle or potentially idle resources in sound programs of public expenditure.

The programs which should be considered for expansion at such times would be those—

That meet important public needs;

That are capable of quick acceleration—not just in the assignment of funds but in the hiring of workers and the production of goods;

That in any event would have been increased in the next regular budget, or that are capable of quick and efficient termination when the need has passed.

MONETARY POLICY IN 1965

As in 1964, an expansionary monetary policy will be tempered by the urgency of our balance-of-payments problem. But barring domestic or international emergency, our monetary and debt-management policies can serve—as they have since 1960—to accommodate the credit needs of a noninflationary expansion.

Long-term interest rates, in particular, will continue to be held down by the vast flow of savings into private financial institutions. Long-term borrowers now reasonably plan on the essential stability of long-term interest rates in 1965.

Monetary policy must be free of arbitrary restriction. It must be prepared to move quickly—

If excessive demand should threaten inflation.

If an outflow of liquid funds should unexpectedly worsen our balance of payments.

We expect neither of these in 1965. Rather, we expect a continuation of sound and healthy economic expansion.

The Federal Reserve System must be free to accommodate that expansion—in 1965 and in the years beyond 1965. Such an expansion needs to be supported by further orderly growth in money and credit. But this growth, as it is reflected in Federal Reserve note and deposit liabilities, could easily absorb—within 2 years or less, and without the outflow of a single ounce of gold—the present operating margin over the 25 percent "gold cover" required by existing law.

Clearly, we should place beyond any doubt the ability of the Federal Reserve to meet its responsibility for providing an adequate but not excessive volume of bank reserves.

Clearly, we should place beyond any doubt our ability to use our gold to make good our pledge to maintain the gold value of the dollar at $35 an ounce with every resource at our command.

I am requesting the Congress, therefore, to eliminate the arbitrary requirement that the Federal Reserve banks maintain a gold certificate reserve against their deposit liabilities.

The desirability of prompt action does not arise from any sudden emergency. If required at any time in defense of the dollar, gold could and would be released from the present requirement under the provisions of existing law.

But we should not permit a provision of law framed for the different circumstances of an earlier day to raise any questions about our ability to carry out effective and responsible monetary and credit policies for domestic prosperity with stable prices, and for defense of the dollar abroad.

MAINTAINING WAGE-PRICE STABILITY

The remarkable price stability of 1959–63 persisted throughout 1964. There is good reason to believe that it will continue in 1965.

Yet watchful caution must govern public and private policies in 1965.

Though the margin remains substantial, our economy is now closer to full utilization than at any time since 1957. Despite the general moderation of labor settlements and the general restraint by pricemakers in industries that have price discretion, there have been disturbing exceptions. Moreover, temporary and accidental factors—such as those that affected some nonferrous metals in 1964—could spark price increases in another sector of our economy in the year ahead.

Individual prices will have to rise, where productivity gains are small or materials costs go up. But these should be balanced by price cuts elsewhere.

We can no more afford inflation in 1965 than we could in 1964. Our balance-of-payments problem is not solved. We have only recently begun to regain the competitive edge in international markets that was impaired by the inflation of the mid-1950's.

Federal budgetary and monetary policies must not permit a generalized excess of demand over supply to pull up prices. But, equally, private price and wage decisions must not push up costs and prices.

I count on the sense of public responsibility of our labor leaders and our industrial leaders to do their full part to protect and extend our price stability.

Reasonable price and wage guideposts are again spelled out in the accompanying report of the Council of Economic Advisers. I commend them to the atten-

tion of the American public and leaders of labor and industry.

With the help of the Council and of other agencies of Government, I intend—

To maintain a close watch on wage and price developments;

To draw public attention to those private actions which threaten the public interest;

To ask, as I have recently done in the case of steel prices, for special, detailed analysis of price or wage increases in key sectors of the economy; and

To oppose legislative enactments that threaten to raise costs and prices and to support those that will stabilize or reduce costs and prices.

INTERNATIONAL ECONOMIC POLICIES

RESTORING BALANCE IN OUR EXTERNAL PAYMENTS

Continued cost and price stability is fundamental to correction of our balance-of-payments deficit; it is the foundation on which we must build our entire effort to achieve external equilibrium. In addition, we must continue and intensify more specific attacks on the problem.

We are continuously reviewing our aid and defense programs to achieve the maximum savings in dollar expenditures abroad. Our aid programs must remain closely tied to exports of U.S. goods and services, until the balance-of-payments problem has been eliminated.

We must continue and strengthen measures to promote U.S. exports.

We will be alert to restrain any persistent outflow of short-term private funds in response to relatively high short-term interest rates in foreign countries.

To increase our ability to attract foreign investment in U.S. securities, legislation will be proposed to improve the tax treatment of such investments.

More broadly, we need to reassess the adequacy of existing programs to deal with the balance-of-payments problem. The results of this reassessment will be set forth in a separate message to the Congress.

BUILDING A STRONGER WORLD ORDER

Through expanded trade: In the Kennedy round of trade negotiations now underway at Geneva, we are working intensively for a broad liberalization of world trade in both industrial and agricultural products.

A successful outcome can be of crucial benefit not only to the industrialized countries but also to the developing countries of the world.

Through improved international monetary arrangements: We take pride in our leadership in the building of the postwar system of international monetary cooperation. We find reassurance in the wholehearted resolve of the industrialized countries of the free world to avoid repeating the costly mistakes of the 1920's and 1930's. The strength of international monetary cooperation was demonstrated dramatically in 1964 in repelling speculative attacks on the Italian lira and the British pound.

We will continue to pursue orderly growth at home and abroad—

On the basis of stable convertible currencies and the fixed $35 price for gold;

Through a wide network of bilateral and multilateral credit arrangements; and

Through frequent consultation between countries.

But we still have more to learn about—

How best to share the burden of making necessary mutual adjustments when countries run persistent deficits or surpluses in their balances of payments; and

How best to meet the need of insuring orderly growth in world liquidity to finance expanding world trade.

We will continue to seek agreement on these problems with other countries; we are confident that effective solutions will be found. We look toward early agreement on an increase in the resources of the International Monetary Fund, which will further strengthen the international monetary system.

Through helping to raise incomes in less developed countries: U.S. foreign assistance programs further three basic American aims. By helping to advance the economic growth of the less developed nations, they—

Create the kind of world in which peace and freedom are most likely to flourish;

Bring closer a world economic order in which all nations will be strong partners;

Simultaneously, give a major stimulus to U.S. exports both in the present through direct financing of U.S. goods and services and for the future by developing the recipient's ability to buy and his preference for American products.

MANPOWER POLICIES FOR A FLEXIBLE ECONOMY

Fiscal and monetary measures have the primary responsibility for furnishing "employment opportunities for those able, willing, and seeking to work."

But the creation of jobs is not enough. Job opportunities and men must be matched. Workers must have the requisite skills—and the opportunity to gain new skills if advancing technology finds less use for their old ones.

To a substantial degree, strong demand for labor will bring workers and jobs together. But sole reliance on strong demand would place price stability under an unnecessary threat. And the time needed for such adjustments would place unnecessary burdens upon displaced employees and new entrants to the labor market.

To reduce human costs, raise productivity, and make possible full employment without inflation, this administration is developing an active manpower policy.

U.S. EMPLOYMENT SERVICE

An efficient labor market brings together employers and potential employees—matching workers and jobs over time, space, and occupations. Most manjob matches occur unassisted, but a strong Federal-State employment service can make the difference between an effective and an inefficient labor market.

The efficiency of the U.S. Employment Service has improved in recent years, but further strengthening is required for truly efficient labor markets. My budget provides for that strengthening.

MANPOWER TRAINING

The Manpower Development and Training Act was passed in 1962 and broadened in 1963. Its purpose is to supply skills to those who, whether for lack of wisdom or lack of opportunity, failed to acquire them earlier. It aims to make possible retraining of those who would otherwise bear the burdens of society's technological progress.

We intend to improve and expand our training programs in 1965. We will give special attention to basic training and basic education for those at the bottom of the ladder of skills.

PRIVATE PENSION AND WELFARE FUNDS

Spectacular growth has occurred in postwar years in private pension and welfare plans. They provide a vital supplement to public programs to assist older workers, disabled workers, and workers who lose their jobs. But potential problems have become evident.

Failure to give the worker a right to his pension if he should change his employment hampers labor mobility. And in some instances, absence of full funding has imperiled the retirement incomes of the affected workers.

I have asked several groups to study these and other difficult problems. I am now releasing—for consideration by unions, employers, the public, and the Congress—the report of my Committee on Corporate Pension Funds and Other Private Retirement and Welfare Programs.

MAINTAINING INCOMES OF THE DISADVANTAGED

Not every person can share fully in the fruits of our progress through his own daily productive effort. Large numbers of our retired and handicapped cannot work. Many workers still suffer unemployment. Even in prosperous times, some receive wages below our standards. And the poverty of one-fifth of our families traps too many of our children in lives without opportunity or aspiration.

I am proposing new programs and extensions of old ones to meet more effectively our obligation to the weak and disadvantaged.

SOCIAL SECURITY

Cash benefits must be increased to provide adequate support for the aged. I urge a 7-percent rise in social security benefits this year, retroactive to January 1, financed by an increase next January in the covered wage base and in the combined employer and employee contribution rates. Increases in public assistance payments to the needy aged, blind and disabled, and to needy children, should be enacted. We must continue to maintain the financial soundness of the social security system, at the same time taking care that its financing avoids the "fiscal drag" which could endanger our prosperity.

HOSPITAL INSURANCE FOR THE ELDERLY

We can and must assure improved health services for the aged whose health needs are greatest and whose financial resources most meager. A hospital insurance program for the elderly, financed by contributions through social security, will provide protection against the costs of hospital and posthospital extended

care, home health visits, and outpatient diagnostic services. I urge the Congress to act promptly on this program.

UNEMPLOYMENT INSURANCE

Improved protection against the risks of unemployment is long overdue. A comprehensive program requires that—

Coverage be extended to additional workers under our Federal-State unemployment insurance program;

Benefits be kept in step with wages;

The duration of benefits be extended beyond the 26 weeks now authorized in most States for workers with a firm and substantial labor force attachment.

I shall recommend such a program.

FAIR LABOR STANDARDS

A large number of workers still lack the protection of Federal minimum standards.

I shall recommend coverage for an additional 2 million workers under the Fair Labor Standards Act.

POVERTY

America's efforts to eradicate poverty are quickly taking shape under the Office of Economic Opportunity. Programs of community action, education, training, and work experience will strike at the roots of poverty, especially among our youth. I urge a doubling of appropriations to intensify these efforts.

IMPROVING URBAN LIFE

Our cities are the homes of more than two-thirds of the American people.

They must be communities where men can find security, significance, and fulfillment.

They must be centers of economic strength and commercial vitality.

They must be seats of learning, sources of culture, and centers of scientific achievement.

They must challenge and release the full productive and creative capacities of the people.

Our first task is to recognize that the city and its suburbs—often, indeed, several cities and their suburbs—constitute a single metropolitan area.

The Federal Government has neither wish nor power to abolish the legal boundaries that divide an urban area. But the Federal Government helps cities because many aspects of urban life pose problems of national as well as local concern. We can increasingly require—as a condition for Federal help—that the separate units work and plan together to assure that Federal aid and federally financed facilities will be used effectively in improving urban life.

We must increasingly help our cities to—

Develop unified metropolitan transportation systems;

Supply adequate water and sewage service;

Provide community facilities and neighborhood centers;

Build adequate housing for low- and middle-income families;

Promote more efficient land use;

Set aside open spaces and develop new suburbs;

Replace or rehabilitate slum areas; and

Improve housing codes and code enforcement.

We need a new Department of Housing and Urban Development to strengthen our ability to cope with these problems.

I shall shortly send to the Congress a message containing my recommendations.

OTHER ECONOMIC POLICIES FOR 1965 AND BEYOND

NATURAL RESOURCE DEVELOPMENT

America owes her greatness partly to the large public and private investments made to develop her abundant natural resources. Rapid growth and urbanization require intensified efforts to solve old problems and imaginative approaches to new challenges.

Especially requiring study and action are—

The protection of our environment. We need to strengthen our attack on air, water, and soil pollution.

Water resource programs. We must improve the efficiency, coordination, and comprehensiveness of our major water resource development programs. More realistic charges and user fees will improve equity and strengthen private incentives for efficient use.

Research programs. We must find new and more efficient ways of utilizing available resources. I have recommended increased research efforts in several areas, including the desalting of sea water.

Recreational resources. Urbanization, higher incomes, and expanded leisure time pose new demands for outdoor recreation. New and improved facilities are needed, particularly near metropolitan areas.

STRENGTHENING THE ECONOMIC BASE OF COMMUNITIES

In 1961, the Congress recognized the special needs of distressed areas by passing the Area Redevelopment Act. Since then, hundreds of urban and rural communities have been strengthened by grants, loans, technical assistance, and training programs to help to build or restore their economic base. This program has helped distressed areas to benefit more fully from sustained prosperity.

Redirection of this program can benefit from the experience of the last 4 years. Future assistance should be sufficient to make a significant impact on the economic growth of the communities assisted. Integrated development plans must be devised for larger economic areas with high promise of future viability, and communities must be helped to mobilize public and private leadership in an attack on local blight and depression.

I shall propose measures to achieve these goals, through an extension and strengthening of the Area Redevelopment Act.

I also urge the Congress to enact the special program to assist in redeveloping the Appalachian region.

CONSUMER INFORMATION

Informed consumer choice among increasingly varied and complex products requires frank, honest information concerning quantity, quality, and prices. Truth-in-packaging will help to protect consumers against product misrepresentation. Truth-in-lending will help consumers more easily to compare the costs of alternative credit sources.

TRANSPORTATION

The technological revolution in transportation, and large public and private investments in our highways, railroads, airways, and waterways, have greatly altered the nature of our transportation system. Our national transportation policy should be revised to reflect these changes, particularly by placing greater emphasis on competition and private initiative in interstate transportation. Fair and adequate user fees for our inland waterways, our Federal airways, and our Federal-aid highways will improve equity and efficiency in the use of these public resources.

As part of a well-rounded system of moving goods and people, there is urgent need and opportunity for high-speed, comfortable, and economical passenger transportation on densely traveled routes, such as in the northeast corridor.

I am recommending an enlarged program of research and demonstration projects to determine the best and cheapest way to meet this need.

INDUSTRIAL SCIENCE AND TECHNOLOGY

The Department of Commerce—

Has proposed a State technical services program to enable States to join with universities and industry to create new jobs through wider application of advanced technology;

Is establishing a coordinated system for scientific and technical data, to reduce unnecessary duplication of research and lower the costs of obtaining scientific data.

My budget contains funds for these desirable programs.

AGRICULTURE

Americans owe much to the efficiency of our farmers. Their independent spirit and productive genius are the envy of the world. We must continue to assure them the opportunity to earn a fair reward for their efforts.

I will transmit to the Congress recommendations for improving the effectiveness of our expenditures on price and income supports.

Many small farmers cannot expect to earn good incomes from farming. But they—along with other rural Americans—will have an opportunity to share in the fruits of our society through faster economic growth, better education and training opportunities, and improved health and community facilities. We must extend the benefits of American prosperity to all our people, including those in rural America.

EDUCATION AND HEALTH

In my message on education I proposed a program to insure an opportunity to every American child to develop to the full his mind and his skills.

In my message on health I proposed a massive new attack on diseases which afflict mankind.

We value education and health for their direct benefits to human understanding and happiness. But they also yield major economic benefits.

Investments in human resources are among our most profitable investments.

Such investments raise individual productivity and incomes, with benefits to our whole society. They raise our rate of economic growth, increase our economy's efficiency and flexibility, and form the cornerstone of our attack on poverty.

I believe that the Congress will find economic as well as human reasons to support my proposals on education and health.

CONCLUSION

In our economic affairs, as in every other aspect of our lives, ceaseless change is the one constant.

Revolutionary changes in technology, in forms of economic organization, in commercial relations with our neighbors, in the structure and education of our labor force converge in our markets. Free choices in free markets—as always—accommodate these tides of change.

But the adjustments are sometimes slow or imperfect. And our standards for the performance of our economy are continually on the rise. No longer will we tolerate widespread involuntary idleness, unnecessary human hardship and misery, the impoverishment of whole areas, the spoiling of our natural heritage, the human and physical ugliness of our cities, the ravages of the business cycle, or the arbitrary redistribution of purchasing power through inflation.

But as our standards for the performance of our economy have risen, so has our ability to cope with our economic problems.

Economic policy has begun to liberate itself from the preconceptions of an earlier day, and from the bitterness of class or partisan division that becloud rational discussion and hamper rational action.

Our tools of economic policy are much better tools than existed a generation ago. We are able to proceed with much greater confidence and flexibility in seeking effective answers to the changing problems of our changing economy.

The accomplishments of the past 4 years are a measure of the constructive response that can be expected from workers, consumers, investors, managers, farmers, and merchants to effective public policies that strive to define and achieve the national interest in—

Full employment with stable prices;

Rapid economic growth;

Balance in our external relationships;

Maximum efficiency in our public and private economies.

These perennial challenges to economic policy are not fully mastered; but we are well on our way to their solution.

As increasingly we do master them, economic policy can more than ever become the servant of our quest to make American society not only prosperous but progressive, not only affluent but humane, offering not only higher incomes but wider opportunities, its people enjoying not only full employment but fuller lives.

LYNDON B. JOHNSON.

JANUARY 28, 1965.

REAPPORTIONMENT

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. SAYLOR] is recognized for 15 minutes.

Mr. SAYLOR. Mr. Speaker, this Congress has inherited an extraordinary obligation which cannot tolerate delay. Now that the inauguration of the President and Vice President is over and the preliminary business of the new House has largely been accomplished, there are compelling reasons why Congress must act as quickly as possible on the matter of amending the Constitution to guarantee the right of any State to apportion one house of its legislature on factors other than population.

The issue had every reason to be resolved in the 88th Congress and per se is a warning against legislative procrastination that has come to prevail on Capitol Hill during the spring and summer months. The trifling with a question of such significance has already created an atmosphere of confusion in a number of States which sought to comply with the shocking dictate of the Supreme Court and in other States which even now are in the process of attempting to conform without completely destroying the system of representation that has served from the forming of the Constitution.

In its approval of a bill to deprive the Supreme Court of jurisdiction over apportionment of State legislatures, the House last year went on record in support of the philosophy expressed in a vigorous dissent by Justice Potter Stewart, who said that the majority decision "makes unconstitutional the legislatures of most of the 50 States." While this House action offered encouragement to areas of the country which would be deprived of proper representation under the court verdict, failure of the Senate to meet the issue headon during the rush toward adjournment left responsible State authorities in a dilemma of dilatant proportions which today persists in State capitols throughout the Nation.

The House majority leader, the gentleman from Oklahoma [Mr. ALBERT], has explained the chaos visited upon his State by the Supreme Court action. After Oklahomans voted overwhelmingly in a referendum for a reapportionment plan for the State legislature, the Supreme Court handed down a decision "telling Oklahomans that the referendum reapportionment plan would not do, regardless of how big it carried in the referendum, regardless apparently if even 100 percent of the people approved it." In his concluding remarks in protest against the Court's action, he said:

> My case rests on the unsuitability of having the Federal judiciary superintend legislative apportionments. These apportionments are deeply bound to the traditions of American politics, not of American courts.
>
> Not only does the judiciary lack the means of affording adequate relief to persons aggrieved by the equality of votes standard, it is repugnant to American traditions to allow appointed magistrates to wield such great political power.
>
> I am strongly in favor of action leading to a return of the apportionment power to the people of this country, where it has been since the founding of this country.

I applaud the majority leader for this frank protest. The Court decision on apportionment is not an interpretation of the Constitution; it is an amendment to the Constitution by judicial edict. Nor is there any historical or moral justification for the opinion which holds that State legislatures must have membership based on population alone.

The framers of our Constitution wisely provided for representation in the House of Representatives to be based on population, with geography or State lines the controlling factor in Senate representation. The Supreme Court's notorious decision on apportionment would nullify that concept in State legislatures and would subordinate the interests of less-populated counties and other political districts to the whims and dictates of urban politicians and—ultimately and inevitably—to the whims of big city bosses.

Finally, Mr. Speaker, let me remind my colleagues that in just 7 years the State legislatures will be charged with the redistricting requirements that shifting populations will bring about through the 1970 census. Left to urban-controlled State legislatures, that redistricting would strip many important geographic and economic entities of a voice in the House of Representatives of the United States as well as in the State houses. I for one do not intend to wait for that day when our rural people are deprived of fit and full representation by what in effect amounts to judicial gerrymandering.

Because of the large number of resolutions that have already been introduced for the purpose of nullifying the Supreme Court's decision on apportionment, I am confident that there will be ample support when the measure comes before the House, but we need to act fast. Already many legislatures in session at the present time are looking to Washington for the protection they need against despoilment of their representative systems. We must not fail them this time.

Mr. Speaker, by unanimous consent, I insert in the RECORD an editorial from the Johnstown, Pa., Tribune-Democrat of January 12, 1965, at the conclusion of my remarks. It commends Governor Scranton for his efforts to have the general assembly of our State undertake to adopt a constitutional amendment. With this demonstration of the feeling among citizens of our land on so vital a subject, I am confident that there will be ample support for our position once Congress takes action.

The editorial follows:

THE CONSTITUTION

Governor Scranton has joined the political leaders of a number of other States in supporting a Federal constitutional amendment on legislative reapportionment. Such an amendment would permit States to apportion one of the two branches of their legislatures on a geographical basis instead of on population alone.

The present Pennsylvania constitution, now ruled unconstitutional by this State's supreme court in line with rulings of the U.S. Supreme Court, requires that each county have one member in the State house of representatives, no matter how small the county. Under the new court rulings, this would not be permitted; nor would Pennsylvania be allowed any longer to limit the number of senators from any single county to one-sixth of the whole.

The senatorial change would not materially alter the State's general assembly, since only one county—Philadelphia—would be affected and it would gain a single seat. But in the house the change would be substantial, since numerous counties fall short of population equal to the average for all of the 67 counties in Pennsylvania. Heretofore each of these has elected its own member of the house.

There are sound reasons for giving each county a representative in the State legislature, since they have problems which are distinct from those of most other counties. And if the purpose of a legislature is to secure a consensus, rather than to obtain special consideration for the politically more powerful counties, it is served by the present system.

Governor Scranton may not be able to persuade the divided general assembly to endorse this proposal, but it just might be that there are enough legislators whose constituents, irrespective of party, want to avoid big-county domination of the State, to get it approved. At least, we hope so.

IMMIGRATION HEARINGS

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 5 minutes.

Mr. FEIGHAN. Mr. Speaker, all private organizations and interested citizens desiring to take part in the hearings scheduled on immigration legislation are requested to notify the Subcommittee on Immigration and Nationality in writing on or before February 22, 1965.

As announced yesterday, the hearings will open on February 16, at 10 a.m., with spokesmen from the executive branch of Government who will testify on changes made in the original administration proposal and on which hearings were held during the 88th Congress. Immediately thereafter representatives of private organizations and interested citizens will be scheduled to be heard.

I invite particular attention to the date of February 22, 1965, the date by which all requests to be heard must be filed in writing with the subcommittee.

WORLD'S MOST EXPENSIVE OFFICE BUILDING IS OWNED BY THE TAXPAYERS

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. GROSS] is recognized for 30 minutes.

Mr. GROSS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, two reporters for the Chicago Daily News, Mr. James McCartney and Mr. Charles Nicodemus, have written a most interesting series of articles on the structure known officially as the Rayburn Building in Washington, D.C.

The articles were published in the Daily News last fall after the adjournment of Congress. It is for the reason that they bring together in one place many facts and figures that I offer them for printing in the RECORD for the benefit of Members of Congress and the public.

It seems impossible that so much money could have been spent on one building to serve so few. It seems impossible, too, that in this day of modern construction it could have taken 10 long years, a full decade, for the construction of an office building.

Many of the reasons for the incredible cost and the time element will be found in the following:

THE WORLD'S MOST EXPENSIVE BUILDING

(By James McCartney and Charles Nicodemus)

(NOTE.—"Mistakes" have run the cost of plush new quarters for Congressmen up, up, and up—to $95 million.

(Most of the records of this fantastic Government goof-up are being kept under wraps. And Congressmen are afraid to talk about it.

(But it's no secret who made 10-percent profit on all the costly mistakes: Matthew H. McCloskey, now under investigation on kickback charges in the Bobby Baker probe.)

WASHINGTON.—This is the untold story of the world's most expensive building—the $95 million Rayburn Building for Congressmen on Capitol Hill.

It's a story of million-dollar mistakes—and multimillion-dollar miscalculations, of spiraling costs and delays running into the years.

And now, as the building is nearing completion—4 years behind schedule—another long shadow is falling across its marble facade.

It's the shadow of its principal contractor, Matthew H. McCloskey, who is under investigation in the Senate on kickback charges in the reopened Bobby Baker probe.

He has been accused of helping to finance the 1960 Democratic campaign with a tax-free $35,000 kickback on construction of a new home for the Washington Senators baseball club.

McCloskey's firm has been a beneficiary of mistakes and miscalculations made by the Rayburn Building's planners. McCloskey is a former treasurer of the Democratic National Committee.

From the beginning the Rayburn Building has been in trouble, at least partly because of its opulence. No building in history has provided so much for so few.

It is costing over $40 million more than the new State Department wing, which has more usable floor space and was started at about the same time. That building—criticized widely as too plush when it opened 4 years ago—cost $54 million.

Comparisons with other buildings are different because of changing building costs, but for the record the Empire State Building cost $42 million in 1931 and Chicago's Merchandise Mart $32 million the same year.

The Empire State Building, tallest in the world, has space for more than 20,000 tenants. The Capitol Architect's Office says the Rayburn Building will house about 2,800 tenants.

In the Rayburn Building, parking space for Congressmen and their aids has cost more than $10,000 a car.

Office furnishings, at $10,000 a congressional suite, come to nearly double the tab in outfitting a top Government executive.

Sixty elevator operators will pilot the building's shiny new automatic elevators—while the rest of the Government is engaged in an automation program to save money by getting rid of operators.

The massive building is twice as big as both of the office buildings that have sheltered the entire House of Representatives for the last 30 years.

Yet it will hold only a third of the Members of the House plus nine committees and their staffs.

It has three times the floor space of the Capitol itself.

But perhaps more importantly, the story of the Rayburn Building is a story of a way of life in Congress.

And where McCloskey is involved now, it's a life of fear.

"Go away from me," a veteran Congressman told Daily News reporters inquiring about the Rayburn Building. "I don't want to talk to you."

"I don't want to talk about that building to anybody."

This is a Congress that demands the facts from the executive branch of Government, and then proceeds to hide its own records.

It is a Congress in which powerful politicians operate virtual fiefdoms with public funds—feeling no responsibility to tell the public how public money is spent.

For the records of the Rayburn Building—the checks, the invoices, the vouchers—lie in shadows, beyond the reach of public and press.

No outsider can say what the possibilities for payoffs in this shadowy world of politicians and contractors might be.

This is the world on Capitol Hill in which Matthew McCloskey and his firm, McCloskey & Co. of Philadelphia, have competed—and competed well.

In this world, million-dollar contracts mushroom by 50 percent, with a 10-percent profit on the changes.

The McCloskey firm made $700,000 clear profit on changes in two major Rayburn Building contracts alone—at a time when McCloskey was working overtime as a fundraiser for the Democrats.

Who ordered those changes, and why—and the records of those changes—are matters that congressional leaders prefer to keep to themselves.

At the very least the story of the Rayburn Building provides an object lesson on what can happen when Congress writes a blank check to anyone—but particularly when it writes one to itself.

For the Rayburn Building was a blank check proposition from the day it was born in secrecy in 1955.

And the figures on that blank check have risen over the years on virtually every contract involved.

It all began on the quiet afternoon of March 18, 1955, when Sam Rayburn, the late, great Speaker of the House, unexpectedly took the floor and said, "Mr. Chairman, I offer an amendment."

He proposed a $2 million appropriation, added to a money bill, to build "an additional fireproof office building for the House of Representatives"—plus "such additional sums as may be necessary to carry out this act."

The House at the time had two office buildings, one completed in 1903, the other in 1933. The size of the House of Representatives has not changed in the last 50 years, but staffs and committees have grown.

Speaker Rayburn's proposal was a departure from normal House procedure. No plans had been prepared for the building he suggested, no studies made, no hearings held, no site selected.

Furthermore, he proposed to put full authority for providing funds for the building in the hands of the existing House Office Building Commission with dictatorial powers—which he headed himself.

In his bill there was not so much as a vague estimate on what those "additional sums" might be.

But his Commission was empowered to provide them—outside normal appropriation channels.

There were immediate complaints that Rayburn was violating House rules.

But Sam Rayburn was the venerated Speaker—and it was what he wanted.

And he got it, with whimpers, only, from former Representative Clare Hoffman, the conservative Republican from Michigan, and his sidekick, Representative H. R. GROSS, of Iowa.

Asked GROSS, characteristicly: "What is the emergency * * * and what is going to be the cost?"

He got no answer.

And there is no firm one yet—9 years later.

What is certain is that more funds have been pumped into the Rayburn Building project than any building project ever started on Capitol Hill.

And if a Congressman begins to ask too many questions he is told that he is desecrating the memory of Sam Rayburn.

Many—in fear—are remaining quiet.

From the very beginning there was trouble. It started with the selection of a site.

The Senate, in building a new office building a few years before, had chosen a modest location behind its original office building.

The House, under prodding by Rayburn, decided to plunk its new home in a prominent spot dominating the entire southwestern side of Capitol Hill, even though it didn't balance with what the Senate had done.

It proved to be an all but tragic decision.

The first major contract was to rebuild a giant sewer on the building site. The sewer rebuilders say that they found the soil wasn't quite what it seems to be from tests ordered by the Architect of the Capitol.

Their job was scheduled to take 8 months. It took almost 3 years and the courts are still listening to arguments about who is at fault.

"Nobody knows why it took so long to build it," says Representative TOM STEED, Democrat, of Oklahoma, who heads the subcommittee responsible for coughing up money voted by the House Office Building Commission.

Lawyers for the sewer contractors say they have lined up geological experts to testify in court that tests of the soil were not adequate.

The sewer problem was only the beginning. Soon afterward work began on the foundation and excavation. The contractor: McCloskey & Co.

The original bid: $6,666,000.

In putting in the foundation McCloskey, too, ran into trouble with the soil—but now of an even more complex nature.

Somehow, water was flowing underground that hadn't been anticipated.

Every Washington history book mentions Tiber Creek, flowing from Capitol Hill. It once ran down the famous mall.

For some reason it wasn't expected to show up at the new building site. But apparently it did.

McCloskey & Co. had to put up special shoring materials to hold back sliding dirt. It cost $996,000. Today McCloskey is seeking to collect the sum from the Government, but no final decision has been made.

While this problem was still being fought a more serious one was discovered. The plans for the foundation and excavation on which McCloskey based its bid for the contract were found to be inadequate.

Somebody had goofed.

As explained today by Philip L. Roof, the executive assistant to Capitol Architect J. George Stewart, who has managed construction on the building, the mistake was a result of a gamble.

Roof says that a desire to expedite construction led to a decision to start building the foundation before plans for the superstructure were completed.

It was a gamble, however, that failed, according to Roof.

Too late, it was discovered that pressures on the foundation, well below the water level, were heavier than anticipated.

The superstructure, as designed, would not, as Roof puts it, "be heavy enough to hold the foundation in place."

If the original plans had been followed, according to Roof, the building, built over a sewer, might, literally, have floated away.

He said it became a question of whether to add weight to the superstructure or to the foundation—and the decision was made to add weight to the foundation.

Tons of concrete were poured into the foundation, as a result, to anchor the building.

It was a mistake that cost $1,500,000 and Roof is not clear, even yet, who should be held responsible, although he hints darkly that the House Office Building Commission is at fault.

As it worked out, the $1,500,000 in work was done by the contractor already chosen for the foundation—McCloskey & Co. There was no competitive bidding for the job.

Thus McCloskey & Co. became the chief beneficiary of the most costly mistake in the early stages of the construction of the Rayburn Building. It was not to be the last time the company would prosper.

HOW MCCLOSKEY REAPED PROFITS

(By James McCartney and Charles Nicodemus)

WASHINGTON.—"Somebody up there likes me" might well have been the theme song of Matthew H. McCloskey, big builder, big Democrat, and main erector of the giant Rayburn House Office Building.

In the troubled construction of that $95 million showplace, most of what worked out wrong for others seemed to work out right for McCloskey, who had two-thirds of the job.

Whether the "somebody up there" smiling was merely Dame Fortune, or someone of more substance on Capitol Hill, is a question raised by an examination of what few records are open to the public on this world's most expensive office building.

An alleged miscalculation on the foundation design added $1,500,000 to the bill—and a tidy 10 percent of that total to McCloskey's profits.

The Capitol Architect's Office took pity on the quarry subcontractors providing marble for the building, and paid McCloskey to pay them in advance—taking that normal financial burden off McCloskey.

An unpredicted influx of eaters materialized in the Capitol area. That forced the installation of a costly cafeteria that supposedly was to have been postponed for years—boosting McCloskey's profits more.

House leaders after great soul-searching decided to install a plush swimming pool to "keep up with the Senate" (which had had its pool for 2 years) and McCloskey's contract shot up still further.

Hidden from public view are dozens of other changes that represent manna for McCloskey. Capitol Architect J. George Stewart, supervising construction, acknowledges their existence, but refuses to list them.

"The next thing you'll do is ask us to justify them," said Stewart's administrative assistant, Philip L. Roof.

Equally important is whether a man with McCloskey's political connections would have had advance access to information that sizable changes might be made. That's dope that industry experts agree would enable a contractor to keep his original bid low—knowing he could make up his profits later on lucrative changes.

The Senate Rules Committee began investigating the pattern of design changes on another McCloskey project last week as it reluctantly reopened its investigation into the good life and influential times of former Senate Democratic Majority Secretary Bobby Baker.

McCloskey has been accused by Senator JOHN J. WILLIAMS, Republican, of Delaware, of making a $35,000 kickback in connection with construction on the new, $17 million District of Columbia Stadium.

The payoff, allegedly arranged by Baker, is the main focus of the investigation.

But Chairman B. EVERETT JORDAN, Democrat, of North Carolina, said his group will also scrutinize another Williams suggestion:

That changes in the stadium design may have been intentionally delayed until McCloskey got the award with a rockbottom bid, so he could later enhance a reduced profit margin with the noncompetitive extra work.

The changes increased the stadium price $3 million—or 22 percent.

Concern that the same thing might have happened in connection with the Rayburn Building was voiced earlier this year by Representative CHARLES S. JOELSON, Democrat, of New Jersey, during the annual hearings of the Legislative Appropriations Subcommittee. It votes funds for the project.

JOELSON told Stewart that "if you have public bidding and (then) the contract is subject to change orders (like that), then the public bidding does not give the protection it is designed to give."

Contractors profit doubly from change orders because:

They're generally guaranteed a flat 10-percent profit on such work, whereas their profit margin on the basic contract is often pared to 5 percent or less, to "get in under" competition.

In negotiating the cost of work performed under change orders, contractors invariably propose high prices, since there's no competition to contend with.

On the Rayburn Building, technical changes were approved by the Capitol Architect.

Virtually all major design changes originated with the powerful but secretive House Office Building Commission, manned by the House Speaker (originally Sam Rayburn of Texas, but now John McCormack of Massachusetts), venerable, prestigious Representative Carl Vinson, Democrat, of Georgia, and Representative James Auchincloss, Republican, of New Jersey. The latter two are retiring from Congress.

These men have unprecedented blank check authority on cash and policy. Their meetings and minutes are secret.

But here's the pattern on change orders and other treatment accorded McCloskey, as revealed by investigation and the few available documents:

1. McCloskey won two major awards with low bids—the excavation contract for $6,660,000 in May, 1958, and the superstructure job for $50,793,000 in March 1960.

Soon after the awards, design changes began coming through which Stewart now estimates will total $7 million.

The average value of change orders in Federal building construction is 5 to 7 percent, according to the General Services Administration, the biggest Federal builder.

Changes on the Rayburn Building skyrocketed the excavation contract price 32 percent and the superstructure contract 10.1 percent.

2. Besides the $2 million in change orders already approved for the excavation contract, McCloskey has put in for another $996,000.

About the time congressional clamor over the building's cost began to mount, Stewart bucked the claim to an appeal board.

A Stewart fiscal aide told the appropriations subcommittee last March that in preparing a list of anticipated "obligations"—on which Stewart's annual request for money is based—his office had not included the $996,000 claim.

To do so, the aide said, "would be tantamount in our opinion to conceding the validity of the claim, which the Architect has denied."

Yet buried in the committee's hearing record, in the last paragraph of nine pages of

fine print material submitted by Stewart, are facts and figures showing clearly that Stewart has listed the $996,000 as an obligation and he received a sufficient appropriation to cover it.

3. Stewart's office at one point got enough money from Congress to cover first-year payments to McCloskey for an unprecedented 70 percent of his $50 million superstructure contract.

After Representative FRANK T. BOW, Republican, of Ohio, then a member of the Appropriations Subcommittee questioned the strategem—and the project continued to meet interminable delays—most of the scheme was dropped.

However, James Banks, second assistant architect, said Stewart's office did approve multimillion-dollar advance payments for marble, months—and sometimes years—before the material was used.

This was a clear departure from normal Government construction practice. That calls for paying only for "work in place (complete) or materials (stored) on site."

Stewart's assistant, Roof, said the Architect's office ruled that a nearby railroad yard where McCloskey leased storage space for some of the marble could be considered "on site."

The marble costs involved exceeded $4,500,000. Banks said the advance payments "took a real burden off McCloskey and the quarriers."

Ordinarily, such problems are the responsibility of the contractor, not the Government, other Federal building experts noted.

More important, there are numerous indications that several of the design changes that benefited McCloskey so handsomely could have been covered in the original specifications.

The major change on the superstructure contract was the cafeteria. Roof estimates its cost above $1 million.

Examination of the plans shows that the "rough" plumbing for the facility was included in the original contract. But not covered were the major costs of erecting and equipping the facility.

"The demand was unpredicted," Roof contended.

He said the House Office Building Commission believed that another new cafeteria then nearing completion, in the adjoining Longworth House Office Building, would serve the House's needs "for 10 or 12 years."

Available evidence indicates otherwise.

The Longworth cafeteria opened for business in January 1959. Its operating records show it was swamped almost from its first month.

At that point the Commission was also preparing plans that entailed demolition of other nearby restaurants—making the problem even clearer.

Twelve months elapsed between the opening of the Longworth cafeteria and the submission of bids on the superstructure contract. That would appear to have been ample opportunity to work in the change ahead of time—particularly since seven other last-minute changes delayed opening of bids by 1 month, until February 1960.

Further insight is provided by a visit to the cafeteria. Its floor-to-ceiling picture windows run nearly the full length of one side of an elaborate courtyard designed as the building's showcase entrance.

What was to be done with that showy space if it were not used as a cafeteria for 10 or 12 years?

Said Roof: "We'd have used it for storage."

Roof also contends the decision to put in the swimming pool was long delayed—although not 1 Congressman in 50 will tell you there was any doubt after 1958 that the pool would be built.

In 1958—nearly 2 years before McCloskey's contract was let—the Senate opened its new building, with a pool.

The Rayburn pool—twice as large—was supposedly carved out of space originally planned as part of the giant parking garage, according to Second Assistant Banks.

But examination of early plans shows that the exact space where the pool, lockers and showers eventually turned up was cryptically designated "unassigned space"—not garage space, like all its surrounding area.

The Architect's Office refused to permit examination of the original specifications which would have disclosed any provision for the pool's unique "support" facilities—special stairways, a special elevator, and a special "sneak" outside entrance.

Equally curious is the $1,500,000 change order in the foundation contract that added tons of raw concrete for extra weight allegedly needed.

Roof said that to speed construction of the building, the foundation was designed first and put under contract, and the superstructure plans were completed later—the reverse of normal practice.

But when the superstructure plans were nearly finished, Roof said, it was discovered that the upperstructure in effect wouldn't be heavy enough to hold the building down in the ground because of upward pressures from below.

Those pressures came from underground water—which Roof acknowledges the designing architects were aware of from the start.

Why was the extra weight, if needed, added in the foundation—which was then already half done by McCloskey? Why not in the yet-to-be-let superstructure, which today impresses any visitor with its oversized corridors, immense stairwells, and vast garage and storage spaces?

"That was a policy decision," Roof answered. "We didn't want to sacrifice any of the valuable space upstairs."

CAPITOL ARCHITECT'S BUILDING ESTIMATE MISSED BY $31 MILLION

(By James McCartney and Charles Nicodemus)

WASHINGTON.—Capitol Architect J. George Stewart was $31,050,000 off in 1957 when he officially estimated the cost of the new Rayburn House Office Building. He was about 50 percent off.

Yet he insisted in testimony at the time that his estimate was "firm."

As late as 1958 Stewart was still talking about the building as costing $64 million. It's actually going to cost at least $95 million, probably more.

This is just one sample of the accuracy of Stewart's estimates—and it's not, by any means, the most extreme.

Stewart has had no better luck in his official guesses on how long it would take to get jobs done—or on how much money he would need to pay for work year by year.

This is all part of a picture of skyrocketing costs, lengthy delays, and strange methods of providing appropriations that have characterized the Rayburn project throughout its 9-year history.

No serious study of the way it has been managed, by Stewart, could fail to raise questions.

Yet the evidence is that no one has carefully monitored the operation.

Stewart's office has operated as a congressional fiefdom, immune from investigation, its operations largely secret.

As it stands now, the Rayburn Building, which will house nine committees and a third of the House of Representatives, is 4 years behind the original schedule. Estimates on how long jobs would take have been off by anywhere from a few months to 2 years.

When he first started talking about a subway to connect the building to the Capitol, Stewart said it would cost about $5 million. It's going to run at least $7,700,000.

Even on small jobs he has been astonishingly inaccurate. One job related to the project, to make a new post office for the House, started at $100,000. It wound up costing $145,782.

Then there is the strange world of Stewart's appropriations to finance the Rayburn Building.

When asking for funds from a House appropriations subcommittee to finance the building, Stewart has often overestimated his needs by 300 or 400 percent.

In fiscal 1960 he asked for more than $40 million—and got it, as he always has, from a docile subcommittee.

When the year was over it turned out that he needed only $7 million.

Daily News reporters showed a top Treasury Department budget expert a table illustrating the pattern of Stewart's appropriations.

"I'd hate to see the rest of the Government ask for appropriations that way," he said. He added that the effect of this kind of appropriating could be to take funds away from other Government programs. He mentioned urban renewal, housing, or possibly welfare programs.

Shown the same table an official in Stewart's office said: "On the face of it, these figures are incredible. I'd have to do some research to explain them."

In trying to piece together the story of the Rayburn Building one of the problems revolves around the figures made public by Stewart. Often they seem to be designed to confuse rather than to explain.

Figures put out one year can't be compared with those put out other years. Items covered are grouped in different ways so that comparisons—by laymen or experts—are impossible.

Often figures on what things have cost differ in the same yearly report. It is not unusual to find differences involving thousands of dollars, sometimes tens of thousands.

In this year's report, for example, he says that the remodeling of one of the House office buildings (the Longworth Building)—a part of the overall Rayburn project—has come to $2,993,406.

Yet if you add up figures he has previously provided on what individual parts of this remodeling have cost you find that the total falls almost $200,000 short of the figure he uses this year.

No explanation is provided.

It is significant that Congressmen rarely ask about these inconsistencies. Even they often can't find out what things cost.

Trying to assess responsibility for million-dollar mistakes, or gambles is even tougher.

Stewart's office has admitted that the Rayburn Building was, in effect, designed "upside down"—the foundation was designed before the superstructure, to speed up construction.

This turned out to be a mistake that cost $1,500,000 and months of delay.

The Capitol Architect's Office tends to suggest that the blame rests entirely with the House Office Building Commission, whose key figure now is Representative Carl Vinson (Democrat, of Georgia), the venerable and brilliant head of the Armed Services Committee.

Representative Vinson says this isn't true. "We took our advice from the architects and engineers," he says. Representative Vinson is aware of criticism directed at Stewart and his office.

"I know we have had a lot of delays and that costs have gone up," he says, "and I don't like it either. Sam Rayburn (former Speaker) and I used to talk about whether we'd both be alive to see it finished.

"He didn't make it. And I'm not getting any younger." Vinson is 80 and is retiring from Congress.

Asked if he has confidence in Stewart, Vinson replied: "Let's not talk about that."

Stewart has been widely criticized, particularly on the Senate side of the Capitol, where Members still are complaining about the New Senate Office Building he built in the late 1950's.

One contractor who has worked on the Rayburn project told the Daily News:

"I've never had a job that was so messed up.

"The planning in the Architect's office was so poor that the price on our job increased by 50 percent. They didn't seem to know what they were doing.

"I'll never do another job for the Architect's office. I want no part of them."

The contractor asked not to be identified.

In general, the Architect's office has had a tendency to blame contractors when things have gone wrong. Yet the Architect's office has been responsible for the selection of the contractors.

A spokesman for the office, when asked about delays running to years on the contract to rebuild the sewer under the Rayburn Building, said the contractor wasn't capable of doing the job.

But he didn't say why the Architect's office wasn't able to discern this until the contractor ran months behind schedule.

The office is proud of its force of inspectors. There have been as many as 60 on the job at once.

James Banks, Stewart's second assistant, says: "You have to catch the mistakes while they're being made—not afterward."

Yet buried in Stewart's discussion of difficulties over the sewer contract is his charge that the contractor exercised "imprudent supervision and performance."

Later Stewart said McCloskey & Co., the foundation contractor, caused delays.

McCloskey "failed to have the foundation surface sufficiently cleaned" and has "misalined anchor bolts" on which the key steel columns would sit, Stewart said. He also said McCloskey "bent or kinked over (steel) bar dowels" used to reinforce walls.

But Stewart did not explain where his huge force of inspectors was when all this was happening.

In studying the record of the building, however, nothing becomes more confusing to follow than the rising costs.

They go up in strange ways. What's counted one year isn't counted in the same place the next.

For example, a distinction is made between the Rayburn Building itself and the so-called Rayburn Building project. The project includes remodeling the other two House office buildings, constructing new underground garages and acquiring new land on Capitol Hill, among other things.

If you studied the hearings of the appropriations subcommittee this year you could easily get the idea that the total cost of the project is going to be $122 million. That's the top figure mentioned, seemingly carefully itemized. In fact it does not include about $18 million in remodeling that is still planned as soon as possible after the Rayburn Building is occupied in January.

So, $140 million is going to be the project cost—at least.

CONTROVERSIAL CAPITOL ARCHITECT: HE'S NO ARCHITECT AT ALL

(By Charles Nicodemus and James H. McCartney)

WASHINGTON.—Capitol Architect J. George Stewart, the man handed the job of building the new Rayburn House Office Building, has been steeped in controversy since he won the post 10 years ago.

He has been praised as a "visionary," a man "whose integrity you could never question," one of "the grand old guys around Capitol Hill."

He also has been attacked on the Senate floor as "incompetent, irresponsible, unqualified," and an "empire builder."

Stewart has always "thought big." And the things he builds have a way of ending up bigger than he or anyone thought.

Although few, if any, of the 10 million tourists a year who invade Capitol Hill have ever heard of him, much of what they see bears Stewart's imprint.

Attacks on Stewart's qualifications are rooted in the fact that the Architect of the Capitol—who has bossed a Capitol Hill building program exceeding $200 million—is no architect at all.

He says he's a civil engineer. And his biography reads: "University of Delaware, class of 1911, B.S. in engineering."

Actually, he quit the university after 3 years. The degree was given him by the school in 1958 for his "distinguished service and accomplishments."

After school, Stewart worked his way up to the presidency of his father's construction firm, which, Stewart said, built everything from public buildings and roads to estates for the Du Pont family.

He also dabbled in Republican politics and served one term, in 1935, as a Delaware Congressman-at-large.

After retiring from business, Stewart went to Washington in 1947 as chief clerk of the Senate District of Columbia Committee, then headed by an old friend, Delaware's GOP Senator, C. Douglas Buck.

Stewart was axed by the Democrats in 1952. But through two friends he met while working with the Republican National Committee—Chairman Leonard Hall and Representative CHARLES HALLECK, of Indiana—he got a job as consultant on land appraisals for the Justice Department.

And in September 1954, when the incumbent Architect, David Lynn, retired, Hall and Halleck persuaded President Dwight D. Eisenhower to name Stewart to the post.

Stewart is now 74, stooped and graying, glaring out defensively from behind the thick-lensed glasses he has had to wear since cataract operations.

But 10 years ago he swept into his job with a flourish that has helped change the face of Capitol Hill—whether for better or worse depends on to whom you're talking.

Until Stewart came along, the Architect had been a glorified groundskeeper and maintenance man. Stewart immediately began pushing for a start on a new Senate Office Building.

It was in the planning stages and had a $10 million price tag when he stepped in.

When it was done, it cost $26,500,000 and had more "bugs" than the bottom of a wet rock.

The controversial renovation and extension of the Capitol's historic east front jumped from $17 to $24 million.

A new subway to the Senate offices featured cars that wouldn't work, or made too much noise when they did.

Despite such problems, Stewart displayed two capabilities that endeared him eternally to congressional giants such as Sam Rayburn, Democrat, of Texas; Senator Styles Bridges, Republican, of New Hampshire; and Rep. Carl Vinson, Democrat, of Georgia.

They believed that the Capitol should be preserved and expanded in "grand manner," and money and methods be damned.

Stewart learned to—Keep plans secret (his critics said his decisions "were made in a broom closet").

Sneak through projects that the leadership didn't want publicized.

He built a Senate office swimming pool with leftover funds from a plumbing appropriation.

And—while building the Senate subway—he secretly had concrete footings and structural steel installed to set up a connection for the Capitol to a $40 million underground parking garage that he hopes will be built someday beneath the spacious east plaza.

Stewart also has urged extending the west front of the Capitol (cost $25 million); building an added Library of Congress facility ($30 million); adding another subway to the House offices ($40 million or more), and numerous other projects.

"FROSTING" HIKES COST OF RAYBURN BUILDING

(By James McCartney and Charles Nicodemus)

WASHINGTON.—The pattern in building the giant new Rayburn House Office Building for Congressmen here has been to pay more—and get less.

It's a building in which more space is allotted to extras than to the basic function of the building.

It's a case where the frosting is thicker than the cake.

Only 935,000 of the 2,375,000 square feet of floor space in the building is considered usable for official business.

Even the cars in the Rayburn Building have been furnished more space than cars in other Government buildings.

The purely decorative marble on the building is twice as thick as the marble on two other new Government buildings a few blocks down Independence Avenue.

But the pattern of what has happened in constructing the Rayburn Building, with a blank check, comes through most sharply when the building is compared with other major office buildings around the country.

Take, for example, the huge Merchandise Mart in Chicago, completed at a cost of $30 million in 1931.

A spokesman for the architectural firm that designed the building said it would have cost about $75 million to build it in 1955, when the Rayburn Building was conceived, and perhaps $96,900,000 at today's prices.

The Rayburn Building is costing about $95 million, including subways and tunnels to other Capitol Hill buildings.

But the Merchandise Mart has 3,300,000 square feet of rental office space—compared to the Rayburn Building's 935,000 square feet of usable space. The Merchandise Mart houses 25,000 workers, compared to the Rayburn Building's 2,800.

Or compare the Rayburn Building to the 102-story Empire State Building in New York, the world's tallest building.

By a formula accepted as valid by the builders of the Rayburn Building, the Empire State Building would cost about $84,292,000 to build today. The building itself cost $24,718,900 when completed in 1931.

The Empire State Building houses more than 20,000 workers and has 2,158,000 square feet of rentable space—more than twice the usable space in the Rayburn Building.

The contrast with the more modern Prudential Building in Chicago, 41 stories tall, is even sharper.

The successors to the architectural firm that designed the Prudential Building say the building cost $41 million. It was completed in 1955. They say it would cost about $57 million today. It has 1,011,390 square feet of rental space—also more than the Rayburn Building.

In a way the story of the vast parking garage in the Rayburn Building tells much of the story of the building.

For this is the biggest "extra." It accounts for 1,002,000 square feet in the building—about 42 percent.

The Capitol Architect's office, which is building the building, says that 1,600 cars will be parked in the space.

A private parking operator in Washington, with dozens of parking facilities, says he could park 2,800 cars in the same space, using the same park-it-yourself system planned for the building.

If he could hire attendants to park the cars, he says, he could get 5,000 cars in the same space.

A breakdown of the figures shows that the Rayburn Building's planners have allowed more than 600 square feet for every congressional car—while the cars of more ordinary mortals require only 350 to 400 square feet.

That includes ramp and aisle space, prorated to each vehicle, as well as the actual space for parking.

The General Services Administration, which builds most Government buildings, says it allows 350 to 400 square feet for each car in its buildings. The private operator says he allows 325 to 350.

The House of Representatives has already announced that it plans to build two new underground parking garages, at a cost of $9,300,000, to help further in solving the parking problem on Capitol Hill.

But the private parking operator says that all the cars intended to be parked in the new underground garages could be parked in the Rayburn Building if space were better used.

The vast space in the parking garage of the building, however, has been used by the Capitol Architect's office as a means of watering down the cost per square foot of the building as a whole.

The Architect's office likes to include the garage space in computing that figure. It comes up with a cost per square foot of $33.85—which is not high for a building of this general type.

However, the Architect's office winces when it is pointed out that this would mean that each parking space in the building has cost $21,198.

There is no accurate way to apportion the cost of the parking garage and the rest of the building, but it would certainly be fairer to blame the garage for no more than about 20 percent of the building's cost.

That would bring the cost per parking space down to about $11,000—which is only about 2 or 2½ times what parking costs in other Government buildings.

In addition, that gives a more realistic cost for the office space—something upward of $50 a square foot.

The General Services Administration built an office building right down the street, with a marble exterior, for $19.40 a square foot.

A new home for the Federal Deposit Insurance Corporation in Washington, completed in 1963 with many extra touches to please the bankers with whom the FDIC deals, cost $22.90 a square foot.

Chicago's new Federal court skyscraper cost $25.90 a square foot and a new building for the Smithsonian Institution in Washington, $38.80.

A careful study of the apportionment of space in the Rayburn Building shows that the ostensible purpose of the building—to provide new office space for Congressmen—seems almost to have been forgotten.

Less than 300,000 square feet in the building—out of the 2,375,000 total number—is actually Congressmen's office space.

Some of the rest of the usable space is for needed facilities for committees.

But most of it is for gaping stairwells and spacious corridors, with ceilings treetop tall; gymnasiums (two); recording studios; barber shop; beauty parlor; a large cafeteria; a swimming pool; storage and service areas—and of course the garage.

Making allowance for the parking areas, each Congressman's office in the building cost about $200,000.

That doesn't include the furnishings which, at $10,000 per three-room suite, run nearly twice the cost of outfitting similar space for a top-level official in the executive branch.

And the $10,000, in turn, doesn't cover the huge, built-in safes in every suite, which Brinks, Inc., might well envy; or such touches as the decorative chair-rail molding and the marble baseboards found in each office.

Or the 250-plus polished, carved, solid walnut doors—giant, double panels, with shiny bronze fittings—that can be found everywhere, even at the entrance to basement service rooms.

The cost per person housed in the building comes to at least $25,000.

No discussion of the building's opulence would be complete, however, without further mention of the swimming pool.

It was supposedly added as an afterthought, but it looks right at home.

Finding it in the bowels of the building is like finding a speakeasy in the 1920's.

There is what might be called a secret entrance from the outside—a flight of special stairs located unobtrusively off the building's main plaza.

You enter a locked door and then go down two more flights of stairs, leading only to the pool—and to a garage entrance to the pool.

Finding the pool from the inside is just as secretive a proposition.

A set of special stairs leads two flights downward to the pool from a room off the men's gymnasium.

Less energetic Congressmen can take a private elevator that the public will never see from the gym to the pool.

And if, after a hot drive to the office, a Congressman wants to take a quick dip before facing his public, there's that special, locked entrance direct from the garage.

The pool's most curious feature, however, is its ceiling.

It's so low that if a diving board is installed—even at floor level—any Congressman taking even the slightest bounce would doubtless crack his cranium on the plaster above.

Yet the pool has a deep end—10 feet in depth—which, if not constructed expressly for diving, would scarcely seem to have any utility except for imperiling Congressmen who haven't learned how to keep their heads above water.

RAYBURN BUILDING: STONE, SECRECY

(By James H. McCartney and Charles Nicodemus)

WASHINGTON.—Its chief builder is silent. Its supervising architect hides its records and shuns the press. The men who ordered it built say "we won't talk—now." Even its critics are gagged.

That's the giant, $95 million Rayburn House Office Building, the plush new palace of the people's representatives.

Its visible facade is marble and granite. But there is an added mantle of secrecy and deception, bulwarked by a foundation of fear.

Aside from the activities of the Central Intelligence Agency and the Defense Department, never has so much public cash been poured into so large a project about which the public could learn so little.

The attorney for top Democrat Matthew H. McCloskey, the main contractor, says Senate and FBI probes of his client's liaison with Bobby Baker made it "inadvisable" for McCloskey to talk to anyone about any thing.

Capitol Architect J. George Stewart, in charge of the project, won't even meet with the press to discuss it. He slams down the phone when called by reporters.

And he refuses to let "outsiders"—including most Congressmen—see any of the vouchers, checks, or other records of the building. Even the original plans and specifications are kept secret, though they were public property when building contracts were let.

The three men on the House Office Building Commission, who have unfettered power to erect the building, won't discuss it. Their key member, the venerable Representative Carl Vinson, Democrat, of Georgia, says:

"It's a great, great building. We're all proud of it. But I don't make any more public statements now. The General Accounting Office is investigating, you know."

Speaker JOHN MCCORMACK, Democrat, of Massachusetts, who replaced the late Sam Rayburn, Demorcrat, of Texas, as commission chairman, "is not available" to discuss it. Aging Representative James Auchincloss, Republican, of New Jersey, the GOP member, says frankly:

"I'd rather not talk about it. I'm retiring from Congress and I don't want anything stirred up."

The chairman of the subcommittee that has voted the steadily soaring appropriations to finance the building's interminably delayed construction says on one day that "everything should be out in the open."

"I'll get answers to all your questions," promised Representative THOMAS J. STEED, Democrat, of Oklahoma, a former newspaperman.

Answers to key questions still haven't come.

Critics of the building declare that it is a "monstrosity," as Representative JAMES A. HALEY, Democrat, of Florida, charged earlier this year—while preparing to vote for its appropriation.

But only a handful of Representatives out of 435 display the courage needed to jab penetrating questions at the project's handlers. Even then, straight answers aren't to be had.

A junior Democrat had the temerity earlier this year to ask Stewart about design changes that benefited builder McCloskey.

Shortly afterward, he was called down by Speaker MCCORMACK and accused of "desecrating the memory of Rayburn—the man who conceived the project and ramrodded it forward until his death in late 1961.

The critical young Congressman now refuses even to discuss the matter for publication.

"What can I do?" he asks, spreading his hands helplessly. "I have to get along around here."

This need to "get along" with the House power structure is what keeps most critical mouths shut and the public coffers open.

To understand this climate of secrecy and fear, you have to understand the House itself. It's run by the Speaker, who can exercise near-dictatorial powers in some areas.

Sam Rayburn, one of the greatest Speakers in House history, was no dictator. Just a benevolent despot.

A Speaker has immense power to punish Congressmen, great and small, with ways devious and subtle or obvious and embarrassing.

"Mr. Sam" used that power sparingly, but unhesitatingly when needed. So people gave Rayburn anything he dearly wanted. And the thing he wanted most dearly was a new House Office Building.

It was to be a monument, capping his long, distinguished career.

Without advance notice, without plans or hearings, Rayburn showed up on the floor March 18, 1955, and railroaded through—in clear violation of House rules—an amendment to the Legislative Appropriation Act. It gave his House Office Building Commission unlimited, blank check authority. to put up a new building.

Over in the Senate, he quietly had the initial funding raised from $2 to $5 million and the Commission's powers broadened.

When it was sent back to the House, the revised version was never discussed on the floor. It was passed by voice vote amid a bloc of other Senate appropriation amendments.

This sort of secrecy and deception—with the House misinformed and uninformed, particularly on price—was to set the tone for the project's entire development.

The House itself couldn't learn what Rayburn and Architect Stewart had cooking for 2 years.

In its annual hearings on May 16, 1956, the Legislative Appropriations Subcommittee asked Stewart for a progress report.

He demurred, saying plans and timetables weren't finished.

The next day Rayburn's Commission met in secret—as the Commission always does—and approved all of Stewart's proposals for the project, which hadn't been ready the day before.

In this shadowy atmosphere, safe from public view, there flourished favoritism and worse.

Architectural and engineering assignments crucial to the project were dispensed in most cases as political plums—which the Architect's office blandly admits.

The man tapped to design a fitting building was John Harbeson, a nationally respected Philadelphia architect. He was a friend of Stewart's who had worked on other Capitol and U.S. projects.

He was also a friend of long standing of fellow Philadelphian Matthew H. McCloskey, treasurer and chief fund raiser for the Democratic Party.

At the time of Harbeson's appointment it was common gossip on Capitol Hill and in the trade that Harbeson got the job with McCloskey's recommendation.

That was long before McCloskey's construction firm got two Rayburn building contracts, now expected to total $64 million—and long before he began benefiting from "unpredicted" design changes that will eventually boost his contracts $7 million and jump his profits an estimated $700,000.

Rayburn himself recommended the retention of his friend, Dallas Architect Roscoe Dewitt, to handle the related, high-fee assignment of renovating the Cannon (old) House Office.

And in 1959, when work on the new building project was moving into high gear, Marion Campioli, an architect who had worked on the Capitol for Dewitt and two associates was put in as Stewart's first assistant and Rayburn project manager.

Representative Carl Vinson, Democrat, of Georgia, the brilliant chairman of the Armed Services Committee, exercised similar prerogatives.

A team of Atlanta architects, Jesse Shelton and A. P. Almond, was retained to design the tunnels and subway to the new building. They estimated the cost at $5 million.

At the moment, it's past $7 million and the cost (and architect fee) is still rising.

Another Atlanta firm, Dalrymple & Sowers, was retained to analyze test borings made of the soil where the new building was to rise.

Several of the major construction problems that cropped up later involved soil conditions not disclosed or predicted. Two contractors are now involved in formal proceedings in which the adequacy of the soil analyses and tests are a key issue.

The superstructure specifications were designed so that possible sources of marble were limited to two firms—one of them in Georgia. McCloskey bought two-thirds of the marble there.

It's impossible to tell how many others, similar maneuvers could be spotlighted. The records are kept locked in Stewart's office in the basement of the Capitol, even though all the contracts are let by public bids and are paid for with public money.

Shielded from public scrutiny—by a Congress that opposes any secrecy by the executive branch—are:

The list of change orders granted McCloskey, the cost of those changes and their justification.

The original plans and specifications for all contracts.

Details on the reported shortcomings of McCloskey's performance.

These are alluded to briefly in a 1961 Stewart report explaining delays in the building. But Stewart's aids refuse to give details.

All these records, and the secrets locked within them, might have remained permanently hidden had it not been for the persistence of a lone GOP Congressman, Representative Oliver Bolton, of Ohio.

Alarmed by the Rayburn Building's secrecy and soaring costs, he campaigned in 1963 and 1964 to pry the lid off many of the previously secret fiscal records of Congress—including the books of the Architect of the Capitol.

Stewart opposed the legislation bitterly and, for a long time, successfully. Bolton couldn't even get a hearing on his bill.

Bolton wanted Stewart's office subject to the same General Accounting Office audits that regularly face executive branch departments and agencies.

Stewart contended his office was too small (he controls more than 1,500 employees), his staff too busy, to permit snooping by auditors. And besides, he said, his records didn't need auditing.

Finally, on April 10, after repeated failures (including defeats on a point of order and four separate votes earlier that day) Bolton outmaneuvered the House leadership and forced a rollcall on one form of his proposal.

Facing his compatriots with the choice of supporting the bill or going officially on record in favor of secrecy, Bolton carried the day 188–131—despite intense leadership opposition.

In the Senate, Republicans and sympathetic Democrats resisted administration efforts to delete the proposal and a revised form of the so-called Bolton amendment was signed into law August 20.

The General Accounting Office, itself an agency of Congress, is now faced with one of the toughest jobs in its long and distinguished history:

The compilation of a report on Stewart's office and the Rayburn Building that may reflect unfavorably on high-ranking Democrats and Members of Congress—from whom Comptroller General Joseph Campbell gets his paycheck.

Said Lawrence Powers, Assistant to the Comptroller:

"We didn't ask for the job. But you can be sure we'll do it right."

BUILDER CLAIMS LOSS ON RAYBURN BUILDING

(By James McCartney and Charles Nicodemus)

WASHINGTON.—Instead of the tidy profit that most people assume, Matthew H. McCloskey's firm may be losing $3 million on its $64 million in contracts for the new Rayburn House Office Building.

Or so McCloskey reportedly is telling several of his close friends.

Innuendos that he has made a bundle as the building's chief contractor therefore embarrass him, he laments.

So do reports that he reaped a 10-percent profit from the numerous change orders that have thrown the $95 million showplace 4 years behind schedule—and have boosted his contract prices far above their original low-bid figures.

The Philadelphia builder tells his confidants that his profit margin on change orders was something less, and that all the delays have tied up his men and equipment, compounding the losses.

Exactly what McCloskey's profit or loss is can't be learned because the former finance chairman of the Democratic Party and his lawyers here and in Philadelphia turn aside all calls from the press.

Mum's the word, they say, until the former Ambassador to Ireland makes his appearance before the Senate Rules Committee.

That Democratic-controlled group is exploring McCloskey's relations with former Senate Staffer Bobby Baker, the moneymaker.

McCloskey says it was merely an alliance of convenience—that when he wanted "information on Capitol Hill," Bobby Baker was the man he went to.

But strait-laced Senator JOHN J. WILLIAMS, Republican, of Delaware, the Senate's best known independent investigator and moralist, charges something more sinister.

He has presented affidavits alleging that McCloskey anted up a $35,000 kickback to Baker—with $25,000 of it earmarked for the Democrats' 1960 campaign coffers—after McCloskey won the contract to build the new District of Columbia Stadium.

The value of that contract, like his two on the Rayburn Building, jumped after he got the job—from $14 to $17 million.

Although it's not generally known, McCloskey also has a claim in on that job for an additional $1 million—expenses he said he incurred while pouring concrete in cold weather, to speed completion.

The firm also has a $996,000 claim pending on his $8,830,004 foundation contract for the Rayburn Building—a contract that started out at $6,660,000.

Any claims on his $50,793 million superstructure job—which the Capitol Architect estimates will hit at least $55,500,000 before it's done—won't be filed until the work on this world's most expensive office building is wound up sometime in 1965.

The increases in contract prices result from "change orders"—revisions in the specifications due to changes in design made after the contracts were awarded.

And contrary to what McCloskey tells his friends, the Capitol Architect's office and the General Services Administration both say that 10 percent of the cost of the extra work is the margin generally allowed a contractor for change orders in Federal construction.

Elsewhere in the construction industry, there is doubt that McCloskey may have found the giant Rayburn project a money-losing proposition.

Said a vice president of one large general contracting firm that often competes with McCloskey for east coast work:

"Matt's outfit is well known in our business as one of the sharpest computers of cost there is.

"They're good builders; they figure things tight, then they hold their costs down to bare minimum—and sometimes even lower."

Actually, McCloskey no longer runs the day-to-day business of the firm. That's been turned over to a son, Thomas D.

HARD-LUCK MCCLOSKEY

Leafing through our clipping file on Matthew H. McCloskey, we got to feeling downright sorry for the man. McCloskey is the Philadelphia contractor who had multimillion-dollar troubles in building the New House Office Building in Washington, the costly edifice being scrutinized in a series of articles by Daily News Correspondents James McCartney and Charles Nicodemus.

Every time you turn over a clipping, McCloskey is wallowing in woe. If it isn't a river running through the foundation of the Rayburn Building, it's cracking walls and crumbling concrete in buildings already completed.

There are compensations of course. Every time the Rayburn Building cost another dollar, McCloskey made another dime on his cost-plus-10-percent contract. But he has expenses, such as defending himself in the civil suit filed by the Justice Department over repairs to the Veterans' Administration hospital near Boston. The walls started bulging, soon after it was finished, and repairs cost $4 million.

Then there are the other complications. Some Republicans have been unkind enough to charge that McCloskey kicked back $35,000 to the Democratic National Committee in

1960 on a contract to build a new stadium for the Washington Senators, baseball variety. The stadium walls cracked.

Bobby Baker, the eminent fixer, figured in that story. Another famous name—Billie Sol Estes—became linked to McCloskey when it was revealed that Billie Sol frequently phoned McCloskey about the time he was building his fertilizer empire. Come to think of it, the walls came tumbling down on that one, too.

The fact that McCloskey was financial chairman of the Democratic Party got him a lot of publicity, but here again the Republicans have marred the image by contending that the building business and fundraising for the party were curiously linked. Only one Republican would vote to confirm him when he was proposed as U.S. Ambassador to Ireland in 1962. But the Democrats did, and he served as Ambassador for a while.

Now there seems a good chance that the Senate may dig behind the secrecy that has surrounded the McCloskey contracts, and discover why the Rayburn Building cost so much. If in the process the probers find out why McCloskey had such rotten luck with his buildings and such excellent luck within the Democratic Party, it will be none too soon.

TO ASSIST THE HOMEOWNER

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 30 minutes.

Mr. HALPERN. Mr. Speaker, again in this Congress I shall press for laws granting the homeowner some meaningful measure of tax relief.

I do this because here is an area so obvious in need that it escapes attention. The homeowner, like the consumer, is unorganized. He is not unified to bring pressure upon the legislative branch.

Yet the homeowner, his problems and inclinations, represents the core of the country. His real interests have far too long been swept under the rug.

Mr. Speaker, I have introduced two bills aimed at helping the homeowners. I very much hope that my colleagues in the House will join me in pressing for the enactment of these measures.

The first of this legislation would provide depreciation allowances for the wear and tear of the taxpayer's home. This privilege is now enjoyed by owners of property in trade and business. My bill envisages a home depreciation allowance based on reasonable value and estimated life of the residence.

The second bill provides a tax deduction of up to $500 for expenses incurred by the homeowner-taxpayer on repairs and improvements of his residence. In a sense, this is the core of my program.

The heart of these recommendations is not only that they aid the homeowner. The fact is that they will greatly enhance community upkeep; they will spur home improvement; they will give the individual an incentive to make necessary repair; the whole community stands to gain.

I am sure that others are struck by the growing ugliness of communities throughout the Nation. In view of the rising expenses, and their burden particularly upon lower income families, I am not prepared to place all the blame upon the owners.

I think there is a multiplier effect to home deterioration. If the money is not available over a long period of time to expend regularly for upkeep, deterioration will set in at a steadily quickening pace until the point of diminishing returns is reached. Thereafter costs become prohibitive. And this is precisely the situation affecting hundreds of small communities and townships throughout the country, as well as urban and suburban areas.

The home is a pillar of the American community; its preservation should be effectively encouraged.

The Bureau of the Census in 1960 reported that only 74 percent of the housing in America could be deemed in sound condition. The rest was deteriorating or dilapidated.

I fervently urge that the House consider enactment of my legislative recommendations. They are valid and urgently required.

RULE OF LAW

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. MORSE] is recognized for 30 minutes.

Mr. MORSE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MORSE. Mr. Speaker, a quarter of a century ago Henry L. Stimson wrote a letter to the New York Times in which he said:

> There is an increasing number of people who feel that, in the face of the situation abroad, our Government should follow a policy of far-sighted, affirmative action rather than one of drift and negation.

These words were written just a few months before Europe was plummeted into a disastrous world war. It is fitting to recall that it was Winston Churchill who led that great fight for liberty and freemen. His magnificant contributions are all the more important in light of the problems that still face us today.

Unfortunately, the words of Henry Stimson 25 years ago have application to our present situation. I have watched with increasing concern the growing number of crises throughout the world. Our attention is occupied not only in Vietnam, but in the Congo, the Middle East, and Latin America. During the adjournment, I had an opportunity to talk with a great many people about the world scene today. I was struck by the uneasiness of the people, an uneasiness born of the great complexity of foreign policy issues, and nurtured by the seeming inability of the United States to conform our foreign policy with our ideals.

One of the traditional characteristics of the people of the United States is to live in accord with law. As James Madison expressed this thought in his inaugural address in 1809:

> Indulging in no passions which trespass on the rights or the repose of other nations, it has been the true glory of the United States to cultivate peace by observing justice.

This concept of the rule of law was not visionary. On the contrary, it was a practical guide for the ordering of the affairs of nations as well as of men. It was a vital conservative principle which recognized the advantage of evolution within a framework of order over revolution which destroys order. This concept is still responsive to the desire of freemen of all nations to advance their spiritual, cultural, social, political, and economic goals within a world at peace.

The objective of a world governed by the rule of law has been kept alive throughout our history. Some of its principal advocates have been the leaders of the Republican Party.

At the beginning of the 20th century when the United States moved for the first time onto the world stage, one of our principal concerns was the success of The Hague Conferences of 1899 and 1907. Secretary of State Elihu Root, who served in the Cabinet of President Theodore Roosevelt, fought for the establishment of a permanent World Court.

In pointing out the need for institutions to advance the concept of peaceful settlement of world disputes, Root advocated courts "where judges acting under the sanctity of the judicial oath pass upon the rights of countries, as judges pass upon the rights of individuals, in accordance with the facts as found and the law as established."

In 1916, when the United States was at the edge of World War I, Root told the New York Republican Convention:

> Peace and liberty can be preserved only by authority and observance of the rules of national conduct founded upon the principles of justice and humanity; only by the establishment of law among nations, responsive to the enlightened public opinion of mankind.

At the same time three of the leading Republicans of that decade, ex-Presidents Theodore Roosevelt and William Howard Taft and Dr. A. Lawrence Lowell, of Harvard, established The League To Enforce Peace. They urged the formation of a league of great nations with the power to require nations to submit justiciable questions to a world tribunal. They also favored developing the body of existing international law by calling regular codification conferences. Throughout the 1920's Chief Justice Taft, Root, and Charles Evans Hughes continued to advocate American leadership in the formation of an effective world judicial tribunal.

Stimson, who served the United States as Secretary of State in years of turmoil and travail, asked on the eve of conflict in 1939:

> How can we expect to keep alive in our citizens the principles which have produced our civilization and upon the continuance of which rests the hopes of a future role of law and justice in the international world, if we now sacrifice those principles to a motive of timid expediency and a desire to make the present easier at the expense of both the safety and the moral character of the future?

In the midst of World War II, Senator Arthur Vandenberg saw the danger of future global strife and the need for preventive institutions. He early advo-

cated a "United Nations" when he declared:

Prevention of another war requires the creation of a world court to which we shall agree to submit all justiciable questions. I heartily favor it. It requires the creation of a new body of international law. * * * I want a new dignity and a new authority for international law.

At the United Nations Charter conference in San Francisco, Vandenberg succeeded in getting the word "justice," which had been omitted from the Dumbarton Oaks draft, into the charter. He did this over the indifference of the State Department, and at one point he even complained to an associate, "Is the State Department eternally allergic to the word 'justice'?"

In the postwar years, Senator Robert A. Taft enunicated his concern for international order when he said:

It seems to me that peace in this world is impossible unless nations agree on a definite law to govern their relations with each other and also agree that, without any veto power, they will submit their disputes to adjudication and abide by the decision of an impartial tribunal.

Republican efforts to make the United Nations a viable force for world peace, begun by Vandenberg and Taft, continued when President Eisenhower in his inaugural address in 1953 pledged to make the United Nations "not merely an eloquent symbol but an effective force."

The late John Foster Dulles, an international lawyer of high repute, spelled out President Eisenhower's intentions in his conduct of the office of Secretary of State. For example, in a 1958 address to the Veterans of Foreign Wars, he said,

We seek honestly to follow policies that will sustain the basic principles of world law which we believe to be the indispensable foundation for peace.

Secretary Dulles was aided in his task by the American Bar Association. In 1957 a special committee of the ABA was established, based on a report by Gov. Thomas E. Dewey which urged that lawyers work on the codification of international law, on the strengthening of international tribunals, and for repeal of reservations to World Court jurisdiction, and that they strive for greater public support for the rule of law. Since that time, the ABA's special committee on world peace through law, under the dynamic leadership of former ABA President Charles S. Rhyne, has held four conferences of lawyers in the United States, four regional conferences in Costa Rica, Nigeria, Japan, and Italy, and a world conference in Athens in July 1963.

Dulles encouraged this healthy trend. When he spoke before the New York bar in 1959, he said:

Now, we are seeking to establish world order based on the assumption that the collective life of nations ought to be governed by law—law as formulated in the Charter of the United Nations and other international treaties, and law as enunciated by international courts. There is no nobler mission that our Nation could perform. Upon its success may depend the very survival of the human race. We can, therefore, dedicate ourselves to this mission with supreme confidence that we shall thus fiulfill our national destiny.

The tragic death of Secretary Dulles in 1959 brought another champion of international world order into the post of Secretary of State. Christian A. Herter, former Governor of the Commonwealth of Massachusetts, pinpointed the U.S. interest in the principle of the rule of law when he said:

We seek to move toward a world of law, not as a remote and abstract goal, but as something that we are beginning to accomplish now through tangible and specific steps.

One of the most dramatic of these steps had been President Eisenhower's atoms for peace proposal to the United Nations. He recognized that advancing technology and the terrible new weapons of modern warfare necessitated a new system of world order. We have come to take for granted the orderly flow of international mail, and the operation of international trade agreements. President Eisenhower knew that we must remain alert to new areas for the application of law and to new opportunities for the application of existing law.

Here in the House, Republicans have taken the initiative in extending the application of the rule of law. In 1962 our distinguished colleague, the gentleman from Wisconsin, Congressman JOHN BYRNES, during the debate on the U.N. bond issue, proposed an amendment that would have required that the General Assembly of the United Nations adopt the advisory opinion of the International Court of Justice on the financial obligations of members of the U.N. This opinion, you will recall, advised that the financial obligations of members extended to the support of international peacekeeping operations. A revised amendment to this effect was passed by the House.

The American Bar Association has continued its great work in this field. The work of Charles Rhyne has brought credit to the American legal profession all over the world.

The World Rule of Law Center at Duke University has also exercised positive leadership. The center's director is Dr. Arthur Larson, a member of the White House staff under President Eisenhower, and a former Director of the U.S. Information Agency. One of the most active supporters of the center has been Henry R. Luce, of Time, Inc. Mr. Luce has made the creative suggestion that a modern "Justinian code" be drafted to order the relations among nations. The wisdom of this suggestion is demonstrated by the fact that the first Justinian code is still the basis of law for most civil law nations.

We have also witnessed the growth of regional judicial institutions with a functional orientation. The judicial structure of the Common Market, for example, and the European Court on Human Rights and its inter-American counterpart reflect this trend. In addition, they point the way for a greater emphasis on the rule of the individual as a party to international legal proceedings.

All of these developments are hopeful ones, but in my judgment the United States has failed to take appropriate steps to encourage and accelerate this trend.

There are, however, a number of concrete steps which the United States, and in particular, the Congress, can take to regain the initiative and lead the way toward a world community governed by law.

We must accept the principle that the nation state operates not above the law but within it.

We must join with other nations in the world to explore the common foundations of the law of nations and to restate existing law. Mr. Rhyne, for example, has proposed a World Rule of Law Institute, with an ample staff of competent legal scholars and the means to develop an adequate system of information coding and retrieval. Clarifying the hazier aspects of international law is an imperative we cannot neglect.

We must continue our efforts to develop public understanding of the rule of law among nations. The ABA has done fine work in this regard already. The Presidential proclamation of Law Day, initiated by President Eisenhower, has been notably helpful. Members of Congress can do much to create public acceptance of the world rule of law concept.

In addition, we should strengthen and expand existing programs of exchanges of students and professors and the provision of legal materials to foreign law schools.

It is time for us to review the United Nations Charter. In this 20th anniversary year of the signing of the charter, it would be particularly appropriate for Congress to conduct a full-scale study of charter revisions with a view toward developing U.S. recommendations for changes that will reflect the profound developments in the world in the past two decades. The U.N. is far from perfect, but our job is to perfect the institution, not neglect it.

In this connection we should increase U.S. participation in the work of the International Law Commission and the U.N.'s Sixth Legal Committee. These bodies can do much to develop a framework of law for the ordering of space and ocean beds. If possible, these areas should be codified in advance of technological developments.

Six years ago, Vice President Nixon advocated an insistence by the United States in international treaties that the parties be bound to the adjudication of disputes arising under them. This is as sound now as it was then.

It is also time for us to reexamine our national posture on the Connally reservation. We must discuss this matter openly and in a spirit of reason. This provision has raised doubts about U.S. adherence to the principles of international law and has provided other nations with an excuse to avoid its jurisdiction.

These are only a few of the steps we can take to reaffirm our tradition of respect for the rule of law in the family of nations. I am proud that the Republican Party has historically upheld this principle and I believe that our party has a great opportunity and a unique responsibility to apply these principles to

the perplexing problems that face us today.

I am not unaware of the difficulties we face in achieving the world rule of law long advocated by distinguished American leaders. The refusal of both Communist China and France to ratify the test ban treaty indicates that both communism and doctrinaire nationalism will be obstacles to the achievement of world order.

Yet we must persevere, for the goal of our foreign policy is noble and majestic. That goal, as I see it, is to help create an environment on this earth in which men can live in liberty with an opportunity to achieve their highest spiritual, cultural, social, economic, and political aspirations. This is the goal for which men of Massachusetts answered the call of Paul Revere and the goal for which American men fought and died in two World Wars and in Korea. They are dying for it right now in the mud of Vietnam.

We can do no less than to exert our every effort toward the application of the fundamental ideals of liberty and justice to the problems of mankind.

RESIGNATION OF A MEMBER

The SPEAKER laid before the House the following communication and enclosure:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 27, 1965.

The Honorable JOHN W. MCCORMACK,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: By letter dated January 13, 1965, I submitted to the Honorable Donald S. Russell, Governor of South Carolina, my resignation as a Representative in the Congress of the United States from the Second District of South Carolina, the resignation to become effective upon such date as the Governor might set for a special election to fill the vacancy. You were advised of this action by letter of the same date.

It now clearly appears that the Governor intends no affirmative action on this matter. Therefore, I beg leave to inform you that I have this day transmitted to him my resignation effective upon the adjournment of the House on Monday, February 1, 1965.

A copy of my letter to the Governor is attached.

Sincerely yours,

ALBERT WATSON,
Member of Congress.

JANUARY 27, 1965.

Hon. DONALD S. RUSSELL,
Governor of South Carolina,
Columbia, S. C.

DEAR GOVERNOR RUSSELL: I hereby tender to you my resignation as a Member of the House of Representatives in the Congress of the United States from the Second Congressional District of South Carolina, the resignation to become effective upon the adjournment of the House on Monday, February 1, 1965.

I have also informed the Speaker of the House of Representatives of this action.

Sincerely yours,

ALBERT WATSON,
Member of Congress.

INCREASED BENEFITS UNDER SOCIAL SECURITY

Mr. MORSE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. TALCOTT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TALCOTT. Mr. Speaker, I wish to join my distinguished colleague, the gentleman from Wisconsin [Mr. BYRNES], in introducing a bill to increase benefits provided under the present social security laws.

We recall that, due to the administration's insistence upon attaching a medicare program to similar legislation which was approved by the 88th Congress, it was not possible to obtain final enactment of these needed improvements last year.

It is my hope, which I believe is shared by most Members of this House, that we can proceed as rapidly as possible to act upon the social security amendments embodied in the measure I am introducing today—without at the same time becoming involved in the so-called medicare controversy.

We will have ample opportunity to consider the question of providing medical care on its own merits without further delaying the provision of increased benefits for our retired citizens under existing laws.

HARRY JAMES CARMAN

Mr. RYAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Speaker, when Dean Harry J. Carman died we lost a great scholar and a generous spirit. The "Bicentennial History of Columbia University" said of him that—

He was one of the best loved and best known teachers of his generation. As nearly selfless as a man can be, he has served the city, State, and Nation with the sure faith that tomorrow will be better if "folks will only try to see each other's point of view." In addition to scholarly activity which produced volume upon volume of published history, he can boast a shrewd and downright political sense that gives him great weight on the New York City Board of Education, as well as on numerous labor and other boards.

He was born in Greenfield, N.Y., in 1884, taught in the local school system from 1903 to 1905, received the Ph. B. degree from Syracuse University in 1909, and taught at Syracuse from 1914 to 1917. He then became an instructor in history at Columbia and received his Ph. D there in 1919. He was appointed an assistant professor in 1921, an associate professor in 1925, professor in 1931, and Moore collegiate professor in 1939. He became dean in 1943 and dean emeritus in 1950 when he resumed teaching. His long life was one of scholarly achievement and civic participation.

His books have been well known for years. His "History of the American People" became a classroom classic. The range of his interests extended from "The Patronage Under Lincoln" to "Street Surface Railway Franchises of New York City." He made a significant contribution to the planning and teaching of a cause that was soon famous. Called "contemporary civilization," it became the prototype of the broad-based humanities courses introduced in most American colleges.

He said of his work as a teacher and dean that—

The first thing I wanted to do was to help the students discover themselves. I wanted them to discover their own potentialities. And along with this process of discovery goes something else. The something else is: to free them of superstition and crazy notions which they may have inherited from the past. Now a lot of their past is very important—but not all of it. So I try to free them and then to get them to discover themselves, their potentialities, and their interests and the rest of it. I also want our students to get as broad an education as possible. I want them to have an appreciation of how the present came to be. And I want them to know something about scientific methods. I want them to be able to communicate well, both orally and in writing.

He would say that "the object of education"—quoting Montaigne—"is to make not a scholar, but a man."

Even after his retirement he worked a 14-hour day. He was chairman of Bard College at Annadale-on-Hudson, head of Freedom House, and an adviser to the New York Public Library. He was a trustee of many institutions and concerned with a score of international good will projects. During the last year of his life he was a member of a panel seeking jobs for Negroes and Puerto Ricans in the building trades. For his services to the city and to education, Mayor Wagner last May awarded him the Medal of the City of New York.

Seton Hall, Hobart College, and Yeshiva University were among the many institutions of higher learning that granted him honorary degrees. Columbia established the Harry J. Carman Fellowship Fund for Columbia College seniors.

Mr. Speaker, Harry J. Carman will be honored forever in the hearts of those who knew and loved him.

Mr. Speaker, I include at this point in the RECORD an obituary which was published in the New York Times on December 27, 1964, as well as an editorial of January 7, 1965, from the West Side News and Morningsider, the community newspaper serving the Columbia University area where Dean Carman is deeply missed:

[From the New York Times, Dec. 27, 1964]

DEAN CARMAN, 80, OF COLUMBIA, DIES—SOCIAL HISTORIAN AND LEADER IN AMERICAN STUDIES WAS CHAMPION OF HUMANITIES

Harry James Carman, who started as a teacher in a one-room school and became

one of the best known educators in the United States, died early yesterday morning at Mount Sinai Hospital.

He was 80 years old and lived at 21 Claremont Avenue and had a farm near Schuylerville, N.Y.

Dr. Carman, dean emeritus of Columbia College and for many years one of the country's leading historians and a pioneer in American studies, had been ill for 5 weeks after suffering a cerebral hemorrhage.

Dr. Carman was a familiar figure in New York life for more than 40 years. His interests ranged from the most erudite scholarship to the mundane task of helping building trades apprentices find and keep jobs. He was always ready to lend his time and labor to causes he considered important.

Heavy-set until he slimmed in recent years, with a shock of reddish brown hair, Dean Carman would come to a meeting of citizens with similar interests, put everyone in an informal mood with a few stories, then start a constructive session. His enthusiasm would grow as he worked. A thorough liberal, he won the respect of conservatives by his consideration for opposing viewpoints, and he often won their support as well.

In class, Dr. Carman's informal way of recounting the development of historical situations made them come alive for his students and made historical investigation an exciting enterprise. He made many recruits to history teaching and historical scholarship. But he was always concerned with the use of the past to control the present and shape the future. This attitude made all his students conscious of history.

Probably his most notable achievement was his part in developing Columbia's contemporary civilization courses, which became a model for humanities programs throughout the country.

Dean Carman was born January 22, 1884, in Greenfield, N.Y., in Saratoga County. He was education there in a one-room school.

When he had completed 12 grades, he wanted to take the high school board of regents examinations at Saratoga. The school superintendent there opposed the request. The principal, who was friendly, took the student's side, and the boy took the tests.

TAUGHT AT $7.50 A WEEK

He passed and thus became, at the age of 16, eligible to enter a teachers' training school, which granted certificates to teach in rural schools. He returned to the one-room schoolhouse, as its teacher at $7.50 a week.

The second year, his pay was raised to $8 a week. Then, in 1905, Mr. Carman entered Syracuse University. He was graduated in 1909, then served 4 years as principal of the Rhinebeck (N.Y.) High School.

Again he saved his money and returned to Syracuse as a graduate student. He received a master's degree in 1914 and taught history and political science at the university until 1917. Then he became a doctoral candidate at Columbia. After receiving his degree in 1919, he joined the department of history.

Dean Carman specialized in studies of American history and civilization, hardly a delinerated field at that time but one now widely cultivated here and abroad.

In those days funds for serious research, particularly in the humanities, were almost nonexistent. Dean Carman, who for several terms was executive secretary of the American Historical Association, decided to do something about it.

He set up what was called a national endowment for historical research, begged for contributions and got them. Although other initiatives were needed to bring historical studies nearer their potential, Dr. Carman thus helped make up part of the deficiency.

QUESTIONED TEACHING'S AIMS

He attacked the problem from another direction. With other young faculty members, he later recalled, he was "impressed by the fact that during World War I the American people seemed very ignorant—and even our own students were ignorant—of historical backgrounds." Columbia College students were taking limited narrowly specialized courses, even in their early years.

These young teachers asked, "Couldn't we develop one course that cuts right across all of those frontiers?" The answer was a new course, contemporary civilization. Dean Herbert E. Hawkes supported its establishment over the objections of traditionalist faculty members.

It became the prototype of the broad-based humanities courses introduced thereafter in most U.S. colleges and universities.

Dean Carman adopted the approach of social history, which had been developed in Europe and was promoted here by such scholars as Carlton J. H. Hayes of Columbia, for the study of American history. He combined with the traditional study of political and diplomatic events the economic and sociological analysis that helps explain rather than merely report.

A scholar with a felicitous style, Dean Carman was the author of many works, mostly about American history and culture.

Recently, he was coauthor of "Lincoln and the Patronage," "A History of the American People," "Preparation for Medical Education in the Liberal Arts College," and "A History of the State of New York." He also wrote "Jesse Buel, Agricultural Reformer."

With Rexford G. Tugwell he was editor of the Columbia University Studies in the History of American Agriculture, the Columbia University Studies in the History of American Culture and of the "Guide to the Principal Sources for American Civilization."

While pursuing his career as a scholar, Dean Carman was also serving with outstanding success as a teacher. He was an assistant professor of history from 1921 to 1924 and associate professor from 1925 to 1930, becoming a full professor in 1931. He held the Moore chair in American history from 1939 until 1952.

Once, when asked what he tried to do as teacher and dean, Dr. Carman said:

"The first thing I wanted to do was to help the students discover themselves. I wanted them to discover their own potentialities. And along with this process of discovery goes something else.

"The something else is: to free them of superstition and crazy notions which they may have inherited from the past.

"Now a lot of their past is very important—but not all of it. So I try, as I say, to free them and then to get them to discover themselves, their potentialities and their interests and the rest of it. I also want our students to get as broad an education as possible.

"I want them to have an appreciation of how the present came to be. And I want them to know something about scientific methods. And I want them to be able to communicate well, both orally and in writing."

A man of infectious enthusiasm, he chatted informally with his classes rather than lectured, building among his auditors a love for history and culture equal to his own. Tall, gangling, a man with no trace of pompousness, he was interested in each student as an individual and made the learning process an exciting adventure.

His approach and that of others of the school of social historians was to combine the professional competence of the economist and the sociologist with the methods of the historian, which required enormous erudition. But Dean Carman carried his intellectual baggage so easily that his hearty, friendly manner seemed more suited to the farmer of Schuylerville that he had been than to the outstanding educator he was.

In consequence, for 7 consecutive years he won the annual poll among Columbia College seniors as Columbia's most popular professor.

His career as an educational administrator was equally noteworthy. He served as assistant to the dean during the tenure of Dean Hawkes from 1925 to 1931. In 1943, after Dean Hawkes' death, he succeeded to the post, serving until 1950, when he was 66 years old.

MEMBER OF CITY BOARD

He also served the city as a member of the board of higher education, planning for the city's colleges, for 24 of the last 26 years. During the tenure of Mayor Vincent Impelliteri he was dropped from the board.

He had been on the boards of Atlanta University, Earlham College, the Parsons School of Design, and the Free University in Exile. He was a trustee of the Institute of International Education and chairman of the board of the National Scholarship Fund and Service for Negro Students.

At Columbia, Dean Carman was an easily recognized figure as he strode quickly from building to building, usually without hat or coat.

When General of the Army Dwight D. Eisenhower became president of Columbia in 1948, he was advised to see Dean Carman. He met the dean 30 minutes after taking office. They became close friends.

When he was teaching, Dean Carman had an office in Hamilton Hall. The door was always open, and it was a busy place, with students dropping in frequently.

After his retirement, he moved to an office in the Nicholas Murray Butler Library. There he continued to counsel students.

He criticized those who had a dour outlook on life, once recommending that pessimists "should try living a month or even a week with 2,500 American boys who inhabit the Columbia College quadrangle on Morningside Heights."

"I defy them to do that and emerge with long faces and tidings of woe," he said. "A good look at these young men will take the pessimism out of them in a hurry."

Dean Carman was equally active in civic posts. He was chairman of the humanities division of the John Hay Whitney Foundation which helps public school teachers get postgraduate training. He sponsored the employment of retired professors at small colleges lacking outstanding teachers.

He was a director of the Japan-American Cultural Exchange Program and the Urban League of New York, became executive director of the Ellis Phillips Foundation in 1962 and held many similar posts.

INTERESTED IN LABOR

Dean Carman had a keen interest in labor affairs and in workers education and adult education, serving for 12 years on the board of the Adult Education Council. He was a member of the State's board of mediation from 1941 to 1955 and in 1953 served as chairman of the minimum retail wage board. He had been a member of the American Arbitration Association and, in World War II, of the War Labor Board.

He advised local No. 3 of the International Brotherhood of Electrical Workers on the organiaztion of its educational program for union members, and supervised the joint electrical industry labor-scholarship program.

The Yale-Columbia football program in October carried a special tribute to Dean

Carman. It called him one of the "busiest retired educators."

Last year he accepted an appointment from Mayor Wagner as a member of what was called an action panel to seek jobs for Negroes and Puerto Ricans in the building trades. He joined a committee for the reelection of Senator Kenneth B. Keating in October.

For his services to the city and to education, Mayor Wagner awarded him the Medal of the City of New York on May 22. Dean Carman also received many academic honors from institutions here and abroad.

He leaves his second wife, the former M. Margaret Carscadden, whom he married in 1953, and a brother, William, of Mechanicville, N.Y. Dean Carman's first wife, the former Cathryne M. Barrett, whom he married in 1910, died in 1943.

The body will lie at Frank E. Campbell's, on Madison Avenue at 81st Street today and tomorrow. It will be taken to Dr. Carman's home in Schuylerville, and will be there Tuesday and Wednesday.

A requiem mass will be held at the Roman Catholic Church of the Visitation in Schuylerville on Thursday morning at 11. Burial will follow in St. Mary's Cemetery.

A memorial service will be held at St. Paul's Chapel on the Columbia campus on January 22, which would have been Dr. Carman's 81st birthday.

[From the West Side News & Morningsider, Jan. 7, 1965]

HARRY J. CARMAN

Throughout his busy life Harry J. Carman, who died last week at the age of 80, concerned himself with the schooling and promise of young people. As a young historian, he was one of the maverick scholars who helped organize the widely heralded general education curriculum at Columbia College where he served as dean from 1943 to 1950.

Appointed to the New York City Board of Higher Education by Mayor La Guardia he played a major role for 24 years in the development and staffing of the city's network of free-tuition colleges. And whenever educators or college presidents or young scholars became disillusioned because of low budgets or lack of scholarships, somehow Harry Carman was there and somehow the iron-willed dirt farmer from upstate New York would figure out a way "to get everyone going again."

Harry Carman was the fellow who could get the powerful and the wealthy to do something good and lasting for the schools and the young people in them. And on occasion, when he couldn't, it was Dean Carman himself who gave the anonymous gift enabling the young, impoverished scholar to continue his studies.

Harry Carman will long be remembered as a scholar, a historian and a teacher. We hope that he will also be particularly remembered and honored as a friend of the ghetto children of the Upper West Side and Harlem. At his death, Dr. Carman served proudly as board chairman of Manhattanville Community Centers, Inc., which serves thousands of children on the West Side and which Dr. Carman helped found.

Manhattanville Community Centers' main building is at 530 West 133 Street. Perhaps some of our readers will see fit this week to send a check to that address in affirmation of the life of Dr. Carman and in support of the great work of the centers' staff.

We also hope that the board of education will give consideration in naming its new school in Morningside Park for one of the great men of Morningside, Harry J. Carman.

CUTTING OFF AID TO UNITED ARAB REPUBLIC

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I add my endorsement to the action of the House on Tuesday, January 26, 1965, cutting off any further aid to the United Arab Republic under title I of Public Law 480.

During debate on this question in 1964, there was a move in Congress to shut off all assistance to the United Arab Republic, without qualification or consideration. At that time I argued that discretion should remain with the administration. My substitute amendment, which was passed, called upon the President to bar aid to any country unless he could certify that it was not an aggressor against any nation with which we have diplomatic relations and was not using our funds for purposes inimical to our foreign policies.

On December 28, 1964, I wrote to the President urging the administration to take immediate action to terminate all further aid to the United Arab Republic. This was prompted by continuing anti-U.S. statements and actions made and condoned by President Nasser. These statements and actions have been set forth by certain of my colleagues and leave no possible question that continued aid to the United Arab Republic is illegal; for that country is engaged in a campaign of aggression against some of our best friends in Africa, and a campaign which is completely inimical to our foreign policy.

Mr. Speaker, had I been present I would have lent my wholehearted support to the decision by my colleagues in the House to cut off aid to the United Arab Republic, and would have voted with them to end this futile and self-defeating policy of aid to an ungrateful, deceitful, and dangerous recipient of America's bounty.

It is my sincere hope that the other body will support the House action which I firmly believe expresses the clearly prevailing attitude of Americans.

THE CLOSING OF VA HOSPITALS

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DULSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming.

There was no objection.

Mr. DULSKI. Mr. Speaker, the proposed closing of many Veterans' Administration facilities and hospitals has stirred up a great deal of community interest and righteous indignation among veterans, their families, and friends. Recently a Buffalo newspaper sent an investigator and reporter to the veterans hospital and domiciliary at Bath, N.Y., a distance of less than 100 miles, to see what could be learned about its complete operation.

Under leave to extend my remarks, I am happy to include a report of Miss Margaret Fess' findings as it appeared in the Buffalo Courier-Express, Buffalo, N.Y., on January 17, 1965:

IMMINENT CLOSING OF VA HOSPITAL CLOAKS BATH IN GLOOM AND ANGER

(By Margaret Fess)

BATH.—Gloom, despair, and anger hang over this once tranquil little village.

Announcement of the closing of the Veterans' Administration hospital here struck like a bombshell. Patients and residents, some of whom have called the facility home for more than 20 years, are distraught at being uprooted.

Employees, mostly homeowners with children, are in despair. Village and town officials are angry over the economic blow to the community.

PATIENTS DEFIANT BUT BEWILDERED

Robert E. Porteous of New York City, a Princeton graduate, who has been a wheelchair patient there for 12 years, sums it up this way:

"It isn't just the closing of the facility. It is the way it is done. Our Congressmen are elected to represent the people. They have a right to know what is happening, but they were not informed in advance of this.

"This rule by directive is not democratic. It smells of fascism.

"My only living relative is a brother in New York City. Traveling in a wheelchair isn't easy, but I can manage the 300 miles from here to New York occasionally. If I am shipped off to some remote spot, seeing my brother will be impossible."

Hammond Douglas, a World War II veteran from the Bronx, suffering from a hip injury, has been a resident of the facility since 1959. He is assigned to part-time work in the admissions office. This is his feeling:

"I don't care for myself. I've learned to take things as they come.

"But I do fear for some of the older residents. I think that the emotional upset of being moved to a strange place could send them over the brink mentally.

"Right now, nearly all of the older men are in a highly emotional state—crying and bewildered.

"They should have been prepared for this gradually—say over a 5-year period. And, another thing. I have been informed that some of these domicile facilities to which transfers will be made have no hospitals. These men are reaching an age when they need medical attention."

In spite of zero temperatures, John Geyer, 76, a native of Buffalo, was wandering around the village streets trying to figure the whole thing out.

ORPHANAGE TO ARMY TO HOSPITAL TO—?

"This is the worst thing that has ever happened to me," he said. "My life hasn't been easy. I was brought up in the Buffalo orphanage, went into the regular Army and was in World War I. Later, I lived in New York City.

"I just love it here. This place is like home. I don't know what I am going to do. I might go back to New York. I just don't know what to do."

Seated in the McDonnell Tavern, Anthony McKee, 56, of Rochester, World War II vet-

eran, and Percy Stansfield, 69, of Providence, R.I., World War I, hashed the thing over.

"They've treated us very well here," said McKee. "We all like the facility and the town people have been wonderful to us. I'm a trumpeter in the band. I suppose I won't have a chance to play when I get kicked out of here."

Stansfield, who has lived in the facility for 20 years, said he was broken up.

BUSINESS PEOPLE FEAR LOSSES

Brendan McDonnell, the young tavern owner, had tears in his eyes. His place of business is located near the grounds of the VA hospital.

"This wipes me out of business," he said.

"My grandfather started this business in 1897. My dad ran it for years, until he died last May. Then I took it over. I love Bath, and so does my wife and three children. These veterans have been fine people to deal with."

Down the road several blocks, Mrs. Floyd Gay stood behind a counter in her husband's gas station.

"This will wipe out half of our business," said Mrs. Gay. "We know nearly all of the employees and they are good customers. And we like the veterans. They are a nice bunch of old men and, as they walk past here, they always wave in such a friendly way."

HOSPITAL EMPLOYEES BITTER, CONFUSED

The only topic of conversation in the crowded canteen was the closing. Gerald Keeney, a carpenter, who has worked at the facility for 7 years, said:

"We're being treated like statistics—just something you would run through an IBM machine. I have six kids and own my own home.

"One girl is going to Syracuse on a full scholarship. I suppose I'll have to pull her out. I've already paid the entrance fee for another child to enter the Corning Community College next fall. Now that will probably be out the window."

The whole thing was summed up as a "dirty, sneaky deal" by Henry G. Masti, another carpenter, also a homeowner and the father of four children. Masti, who has worked at the facility for 6 years, denounced the fact that the employees had been given no advance warning so that they could look for other jobs.

"The Government wouldn't have dared do this before election," he said.

George A. Hedren, a painter, who spent 6 years in the Marines and 16 working for the Veterans' Administration, said:

"I thought I had my life all figured out. I would keep on working here, take care of my family in this nice, quiet village and eventually retire on a Government pension. Now I don't know what I will do."

Another painter, who has been with the VA for 10 years, said he felt the residents and employees had not yet realized the full impact of the closing.

"There are going to be a lot of hardships ahead for all of us," he commented. "The residents like it here and are all upset about moving. The employees probably will all have to take lesser jobs."

EXPECTS 400 HOMES TO GO UP FOR SALE

Another employee, who did not want his name used, pointed to the scarcity of available jobs in the vicinity of Bath and predicted that about 400 homes would be put on the market at the same time.

He also cited the loss of business to a community created by relatives and friends visiting the veterans.

Miss Tina Aschett, secretary to the Director, who has worked at the VA for 24 years, was in the same boat—undecided.

"We all feel as if the rug has been pulled out from under us," she said. "I was born here in Bath and love this section of the State. I just don't know what I will do."

MAYOR FEARFUL OF TOWN'S FUTURE

The mayor of Bath, Dr. Frank Nicklaus, a dentist, felt that the reasons given for closing were "flimsy," including the lack of auxiliary medical personnel.

"The doctors love it here," said Dr. Nicklaus. "We have our country club, plenty of means of recreation, a good school system, a fine class of inhabitants, and little crime.

"Two years ago there was talk of closing the hospital, but after a conference with officials we were assured that there would be no major changes in the forseeable future.

"This closing will affect every phase of village life—business, the school system, social, and political life. The VA employees are among our finest residents.

"I am flabbergasted that the Government would abandon such an excellent set of buildings. We haven't had time to look into bringing something else here to be housed in the buildings. But we would welcome a college, hospital, or something along that line."

Dr. Nicklaus said that, because of the finality of recent decisions in Washington, he had little hope that the order to close would be rescinded.

FINAL HOPE LIES WITH BANDED VETERANS

If there is any change in policy, he said, it would probably be sparked by the powerful veterans' organizations who are swinging into action all over the State.

The Bath facility consists of 53 buildings on 223 acres. Buildings and equipment are valued at $20 million. Included in the buildings are residences which now house about 740 veterans. The hospital has 273 beds.

There are four chapels, four libraries, a guardhouse, and fire station, store, canteen, baseball diamond, administration building, and other structures. Several of the residences have been closed because the Government has not alloted money for needed repairs and improvements.

However, in 1959 the Government built a new theater at a cost of $1,200,000. This also contains a leisure room, quarters for music practice, sports section with lockers, billiard tables, shuffle board, craft, and hobby shops.

This year's operating budget is $4,764,625. About $3.5 million, or 79 percent, is for the payroll. Supplies are purchased by competitive bid, with most of the bids going to local concerns.

A number of the veterans have small social security or other forms of pension. Most of these funds are spent among village merchants.

The institution is steeped in tradition. Back in 1877, the State built the old GAR building as a residence for aging Civil War veterans. On Christmas Day, that year, 25 veterans arrived as the first residents of the home. This building has recently been redecorated.

From atop a hill, tombstones can be seen as far as the eye can reach. More than 7,000 veterans are buried in this cemetery. Each Memorial Day, an elaborate service is held here.

The grounds are replete with stately old trees, and Chocton Creek forms a border on one side. The men fish and swim in the creek. A favorite pastime for the veterans is watching baseball games during the summer. Junior leaguers or other local teams play there on weekends.

The facility serves veterans from six New England States and part of Pennsylvania.

Members of the domicile section are men who are ambulatory, able to dress, feed themselves, make their own beds, and take care of their lockers. However, all have disabilities which prevent them from being able to earn a living. All need custodial care, and some are blind.

About 50 percent of the patients in the hospital were once domicile residents.

EVICTION ORDERED BY END OF JUNE

The Veterans' Administration in Washington has issued orders that all residents and patients be moved out of the facility by June 30, the end of the fiscal year.

Residents of the domicile buildings will be transferred to VA facilities at Wood, Wis., Dayton, Ohio, and Hampton, Va. Patients in the hospital will be transferred to VA hospitals in Syracuse, Buffalo, and Canandaigua.

Thoughout the country 11 VA hospitals are being closed, and 17 regional offices. Officials claim the move will save about $23 million a year.

I also wish to include the following editorial which appeared in the same paper, dated January 21, 1965, adding further to the conclusion that the decision to close these facilities could not have taken into consideration the economic and human factors involved within the communities affected:

FACILITY LOSS HEAVY BLOW TO BATH

The scheduled closing of the Veterans' Administration hospital and domicile at Bath is hard to understand in the face of the concern in Washington over combatting poverty.

The 600 employees, most of whom are rearing and educating children, buying homes, and saving for the future, feel that a cruel hand in Washington has pulled the economic rug out from under them.

The loss of the $3½-million payroll, second largest in the village, will affect practically every business in Bath. The employees pay rent, taxes, mortgages, buy automobiles, clothing, food, gasoline, and even pay parking tickets.

Every one of the people they do business with in the village of 6,000 inhabitants will feel the pinch.

It has been estimated that 400 homes might be placed on the market at the same time. This could devaluate the entire real estate market for Bath and the surrounding section.

The veterans' facility spends about $1,250,000 for supplies and operating costs. The majority of the purchases are made locally.

Most of the veterans receive small social security benefits or pensions and spend their money with Bath merchants. Friends and relatives coming to see the veterans bring more money to Bath.

Veterans' Administration officials in Washington have stated that the closing of various facilities, hospitals, and offices throughout the country will result in savings of $23 million.

This has been questioned by Assemblyman Charles D. Henderson, of Hornell, who also has criticized the manner in which the closing order was issued without advance notice, hearings, or specific information.

Seventy-nine percent of the Bath facility budget is for the payroll to give custodial and hospital care to the veterans. No matter where they are transferred they will require adequate care.

Before the United States wipes out 600 jobs, placing a village in economic jeopardy, and uprooting 1,000 veteran patients and residents, New York's Senators and Congressmen should insist on full and open review of the Veterans' Administration directive that all veterans must be out of the facility by June 30.

SOCIAL SECURITY INCOME LIMITATION INCREASE DUE

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. Rogers] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, I am today introducing legislation to raise the outside earning limitation allowed those drawing social security in order that beneficiaries under the system may increase their incomes without suffering losses in their benefits. My proposal would increase the present $1,200 ceiling on annual income to $2,400 as the maximum earnings permitted each year without deductions in social security benefits.

According to information received from the Social Security Administration it can be estimated that this year some half-million senior citizens in America will lose all or part of their social security benefits because they earned over $1,200. This hardship seems unjust to me. At a time in life when a person needs some outside income to supplement his social security benefits, or may be physically able to work and enjoy working, the present social security system imposes financial difficulty on him by cutting his benefits because he earns more than $1,200 on his own.

It should also be emphasized that the existing program is contrary to the American system of encouraging people to support themselves. If an individual wants to use his initiative he should not be penalized as the present situation provides. Clearly some new balance must be struck.

The social security program contributes a great deal to the well-being of millions of Americans. Yet many of the Nation's senior generation are not content to accept full retirement. Through longer life expectancy and American initiative a growing number of Americans approaching retirement age still want to share in the economic prosperity of the Nation. They should be allowed to do so without being penalized by losses in benefits from a fund which their own earnings have helped to build.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. GROSS) to revise and extend their remarks and to include extraneous matter:

Mr. HALPERN, for 10 minutes, today.

Mr. MORSE, for 30 minutes, today.

Mr. WELTNER (at the request of Mr. RONCALIO), for 30 minutes, on Monday, February 1; to revise and extend his remarks, and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. POLANCO-ABREU and to include extraneous matter.

(The following Member (at the request of Mr. GROSS) and to include extraneous matter:)

Mr. HORTON.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2. An act to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to the Committee on Rules.

S. 507. An act to authorize the Veterans' Administration to extend aid on account of defects in properties purchased with financing assistance under chapter 37, title 38, United States Code; to the Committee on Veterans' Affairs.

ADJOURNMENT

Mr. RONCALIO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 55 minutes p.m.), under its previous order, the House adjourned until Monday, February 1, 1965, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

437. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation, entitled "A bill to authorize the Secretary of Agriculture to cooperate with States and other public agencies in planning for changes in the use of agricultural land in rapidly expanding urban areas and in other nonagricultural use areas, and for other purposes"; to the Committee on Agriculture.

438. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a report that certain appropriations have been apportioned on a basis which indicates a necessity for supplemental estimates of appropriations, pursuant to section 3679 of the Revised Statutes as amended; to the Committee on Appropriations.

439. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation, entitled "A bill to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities"; to the Committee on Banking and Currency.

440. A letter from the Commissioners of the District of Columbia, transmitting the annual report of the operations of the government of the District of Columbia for the fiscal year 1964, pursuant to the act of June 11, 1878, as amended; to the Committee on the District of Columbia.

441. A letter from the Comptroller General of the United States, transmitting a report on the inadequate determination of indirect cost allowances under certain research project grants awarded and administered by the Public Health Service, Department of Health, Education, and Welfare; to the Committee on Government Operations.

442. A letter from the Comptroller General of the United States, transmitting a report on unnecessary cost to the Government through the leasing of electronic data processing systems by Lockheed Missiles & Space Co., Sunnyvale, Calif., Department of Defense; to the Committee on Government Operations.

443. A letter from the Deputy Administrator, National Aeronautics and Space Administration, transmitting a report on the disposal of certain foreign excess property in accordance with section 404(d) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377, 399), (40 U.S.C. 514); to the Committee on Government Operations.

444. A letter from the Archivist of the United States, General Services Administration, transmitting a report on records proposed for disposal pursuant to 57 Stat. 380, as amended; to the Committee on House Administration.

445. A letter from the Acting Attorney General, transmitting a draft of proposed legislation, entitled "A bill to amend section 1498 of title 28, United States Code, to define the word 'owner'"; to the Committee on the Judiciary.

446. A letter from the Director, Administrative Office of the U.S. Courts transmitting a draft of proposed legislation, entitled "A bill relating to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court"; to the Committee on the Judiciary.

447. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to extend the term during which the Secretary of the Interior is authorized to make fisheries loans under the Fish and Wildlife Act of 1956, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

448. A letter from the Assistant Secretary of the Treasury, transmitting a certified copy of amendments to the regulations governing the numbering of undocumented vessels, promulgated by the Commandant of the U.S. Coast Guard, pursuant to subsection 7 (a) of 46 U.S.C. 527d; to the Committee on Merchant Marine and Fisheries.

449. A letter from the Director, Federal Bureau of Investigation, U.S. Department of Justice, transmitting a report relative to positions in the Federal Bureau of Investigation in certain grades of the general schedule of the Classification Act of 1949, as amended, pursuant to section 503(a) of title V of Public Law 84-854; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FRIEDEL: Committee on House Administration. House Resolution 146. Resolution authorizing payment of compensation for certain committee employees; without amendment (Rept. No. 3). Ordered to be printed.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 203. A bill to amend title 38, United States Code, to set aside funds for research into spinal cord injuries and diseases; without amendment (Rept. No. 4). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 214. A bill to repeal

chapter 43 of title 38, United States Code; with amendment (Rept. No. 5). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 228. A bill to amend section 314(k) of title 38, United States Code, to authorize payment of statutory awards for each anatomical loss or loss of use specified therein; with amendment (Rept. No. 6). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BINGHAM:

H.R. 3779. A bill to provide a hospital insurance program for the aged under social security, to amend the Federal old-age, survivors, and disability insurance system to increase benefits, improve the actuarial status of the disability insurance trust fund, and extend coverage, to amend the Social Security Act to provide additional Federal financial participation in the Federal-State public assistance programs, and for other purposes; to the Committee on Ways and Means.

By Mr. BRAY:

H.R. 3780. A bill to amend chapter 49 of title 10, United States Code, to prohibit fees in excess of $10 for attorneys and agents in connection with certain claims filed with the military departments by members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. BROYHILL of Virginia (by request):

H.R. 3781. A bill to establish a national flower of the United States; to the Committee on House Administration.

By Mr. BURKE:

H.R. 3782. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education; to the Committee on Ways and Means.

H.R. 3783. A bill to amend the Tariff Act of 1930 to provide that certain forms of nickel be admitted free of duty; to the Committee on Ways and Means.

By Mr. BURTON of California:

H.R. 3784. A bill to amend section 104 of the Revised Statutes of the United States relating to proceedings against certain witnesses; to the Committee on the Judiciary.

By Mr. DEL CLAWSON:

H.R. 3785. A bill to amend title II of the Social Security Act to increase from $1,200 to $2,400 the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. CLEVELAND:

H.R. 3786. A bill to provide for the right of persons to be represented by attorneys in matters before Federal agencies; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 3787. A bill to authorize the sale, without regard to the 6-month waiting period prescribed, of zinc proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act; to the Committee on Armed Services.

By Mr. CULVER:

H.R. 3788. A bill to revive and reenact as amended the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944; to the Committee on Public Works.

By Mr. CURTIS:

H.R. 3789. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct expenses incurred for the medical care of his parents if they would be eligible for medical assistance for the aged under title I or XVI of the Social Security Act, even though they are not actually dependent upon him; to the Committee on Ways and Means.

H.R. 3790. A bill to amend section 212 of the Internal Revenue Code of 1954 to provide for the deduction of certain expenses paid or incurred in a search for a business or investment; to the Committee on Ways and Means.

H.R. 3791. A bill to amend the Internal Revenue Code of 1954 to encourage basic research in science by the allowance of a tax credit for contributions and other expenditures for basic research in science; to the Committee on Ways and Means.

By Mr. DERWINSKI:

H.R. 3792. A bill to provide for the case of inability of the President or Vice President or interim successor; to the Committee on the Judiciary.

By Mr. DULSKI:

H.R. 3793. A bill to authorize a 2-year program of Federal financial assistance for all elementary and secondary school children in all of the States; to the Committee on Education and Labor.

H.R. 3794. A bill to authorize the Commissioner of Education to make available to students in all elementary and secondary schools textbooks selected by such schools; to the Committee on Education and Labor.

By Mr. FINO:

H.R. 3795. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. FLOOD:

H.R. 3796. A bill to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes; to the Committee on Public Works.

By Mr. FULTON of Pennsylvania:

H.R. 3797. A bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines; to the Committee on Education and Labor.

By Mr. HAGEN of California:

H.R. 3798. A bill to authorize the Secretary of the Interior to initiate with the several States a cooperative program for the conservation, development, and enhancement of the Nation's anadromous fish, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 3799. A bill for the relief of the city of Bakersfield, Calif.; to the Committee on the Judiciary.

By Mr. HALL:

H.R. 3800. A bill to amend titles I and XVI of the Social Security Act to liberalize the Federal-State programs of health care for the aged by authorizing any State to provide medical assistance for the aged to individuals eligible therefor (and assist in providing health care for other aged individuals) under voluntary private health insurance plans, and to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage prepayment health insurance for the aged; to the Committee on Ways and Means.

By Mr. BROYHILL of Virginia:

H.R. 3801. A bill to amend titles I and XVI of the Social Security Act to liberalize the Federal-State programs of health care for the aged by authorizing any State to provide medical assistance for the aged to individuals eligible therefor (and assist in providing health care for other aged individuals) under voluntary private health insurance plans, and to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage prepayment health insurance for the aged; to the Committee on Ways and Means.

By Mr. CARTER:

H.R. 3802. A bill to amend titles I and XVI of the Social Security Act to liberalize the Federal-State programs of health care for the aged by authorizing any State to provide medical assistance for the aged to individuals eligible therefor (and assist in providing health care for other aged individuals) under voluntary private health insurance plans, and to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage prepayment health insurance for the aged; to the Committee on Ways and Means.

By Mr. FINDLEY:

H.R. 3803. A bill to amend titles I and XVI of the Social Security Act to liberalize the Federal-State programs of health care for the aged by authorizing any State to provide medical assistance for the aged to individuals eligible therefor (and assist in providing health care for other aged individuals) under voluntary private health insurance plans, and to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage prepayment health insurance for the aged; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 3804. A bill to amend title 38, United States Code, to liberalize the special provisions relating to marriages; to the Committee on Veterans' Affairs.

H.R. 3805. A bill to amend title 38, United States Code, to authorize special consideration for certain disabled veterans suffering deafness; to the Committee on Veterans' Affairs.

H.R. 3806. A bill to amend section 721, and section 757 of title 38, United States Code, to limit review of insurance extra hazards determinations by the Administrator of Veterans' Affairs to 2 years from the date of original decision; to the Committee on Veterans' Affairs.

H.R. 3807. A bill to amend section 107 of title 38, United States Code, to provide that the benefits authorized therein shall be at a rate in pesos as is equivalent to $0.50 for each dollar authorized and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HARVEY of Indiana:

H.R. 3808. A bill to authorize the improvement for navigation of Burns Waterway Harbor, Ind.; to the Committee on Public Works.

By Mr. JONES of Missouri:

H.R. 3809. A bill for the relief of Caruthersville, Mo.; to the Committee on Public Works.

By Mr. HALL:

H.R. 3810. A bill to amend the Internal Revenue Code of 1954 with respect to the income and documentary stamp tax treatment of certain real property condemnations; to the Committee on Ways and Means.

By Mr. LAIRD:

H.R. 3811. A bill to amend title II of the Social Security Act to provide that a survivor beneficiary shall not lose his or her entitlement to benefits by reason of a marriage or remarriage which occurs after he or she attains age 62; to the Committee on Ways and Means.

By Mr. McCARTHY:

H.R. 3812. A bill authorizing the President of the United States to award posthumously a Congressional Medal of Honor to John Fitzgerald Kennedy; to the Committee on the Judiciary.

By Mr. McDOWELL:

H.R. 3813. A bill to authorize the Veterans' Administration to extend aid on account of structural defects in properties purchased with financing assistance under chapter 37, title 38, United States Code; to the Committee on Veterans' Affairs.

By Mr. MOORHEAD:

H.R. 3814. A bill to provide for the mandatory reporting by physicians and institutions in the District of Columbia of certain physical abuse of children; to the Committee on the District of Columbia.

By Mr. NEDZI:

H.R. 3815. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H.R. 3816. A bill to provide for the establishment of the National Humanities Foundation to promote progress, research, and scholarship in the humanities and the arts, and for other purposes; to the Committee on Education and Labor.

H.R. 3817. A bill to amend the Internal Revenue Code of 1954 to provide that family dislocation allowances received by members of the Armed Forces shall not be included in their gross income for income tax purposes; to the Committee on Ways and Means.

By Mr. PATMAN (by request):

H.R. 3818. A bill to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities; to the Committee on Banking and Currency.

By Mr. PELLY:

H.R. 3819. A bill to establish a National Economic Conversion and Diversification Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 3820. A bill to require that a portion of Government parking facilities at national monuments and memorials and Government buildings be reserved for use by visitors confined to wheelchairs; to the Committee on Public Works.

By Mr. PEPPER:

H.R. 3821. A bill to amend section 620 of the Foreign Assistance Act of 1961 to prohibit the furnishing of certain assistance to the United Arab Republic; to the Committee on Foreign Affairs.

By Mr. PRICE:

H.R. 3822. A bill to amend titles 10 and 37, United States Code, so as to provide authorization of up to 2 years' constructive service credit to those Medical Service Corps officers now on active duty with the uniformed services who are required to have advanced training beyond the 4-year college level as a precondition to their appointment, and that those Medical Service Corps officers hereinafter appointed be so credited; to the Committee on Armed Services.

By Mr. RHODES of Pennsylvania:

H.R. 3823. A bill to provide a deduction for income tax purposes, in the case of a disabled individual, for expenses for transportation to and from work; and to provide an additional exemption for income tax purposes for a taxpayer or spouse who is physically or mentally incapable of caring for himself; to the Committee on Ways and Means.

H.R. 3824. A bill to amend section 218 of the Social Security Act so as to enable States, through Federal-State agreement, to provide further opportunity for certain State employees to elect coverage under the insurance system established by title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. ROGERS of Florida:

H.R. 3825. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. SICKLES:

H.R. 3826. A bill to amend the Federal Employees' Compensation Act so as to permit injured employees entitled to receive medical services under such act to utilize the services of podiatrists; to the Committee on Education and Labor.

H.R. 3827. A bill to amend the act concerning gifts to minors in the District of Columbia; to the Committee on the District of Columbia.

By Mr. STALBAUM:

H.R. 3828. A bill to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. TALCOTT:

H.R. 3829. A bill to adjust wheat and feed grain production, to establish a cropland retirement program, and for other purposes; to the Committee on Agriculture.

H.R. 3830. A bill to increase benefits under the Federal old-age, survivors, and disability insurance system, to provide child's insurance benefits beyond age 18 while in school, to provide widow's benefits at age 60 on a reduced basis, to provide benefits for certain individuals not otherwise eligible at age 72, to improve the actuarial status of the trust funds, to extend coverage, to improve the public assistance programs under the Social Security Act, and for other purposes; to the Committee on Ways and Means.

By Mr. TEAGUE of Texas:

H.R. 3831. A bill to amend title 38 of the United States Code to clarify the provisions thereof with respect to furnishing of drugs and medicines to certain veterans; to the Committee on Veterans' Affairs.

H.R. 3832. A bill to amend title 38 of the United States Code with respect to the authorization of appropriations for grants to assist construction of State home facilities for furnishing nursing home care to war veterans; to the Committee on Veterans' Affairs.

By Mr. UDALL:

H.R. 3833. A bill to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 3834. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. WATSON:

H.R. 3835. A bill to provide for the conveyance of certain mineral interests heretofore acquired by the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WHALLEY:

H.R. 3836. A bill to amend section 331 of the Economic Opportunity Act of 1964 in order to continue the indemnity payment program for farmers; to the Committee on Education and Labor.

By Mr. DERWINSKI:

H.J. Res. 249. Joint resolution to provide for an urban renewal code enforcement project in the Adams-Morgan area, and to encourage and assist rehabilitation of homes and businesses in such area; to the Committee on the District of Columbia.

By Mr. FUQUA:

H.J. Res. 250. Joint resolution proposing an amendment to the Constitution of the United States relating to succession to the Presidency and Vice Presidency and to cases where the President is unable to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

H.J. Res. 251. Joint resolution to authorize a contribution to certain inhabitants of the Ryukyu Islands for death and injury to persons, and for use of and damage to private property, arising from acts and omissions of the U.S. Armed Forces, or members thereof, after August 15, 1945, and before April 28, 1952; to the Committee on Foreign Affairs.

By Mr. MORTON:

H.J. Res. 252. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. MULTER:

H.J. Res. 253. Joint resolution authorizing and directing the National Institutes of Health to undertake a fair, impartial, and controlled test of krebiozen; and directing the Food and Drug Administration to withhold action on any new drug application before it on krebiozen until the completion of such test; and authorizing to be appropriated to the Department of Health, Education, and Welfare the sum of $250,000; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSH:

H.J. Res. 254. Joint resolution proposing an amendment to the Constitution of the United States relating to succession to the Presidency and Vice Presidency and to cases where the President is unable to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. SICKLES:

H.J. Res. 255. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WATSON:

H.J. Res. 256. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.J. Res. 257. Joint resolution proposing an amendment to the Constitution of the United States to preserve to the people of each State power to determine the composition of its legislature and the apportionment of the membership thereof in accordance with law and the provisions of the Constitution of the United States; to the Committee on the Judiciary.

By Mr. STAFFORD:

H. Con. Res. 148. Concurrent resolution to establish a Joint Committee on Ethics in the legislative branch of Government; to the Committee on Rules.

By Mr. ADAIR:

H. Res. 148. Resolution expressing the sense of the House of Representatives with respect to the proposed closing of certain Veterans' Administration hospitals and domiciliaries; to the Committee on Veterans' Affairs.

By Mr. MORGAN:

H. Res. 149. Resolution providing for expenses of conducting studies and investigations authorized by House Resolution 84; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS (by request):

H.R. 3837. A bill for the relief of Luisa Pono Parinas; to the Committee on the Judiciary.

H.R. 3838. A bill for the relief of Jean Chen Pan (Pan Chu Jean-Chen); to the Committee on the Judiciary.

By Mr. ADDABBO:

H.R. 3839. A bill for the relief of Aurora Aduviso Kostner; to the Committee on the Judiciary.

H.R. 3840. A bill for the relief of Antonio Ng; to the Committee on the Judiciary.

H.R. 3841. A bill for the relief of Salvatore LoIacono; to the Committee on the Judiciary.

H.R. 3842. A bill for the relief of Abraham Kiali; to the Committee on the Judiciary.

H.R. 3843. A bill for the relief of Despina Kouloumoundras; to the Committee on the Judiciary.

H.R. 3844. A bill for the relief of Anna Stabile Bevilacqua; to the Committee on the Judiciary.

H.R. 3845. A bill for the relief of Gertrude Payne; to the Committee on the Judiciary.

By Mr. AYRES:

H.R. 3846. A bill for the relier of Liberato Cornacchione; to the Committee on the Judiciary.

H.R. 3847. A bill for the relief of Mrs. Chariklia Laikopoulos; to the Committee on the Judiciary.

By Mr. BINGHAM:

H.R. 3848. A bill for the relief of Mary Bernadette Linehan; to the Committee on the Judiciary.

By Mr. BOGGS:

H.R. 3849. A bill for the relief of Samuel J. Mikolaski; to the Committee on the Judiciary.

By Mr. BURKE:

H.R. 3850. A bill for the relief of Bernardo Colella; to the Committee on the Judiciary.

By Mr. CAREY:

H.R. 3851. A bill for the relief of Mrs. M. S. Chiu and her son and daughters; to the Committee on the Judiciary.

H.R. 3852. A bill for the relief of Alfredo M. Fernandez; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 3853. A bill for the relief of Giuseppe Cimino; to the Committee on the Judiciary.

By Mr. COLLIER (by request):

H.R. 3854. A bill for the relief of Uldarico Paraskevas; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 3855. A bill for the relief of Meropi Paraskevas; to the Committee on the Judiciary.

H.R. 3856. A bill for the relief of Maria Smereczynska Yarasezsky; to the Committee on the Judiciary.

H.R. 3857. A bill for the relief of Anneliese Schlaak; to the Committee on the Judiciary.

H.R. 3858. A bill for the relief of Alfonso Giammo; to the Committee on the Judiciary.

H.R. 3859. A bill for the relief of Vittorio Danovaro; to the Committee on the Judiciary.

H.R. 3860. A bill for the relief of Irini Vasiliadis; to the Committee on the Judiciary.

H.R. 3861. A bill for the relief of Efraz Arsaguli Istepanyan; to the Committee on the Judiciary.

H.R. 3862. A bill for the relief of Salomon and Etelca Friedmann Falus; to the Committee on the Judiciary.

H.R. 3863. A bill for the relief of Calogero Davi; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.R. 3864. A bill for the incorporation of the Merchant Marine War Veterans Association; to the Committee on the District of Columbia.

By Mr. FINO:

H.R. 3865. A bill for the relief of Corrado Fronte and Sebastiana Fronte; to the Committee on the Judiciary.

H.R. 3866. A bill for the relief of Liborio Tortorici; to the Committee on the Judiciary.

H.R. 3867. A bill for the relief of Giacomo La Corte; to the Committee on the Judiciary.

H.R. 3868. A bill for the relief of Giovanni Filingeri; to the Committee on the Judiciary.

H.R. 3869. A bill for the relief of Francesca Maria Arcuri; to the Committee on the Judiciary.

H.R. 3870. A bill for the relief of Stephan Simon Jordan and Elisabeth Jordan; to the Committee on the Judiciary.

H.R. 3871. A bill for the relief of Vincenzo Amato; to the Committee on the Judiciary.

H.R. 3872. A bill for the relief of Cesarina Sesini; to the Committee on the Judiciary.

H.R. 3873. A bill for the relief of Giuseppe Giuliano; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 3874. A bill for the relief of Mrs. Giovanna Iacobelli; to the Committee on the Judiciary.

H.R. 3875. A bill for the relief of Mrs. Panagiota Vastakis and Soteros Vastakis; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 3876. A bill for the relief of Elizabeth Antonia Moore; to the Committee on the Judiciary.

H.R. 3877. A bill for the relief of Char Ming Fong; to the Committee on the Judiciary.

By Mrs. GRIFFITHS:

H.R. 3878. A bill for the relief of Berta Gulnik; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.R. 3879. A bill for the relief of Ernest Buillet; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 3880. A bill for the relief of Donald McCallum Miller; to the Committee on the Judiciary.

By Mr. KEOGH:

H.R. 3881. A bill for the relief of Mrs. Amy Sybil Denniston; to the Committee on the Judiciary.

By Mr. NEDZI:

H.R. 3882. A bill for the relief of Maria Garzia Lo Piccolo; to the Committee on the Judiciary.

H.R. 3883. A bill for the relief of Christina Kazub (also known as Krystyna Kazub); to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 3884. A bill for the relief of Carmela Santoro; to the Committee on the Judiciary.

H.R. 3885. A bill for the relief of Jose and Maria Marques; to the Committee on the Judiciary.

H.R. 3886. A bill for the relief Giuseppina Gesualdi; to the Committee on the Judiciary.

H.R. 3887. A bill for the relief of Salvatore Arsena; to the Committee on the Judiciary.

By Mr. PELLY:

H.R. 3888. A bill for the relief of Maria Desimone; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 3889. A bill for the relief of Thomas Valdivia Sanchez; to the Committee on the Judiciary.

By Mr. PURCELL:

H.R. 3890. A bill for the relief of Cleopatra A. Palmejar; to the Committee on the Judiciary.

By Mr. ROONEY of New York:

H.R. 3891. A bill for the relief of Mario Fernando Gomes DeCarvalho; to the Committee on the Judiciary.

H.R. 3892. A bill for the relief of Michele Bongiardina; to the Committee on the Judiciary.

H.R. 3893. A bill for the relief of Salvatore Pitino; to the Committee on the Judiciary.

H.R. 3894. A bill for the relief of Maria Fanetti; to the Committee on the Judiciary.

H.R. 3895. A bill for the relief of Mrs. Felicisima B. Dumlao; to the Committee on Judiciary.

H.R. 3896. A bill for the relief of Pasquale Evangelista; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 3897. A bill for the relief of Compton B. Theirens; to the Committee on the Judiciary.

By Mr. SCHEUER:

H.R. 3898. A bill for the relief of Sarolta Szentmiklosi; to the Committee on the Judiciary.

By Mr. SICKLES:

H.R. 3899. A bill for the relief of C. R. Sheaffer & Sons; to the Committee on the Judiciary.

H.R. 3900. A bill for the relief of Jong Wan Lee; to the Committee on the Judiciary.

H.R. 3901. A bill for the relief of Miss Elisabeth von Oberndorff; to the Committee on the Judiciary.

By Mr. TENZER:

H.R. 3902. A bill for the relief of Dr. Donald Liu and his wife, Emilie Chua Liu; to the Committee on the Judiciary.

H.R. 3903. A bill for the relief of Dr. Madjid Yaghmai; to the Committee on the Judiciary.

By Mr. TUNNEY:

H.R. 3904. A bill for the relief of Mario Antonio Ramirez; to the Committee on the Judiciary.

H.R. 3905. A bill for the relief of Bibi Daljeet Kaur; to the Committee on the Judiciary.

By Mr. VANIK:

H.R. 3906. A bill for the relief of Francesco Todaro; to the Committee on the Judiciary.

H.R. 3907. A bill for the relief of Hansel L. Steele, Christopher W. Steele and Celine Y. Steele; to the Committee on the Judiciary.

H.R. 3908. A bill for the relief of Dr. Anthony C. Nassif; to the Committee on the Judiciary.

H.R. 3909. A bill for the relief of Rozalia Takacs; to the Committee on the Judiciary.

H.R. 3910. A bill for the relief of Marija Pust; to the Committee on the Judiciary.

By Mr. WATSON:

H.R. 3911. A bill to provide for the conveyance of certain mineral interests of the United States in seventy-nine and one hundred and eighty-four one-thousandths acres located near Orangeburg, S.C., to Allen E. Dominick, the owner of such property; to the Committee on Interior and Insular Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII,

84. The SPEAKER presented a petition of the clerk of council, city of Lakewood, Ohio, petitioning consideration of their resolution with reference to requesting Congress and other agencies of Government to immediately enforce laws for the prevention and prohibition of the destruction of our freedoms by Communist activities, which was referred to the Committee on Rules.

SENATE

THURSDAY, JANUARY 28, 1965

The Senate met at 11 o'clock a.m., and was called to order by the Presiding Officer (Mr. INOUYE).

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

Our Father, God, all the ways of our need lead to Thee. Our futile attempts by ourselves to solve life's problems but tell us that all is vanity. Our deepest cravings but drive us to Thy everlasting arms.

May the spiritual verities by which we really live assert their sovereignty and ascendance over our hearts and minds, as with unbroken vigil we keep the perpetual light of faith burning over the inner shrine of the soul.

Endue with the spirit of wisdom those who have been trusted with responsibility and authority in these troublous times. For the preservation of liberty, for the defeat of all tyranny, for the redemption of democracy from its failures, for the establishment of a just and lasting peace in all the earth, we lift our hearts to Thee, O God of our salvation.

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

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 28, 1965.

To the Senate:

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

CARL HAYDEN,
President pro tempore.

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

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, January 27, 1965, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Ratchford, one of his secretaries.

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 20)

The ACTING PRESIDENT pro tempore laid before the Senate the Economic Report of the President, together with the annual report of the Council of Economic Advisers, which was referred to the Joint Economic Committee.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of Tuesday, January 26, 1965, the following report of a committee was submitted on January 27, 1965:

By Mr. RANDOLPH, from the Committee on Public Works, with amendments:

S. 3. A bill to provide public works and economic development programs, and the planning and coordination needed to assist in development of the Appalachian region; (Rept. No. 13).

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in connection with the morning hour be limited to 3 minutes.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

COOPERATION OF SECRETARY OF AGRICULTURE WITH STATES AND PUBLIC AGENCIES IN USE OF CERTAIN LAND

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize the Secretary of Agriculture to cooperate with States and other public agencies in planning for changes in the use of agricultural land in rapidly expanding urban areas and in other nonagricultural use areas, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

DISPOSAL OF CERTAIN MATERIALS FROM SUPPLEMENTAL STOCKPILE

A letter from the Acting Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to authorize the disposal of chromium metal, acid grade fluorspar, and silicon carbide from the supplemental stockpile (with an accompanying paper); to the Committee on Armed Services.

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

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities (with accompanying papers); to the Committee on Banking and Currency.

REPORT OF GOVERNMENT OF THE DISTRICT OF COLUMBIA

A letter from the President and members of the Board of Commissioners of the District of Columbia, Washington, D.C., transmitting, pursuant to law, a report of that government, for the fiscal year 1964 (with an accompanying report); to the Committee on the District of Columbia.

REPORT ON INADEQUATE DETERMINATION OF INDIRECT COST ALLOWANCES UNDER CERTAIN RESEARCH PROJECT GRANTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on inadequate determination of indirect cost allowances under certain research project grants awarded and administered by the Public Health Service, Department of Health, Education, and Welfare, dated January 1965 (with an accompanying report); to the Committee on Government Operations.

REPORT ON SALES AND TRANSFERS OF FOREIGN EXCESS PROPERTY

A letter from the Acting Deputy Administrator of Veterans' Affairs, Washington, D.C., transmitting, pursuant to law, a report on the sales and transfers of foreign excess property, for the calendar year 1964 (with an accompanying report); to the Committee on Government Operations.

REPORT ON DISPOSAL OF CERTAIN TRACKING EQUIPMENT

A letter from the Deputy Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, of certain tracking equipment at Esselen Park, Johannesburg, South Africa; to the Committee on Government Operations.

PROPOSED CONCESSION CONTRACT AT OAK BOTTOM SITE IN THE WHISKEYTOWN RESERVOIR AREA, CALIFORNIA

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract at the Oak Bottom site in the Whiskeytown Reservoir Area, California (with accompany papers); to the Committee on Interior and Insular Affairs.

REPORT ON POSITIONS IN GRADES GS-16, GS-17, AND GS-18

A letter from the Director, Administrative Office of the United States Courts, Washington, D.C., transmitting, pursuant to law, a report on positions in grades GS-16, GS-17, and GS-18, for the year 1964 (with an accompanying report); to the Committee on Post Office and Civil Service.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. ROBERTSON (by request):

S. 797. A bill to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities; to the Committee on Banking and Currency.

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

By Mr. TALMADGE:

S. 798. A bill to establish qualifications for persons appointed to the Supreme Court; to the Committee on the Judiciary.

By Mr. MONDALE:

S. 799. A bill for the relief of Mrs. Manouchag Partoghian; to the Committee on the Judiciary.

By Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request):

S. 800. A bill to authorize appropriations during fiscal year 1966 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluation, for the Armed Forces, and for other purposes; to the Committee on Armed Services.

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

By Mr. BOGGS (for himself and Mr. DOMINICK):

S. 801. A bill to improve the balance-of-payments position of the United States by permitting the use of reserved foreign currencies in lieu of dollars for current expenditures; to the Committee on Banking and Currency.

By Mr. DOMINICK:

S. 802. A bill for the relief of Jillian Vera Griffiths Hussey;

S. 803. A bill for the relief of Ching Zai Yen and his wife, Faung Hwa Yen; and

S. 804. A bill for the relief of Wie Lie Bong and Jenny Kim-Yang (nee Lie) Bong; to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S. 805. A bill to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank; to the Committee on Foreign Relations.

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

By Mr. YOUNG of North Dakota:

S. 806. A bill to promote the utilization of Indian-owned resources by Indians of the three affiliated tribes of the Fort Berthold Reservation; to the Committee on Interior and Insular Affairs.

By Mr. LAUSCHE:

S. 807. A bill for the relief of Lubomira Chodakiewicz (Luba Hodakievic); and

S. 808. A bill for the relief of Evangelia Georges Tsounos; to the Committee on the Judiciary.

By Mr. MILLER (for himself and Mr. HICKENLOOPER):

S. 809. A bill to revive and reenact as amended the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944; to the Committee on Public Works.

S. 810. A bill authorizing the establishment of the Herbert Hoover National Monument in

the State of Iowa; to the Committee on Interior and Insular Affairs.

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

By Mr. McNAMARA (for himself, Mr. BAYH, Mr. CLARK, Mr. DOUGLAS, Mr. GORE, MR. GRUENING, Mr. HART, Mr. HARTKE, Mr. LONG of Missouri, Mr. McGOVERN, Mr. MORSE, Mr. MOSS, Mrs. NEUBERGER, Mr. PASTORE, Mr. PELL, Mr. RANDOLPH, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of Ohio):

S. 811. A bill to provide assistance in the development of new or improved programs to help older persons through grants to the States for community planning and services and for training, through research, development, or training project grants, and to establish within the Department of Health, Education, and Welfare an operating agency to be designated as the "Administration on Aging"; to the Committee on Labor and Public Welfare.

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

By Mr. McNAMARA (for himself, Mr. RANDOLPH, Mr. YOUNG of Ohio, Mr. MUSKIE, Mr. MOSS, Mr. METCALF, Mr. INOUYE, Mr. BAYH, Mr. MONTOYA, Mr. HARRIS, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of New York, and Mr. McINTYRE):

S. 812. A bill to provide for the use of public works and other economic programs in a coordinated effort to aid economically disadvantaged areas of the Nation; to the Committee on Public Works.

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

By Mr. DOMINICK:

S. 813. A bill to direct the Secretary of the Treasury to establish a reserve of at least 500 million ounces of silver for national defense purposes; to the Committee on Banking and Currency.

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

By Mr. JAVITS:

S. 814. A bill to require Federal Reserve banks to maintain reserves in gold certificates of not less than 10 percent against its deposits and not less than 15 percent against its notes in circulation, and for other purposes; to the Committee on Banking and Currency.

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

By Mr. FONG:

S. 815. A bill to repeal the excise tax on amounts paid for refreshment, service, and merchandise at roofgardens, cabarets, and similar places; to the Committee on Finance.

By Mr. BENNETT:

S. 816. A bill for the relief of certain individuals employed by a contractor of the Forest Service who were not paid for their services; to the Committee on the Judiciary.

S. 817. A bill to authorize a Little Dell project in the State of Utah for flood control, water supply, and recreational purposes; to the Committee on Public Works.

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

By Mr. CASE:

S. 818. A bill for the relief of Joao Andre Senos; to the Committee on the Judiciary.

S. 819. A bill to amend title II of the Social Security Act so as to permit child's insurance benefits to continue after age 18 in the case of certain children who are full-time students after attaining such age, and to increase the annual amount individuals are permitted to earn without suffering deductions from the insurance benefits to which they are entitled thereunder; to the Committee on Finance.

By Mr. TOWER:

S. 820. A bill to amend titles I and XVI of the Social Security Act to liberalize the Federal-State programs of health care for the aged by authorizing any State to provide medical assistance for the aged to individuals eligible therefor (and assist in providing health care for other aged individuals) under voluntary private health insurance plans, and to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage prepayment health insurance for the aged; to the Committee on Finance.

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

By Mr. JORDAN of North Carolina (for himself and Mr. ERVIN):

S. 821. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. JORDAN of North Carolina when he introduced the above bill which appear under a separate heading.)

By Mr. McGEE:

S. 822. A bill to authorize the Secretary of the Interior to convey certain public land in Wyoming to Clara Dozier Wire; to the Committee on Interior and Insular Affairs.

By Mr. PROXMIRE:

S. 823. A bill for the relief of Luigi Filippo LoCicero, Michael Anthony LoCicero, and Domenic Louis LoCicero;

S. 824. A bill for the relief of Mayrani Tozan and Araksi Tozan;

S. 825. A bill for the relief of Daroslava Martinovich Bulatovich;

S. 826. A bill for the relief of Har Gobind Khorana;

S. 827. A bill for the relief of Kam Yuet Moy; and

S. 828. A bill for the relief of Cha Mi Hi; to the Committee on the Judiciary.

By Mr. DODD:

S. 829. A bill for the relief of Enrico Agostini and Celestino Agostini;

S. 830. A bill for the relief of Haralambos Atoynatan and Agatoniki Atoynatan; and

S. 831. A bill for the relief of Francis Zerjav; to the Committee on the Judiciary.

By Mr. McGEE:

S. 832. A bill for the relief of Jung Soon Choi; to the Committee on the Judiciary.

By Mr. McCARTHY:

S. 833. A bill for the relief of Frank J. Kreysa; to the Committee on the Judiciary.

By Mr. HARTKE:

S. 834. A bill for the relief of Julianna Rado; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 835. A bill for the relief of Ante Cibilic; to the Committee on the Judiciary.

By Mr. SCOTT (for himself and Mr. DODD):

S. 836. A bill to amend the Wool Products Labeling Act of 1939 to authorize the Federal Trade Commission to exclude from the provisions of that act wool products with respect to which the disclosure of wool fiber content is not necessary for the protection of the consumer; to the Committee on Commerce.

By Mr. KENNEDY of Massachusetts:

S. 837. A bill for the relief of Elena Savino Coviello;

S. 838. A bill for the relief of Ibrahim Zeytinoglu, Zeynep Zeytinoglu, and Fusun Zeytinoglu;

S. 839. A bill for the relief of Araxie Puzant Tekeyan;

S. 840. A bill for the relief of Christos Stratis;

S. 841. A bill for the relief of Maria-Asuncion Pernas Fanego;

S. 842. A bill for the relief of Maria Pimentel De Sousa;

S. 843. A bill for the relief of Dr. Shiro Shimosato;

S. 844. A bill for the relief of Dr. Francisco B. deCarvalho;

S. 845. A bill for the relief of Luis Aguiar Duarte;

S. 846. A bill for the relief of Joal Claudio Pavao;

S. 847. A bill for the relief of Patrick K. Yen and family;

S. 848. A bill for the relief of Lillian Chu Sung;

S. 849. A bill for the relief of Arminda Padua Viseu;

S. 850. A bill for the relief of Samuel L. McCoy;

S. 851. A bill for the relief of M. Sgt. Bernard L. LaMountain, U.S. Air Force (retired);

S. 852. A bill for the relief of Susan A. Tikiryan; and

S. 853. A bill for the relief of Charles N. Legarde and his wife, Beatrice E. Legarde; to the Committee on the Judiciary.

By Mr. HART:

S. 854. A bill for the relief of Bogoljoub Voukovitch; to the Committee on the Judiciary.

By Mr. GORE:

S. 855. A bill for the relief of Doris Annie Buston Lucas; to the Committee on the Judiciary.

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

S. 856. A bill for the relief of the estate of R. M. Clark; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 857. A bill for the relief of Mrs. Stylliani Papathanasiou;

S. 858. A bill for the relief of Chang Ah Lung;

S. 859. A bill for the relief of Mr. and Mrs. Toros Torosian;

S. 860. A bill for the relief of Aziza (Susan) Sasson;

S. 861. A bill for the relief of Alva Arlington Garnes;

S. 862. A bill for the relief of Woo Zee-Ching;

S. 863. A bill for the relief of Carmelo Schillaci;

S. 864. A bill for the relief of Roza Feuer;

S. 865. A bill for the relief of Mannor Lee;

S. 866. A bill for the relief of Angelo Coppola;

S. 867. A bill for the relief of Young Wai;

S. 868. A bill for the relief of Mother Azucena de San Jose (nee Carmen Hernandez Aguilar);

S. 869. A bill for the relief of Yom Tov Yashayahu Briszk;

S. 870. A bill for the relief of Kaloyan D. Kaloyanoff;

S. 871. A bill for the relief of Ernesto Enzo Russo;

S. 872. A bill for the relief of Vasil Laci;

S. 873. A bill for the relief of Toni Schwarz;

S. 874. A bill for the relief of Palmerina Caira and her minor children, Mauro Caira and Ciazio Caira;

S. 875. A bill for the relief of Wilfredo R. Emano;

S. 876. A bill for the relief of Maggiorina Magnante;

S. 877. A bill for the relief of Jacob, Malka, and David Kalkstein;

S. 878. A bill for the relief of Mother Estella Mary de San Jose (nee Matilde Gandarillas Sigler);

S. 879. A bill for the relief of Kim Sa Suk;

S. 880. A bill for the relief of Caterina Cona;

S. 881. A bill for the relief of Apostol Christoforides;

S. 882. A bill for the relief of Dr. Jose L. Cabezon;

S. 883. A bill for the relief of Maria Panagiotis Boutsalis;

S. 884. A bill for the relief of Eleftharios Georgalos;

S. 885. A bill for the relief of Giovanni Gigante;

S. 886. A bill for the relief of Vincenzo Pulitano;

S. 887. A bill for the relief of Aglaia Giannatos Efthymiou;

S. 888. A bill for the relief of Giuseppe Fiannaca; and

S. 889. A bill for the relief of Loukia Vouxinou; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey:

S. 890. A bill for the relief of Joaquim Manuel De Oliveira; to the Committee on the Judiciary.

By Mr. HICKENLOOPER (for himself, Mr. ANDERSON, Mr. AIKEN, Mr. HOLLAND, Mr. ALLOTT, Mr. BENNETT, Mr. DOMINICK, Mr. HRUSKA, Mr. JORDAN of Idaho, Mr. LAUSCHE, Mr. MILLER, Mr. MORTON, Mr. SCOTT, Mr. SIMPSON, Mr. TOWER, and Mr. DIRKSEN):

S. 891. A bill to adjust wheat and feed grain production, to establish a cropland retirement program, and for other purposes; to the Committee on Agriculture and Forestry.

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

By Mr. PASTORE (by request):

S.J. Res. 34. Joint resolution proposing an amendment to the Constitution of the United States on Presidential power and succession; to the Committee on the Judiciary.

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

CONCURRENT RESOLUTIONS

TO EXPRESS THE SENSE OF THE CONGRESS RELATING TO BALANCE OF PAYMENTS

Mr. JAVITS (for himself, Mr. MILLER, and Mr. JORDAN of Idaho) submitted a concurrent resolution (S. Con. Res. 14) to express the sense of the Congress that achievement of balance of payments equilibrium is essential and that the United States should take the initiative in calling for an international economic conference, which was referred to the Committee on Foreign Relations.

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

TO EXPRESS THE SENSE OF THE CONGRESS RELATING TO MORE EFFECTIVE MEANS TO RESTRAIN THE OUTFLOW OF PRIVATE CAPITAL

Mr. JAVITS submitted a concurrent resolution (S. Con. Res. 15) to express the sense of the Congress that to develop more effective means to restrain the outflow of private capital the President should establish an Advisory Committee on Capital Export Policy, which was referred to the Committee on Banking and Currency.

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

RESOLUTIONS

AMENDMENT OF SENATE RULES TO REQUIRE ROLLCALL VOTES ON PASSAGE OF PROPOSED AMENDMENTS TO THE CONSTITUTION

Mr. STENNIS submitted a resolution (S. Res. 67) to amend the rules of the Senate to require rollcall vote on passage of proposed amendments to the Constitution, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. STENNIS, which appears under a separate heading.)

CONTINUATION OF AUTHORITY OF COMMITTEE ON GOVERNMENT OPERATIONS TO MAKE CERTAIN STUDIES

Mr. McCLELLAN submitted a resolution (S. Res. 68) continuing the authority of the Committee on Government Operations to make certain studies as to the efficiency and economy of the operation of the Government, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. McCLELLAN, which appears under a separate heading.)

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

Mr. ROBERTSON. Mr. President, in keeping with the statement I made Tuesday, I introduce, by request, the administration's bill to amend the gold reserve requirements of the United States.

The bill reads as follows:

A bill to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of the third paragraph of section 16 of the Federal Reserve Act, as amended (12 U.S.C. 413), is further amended by striking out "reserves in gold certificates of not less than 25 per centum against its deposits and".

SEC. 2. The eighteenth paragraph of section 16 of the Federal Reserve Act, as amended (12 U.S.C. 467), is further amended by substituting a period for the comma after the word "notes" and striking out the remainder of the paragraph.

The bill was transmitted to the Senate by a letter which reads as follows:

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill, "To eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities."

The proposed legislation, which is designed to implement the recommendation made by President Johnson in his Economic Report, would eliminate the present requirement that every Federal Reserve bank shall maintain reserves in gold certificates of not less than 25 percent against its deposits. No change would be made in the requirement that every Federal Reserve bank shall maintain reserves in gold certificates of not less than 25 percent against its Federal Reserve notes in actual circulation.

By the end of 1964, the ratio of Federal Reserve gold certificate reserves to the aggregate note and deposit liabilities had declined to below 28 percent, a drop of more than 2 percent in the space of a year. This decline in the ratio primarily reflected the growth both in Federal Reserve notes in circulation and in Federal Reserve deposits that accompanied the expansion of the economy. Based on recent rates of increase in currency in circulation and in deposits with Federal Reserve banks, the legal minimum reserve would be reached within about 2 years even without any reduction in our holdings of gold. Continuation of the present reserve requirement could thus artificially impede the orderly expansion of money and bank credit essential to support future domestic growth and prosperity.

Continuation of the present requirement could also raise unnecessary doubts over our ability and willingness to make our gold wholly available if required to meet our pledge to defend the present gold value of the dollar at $35 an ounce, notwithstanding assurances that the gold cover requirement would be temporarily suspended if necessary for this purpose.

We have concluded, in consultation with the Board of Governors of the Federal Reserve System, that an appropriate way to meet this problem would be to eliminate the requirement for the maintenance of reserves against deposits while retaining it against Federal Reserve notes. The deposits in Federal Reserve banks represent primarily reserves of member banks of the Federal Reserve System. They will not be affected in any way by the elimination of the requirement that the Federal Reserve banks maintain reserves in gold certificates against them. This approach will reduce the required reserve from about $13 billion of gold to about $8 billion.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposed bill has been transmitted to the Speaker of the House of Representatives.

There is enclosed for your convenient reference a comparative type showing the changes in existing law that would be made by the proposed bill.

The Department has been advised by the Bureau of the Budget that enactment of the proposed legislation would be in accord with the program of the President.

Sincerely yours,

DOUGLAS DILLON.

COMPARATIVE TYPE SHOWING CHANGES IN EXISTING LAW MADE BY BILL

Changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in brackets):

The first sentence of the third paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 413):

"Every Federal Reserve bank shall maintain [reserves in gold certificates of not less than 25 per centum against its deposits and] reserves in gold certificates of not less than 25 per centum against its Federal Reserve notes in actual circulation: *Provided, however,* That when the Federal Reserve agent holds gold certificates as collateral for Federal Reserve notes issued to the bank such gold certificates shall be counted as part of the reserve which such bank is required to maintain against its Federal Reserve notes in actual circulation."

The 18th paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 467):

"Deposits made under this section standing to the credit of any Federal Reserve bank with the Board of Governors of the Federal

Reserve System shall, at the option of said bank, be counted as part of the lawful reserve which it is required to maintain against outstanding Federal Reserve notes [, or as a part of the reserve it is required to maintain against deposits].

At the present time, a 25-percent gold reserve is required to back up Federal Reserve notes and deposits in Federal Reserve banks. The bill would preserve the 25-percent gold reserve requirement behind the Federal Reserve notes, but it would eliminate the reserve requirement for deposits in Federal Reserve banks.

At the President's request, I have also agreed to hold hearings promptly, and I have announced that hearings will begin on this bill on February 2, 1965.

I have introduced this bill and set these hearings in accordance with my policy that major administration bills which the President considers of top urgency should be considered promptly, carefully, and responsibly, without regard to my personal views with respect to such proposals.

In introducing this bill, I should like to comment briefly on the matter.

The United States now holds more than $15 billion in gold, three times as much as any other free world nation, and more than one-third of the free world's gold. The U.S. dollar is the most sought currency in the world and all things considered is, I think, the soundest currency in the world. America's industrial products and agricultural commodities are in great demand around the world, as our substantial trade surplus shows. No one at home or abroad should take the President's request for action as an indication of distress or emergency.

The administration is presenting this bill because our gold reserve is now not much more than the current gold reserve requirements. Our "free gold" is now down to less than $2 billion. There are two reasons for the decrease in our gold reserve ratio. First, our gold supply has declined from its postwar high of $22 billion, largely because our foreign aid program and our military commitments around the world over the past 20 years have been tremendous. They have, indeed, eliminated the "dollar gap" which was the original basis for the Marshall plan. Second, our domestic requirements for gold reserve for currency and Federal Reserve deposits have increased partly as the result of growth of our population, the present "good times," and the substantial measure of domestic inflation since the end of World War II. These reserve requirements may be expected to continue to show a normal rate of growth.

These factors make it necessary for us to consider the President's proposal to amend our gold reserve requirements. We must at the same time consider carefully the factors which have caused our gold supply to decline and have made this action necessary. We must consider carefully the proposals the President is making, and take vigorous action to eliminate the deficit in our balance of payments. It is better to do this now than when all of our gold is gone. We must also take all appropriate steps to preserve a sound domestic economy and to preserve the value of the dollar. To do this, an independent Federal Reserve Board is essential.

I should like to close by emphasizing once again the fact that the United States has the biggest supply of gold in the world and the soundest currency in the world. The Congress, I am convinced, will join in the President's pledge to keep a sound economy and a sound dollar.

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

The bill (S. 797) to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities, introduced by Mr. ROBERTSON (by request) was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. DIRKSEN. Will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. DIRKSEN. I should like to ask the distinguished Senator from Virginia whether hearing dates have been set.

Mr. ROBERTSON. A hearing date has been set for 10 o'clock next Tuesday. I have scheduled the distinguished minority leader as the first witness, because under protocol we give priority over Cabinet officers and everyone except the President—who does not come up—to Members of the Senate. I have been told that the distinguished minority leader proposes to support the administration's proposal but to oppose the Douglas bill which would take all the coverage off.

Consequently, on the morning of next Tuesday, at 10 o'clock, we will open hearings, and if agreeable to the distinguished Senator from Illinois, he will be the first witness.

Mr. DIRKSEN. I thank the Senator from Virginia.

APPROPRIATIONS DURING FISCAL YEAR 1966 FOR PROCUREMENT OF AIRCRAFT, MISSILES, AND NAVAL VESSELS

Mr. RUSSELL. Mr. President, by request, for myself and the senior Senator from Massachusetts [Mr. SALTONSTALL], I introduce, for appropriate reference, a bill to authorize appropriations for the procurement of aircraft, missiles, and naval vessels, and for the research, development, test, and evaluation activities of the Department of Defense for fiscal year 1966.

I ask unanimous consent that a letter of transmittal requesting introduction of the legislation and explaining its purpose be printed in the RECORD immediately following the listing of the bill.

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

The bill (S. 800) to authorize appropriations during fiscal year 1966 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluation, for the Armed Forces, and for other purposes, introduced by Mr. RUSSELL (for himself and Mr. SALTONSTALL), by request, was received, read twice by its title, and referred to the Committee on Armed Services.

The letter presented by Mr. RUSSELL is as follows:

THE SECRETARY OF DEFENSE,
Washington.

HON. HUBERT H. HUMPHREY,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of proposed legislation "to authorize appropriations during fiscal year 1966 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluation, for the Armed Forces, and for other purposes." This proposal is a part of the Department of Defense legislative program for the 89th Congress, and the Bureau of the Budget has advised that enactment of the proposal would be in accord with the program of the President.

This proposal is identical in form to the provisions of Public Law 88–288, approved March 20, 1964, providing authorizations for appropriations as required pursuant to section 412(b) of Public Law 86–149, as amended.

As in the case of previous legislation, this proposal would provide for the authorization of appropriations for fiscal year 1966 in two major areas. It includes authorization for appropriations for the procurement in each of the categories of aircraft, missiles, and naval vessels for each of the military departments in the amount of the new obligational authority being requested for such purposes in the President's budget for fiscal year 1966. In addition, the proposal would provide fund authorization in amounts equal to the new obligational authority included in the President's budget for fiscal year 1966 in total for each of the research, development, test, and evaluation appropriations for the military departments and the defense agencies. The amounts requested for fund authorization have been developed on the same basis as, and are comparable to, the amounts for which fund authorizations were granted in fiscal year 1965.

The action of the Congress in providing fund authorization for these major programs in the Department of Defense on this basis, coupled with the agreed upon reprograming procedures, has resulted in the achievement of essential flexibility without diminishing congressional control in the execution of the programs. The understanding and cooperation of the cognizant committees in dealing with program changes in the past have been invaluable in the accomplishment of these programs.

The Committees on Armed Services will be furnished, as in the past, detailed information with respect to each program for which fund authorization is being requested in a form identical to that submitted in explanation and justification of the budget requests. Additionally, the Department of Defense will be prepared to submit any other data required by the committees or their staffs.

It is expected that the Armed Services Committees will desire that top civilian and military officials of the Department of Defense be prepared to make presentations explaining, and justifying their respective programs as in the past.

For ready reference, there is attached a table showing, by category, and by service: (1) the amounts authorized for fiscal year 1965; (2) amounts appropriated for fiscal year 1965; and (3) the amounts requested for fund authorization for fiscal year 1966.

Sincerely,

CYRUS VANCE, *Deputy.*

TO AMEND THE INTER-AMERICAN DEVELOPMENT BANK ACT TO AUTHORIZE THE UNITED STATES TO PARTICIPATE IN AN INCREASE IN THE RESOURCES OF THE FUND FOR SPECIAL OPERATIONS OF THE INTER-AMERICAN DEVELOPMENT BANK—NOTICE OF HEARING

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a bill to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank.

The proposed legislation has been requested by the Secretary of the Treasury, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from the Secretary of the Treasury dated January 18, 1965, to the President pro tempore of the Senate in regard to it.

The Committee on Foreign Relations will begin public hearings on this important legislative proposal on Friday, February 5, in room 4221 of the New Senate Office Building, commencing at 10 a.m. with testimony from executive branch officials. Those wishing to testify on the bill are invited to inform the chief clerk of the Committee on Foreign Relations.

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

The bill (S. 805) to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

S. 805

A bill to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Inter-American Development Bank Act (73 Stat. 299; 22 U.S.C. 283–2831) is amended by adding at the end thereof the following new section:

"SEC. 14. (a) The United States Governor of the Bank is hereby authorized to vote in favor of the resolution entitled 'Increase of Resources of the Fund for Special Operations' proposed by the Governors at their annual meeting in April 1964 and now pending before the Board of Governors of the Bank. Upon the adoption of such resolution, the United States Governor is authorized to agree, on behalf of the United States, to pay to the Fund for Special Operations of the Bank the sum of $750,000,000 in accordance with and subject to the terms and conditions of such resolution.

"(b) There is hereby authorized to be appropriated, without fiscal year limitation, for the United States share in the increase in the resources of the Fund for Special Operations of the Bank, the sum of $750,000,000."

The letter presented by Mr. Fulbright is as follows:

THE SECRETARY OF THE TREASURY,
Washington, D.C.

Hon. CARL HAYDEN,
President pro tempore of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill, "To amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank."

At the annual meeting of the Governors of the Inter-American Development Bank in April 1964, the Governors unanimously agreed to recommend to their governments that appropriate steps be taken to permit adoption of a proposed resolution to enlarge the Fund for Special Operations (FSO) of the Bank. The resolution would provide for an increase in the resources of the FSO by the equivalent of $900 million, of which $750 million would be contributed by the United States and the equivalent of $150 million by the Latin American members of the Bank. This increase would be for the 3-year period, calendar 1965, 1966, and 1967, and would be payable in equal annual installments. It was originally contemplated that the first installment—of which the U.S. share would be $250 million—would be payable on or before December 31, 1964. It is now contemplated that this installment will be due on June 30, 1965. Early enactment of both authorizing and appropriating legislation will be necessary to enable the United States to make this payment when due.

The Inter-American Development Bank was established at the end of 1959 and began operations in the fall of 1960. Its establishment represented the fruition of long-standing hemispheric aspirations toward a working partnership between the United States and Latin America to advance the economic development of the area. In the 4 years since it began lending operations, the Bank has developed an experienced and able staff and has assumed an active and increasingly important role in the economic and social development of the region. Today, as the "Bank of the Alliance," it is the spearhead for efforts of self-help and mutual cooperation among the American Republics, and provides international leadership for Latin America's development.

The FSO has formed an integral and vital part of the Inter-American Development Bank's operations since the inception of the Bank. It has been so recognized by the Congress, as demonstrated by its action authorizing and appropriating funds for a replenishment of the resources of the FSO for 1964.

From its outset, the FSO was designed to supplement the Bank's ordinary operations by making sound development loans on easy repayment terms—an approach consistent with the needs of Latin America and comparable in this regard to the arrangement between the International Development Association and the World Bank.

The present proposal results from the study I referred to in testimony before the House Committee on Banking and Currency on July 11, 1963. I stated at that time in support of legislation to increase our subscription to the FSO by $50 million, that the proposed increase represented approximately 1 year's needs, that the future of the FSO and its potential need for additional resources would be the subject of special study, and that consideration would be given to the advisability of combining operations then conducted through the FSO and the Social Progress Trust Fund.

In the interests of the strength and efficiency of operations of the Bank, the present proposal would expand the financing formerly carried out through the Social Progress Trust Fund, established in 1961 in recognition of the urgent need for social and economic progress in the developing countries of Latin America, which would henceforth be the responsibility of the FSO. As U.S. Governor of the Bank, I made clear to the Governors at the annual meeting in April 1964 that the United States would not in the future contribute to the Social Progress Trust Fund, which would gradually be liquidated. Instead, we would concentrate in the FSO all of our funds for loans on easy repayment terms administered by the Bank. Thus our enlarged contribution to the FSO would replace the funds previously contributed both to the FSO and to the Social Progress Trust Fund. The emphasis placed on social reform under the trust fund as an essential element in the fulfillment of the Alliance for Progress would be continued in the operations of the FSO.

It is now estimated that the funds presently committed to the FSO and the Social Progress Trust Fund will allow the Bank to continue lending operations on easy repayment terms at an adequate rate only through the early months of this year. Early replenishment of resources for these purposes is therefore required.

The U.S. contribution of $250 million a year over the next 3 years is required to meet the legitimate aspirations of the other American Republics, and in order to give the Bank sufficient assurance of future funds to permit the continued orderly conduct of lending operations. We can do no less if we are determined, along with our Latin American friends and neighbors, to see the Alliance for Progress move on to further successful accomplishments.

The contribution of the Latin American members of the Bank would approximately double their previous contribution—an affirmation on their part of faith in the Bank's ability to lead in promoting the development of Latin America.

The draft bill would authorize the U.S. Governor of the Bank to vote in favor of the proposed resolution. The draft bill would also authorize the U.S. Governor, on behalf of the United States, to agree to pay to the Fund for Special Operations over a 3-year period, in accordance with the terms of the resolution, the sum of $750 million, as the U.S. share of the increase, and authorize the appropriation of this sum. I urge the Congress to act favorably on this legislation which represents such an important further step in inter-American cooperation under the banner of the Alliance for Progress. Subject to approval of the proposed legislation, an appropriation of the first installment of $250 million will be sought as soon as possible.

A special report of the National Advisory Council on International Monetary and Financial Problems relating to U.S. participation in an increase in the Fund for Special Operations was submitted to Congress in July 1964, together with a draft of proposed legislation similar to the enclosed draft bill. The report and draft legislation were referred to the Committee on Foreign Relations and the report was printed as House Document No. 316, 88th Congress.

It would be appreciated if you would lay this proposed bill before the Senate. A simi-

lar bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that the enactment of the proposed legislation would be in accord with the program of the President.

Sincerely yours,

DOUGLAS DILLON.

ESTABLISHMENT OF HERBERT HOOVER NATIONAL MONUMENT IN STATE OF IOWA

Mr. MILLER. Mr. President, I introduce, for appropriate reference, a bill to authorize the establishment of the Herbert Hoover National Monument in the State of Iowa. I ask unanimous consent that the bill be printed in the RECORD, that it be printed, and that it be appropriately referred.

I should like to point out that considerable preliminary work has been done by the Herbert Hoover Birthplace Foundation in reviewing the properties available for establishment of such a national monument and in coordinating the program with the Hoover family, with the city officials of West Branch, Iowa, and county officials of Cedar County, with the West Branch Heritage Foundation, and with the Cedar County Historical Society. I am confident that the Secretary of the Interior and the officials of the National Park Service will meet with wholehearted cooperation from everyone concerned in carrying out this program.

Those of us who were privileged to attend the graveside services at West Branch last fall, following President Hoover's sorrowing death, could not help but recognize the need for a Herbert Hoover National Monument such as this bill would authorize. The thousands of people present on that occasion bore testimony of the deep love and affection our people had for this great humanitarian.

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

The bill (S. 810) authorizing the establishment of the Herbert Hoover National Monument in the State of Iowa, introduced by Mr. MILLER (for himself and Mr. HICKENLOOPER), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

S. 810

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall acquire on behalf of the United States by gift, purchase, condemnation, or otherwise, all right, title, and interest in and to such lands, together with any improvements thereon, as the Secretary may deem necessary for the purpose of establishing a national monument commemorating the birthplace and burial place of Herbert Hoover, the thirty-first President of the United States on the site located in Cedar County in the State of Iowa.

SEC. 2. (a) The property acquired under the provisions of the first section of this Act shall be designated as the Herbert Hoover National Monument and shall be set aside as a public national memorial. The National Park Service, under the direction of the Secretary of the Interior, shall administer, protect, and develop such monument, subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916, as amended and supplemented, and the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935, as amended.

(b) In order to provide for the proper development and maintenance of such national monument, the Secretary of the Interior is authorized to construct and maintain therein such markers, buildings, and other improvements, and such facilities for the care and accommodation of visitors, as he may deem necessary.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

OLDER AMERICANS ACT OF 1965

Mr. MCNAMARA. Mr. President, on behalf of myself and 18 other Senators, Senators BAYH, CLARK, DOUGLAS, GORE, GRUENING, HART, HARTKE, LONG of Missouri, MCGOVERN, MORSE, MOSS, NEUBERGER, PASTORE, PELL, RANDOLPH, WILLIAMS of New Jersey, YARBOROUGH, and YOUNG of Ohio, I introduce, for appropriate reference, a bill entitled "The Older Americans Act of 1965."

This bill has been introduced, in identical form, in the other House, by the Honorable JOHN E. FOGARTY, Member of Congress from Rhode Island.

Mr. FOGARTY and I offered essentially the same bill during the 88th Congress. Hearings were held, and our bill was favorably and unanimously reported out by the Committee on Education and Labor of the House of Representatives. The committee's bipartisan and unanimous support testified to the soundness of the approach we proposed.

The Older Americans Act has a dual purpose: It will establish an Administration on Aging within the Department of Health, Education, and Welfare, and it will authorize a 3-year program of Federal grants to the States and to public and nonprofit private agencies for research, training, community planning, and demonstration projects relating to aging.

The bill also creates a new position of Commissioner on Aging, appointed by the President and subject to confirmation by the Senate, to be head of the Administration on Aging.

In addition, the bill provides for a 16-member Advisory Committee on Older Americans, consisting of citizen members who have experience and interest in the special problems of the aging.

Under the terms of this bill, a total of $6½ million would be authorized the first year, $11 million in each of the second and third years, and such sums as the Congress may authorize during the fourth and fifth years. The sums required are relatively modest, but the return will be incalculably meaningful, in terms of the well-being of all older Americans.

Mr. FOGARTY and I are introducing this legislation because we feel that there is an urgent need for a high-level agency that will command the respect and pay full attention to the needs of our elderly, so that the social and economic problems of the Nation's 18 million older citizens receive the attention they deserve.

We also believe there is a great need for the Federal Government to participate financially in efforts at the State and local levels to solve the problems of the aging.

I would point out that this proposed legislation implements the findings of the almost 3,000 delegates who participated in the 1961 White House Conference on Aging.

In addition, it represents the considered judgment of informed leaders in the field of aging throughout the country.

Mr. President, the Report of the Education and Labor Committee—No. 1477 of the 88th Congress—contains an excellent statement of the need for the Older Americans Act. I ask unanimous consent that the section of the report entitled, "Need for the Legislation" be printed at the conclusion of my remarks, along with a section-by-section analysis of the bill.

Mr. President, I also ask that my bill be held at the desk for 5 days so that such other Senators as may want to join me in cosponsorship may have that opportunity.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the section of the report, and section-by-section analysis of the bill will be printed in the RECORD, and the bill will lie on the desk, as requested by the Senator from Michigan.

The bill (S. 811) to provide assistance in the development of new or improved programs to help older persons through grants to the States for community planning and services and for training, through research, development, or training project grants, and to establish within the Department of Health, Education, and Welfare an operating agency to be designated as the "Administration on Aging," introduced by Mr. MCNAMARA (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The section of the report and section-by-section analysis presented by Mr. MCNAMARA, are as follows:

NEED FOR THE LEGISLATION

The need for this legislation is supported by the careful analysis of the findings of several committees of both Houses of Congress—committees which, incidentally, have developed, assembled, and published what is undoubtedly the largest and most authoritative body of information on older citizens of this Nation.

The Federal programs affecting older persons cut across the responsibilities of many departments and agencies, yet at the present time these programs are without a central core of direction and coordination. The programs are now being administered by the Office of Aging, under the jurisdiction of the Commission of Welfare in the Department of Health, Education, and Welfare.

The General Subcommittee on Education report on the "Problems of the Aging," dated October 1962, stated:

"It was readily apparent, from the initial field hearing in Sacramento, Calif., through our final hearing in Washington, that there exist confusion and frustration in this field.

The need for coordination at the Federal level as well as at the State level is acute. The need for dynamic leadership was quite apparent."

The report of the Senate Special Committee on Aging, "Developments in Aging," Report No. 8, dated February 11, 1963, expressed its views on the need for effective organization of Federal programs in aging as follows:

"The measures taken with respect to coordinating, highlighting, and giving drive to a multiplicity of Federal programs in aging, have been sporadic, spasmodic, piecemeal, hesitant, and futile.

"Responsibility for developing programs to serve the needs of older persons is, of course, a shared responsibility. It involves the Federal Government, the States and their communities, and voluntary agencies and organizations at all levels. This partnership of governmental and voluntary agencies is in accord with our time-tested American tradition; it best takes advantage of the essential contribution the individual himself must make in creating a secure, healthful, and meaningful climate for the later years.

"The opportunity to share in this responsibility has caught the imagination of many of the States and scores of communities and organizations over the past decade. The variety of approaches and programs developed is almost infinite, reflecting the many-faceted nature of older people and the older population, the needs perceived by sponsoring agencies, and the knowledge and resources available to them. While these developments have come rapidly and while they reach across the entire country, they are nevertheless spotty, often inadequately conceived, and generally undernourished.

"Our committee's recent field hearings provided ample evidence of the desire of the States and communities to carry out their vital roles in this partnership. Effective performance of their roles, however, is dependent on effective performance of those functions which are the responsibility of the Federal partner. And our hearings made it clear that we lack anything even approaching effective performance on the part of the Federal partner."

This legislation constitutes a double-barreled answer to these problems. First, it would establish a high-level agency—an Administration on Aging—that would devote its full attention to the developments of solutions to their social and economic problems. This agency would function not only as a sympathetic and respectful ear and voice for the elderly, but would function positively in terms of serving as a clearinghouse of information on the problems of the aged and aging; assisting and advising the Secretary on the manifold matters affecting the elderly; administering the grants provided by the act; developing, conducting, and arranging for research and demonstration programs in the field of aging; providing technical assistance and consultation to State and local governments and private organizations; preparing and publishing educational materials dealing with the problems and potentials of older persons; gathering statistics in the field of aging; and stimulating more effective use of existing resources and available services.

Secondly, the bill authorizes funds for a 5-year period for programs designed to promote the well-being of our older citizens. The major portion of this appropriation would be authorized for grants to the States for community planning, demonstration projects, training of personnel, and related programs. A smaller percentage of the appropriation would be used for grants to public or nonprofit private agencies, organizations, or institutions for research, training, and demonstration projects in the field of aging.

The establishment of an Administration on Aging will not automatically solve the problems of our older people. But establishment of such an organization, providing it with the personnel, funds, and the authority necessary to give full attention to those problems, will be a major advance in devising the means of dealing with them.

The Administration on Aging, headed by a Commissioner appointed by the President, subject to confirmation by the Senate, would have coequal status with the Social Security and Welfare Administrations. Thus, the older population would be meaningfully represented in the upper echelons of the Federal Government.

The proposed Administration on Aging would establish a specific high-level agency with power and responsibility to take action. It would have full-time responsibility, backed by professional knowledge and ability, and the strong desire to represent effectively in the Federal Government our 18 million older Americans.

SECTION-BY-SECTION ANALYSIS OF THE BILL

SECTION 1. SHORT TITLE

This section provides that the act may be cited as the "Older Americans Act of 1965."

TITLE I—DECLARATION OF OBJECTIVES: DEFINITIONS

Section 101—Declaration of objectives for older Americans: This section contains a congressional finding and declaration that the older people of the Nation are entitled to, and it is the responsibility of the governments at all levels to enable our older people to secure, equal opportunity to the full and free enjoyment of objectives in the following areas:

1. Adequate income in retirement.
2. Best possible physical and mental health.
3. Suitable housing.
4. Restorative service.
5. Opportunities for employment without discrimination on account of age.
6. Retirement.
7. Meaningful activity.
8. Efficient community services.
9. Benefits of research knowledge.
10. Freedom, independence, and the free exercise of individual initiative in planning and managing their own lives.

Section 102—Definitions: This section contains the definitions of several terms as used in the bill. "Secretary" will mean the Secretary of Health, Education, and Welfare. "Commissioner" will mean the Commissioner of the new Administration on Aging. The term "State" will include the District of Columbia, the Virgin Islands, Puerto Rico, Guam, and American Samoa. The term "nonprofit institution or organization" will mean one which is owned and operated by one or more corporations or associations no part of whose net earnings inures to the benefit of any private person.

TITLE II—ADMINISTRATION ON AGING

Section 201—Establishment of Administration: This section establishes an Administration on Aging within the Department of HEW. It provides that the new Administration will be under the direction of a Commissioner on Aging who will be appointed by the President, by and with the advice and consent of the Senate.

Section 202—Functions of the office: This section describes the duties and functions of the Administration. The Administration will serve as a clearinghouse for information related to the problems of the aged and aging; assist the Secretary in matters pertaining to the problems of the aged and aging; administer the grants provided under the act; provide for research and demonstration programs in the field of aging; give technical assistance and consultation to States and their political subdivisions with respect to programs for the aged and aging; prepare, publish, and disseminate educational materials dealing with the welfare of older persons; gather statistics in the field of aging; and, finally, stimulate more effective use of existing resources and available services for the aged and aging.

TITLE III—GRANTS FOR COMMUNITY PLANNING, SERVICES, AND TRAINING

Section 301—Authorization of appropriations: This section, as amended by the committee amendment, provides that the program of grants provided for by this title will be carried on for 5 fiscal years, beginning with the fiscal year ending June 30, 1966. The section authorizes $5 million for the first fiscal year of the program and $8 million for the second fiscal year. However, the bill provides that for the last 3 fiscal years of the program only such sums may be appropriated as the Congress may hereafter authorize by law.

The sums appropriated to carry out this title may be used by the Secretary to make grants to States for projects for the following purposes:

1. Community planning and coordination of programs for carrying on the purposes of this act.
2. Demonstration of programs or activities which are particularly valuable in carrying out such purposes.
3. Training of special personnel needed to carry out such programs and activities.
4. Establishment of new or expansion of existing programs to carry out such purposes, including the establishment of new or expansion of existing centers providing recreational and other leisure time activities, and information on health, welfare, counseling, and referral services for older persons and assisting such persons in providing volunteer community or civic services. No cost of construction, other than for minor alterations and repairs, may be included in the establishment or expansion referred to in this paragraph.

Section 302—Allotments: Subsection (a) of this section describes the manner in which sums appropriated for grants under this title will be allotted among the several States. These allotments will be made as follows: First, the Virgin Islands, Guam, and American Samoa will be allotted an amount equal to one-half of 1 percent of the sum appropriated, and each other State will be allotted an amount equal to 1 percent of such sum. Then the remainder of the sum appropriated will be allotted among the several States pro rata on the basis of the relative number of persons in each State who are 65 or over.

Under subsection (b), if a State notifies the Secretary that some of the funds allotted to it for a fiscal year will not be required for carrying out its State plan (if any), such funds will be available for reallotment from time to time to other States which need funds for carrying out their State plans in excess of those previously allotted to them, and will be able to use such excess amounts for projects approved by the State during the period for which the original allotment was available. These reallotments will be made on the basis of the State plans so approved, after taking into consideration the population age 65 and over. Any amount reallotted will be deemed part of the State's allotment under subsection (a).

Subsection (c) provides that the State's allotment for a fiscal year may be used for grants to pay part of the cost of projects described in section 301 and approved by the State prior to the end of the year (or prior to July 1, 1967, in the case of the first year's allotment). To the extent permitted by the State's allotment, the payments with respect to a project will be equal to 75 percent of the cost of the project for the first year of the duration of the project, 60 percent of such cost for the second year, and 50 percent of the cost of such project for the third year. However, at the request of the State such payment may be less than such percentages and grants may not be made under

this title for any project for more than 3 years or for any period after June 30, 1972.

Section 303—State plans: This section prescribes the requirements which a State plan must meet for approval. These are the following:

1. It must provide a single State agency to be the sole agency for administering or supervising the administration of the plan. This agency must be the one primarily responsible for coordination of the State's programs and activities related to the purposes of the act.

2. It must provide for such financial participation by the State or communities within the State as the Secretary may by regulations prescribe in order to assure continuation of desirable activities and projects after termination of Federal financial support.

3. It must provide for the development of programs and activities for carrying out the purposes of the act. These will include the furnishing of consultative, technical, or information services to public or nonprofit private agencies, and for coordinating the activities of such agencies and organizations to the extent feasible.

4. It must provide for consultation with, and utilization of, the services and facilities of appropriate State or local public or nonprofit private agencies and organizations in the administration of the plan and the development of such programs and activities.

5. It must provide for such methods of administration as are necessary or appropriate for the proper and efficient operation of the plan. These must include methods relating to the establishment and maintenance of personnel standards on a merit basis, but no authority is given the Secretary to exercise any authority with respect to the selection, tenure of office, and compensation of any individual.

6. It must set forth principles for determining the relative priority of projects within the State.

7. It must provide for approval of projects of only public or nonprofit private agencies or organizations and for a hearing before the State agency for any applicant whose application is denied.

8. It must provide that the State agency will make such reports to the Secretary as may reasonably be necessary to enable him to perform his functions under the title and for the keeping of the appropriate records.

The Secretary may not finally disapprove any State plan without first affording the State reasonable notice and opportunity for a hearing.

Subsection (b) provides that when the Secretary finds that a State plan has been so changed that it no longer complies with the requirements described in the preceding paragraph, or that in the administration of the plan there is a failure to comply substantially with any such requirement, he may, after appropriate notice and hearing, discontinue further payments to the State until he is satisfied that there will no longer be any failure to comply.

Subsection (c) provides that any State which is dissatisfied with the Commissioner's action in failing to approve a State plan or in withholding payments may obtain judicial review of his action in the U.S. court of appeals. Such review will be in conformity with the substantial evidence rule. The decision of the court of appeals will, in turn, be subject to review by the Supreme Court on certiorari.

Section 304—Costs of State plan administration: 10 percent of each State's allotment for a fiscal year (or $15,000, whichever is larger) will be available for paying one-half of the costs of the State agency in administering its plan.

Section 305—Payments: Payments under the title will be made in advance or by way of reimbursement and in such installments as the Secretary may determine.

TITLE IV—RESEARCH AND DEVELOPMENT PROJECTS

Section 401—Project grants: This section authorizes the Secretary to make grants or contracts for the following purposes:

1. To study current patterns and conditions of living of older persons and identify factors which are beneficial or detrimental to the wholesome and meaningful living of such persons.

2. To develop or demonstrate new approaches, techniques, and methods (including multipurpose activity centers) which hold promise of substantial contribution toward wholesome and meaningful living for older persons.

3. To develop or demonstrate approaches, methods, or techniques for achieving or improving coordination of community services for older persons.

4. To evaluate these approaches, techniques, and methods, as well as others, which may assist older persons to enjoy wholesome and meaningful living and to contribute to the strength and welfare of the Nation.

Grants under this section may be made to any public or nonprofit private agency, organization, or institution, and contracts may be entered into under this section with any of the foregoing, and also with individuals.

Section 402—Payments of grants: In carrying out this title the Secretary may, as he deems it appropriate, require the recipient to contribute money, facilities, or services for carrying out the project. Payments under this title may be made in advance or by way of reimbursement, and in installments and on such conditions as the Secretary may determine.

TITLE V—TRAINING PROJECTS

Section 501—Project grants: The section authorizes the Secretary to provide for the specialized training of persons employed or preparing for employment in carrying out programs related to the purposes of this act. This may be accomplished through grants or contracts with any public or nonprofit private agency, organization, or institution.

Section 502—Payments of grants: This section provides that the Secretary may, where appropriate, require the recipient of any grant or contract under the title to contribute money, facilities, or services for carrying out the project. Payments under this title may be made in advance or by way of reimbursement, and in such installments and on such conditions as the Secretary may determine.

TITLE VI—GENERAL

Section 601—Advisory committees: This section creates in the Department of Health, Education, and Welfare an Advisory Committee on Older Americans for the purpose of advising the Secretary of Health, Education, and Welfare on matters bearing on his responsibilities under this act and related activities of his Department. The Committee will be composed of the Commissioner, who will be Chairman, and 15 persons, not otherwise in the employ of the United States, appointed by the Secretary without regard to civil service laws. The appointive members must be persons who are experienced in or have demonstrated particular interest in the special problems of the aging.

The term of office of Committee members will be 3 years except that the terms of office of the members first appointed will be so adjusted that an equal number of new members will be appointed each year.

The Secretary is also authorized to appoint technical advisory committees for advising him in carrying out his functions under the act.

Members of the Advisory Committee or of any technical advisory committee will receive the usual per diem and travel and subsistence allowances.

Section 602—Administration: In carrying out the purposes of the act the Secretary may provide consultative services and technical assistance to public or nonprofit private agencies, organizations, and institutions; he may provide short-term training and technical instruction; he may conduct research and demonstrations; and he may collect, prepare, publish, and disseminate special educational or informational materials.

The Secretary is authorized to utilize the services and facilities of other Federal agencies and other public and nonprofit agencies in accordance with agreements with them.

Section 603—Authorization of appropriations: This section, as amended by the committee amendment, provides that the programs provided for in titles IV and V of the act will be carried out for the 5-year period beginning with the fiscal year 1966. For the fiscal year 1965, this section authorizes the appropriation of $1,500,000, and for the fiscal year ending June 30, 1967, the appropriation of $3 million. However, for the next 3 fiscal years of the program the Congress may hereafter authorize by law.

REGIONAL DEVELOPMENT ACT OF 1965

Mr. McNAMARA. Mr. President, on behalf of myself, and Senators RANDOLPH, YOUNG of Ohio, MUSKIE, MOSS, METCALF, INOUYE, BAYH, MONTOYA, HARRIS, KENNEDY of Massachusetts, KENNEDY of New York, and McINTYRE, I introduce a bill and ask that it be appropriately referred.

This proposed legislation would authorize the President to establish regional commissions to aid in the economic development of areas which have long suffered from a lack of economic growth.

It is introduced at the request of members of the Senate Committee on Public Works—nine of whom join me as cosponsors—and grew out of committee discussions during consideration of the Appalachian regional development bill.

It is evident by the committee's action in favorably reporting S. 3, the Appalachian bill, that the majority of the members favor assisting this economically depressed area.

Yet, we are not unmindful of the fact that other regions of the Nation have equal—if not greater—suffering and that similar, coordinated attention must be given them.

This concern is shared, I know, by many other Senators as well as members of the Public Works Committee.

Therefore, a new bill was prepared which would permit the President to establish other regional commissions similar to the original Appalachia organization.

We do not spell out the specific commissions that would be created. However, it is expected that the criteria to be used to determine an area's eligibility would cover such regions, for example, as the northern Great Lakes, upper New England, the Ozarks, and the Northern Plain States.

Each commission would develop an action program recommending steps that could be taken on the local and State levels, as well as suggesting areas of need requiring Federal assistance.

The bill calls for an appropriation of $20 million. Of this amount, $15 million

would be used by the Secretary of Commerce to provide technical assistance to the commissions. The other $5 million could be allocated to local development districts within the regions for administrative expenses and program planning.

Our major goal is the creation of a coordinated national approach to economic development—with regional commissions as the foundation. I am sure the administration is working generally along these lines.

Therefore, I think it would be helpful to authorize the establishment of regional commissions now so that they can begin their work while the overall attack on economic distress is prepared.

I ask unanimous consent that the complete text of the bill and a section-by-section analysis of the bill be printed in the RECORD at this point.

I further ask unanimous consent that the bill be permitted to lie on the desk until the close of business February 4 so that other Senators wishing to cosponsor may have an opportunity to do so.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, and section-by-section analysis will be printed in the RECORD, and the bill will lie on the desk, as requested by the Senator from Michigan.

The bill (S. 812) to provide for the use of public works and other economic programs in a coordinated effort to aid economically disadvantaged areas of the Nation, introduced by Mr. MCNAMARA (for himself and other Senators), was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

S. 812

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Regional Development Act of 1965".

FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. The Congress hereby finds and declares that while the Nation as a whole has been undergoing an unparalleled period of peacetime prosperity, the benefits of this prosperity and the rate of economic growth have been spread unevenly and inequitably throughout the Nation. In some regions economic stagnation stubbornly resists the efforts of State and local governments and private initiative. Some of such regions comprise areas of several States, in other instances areas within a single State, but in almost all instances such regions need remedies which lie beyond the reach of local and State resources. Whether due to the decline of agriculture, the depletion of natural resources, the migration of industry, a shifting technology, or the impact of cutbacks in national defense facilities, the economic conditions engendered in these regions bar the development of a vigorous and self-sustaining pattern of local growth, depress the quality of life of many American communities, and impede the advancement of the national economy. Therefore, recognizing the interdependence of the national economy with the economic vitality of local and regional sectors, the Congress declares it the purpose of this Act to establish a flexible framework for Federal, State, and local planning efforts to meet the varied problems of economic development, expand the opportunities for employment, provide the basic community facilities necessary for the growth of industrial, commercial, and recreational and cultural activities, and to achieve lasting improvement and enhancement of the domestic prosperity by establishment of stable and diversified local economies and improved local living conditions.

ESTABLISHMENT OF REGIONS

SEC. 3. (a) Upon receiving a request from the Governors of two or more contiguous States for the establishment of a development region for the purposes of this Act within such States, the President is authorized to establish such region after giving consideration to the following matters within such region:

(1) the relationship of the areas within such region, geographically, culturally, historically, and economically;

(2) the rate of unemployment in comparison to the national rate;

(3) the extent to which the median level of family income is significantly below the national average;

(4) the level of housing, health, and educational facilities;

(5) the dominance of a single-industry economy;

(6) the rate of outmigration of labor or capital or both;

(7) the effects of changing industrial technology; and

(8) the effects of changes in national defense facilities or production.

REGIONAL COMMISSIONS

SEC. 4. (a) The President is authorized to establish a regional commission for each region established pursuant to section 3. Each such commission shall be composed of one Federal member, hereinafter referred to as the "Federal cochairman", appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the region. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the commission shall elect a cochairman of the commission from among their number.

(b) Except as provided in section 9, decisions by a regional commission shall require the affirmative vote of the Federal cochairman and of a majority, or at least one if only two, of the State members (exclusive of members representing States delinquent under section 9). In matters coming before a regional commission, the Federal cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter.

(c) Each State member of a regional commission shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal cochairman of each regional commission. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal cochairman for which he is an alternate.

(d) The Federal cochairman to a regional commission shall be compensated by the Federal Government from funds authorized in section 9(b) at level IV of the Federal Executive Salary Schedule. His alternate shall be compensated by the Federal Government from funds authorized in section 9(b) at not to exceed the maximum scheduled rate for grade GS–18 of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal cochairman shall perform such functions and duties as are delegated to him by the Federal cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.

FUNCTIONS OF REGIONAL COMMISSIONS

SEC. 5. In carrying out the purposes of this Act, each regional commission shall, with respect to its region—

(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region.

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of local development districts;

(6) encourage private investment in industrial, commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for region programs;

(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences; and

(9) formulate for the Congress a program of development projects with proposals for Federal participation in their funding.

PROGRAM DEVELOPMENT CRITERIA

SEC. 6. In developing recommendations for programs and projects pursuant to this Act, and in establishing within those recommendations a priority ranking for such programs and projects, each regional commission shall follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State to have a significant potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

RECOMMENDATIONS

SEC. 7. Each regional commission may, from time to time, make additional recommendations to the President, and recommendations to the State Governors and appropriate local officials, with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in its region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the commission deems necessary to further the purposes of this Act.

LIAISON BETWEEN FEDERAL GOVERNMENT AND REGIONAL COMMISSIONS

SEC. 8. The President shall provide effective and continuing liaison between the Federal Government and each regional commission and a coordinated review within the Federal Government of the plans and recommendations submitted by such commission pursuant to sections 5 and 7.

ADMINISTRATIVE EXPENSES OF REGIONAL COMMISSIONS

SEC. 9. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of the establishment of any regional commission pursuant to this title, the administrative expenses of such commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of such commission participate or vote in any determination by the commission while such State is delinquent in payment of its share of such expenses.

(b) There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this section.

ADMINISTRATIVE POWERS OF REGIONAL COMMISSIONS

SEC. 10. To carry out its duties under this Act, each regional commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions;

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal cochairman on the commission, as provided in section 4, and no member, alternate officer, or employee of such commission, other than the Federal cochairman on the commission and his staff and his alternate, and Federal employees detailed to the commission under clause (3), shall be deemed a Federal employee for any purpose;

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the commission such personnel within his administrative jurisdiction as the commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status;

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency;

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel, and the Civil Service Commission of the United States is authorized to contract with such commission for continued coverage of commission employees, who at date of commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government;

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible;

(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation;

(8) maintain a temporary office in the District of Columbia and establish a permanent office at such location as it may select and field offices at such other places as it may deem appropriate; and

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

INFORMATION

SEC. 11. In order to obtain information needed to carry out its duties, each regional commission shall—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a cochairman of such commission, or any member of the commission designated by the commission for the purpose, being hereby authorized to administer oaths when it is determined by the commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized, to the extent not otherwise prohibited by law) to furnish to such commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection.

PERSONAL FINANCIAL INTERESTS

SEC. 12. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of a regional commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than $10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the regional commission involved of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by such commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commission may expect from such State member, alternate, officer, or employee.

(c) No State member of a regional commission, or his alternate, shall receive any salary, or any contribution to or supplementation of salary for his services on such commission from any source other than his State. No person detailed to serve a regional commission under authority of clause (4) of section 10 shall receive any salary or any contribution to or supplementation of salary for his services on such commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from such commission. Any person who shall violate the provisions of this subsection shall be fined not more than $5,000, or imprisoned not more than one year, or both.

(d) Notwithstanding any other subsection of this section, the Federal cochairman and his alternate on a regional commission and any Federal officers or employees detailed to duty with it pursuant to clause (3) of section 10 shall not be subject to any such subsection but shall remain subject to sections 202 through 209 of title 18, United States Code.

(e) A regional commission may, in its discretion, declare void and rescind any contract or other agreement pursuant to the Act in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

TECHNICAL ASSISTANCE

SEC. 13. (a) The Secretary of Commerce is authorized to provide to the regional commissions technical assistance which would be useful in aiding such commissions to carry out their functions under this Act and to develop recommendations and programs. Such assistance shall include studies evaluating the needs of, and developing potentialities for economic growth of such regions, and research on improving the conservation and utilization of the natural resources of the region.

(b) Such assistance may be provided by allocation of funds authorized for this section to other departments or agencies of the Federal Government, or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes by the Secretary or the regional commissions.

(c) The Secretary may make grants to the regional commissions for the purposes of this section.

(d) There is hereby authorized to be appropriated for the purposes of this section $15,000,000. Not more than 20 per centum of the total appropriated pursuant to this subsection shall be made available for assistance in any one region.

LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

SEC. 14. For the purposes of this Act, a "local development district" shall be an entity certified to a regional commission either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

(1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;

(2) a nonprofit agency or instrumentality of a State or local government;

(3) a nonprofit agency or instrumentality created through an interstate compact; or

(4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS

SEC. 15. (a) The Secretary of Commerce is authorized—

(1) either directly or through arrangements with the appropriate regional commission, to make grants for administrative expenses to local development districts. The

amount of any such grant shall not exceed 75 per centum of such expenses in any one fiscal year. No grants for administrative expenses shall be made to a local development district for a period in excess of three years beginning on the date the initial grant is made to such development district. The local contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services; and

(2) either directly or through arrangements with appropriate public or private organizations (including a regional commission), to provide funds for investigation, research, studies, and demonstration projects, but not for construction purposes, which will further the purposes of this Act.

(b) There is hereby authorized to be appropriated $5,000,000 for the purposes of this section.

ANNUAL REPORTS

SEC. 16. Each regional commission established pursuant to this Act shall make a comprehensive and detailed annual report each fiscal year to the Congress with respect to such commission's activities and recommendations for programs. The first such report shall be made for the first fiscal year in which such commission is in existence for more than three months. Such reports shall be printed and transmitted to the Congress not later than January 3 of the calendar year following the fiscal year with respect to which the report is made.

The section-by-section analysis presented by Mr. McNAMARA is as follows:

REGIONAL DEVELOPMENT ACT OF 1965—PARAGRAPH-BY-PARAGRAPH ANALYSIS

Section 1 cites the short title, "Regional Development Act of 1965."

Section 2 declares that while the Nation as a whole has been undergoing prosperity, this prosperity and the rate of economic growth are spread unevenly so that certain multi-State regions are economically disadvantaged. Advises that the aid to such regions by State and local governments and private initiative is not broad enough to reverse the trend because the causes stem from a much broader geographic area than a single county or State. Declares the purpose of this act is to provide a flexible framework for Federal, State, and local efforts to meet the problem of economic development.

Section 3 lists the criteria which the President should use to determine whether a request from the Governors of two or more contiguous States for the establishment of a development region should be granted.

Section 4 authorizes the President to establish a regional commission for each region created, such commissions composed of a single Federal member and one member from each participating State. Provides that decisions by the commission require the affirmative vote of the Federal member and a majority of the State members. Provides for alternates to the members and fixes the salary levels of the Federal member and his alternate.

Section 5 sets out the functions of the regional commissions, including the development of plans and programs sponsoring investigations, research and studies, and presenting the Congress with a program of development projects.

Section 6 sets out the criteria for program development so that the relationship of projects to overall regional development is considered, as well as consideration being given to the population and areas to be serviced, the financial resources available in an area and priority of projects, and the long-term value of projects.

Section 7 provides for the making of additional recommendations by the Commission to the President and to the State Governors and local officials on the expenditure of funds and local legislation or administrative actions.

Section 8 requires effective liaison between the Federal Government and each regional commission.

Section 9 makes available appropriations for the administrative expenses of regional commissions.

Section 10 sets out the administrative powers of the regional commissions so that they may hire personnel, rent office space, buy supplies, and carry on the work of the Commission.

Section 11 allows the commissions to hold hearings and to obtain information from other government agencies.

Section 12 provides for the prevention of conflict of interest by setting out the limitation on personal financial interests in activities carried out under this act.

Section 13 allows the Secretary of Commerce to provide technical assistance to the regional commissions, either through personnel and programs of Federal agencies, or by contracts entered into with non-Federal organizations. Allows for direct grants to the commissions in order for the Commission to contract for assistance. Makes available $15 million with not more than 20 percent of the total appropriated to go to any one region.

Section 14 provides for the establishment of local development districts and requires that they be nonprofit.

Section 15 provides for grants to the local development district for administrative expenses and program planning. Authorizes $5 million for such grants.

Section 16 requires an annual report.

PROPOSAL TO SET ASIDE NOT LESS THAN 500 MILLION OUNCES OF SILVER AS A RESERVE FOR NATIONAL DEFENSE PURPOSES

Mr. DOMINICK. Mr. President, I send to the desk a bill for appropriate reference. The bill would direct the Secretary of the Treasury to establish a reserve of at least 500 million ounces of silver for national defense purposes.

Mr. President, I request that the bill lie on the table until the close of business on Tuesday next for additional cosponsors.

I have a feeling that the bill is extremely important. I should like to make only a few observations in relation to it.

First, in 1963 the United States used 110 million ounces industrially and 111,300,000 ounces for coinage or a total of 221,300,000 ounces. During that same year other countries used 137 million ounces industrially and 60,900,000 ounces for coinage or a total of 197,900,000 ounces. Thus, total world use of silver in 1963 was 419,200,000 ounces. World production of silver in 1963 was 210,500,000 ounces or about one-half of the consumption. U.S. production accounted for only 36 million ounces of this figure. The Department of Interior has tried to take steps to increase our production. In September of 1964 they increased the percentage of Federal financial assistance from 50 to 75 percent of the total cost of new private silver exploration ventures. But most experts agree that this will not begin to stimulate enough increased production to help the situation. Figures for 1964 are not yet available but generally consumption has greatly increased while production remains fairly constant.

Second, we are experiencing a serious silver coin shortage. As a result, both of the mints are working on a 24-hour basis. The Denver Mint continues to carry the major burden while plans are completed to build a new mint in Philadelphia. Last year the Congress directed the Treasury to mint some additional silver dollars but to date none have been minted.

Third, in 1963 Congress passed a law repealing the Silver Purchase Act and providing for the redemption and eventual retirement of all silver certificates. Many of us, particularly those of us from the Western States, opposed this move for we saw it as a convenient method for the Treasury to depress and control the market price of silver. Our worst predictions have come true and silver continues to flow out of the Treasury to industrial users under the guise of redeeming silver certificates. Latest available figures show that over 60 million ounces have in effect been "sold" for this purpose and the end is not yet in sight. In fact, the Treasury, in its frenzy to keep the price down, has been exporting silver over the past year at a rate greater than our imports. In January through July of 1964 we imported 32,103,664 ounces and exported 32,172,130 ounces. Thus, at a time when we need silver so desperately, we exported 68,466 more ounces than we imported.

Fourth, an adequate supply of silver is necessary to our defense effort and these needs have greatly expanded. A special study conducted by the Bureau of Mines at the direction of Secretary Udall recently concluded: "New uses for silver in solid fuel rockets, supersonic jets, and special use batteries, added to conventional strategic uses, make any shortage of silver a potential threat to national security."

The bill that I am introducing directs itself to the factor involving defense needs. A potential threat to the national security is of utmost importance and should not be taken lightly. At the present moment it is estimated that we have about 1.1 billion ounces of silver remaining in the Treasury. It now appears that another round of speculative buying has begun. It has been reliably reported that most of the 64 millon ounces sold by the Treasury in October and November of 1964 went to speculators who are looking for a price increase. This further contributes to an already shaky situation. At this point we do not know what the Treasury proposes to do. We hear rumors that they will call for a reduction of silver content in our coins or perhaps a complete removal of silver.

Amid all of the speculation and rumor, one fact remains clear, we must first provide a reserve of silver sufficient to take care of minimum defense and national security needs. My bill would do simply that.

I ask unanimous consent that the bill be reprinted at this point in the RECORD.

Mr. President, in this connection I made a speech before the American Mining Congress in September of last year. I ask unanimous consent that the speech and the bill be printed at this point in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection the bill will be printed in the RECORD, and remain at the desk as requested by the Senator from Colorado, and the speech to which the Senator has referred will be printed in the RECORD.

The bill (S. 813) to direct the Secretary of the Treasury to establish a reserve of at least 500 million ounces of silver for national defense purposes, introduced by Mr. DOMINICK, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

S. 813

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury shall maintain the ownership and the possession or control within the United States of not less than 500,000,000 ounces of silver as a reserve for national defense purposes. Such silver shall be in addition to any other silver which the Secretary is required by law to maintain, and shall be available only to meet military and other defense requirements in accordance with such terms and conditions as the Secretary, with the approval of the President, shall by regulation prescribe.

The speech referred to is as follows:

SPEECH OF SENATOR PETER H. DOMINICK, AMERICAN MINING CONGRESS, PORTLAND, OREG., SEPTEMBER 14, 1964

Mr. Chairman, colleagues, ladies and gentlemen, it is always a pleasure to have the chance to meet with those men and women whose daily business activities fall into the highest of all categories, productive creativity. Without the development of our natural resources, from water to uranium, this country, and in fact the world, would still be existing in the Dark Ages. It is a privilege for me to have the opportunity of discussing with you some problems of your industry which daily become more difficult to solve as we seem to continue the trend toward an all-powerful Central Government.

I am reminded of the problem of the patrolman who watched a covered pickup truck slowly descending a mountain road. Every 100 yards the driver would stop, get out, pick up a stick and beat on the side of the truck. The actions were so bizarre that the officer went over, stopped the driver and checked his license and registration. Everything seemed in order and he was about to let the truck go on when the driver picked up a rock and heaved it at the side of the truck. The officer, admitting that it was none of his business, said, "Would you tell me why you are beating up your truck in that way?" The driver replied, "Well, it is not really your business but I will be happy to tell you. I have a 1½-ton truck here, 3 tons of canaries in it and I have to keep half of them flying all of the time."

Now it strikes me that the Federal Government instead of trying to keep half of you flying all the time has been going out of its way to prevent half of you from flying. In every mining field there are constantly increasing Federal controls over your activities.

Let us just outline a few. In the lead-zinc field, continued State Department pressures have prevented passage of realistic legislation to cut back import quotas and provide support for the domestic industry. As a result, the country becomes more and more reliant on foreign supplies.

In the gold mining field, constant and fierce resistance has been expressed by the executive departments of the Federal Government to all efforts to explore programs to revitalize the gold mining industry. Opposition has been sharply expressed even to holding hearings on the problems and as a result, no legislation has been possible.

In the uranium field, the Government entered into long-range contracts to purchase concentrate from South Africa and Canada. Then it provided economic exploration stimuli for U.S. production and very soon we had enough supplies in this country to supply foreseeable needs.

At that point the Federal Government started cutting back on domestic uranium procurement, limited milling contracts, and decimated the domestic uranium mining industry while leaving a few companies in a position to stay alive perhaps long enough to enter the private industrial field. In the meanwhile the foreign contracts were stretched out and we continue to buy foreign uranium concentrates.

In the shale oilfield the Interior Department has created more complexities than a Philadelphia lawyer could invent. I have just attended the reopening of the Rifle oil shale facility for research and development of this fabulous natural resource, the reopening representing the culmination of years of intensive effort by legislators and private industry against an array of Federal executive opinion. But this reopening, while a significant step forward, is only the first of a series of steps that need to be taken. The Solicitor's office has raised a myriad of problems with respect to patent applications on oil shale lands. Recent decisions of the Department, in fact, raise questions which might well deter even the most resolute from trying to establish a valid discovery in any type of mineral. It now seems to be their position that no mining location can be patented unless the applicant can prove that the mineral is commercially profitable at the very moment of the decision. The fact that it might be a valuable mineral in the ordinary sense of the word, or that it might have been commercially operable a month before presentation or might be commercially operable 1 month later with an anticipated change in price or technology is apparently not enough. This, of course, effects all minerals but is even more pointed when directed at oil shale where commercial development has not yet occurred. In addition, despite a horde of suggested rules and regulations submitted to Interior at its request by private industry and educational research groups, no visible progress has been made in developing programs for leasing of public lands for oil shale research and development.

Without trying to detail all the problems, which are probably better known to you than to me, I do want to outline for you what can only be called a crisis—to put it mildly the silver situation is a mess. The industry has been urging the Treasury for more than 3 years to develop programs to handle the problem but to no avail. It affects every person who wants to get a cup of coffee, a coke, or a pack of cigarettes from a vending machine. It affects the manufacturers of photographic equipment, batteries, and other items to which silver is an essential ingredient. It affects our dollar bills, our banks, and our national defense. It has been tentatively discussed by Treasury officials and some witnesses for industry before the Senate Banking and Currency Committee and the House Committee on Government Operations. It has involved the Federal Reserve System in disputes with its own members and has led to a flurry of activity in the mints.

The confusion is so great that it reminds me of the apocryphal story of the Italian general in World War II. After a disastrous battle he stood on a hill with his aid and saw his troops streaming over the countryside in all directions. He turned to his aid and cried, "Where are they running? Where are they running? I am their leader and must run in front."

The law of supply and demand and the efforts to avoid its effect are certainly key factors in the situation. A few figures will make this crystal clear.

As of the end of 1963, consumptive demand for silver is estimated as follows in million ounces:

	United States	Other countries	Total
Industrial	110.0	137.0	247.0
Coinage	111.3	60.9	172.2
Total	221.3	197.9	419.2

Against these totals production for the same period is estimated at:

United States	36.0
Other countries	174.5
Total	210.5

From this you can see that total world production in 1963 was 11 million ounces less than U.S. demands alone and approximately one-half of total demands. In addition, you will note that U.S. silver production was about one-sixth of U.S. consumption.

To offset this imbalance the United States had a major supply of silver, located at West Point and San Francisco, estimated at the end of 1963 to be 1½ billion ounces. Obviously, this amount even at the noted rate of depletion would suffice for a considerable period of time but as anticipated by many industry leaders and legislators, consumptive pressures have risen sharply and changed the picture.

As we all know silver coins in the United States have become more and more scarce. It has been necessary to offset this with crash programs to provide more pennies, nickels, dimes, quarters, and half dollars. New presses have been dug out of Defense warehouses, contracts have been given by the mint to private suppliers for the necessary metallic strip, and productive capacity of our two mints had been sharply increased. It is estimated that by the fall of 1964, U.S. coin production will have tripled over the comparative period of 1963. This, of course, is a necessary and highly commendable effort by the mint officials to meet the needs of all Americans. At the same time it can be seen that our use of silver for coins will increase at a tremendous rate and there is every indication that the need for this increased use of silver for coinage will continue.

In April 1964, the Treasury informed me that for the 10-month period, June 1963 to April 1964, 91 million ounces of silver had been set aside for coinage and added that there was on hand sufficient silver for coinage requirements to 1972. Once again, as anticipated and noted above, the demand has far exceeded the hearing estimates.

In 1963, the Silver Purchase Act was repealed and provision made to retire all $1 silver certificates and replace them with Federal Reserve notes. Silver certificates in bulk have been presented to the Treasury for silver bullion and for the period June 4, 1963, to April 2, 1964, the Treasury has informed me that $215.5 million worth of silver certificates were redeemed.

At that time there remained outstanding $1.9 billion of silver certificates and redemptions of these continue at an accelerated rate.

These pressures in turn have steadily increased the silver price on the open market until it threatens to break through the silver value of $1.29 in a silver dollar. If the price should push as far as $1.38, approximately equal to the silver content in lesser coins, considerable fear has been expressed that

all U.S. coins will be melted into silver bullion and drive coinage wholly out of circulation.

Hence, the Treasury releases silver from its supply in amounts approximately equal to silver certificates returned to the Federal Reserve system and to date has held the price to $1.29-plus to protect its coinage.

From this brief summary you can see that we have a mess. The law of supply and demand wants to raise silver prices substantially. The Treasury releases have prevented this. The time is not far off when Treasury supplies will not be sufficient to hold the price and supply silver for coinage. The vending companies want to keep present coinage as their machines use them at an annual rate of $3.2 billion. Industrial users want to continue to get silver at cheap prices. Producers recognize that silver output cannot be substantially increased without a substantial price rise.

The situation at the moment can only be compared to an overheated pressure cooker with a blocked release valve. Everything is cooking but no one has yet turned off the flame or rigged a substitute relief valve. Reliable estimates now indicate that the whole matter will explode in or before 1966 unless solutions are found.

Some of your industry have been working hard on the problems and various trial balloons have been floated by the Treasury. These have ranged from doubling the monetary value of existing coins, to calling back all existing coins and replacing them with nonsilver alloys. The former would automatically increase silver prices to the users and, hence, is being resisted strenuously. The latter would involve not only opposition from the vending companies which would have to revamp all their machines at enormous cost, but the political reaction of the American people to demonetization, particularly by an administration which has often been termed fiscally irresponsible.

I suggest that a number of solutions to the silver problem are feasible.

We need silver for defense. Then let's set aside within existing Treasury supplies an amount sufficient to meet these needs—perhaps 300 to 500 million ounces.

We need relief for our coinage. Perhaps this could be worked out with less capital dislocation to industrial users by issuing a new series of coins in 20, 30, 40, and 70 cent pieces containing a lower silver content. Sooner or later under Gresham's law these would drive out existing coins but it might give needed time relief by letting silver prices rise to stimulate production without introducing nonsilver coins.

I do not pretend to have a pat solution for all of these problems but there are some facts which stand out.

Production of silver is artificially low because of governmental restraints on the operation of the law of supply and demand.

Production of lead-zinc is artificially low because of governmental insistence on improving the economy of other countries.

Production of gold is artificially low because of governmental enforcement of a 1935 price setting order.

Production of oil from oil shale is being sharply hampered because of governmental legal and policy restrictions.

As a result of these governmental policies, the mining industry has been forced into programs calling for subsidies and the creation of artificial markets for its products. I know that you do not like this, but you have been forced to agree in many cases in order to survive, even on a limited basis.

The American mining industry has an astounding resilience. My faith in it leads me to believe that these problems can and will be solved. Almost all solutions will require some kind of Federal legislative action or the pressure cooker will explode. Needless to say, I look forward to working with you in finding these solutions.

JAVITS URGES BROAD INTERNATIONAL MONETARY MEASURES

Mr. JAVITS. Mr. President, I send to the desk three measures designed to make broad reforms in the international monetary system and to deal with the grave problem of our balance-of-payments deficits.

The first is a bill which would reduce the gold requirement against both Federal Reserve deposits and Federal Reserve notes in circulation, in the one case from the present 25 to 10 percent, and in the other case from the present 25 to 15 percent.

The administration's bill would eliminate the 25-percent gold reserve requirement with respect to Federal Reserve deposits only.

I believe we must face it far more realistically than the administration contemplates.

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

The bill (S. 814) to require Federal Reserve banks to maintain reserves in gold certificates of not less than 10 percent against its deposits and not less than 15 percent against its notes in circulation, and for other purposes, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. JAVITS. Mr. President, the second measure which I submit on behalf of myself, the Senator from Iowa [Mr. MILLER] and the Senator from Idaho [Mr. JORDAN], is a concurrent resolution which would request the President to issue a call for an International Economic Conference in order to establish a new basis for international credit, which we urgently need if the whole world is not to be plunged into some new mancreated depression because we do not have the wit to keep abreast of the expanding demands of world trade as compared with the sharp limitation upon the mining of gold in the world, which should not be a restraint upon that trade any more than it is in this country, where we have our Federal Reserve System. I am pleased to note that on Monday, January 25 the identical resolution was introduced in the House by Representative THOMAS B. CURTIS, a ranking Republican on the Ways and Means Committee and Representative WILLIAM B. WIDNALL, ranking Republican on the Banking and Currency Committee.

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

The concurrent resolution (S. Con. Res. 14) was referred to the Committee on Foreign Relations, as follows:

S. CON. RES. 14

Resolved by the Senate (the House of Representatives concurring), Whereas the United States has had a deficit in its international balance of payments every year, except one, since 1950; and

Whereas largely as a result of these deficits, United States short-term dollar liabilities to foreigners totaled an esitmated $27,976,000,000 at the end of October 1964; and

Whereas these liabilities constitute a potential claim against the United States gold stock of $15,200,000,000, of which less than $1,400,000,000 is "free gold" not required to serve as backing for our currency; and

Whereas the health of our domestic economy and strength of the dollar and its ability to serve as a key international reserve currency depends upon the early elimination of the balance-of-payments deficit and the creation of improved arrangements to serve the liquidity needs of an expanding international trade and payments system: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress of the United States that achievement of balance-of-payments equilibrium in a manner consistent with the dollar's role as a key international reserve currency should receive the highest priority in the formation of national economic policy; and be it further

Resolved, That the maintenance of equilibrium in its international accounts should be a continuing and major goal of United States international economic policy; and be it further

Resolved, That the United States take the initiative to devise new and improved methods of permanently strengthening the international monetary and credit mechanism in order to provide (a) improved means of financing balance-of-payments deficits until basic corrective forces restore equilibrium, and (b) sufficient liquidity to finance future increases in world trade and payments; and be it further

Resolved, That the President be requested to call for an International Economic Conference to review the long-term adequacy of international credit; to recommend needed changes in existing financial institutions; to consider increased sharing of economic aid for development and military assistance; and to consider other pressing international economic problems placed before it by a preparatory committee for such Conference.

Mr. JAVITS. Mr. President, finally I submit a concurrent resolution for appropriate reference which would call upon the President to appoint an advisory committee on capital export policy in view of the fact that right now it is very clear that the interest equalization tax has been ineffective in dealing with continued high outflows of private capital. Even more capital is flowing out now—not under the same headings—that went out before the tax was imposed. Heretofore we had problems caused by foreign bond issues and other foreign securities that were sold to Americans. The outflow on this account has been cut down very drastically by the interest equalization tax. What has happened since the tax became effective is that other types of capital outflow, such as long-term and short-term loans, have risen, and direct investments have remained at high level.

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

The concurrent resolution (S. Con. Res. 15) was referred to the Committee on Banking and Currency, as follows:

S. CON. RES. 15

Resolved by the Senate (the House of Representatives concurring), That, in order to develop more effective and acceptable means for restraining the outflow of capital from the United States as a necessary and positive step toward the elimination of the balance-of-payments deficit, it is the sense of the Congress that an Advisory Committee on Capital Export Policy should be established by the President; that such committee should consist of twelve persons of outstanding qualifications who are collec-

tively representative of the banking community (commercial and investment) and of industry; and that such committee should report its findings and recommendations to the President and to the Congress not later than ninety days after its establishment.

Mr. JAVITS. Mr. President, I shall now go into the basic details for the actions which I have described.

The failure of the administration's remedies to deal effectively with our balance-of-payments problems has been underscored once again by the latest report on the state of our balance of international payments.

According to preliminary reports during the final quarter of 1964, the overall deficit in our international payments shot up to an annual rate of $4 billion or 50 percent above the actual deficit for 1963, and double the average for the first three quarters of 1964.

The size of the U.S. Treasury gold stock has declined to $15,187 billion as of January 20, 1965. The ratio of gold certificate reserves to Federal Reserve notes and deposit liabilities now totals 27.8 percent, down from 29.5 percent at the end of 1963 and from 32.2 percent 2 years ago.

Our gold supply fell by $125 million in 1964 and officials estimate the loss of another $500 million worth of gold in 1965.

The outflow of private capital also continues at an unacceptably high rate, offering convincing proof that the administration's measure—the interest equalization tax—has been ineffective.

Our balance-of-payments deficit is caused by a variety of reasons: a high rate of private capital outflows, increasing imports, U.S. foreign economic aid grants and credits, military aid, and the need to maintain a large Military Establishment overseas.

THE NEED TO REDUCE THE GOLD RESERVE REQUIREMENT

A substantial modification in the current 25-percent gold reserve requirement is necessitated; first, to indicate to the world that our entire gold supply is available in the defense of the dollar; and second, to permit the expansion in our money supply required by our expanding economy.

The United States abandoned the gold standard in 1933 and since the enactment of the Gold Reserve Act of 1934 has been on what has been called an international gold bullion standard. Under the present U.S. system no gold coins are minted, no U.S. currency is redeemable in gold and private holdings of gold is unlawful. The dollar is no longer convertible into gold except for transactions with foreign governments and central banks, therefore the need for a specified domestic cover is outdated. Since June 12, 1945, there is a legal gold reserve requirement of 25 percent against Federal Reserve notes and deposits. From 1913 until that time, the legal gold reserve requirement was 40 percent against notes and 35 percent against deposits.

When reserves fall below 25 percent under present law, the Federal Reserve Board may temporarily suspend this reserve requirement. This has occurred only three times in the history of the Federal Reserve System: for a 10-day period in 1919 and 1920 and for a 30-day period in 1933. When reserves fall below 25 percent, a penalty tax is levied against Federal Reserve banks which must at a certain point be added to the discount rate. Under a longstanding interpretation of section 11(c) of the Federal Reserve Act, the tax need not be added to the Federal Reserve banks' discount rate until the reserve deficiency falls below the reserve requirement against Federal Reserve notes. In other words, our present gold reserves could fall by $5 billion before a penalty tax would be added to the discount rate. In a situation such as this, the tax would not act as a deterrent against further gold outflows or an increase in the money supply until it is too late.

Due partly to external demands for gold—mainly from European countries—and partly to the expansion of our money supply, gold available to meet further external demands—so-called "free gold"—has reached dangerously low proportions. Of the Federal Reserve's gold certificate reserves of $14,880 million on January 20, 1965, $13,150 million is required as cover for Federal Reserve note and deposit liabilities, leaving only $1.7 billion in "free gold." In contrast, in early 1958, $10.5 billion was available in "free gold." By November 1963 such reserves declined to $2.8 billion.

Until about 2 years ago the main factor in the decline of the gold reserve ratio had been the decline in the U.S. gold stock, which in turn was the result of large deficits in the U.S. balance of payments, which were accompanied by gold outflows. Since that time the decline of the gold reserve is mainly attributable to an accelerated expansion of Federal Reserve notes. During 1964 Federal Reserve notes expanded by about $2.5 billion, and Federal Reserve deposit liabilities—which are mainly the reserves of commercial banks—increased by another $500 million. In the first 10 months of 1964 the money supply increased at the annual rate of 4.2 percent, which represents an unusualy large increase which may continue in 1965. The December 1964 "Monthly Letter" of the First National City Bank of New York draws the following conclusions from these developments:

At the present rate of monetary expansion and even if the United States were not to sustain any further gold losses, the ratio of gold to the combined Federal Reserve note and deposit liabilities appears likely to fall to the required legal minimum in something like 2 to 3 years.

My proposal to reduce the reserve requirement to 15 percent against Federal Reserve notes and 10 percent against Federal Reserve deposit liabilities would provide, as of January 20, 1965, an additional $6.1 billion in "free gold," offering positive proof to the world that the United States is ready to defend the dollar at any cost. This change would also permit a substantial expansion of our money supply as required by our expanding economy and the national commitment to a policy of full employment.

This does not mean that I am in favor of an unrestricted expansion of the money supply. The Federal Reserve Board determines under present law what the money supply requirements of the economy are and can expand or contract that supply—within the limitations of the gold reserve requirement—through open market operations, changes in the reserve requirements of commercial banks, changes in the discount rate, etc. I am opposed to delaying action on a long overdue change in the gold reserve requirement until the point is reached where action must be taken under emergency conditions.

Less than one-half of the central banks in the world have legal reserve requirements against their note and deposit liabilities. Aside from the United States, there are only three countries where the statutory reserves must be held exclusively in gold—Belgium, the Republic of South Africa and Switzerland. In many countries, these requirements were repealed or suspended at the outbreak of World War II. A number of central banks established since the war, including the German Bundesbank, have no such reserve requirement.

The Federal Reserve Board's power to suspend the reserve requirement should also be extended to 1 year from the present limit of 30 days, with renewals permitted for successive 15-day periods. Suspensions under present procedure take on an air of emergency which tend to dramatize the situation rather than alleviate it.

I also propose the elimination of the penalty tax provision of the gold reserve requirement because it is an anachronism, a corrective mechanism that acts only when it is too late.

In a letter dated November 5, 1963, to Senator PAUL DOUGLAS, chairman of the Joint Economic Committee, Chairman Martin of the Federal Reserve Board describes the functioning of the penalty tax. It supports my contention that the tax would be ineffective until there was a substantial loss of gold reserves, if even then.

Chairman Martin states the situation as follows:

Under the present schedule of penalty rates, if reserves fell all the way through the first "layer" (reserves required against deposit liabilities) the annual taxes on the reserve deficiency (using $18 billion as the figure for deposits) would be something under $300 million a year. Payment of these taxes would diminish net earnings of the Federal Reserve banks and reduce by an equal amount their payments to the Treasury as interest on Federal Reserve notes, which amounted to $800 million in 1962. It should be understood that the total payment to the Treasury would not change; it would simply be divided into two parts adding to the same total, one part labeled "tax on reserve deficiencies" and the other labeled "interest on Federal Reserve notes". In the example, the total payment would still be $800 million but $300 million would be in the form of a tax and $500 million would represent the interest on notes.

If reserves continued to fall, so that a deficiency occurred in the reserve against Federal Reserve notes, with a consequent additional penalty tax for that deficiency, the statute would require the Reserve banks to "add an amount equal to said tax" to the rates they charge on advances to borrowing member banks. While the statute is not at all clear on the mechanics of imposing this added charge, perhaps the most reasonable

method would be to raise the discount rate by the same number of percentage points as the penalty tax rate on the note reserve deficiency. For example, if the gold certificate reserves fell to 20 percent of Federal Reserve notes—or to about $6 billion—the penalty tax under present rates for the not reserve deficiency would be one-half of 1 percent (or $10 million). Adding the penalty tax rate to the present discount rate of 3.5 percent would result in a discount rate of 4 percent. Again, it should be understood that the Board could establish a different penalty tax rate in this case; the statute simply requires that it be "not more than 1 percent per annum." The statutory minimum penalty tax rate would come into effect only if reserves fell below this point.

The need to modify the gold reserve requirement has been widely advocated among economists and bankers for many years. The Commission on Money and Credit in its 1961 report urged that the requirement be repealed. The conservative Bank for International Settlements in its 1963 annual report took the following position on this issue:

The fact that a substantial part of the U.S. gold stock is legally designated as cover against the internal money supply, where it serves no function, naturally increases the doubts about the adequacy of the gold stock to fulfill its essential function in settling international balances.

The Joint Economic Committee in its 1964 report on the U.S. balance of payments took the position—after extensive public hearings—that the U.S. gold stock should be freed immediately of its domestic reserve function and made fully available for international monetary purposes. The highly respected Committee for Economic Development issued a statement on January 24 urging that the gold reserve requirement be eliminated to strengthen international confidence in the dollar.

THE NEED TO REDUCE THE OUTFLOW OF PRIVATE CAPITAL

Throughout the extended debate on the interest equalization tax bill, I stated repeatedly that the tax would be ineffective as a measure designed to limit the outflow of private capital. I regret to say that statistics bear out my prediction. A comparison of private capital outflows between the 5 quarter periods prior to July 1, 1963, and the subsequent 5 quarters indicates that the outflow of private capital increased from $5,114 million to $5,501 million. Although there was a $1.2 billion decline in the sale of new securities and a modest inflow resulting from transactions in outstanding securities since the tax became effective, there was a net increase in the outflow of all types of private capital totaling close to $400 million. The outflow of "other long-term capital"—mostly bank loans—increased by $1 billion and there was also a $1 billion rise in the outflow of short-term capital. The outflow due to sales of new securities remained at a quarterly average of $145 million. Direct investments were unaffected by the tax and remained at the quarterly average of $465 million.

It is apparent that no restrictive measure will have any effect if it applies to less than the entire group of channels through which flow private U.S. capital export.

I therefore recommend that the President appoint an Advisory Committee on Capital Export Policy to advise him—within 90 days—on appropriate measures to limit the outflow of all types of private U.S. capital, not directly related to the financing of U.S. foreign trade. This Advisory Committee would be small, not exceeding 12 representatives from commercial and investment banking and industry. With their advice in hand, the President will be in a better position to act.

THE NEED FOR WORLD MONETARY REFORM

We need a new international monetary system—one that is not based on U.S. balance-of-payments deficits. In the resolution I am introducing today for myself and on behalf of Senator JORDAN, of Idaho, and Senator MILLER, I urge the convocation of a well-planned and well-organized international monetary conference to adopt a basic solution to this problem. The limited results of the deliberations of the Group of Ten and that of Western financial leaders in Tokyo in 1964 only underscore the need for such a conference.

The basic flaw in the existing international monetary system—a flaw that must be corrected—is that it depends for additional liquidity or credit on continuance of the balance-of-payments deficits of the United States which add dollars and gold to finance rapidly growing international finance and trade transactions. This deficit in the last 3 years has added close to $7 billion to international reserves, including $1.4 billion worth of gold. To the extent that we eliminated our balance-of-payments deficit, we also removed the major source of new liquidity from the system.

At the present time, imbalances in international payments take years to eliminate and require, particularly on the part of deficit countries, measures which hamper their economic growth and the expansion of world trade. The existing adjustment mechanism does not place equal burdens on surplus and deficit countries, giving the former a temporary advantage to impose policies on the latter which at times are contrary to the best interests of all concerned.

The international conference I propose should, as a minimum, consider the following:

First. The optimum management of the world's supply of international credit.

Second. The functioning of the adjustment mechanism under the existing international monetary system.

Third. The renewal of the 1962 arrangement of the Group of Ten to make available to the IMF multibillion dollar standby credit; the contribution of each participating country to be materially increased.

Fourth. The expansion of long-term, low-cost credit to the developing nations.

In addition, new forms of organization and new methods of channeling private capital to developing countries must be found if private enterprise is to retain a major role in the economic development of less developed countries. The example provided by the recently organized, multinational investment company called Adela—the Atlantic Community Development Group for Latin America—should be ample proof that given sufficient energy and determination new devices and methods can and will be found.

The alternative to basic reform is the continuation of the existing system with more stringent forms of financial "discipline" added. The free world has already paid a high price for the existing system in terms of unnecessary high levles of unemployment, slower rates of growth, restrictions on trade and capital movements—such as the U.S. interest equalization tax—and in Government procurement policies which are undermining 30 years of progress toward trade liberalization.

A well-functioning and adequate international monetary system is as vital to the survival and well-being of the United States and the free world financially as an unquestioned nuclear deterrent capability is militarily. And yet, the governments and financial leaders of the industrial nations are not facing the critical problem that must be solved if this system is to support those needs indispensable to the success of the free world.

The international monetary system has an enormous impact on economic conditions in both the developed and developing nations of the non-Communist world, on the well-being of their citizens and on their ability to meet the many and varied challenges of Communist power. It determines to a large degree our freedom to pursue policies of economic expansion and it has a major impact on domestic political stability in many Western nations.

A well-functioning and flexible international monetary system has a major impact of our ability to supply an ever-increasing volume of economic assistance to the developing nations which is essential to insure them a satisfactory rate of economic growth in a democratic framework.

We must begin devising an international payments system which takes cognizance of changes in the world economy since the Bretton Woods Conference in 1944 and which will be flexible enough to fit into the economic order of 5 to 10 years from now. A well-planned international monetary conference, in my view, would be a necessary—and vital—first step toward such a workable system.

I make these proposals today with the full realization of the basic strengths of the United States in the world economy. Our private investors own nearly $72 billion in earning assets abroad. In addition, the world owes the U.S. Government the principal and interest on $22.8 billion in loans. While foreign assets and investments in the United States add up to about $53 billion, the United States is left with a substantial—$41.8 billion—credit in its favor. In the final analysis, the entire productive capacity of our economy stands as backing for the dollar. Yet, the difficulties, though manmade, are real and man should be wise enough to surmount them.

I ask unanimous consent that certain materials related to my statement be printed in the RECORD at this point.

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

[From the New York Times, Jan. 15, 1965]

U.S. GOLD STOCKS DIP $200 MILLION: REDUCTION APPEARS IN PART TO REFLECT THE RECENT PURCHASE BY FRANCE—DECLINE WAS EXPECTED—BUSINESS LOANS BY CITY BANKS DROP $108 MILLION—SAVINGS DEPOSITS UP

(By Edward Cowan)

A $200 million decline in the Treasury's gold balance was reported yesterday by the Federal Reserve Bank of New York.

It appeared that the reduction reflected for the most part a purchase by France. The French Government said last week that in addition to its regular gold purchases—which have been running about $34 million a month—it would purchase an extra $150 million.

In light of this forewarning, the decline reported yesterday came as no surprise to the financial community. It was expected to have far less impact than the French announcement, which was followed by a surge of private gold buying in Paris and elsewhere.

"FIXING" PRICE RISES

At the "fixing" by London gold dealers yesterday, gold was quoted at $35.12⅞, up one-eighth of a cent from Wednesday.

The Reserve bank's weekly report on financial developments also showed:

A strong demand for reserves by major New York City banks, and heavy lending to them by banks elsewhere.

A jump in the commercial banking system's free reserves to a daily average of $153 million, up $106 million from $47 million in the week ended January 6. The latter figure represented a revision of an initial estimate of $135 million.

Business loans by 14 leading New York City banks fell by $108 million, contrasted to a decline of $140 million in the like week a year ago. Since mid-1964, these loans have expanded by $1.51 billion compared with a rise of $788 million in the like period a year earlier.

Savings deposits at the 14 banks rose by $23 million, as against a dip of $13 million in the like week of 1964.

Strictly speaking, all the decline in the Treasury gold balance—which, the figures indicated, occurred Tuesday—meant was that the Exchange Stabilization Fund, a bookkeeping entity, had bought the gold.

BASIS OF REPORTS

In practice, the fund buys such large amounts of gold from the Treasury to sell to foreign central banks, such as the Bank of France. The United States is committed to sell gold on demand to foreign official buyers at the official price of $35.0875 an ounce. This commitment is the keystone of the international financial system.

The precise amount sold by the fund may never be known. The fund's gold holdings are reported only on a month-end basis, 30 days later. Thus, individual transactions during 1 month tend to be obscured because the month-end figure shows only the results of all purchases and sales during the month.

The $200 million reduction lowered the Treasury's gold balance to $15,188 million. It was the largest single transfer since the week of October 22, 1961, when Britain was buying gold and the Treasury reported a $300 million decline.

Only two reductions occurred in 1964: $75 million in the week ended November 25, and $50 million in the week ended February 5. An irregular but persistent decline in the Government's gold holdings from $22,857 million in 1957 has been a direct consequence of a chronic deficit in the U.S. international accounts—an excess of dollars going abroad over dollars coming home.

Shrinking that deficit has been a major objective of two administrations. Only limited success has been achieved.

Pressed for funds, eight large New York City banks added $100 million to their day average borrowings from the Reserve bank, raising the level to $161 million.

They also borrowed $828 million a day from other banks above what they lent to them.

On a daily average basis, the Federal Reserve made no change in its outright holdings of Treasury securities. It reduced its holdings under repurchase agreements by $242 million a day.

[From the Wall Street Journal, Jan. 4, 1965]

MONETARY GOLD SUPPLY FELL $125 MILLION IN 1964, ONE-FOURTH THE 1963 LOSS: IT WAS STEADY IN LATEST WEEK; TOTAL U.S. GOLD HOLDINGS SLID $30 MILLION IN FIRST 11 MONTHS

New York—The Nation's gold loss slowed markedly in 1964. The Treasury's monetary gold supply, which chiefly backs the Nation's currency, declined $125 million from the end of 1963, about a quarter of the $465 million outflow in 1963.

But total U.S. gold holdings in the first 11 months, including those in a separate fund for international transactions, were down only $30 million from December 31, 1963, to $15,566 million.

Federal Reserve figures for the week ended Wednesday showed the monetary reserve itself unchanged in the week at $15,388 million, down from $15,513 million a year earlier.

SEVEN ANNUAL DECLINES

The monetary reserve has declined in each of the past 7 years, with the annual drop from 1958 through 1962 ranging from $878 million to $2.2 billion. The continuing gold drain results from the balance-of-payments deficit the United States has incurred in each of those 7 years. A deficit occurs when the amount the United States lends, spends, and gives away abroad exceeds the total amount it receives from abroad.

As these excess dollars accumulate in foreign countries they go to the central banks. These banks then can convert dollars to gold through purchases from the U.S. Treasury. The slowing in the gold drain in 1963 and 1964 reflects a modest improvement in the U.S. payments situation.

The Treasury sells gold on demand to foreign governments and central banks at a fixed rate of $35 an ounce, plus a service charge of 8.75 cents an ounce. It also buys newly minted gold at that price and sells the metal to licensed industrial users. But the major transactions are foreign. Its willingness to buy dollars for gold is one of the prime factors in international currency stability. The United States is the only nation that will exchange gold for its currency held by foreigners.

TWO-PART OUTFLOW

The gold outflow in 1964 came in two parts, $50 million in early February and $75 million around Thanksgiving, when the United States and other nations were moving to shore up the British pound.

In both cases the outflow was technically in the form of a sale to the U.S. Exchange Stabilization Fund, the separate kitty of the Treasury through which all sales and purchases of gold between the United States and foreigners are made. The gold in the fund totaled about $180 million at the end of November. During the month the $75 million was added to the fund and about $40 million was drained out of it, partly as a result of the British sterling crisis. At the end of 1963 the fund's gold holdings totaled $83 million. The total in the fund at the end of each month is reported by the Federal Reserve 1 month later. The yearend figure will be disclosed at the end of January.

Although the monetary gold reserve is used to settle the Nation's international payments, Federal law requires that a portion of it be maintained as a reserve against part of the domestic money supply. Under the law, Federal Reserve banks must keep a gold reserve equal to 25 percent of their notes outstanding and 25 percent of the deposits they hold for commercial banks. At the end of the latest statement week, the composite gold ratio for the Federal Reserve System was 27.7 percent. It was 29.5 percent at the end of 1963 and 32.2 percent at the end of 1962. If it approaches or goes below 25 percent, the FRB may suspend the reserve requirement. The 25-percent rule ties up $13.4 billion of the U.S. gold stock, leaving $1.9 billion to meet foreigners' claims against the dollar.

Early last week, Robert V. Roosa, retiring as Treasury Under Secretary for Monetary Affairs, commented on the 25-percent ratio rule. He said that in "a year or two" the administration and the Federal Reserve will have to ask Congress to sever or loosen the legal link between gold and U.S. currency, mainly because of the growth in notes and deposits, rather than a loss of U.S. gold.

FRANCE MAY BUY U.S. GOLD

France is considering switching some part of its $1.3 billion of U.S. dollar holdings into gold, according to reports in London. U.S. officials noted that France in the past has been a substantial purchaser of gold from the U.S. stock.

The London reports couldn't be confirmed. Two weeks ago, one French finance minister official refused to comment on the possibility his government might make such a switch.

Such action, however, would be in line with conservative thinking in French financial and monetary circles.

COULD ADD TO DRAIN

Any major conversion of French dollar holdings into gold could add to the U.S. gold drain and put new stresses on the stability of the dollar. It could also limit American ability to give Britain further help, if that proves necessary, in supporting the pound.

In recent years, the United States has urged foreign governments to move cautiously in changing dollars into gold and has been able to persuade some central banks to hold larger stocks of dollars than conservative bankers would prefer.

Yet U.S. spending abroad has been so great that dollars in foreign hands exceed the amount of U.S. gold available to redeem them if they all should come back at once.

Any French demand for large-scale redemption wouldn't be enough by itself to deplete the U.S. gold stock. But if other countries also decide to raise the proportion of gold to foreign money in their currency reserves, this could be embarrassing, as the international financial world at present shows little confidence in the other major reserve currency, the pound sterling.

FRANCE'S VIEW

French spokesmen at international monetary meetings often express the view that too much of their country's reserves is held in dollars. They usually make such comments with resigned sighs, suggesting that France is making a sacrifice toward world stability by following that policy.

U.S. Treasury and Federal Reserve figures show that France in the past 3 years bought far more gold than any other country from the United States. Its purchases have exceeded $400 million a year. It took $101 million in each of the first three quarters of 1964, with the fourth quarter report yet to come. It drew $518 million in 1963 and $456 million in 1962.

At the end of October, France's total reserves were $5.4 billion. Of that amount, $1.3 billion, or 24 percent was in foreign currencies, chiefly dollars, and the rest in gold. Total dollar assets held by the French, including both governmental and bank holdings, are estimated at $1.5 billion by the International Monetary Fund.

Some French financial conservatives contend that as Britain, Switzerland and the Netherlands try to maintain a 90 percent gold ratio in their reserves, France should do likewise. A 90-percent ratio would require about $750 million more gold than the present 24 percent.

In Washington, officials said they had no knowledge of any imminent French moves to seek U.S. gold in such a large amount, but they conceded they are aware there is some sentiment in France in favor of stepping up the proportion of gold in the reserve. Even if France were to make a large-scale demand, U.S. authorities said they are confident other nations would regard this merely as an expression of a French desire to put more reliance on gold, rather than as a lessening of confidence in the dollar that could touch off a "run" on the U.S. gold stock.

London financial circles are inclined toward pessimism about French monetary cooperation, especially where the pound sterling is concerned. Memories of President de Gaulle's veto of British entry into the Common Market are still strong. Some authorities believe General de Gaulle feels that British monetary troubles could help France in a perverse way—that a weak British economy could prevent Britain from doing much to block French political goals in Europe.

[From the New York Times, Jan. 25, 1965]

REFORM DEBATED IN MONEY SYSTEM: BRITAIN'S STERLING PROBLEMS AND FRANCE'S GOLD MOVES STIMULATE REAPPRAISAL—NO ACCORD IS IN SIGHT—PARIS AND WASHINGTON SPLIT ON PLAN—CENTRAL BANKERS ARE SHOWING CONCERN

(By Richard E. Mooney)

ZURICH, SWITZERLAND, January 24.—The winter's money crises—first Britain's problem and then the aggravation of France's gold maneuvers—have stimulated serious new thought and talk about permanent reform of the world's money system.

But on the basis of a recent canvassing of opinion in three financial power centers—Paris, Frankfurt and here in Zurich—an agreement is still nowhere in sight.

There was some urgent agitation for action at this month's meeting of European central bankers in Basel two weeks ago. Nothing came of it and nothing is foreseen.

The basic split on reform is between Paris and Washington. It is a political split as much as a division between financial experts.

INDEPENDENCE SOUGHT

Politically and financially the French want a money system under which France and Europe would be more independent of the American dollar and the United States would be more disciplined. Naturally and philosophically, the United States disagrees.

A technical committee of financial officials from 10 countries will report this spring on how the various reform plans would work. But this committee was not assigned to pick out the best plan, and it hasn't.

When the committee reports, the reform issue will return to the policymakers. If someday Paris and Washington came to terms, the rest of the world would doubtless follow. But as of now the rest of the world is not even convinced that action is needed.

GERMAN VIEWPOINT

The Germans talk scornfully of the thought that somehow a flawless new system can be devised.

The Swiss say that they see no need for change yet.

The Swiss also take a rather relaxed attitude toward the continuing deficit in the U.S. balance of international payments—more money flowing out than in—which originally provoked the reform question. The Swiss feel that the U.S. deficit should be reduced, but that it need not be balanced.

As one private banker in Zurich observed, if the dollar outflow is stopped completely, the world will need some substitute arrangement to expand liquidity, and the substitute arrangement might be something supranational, overexpansive, and distasteful.

The Germans, on the other hand, say that the United States should finally and completely bring its payments into balance quickly. So do the French.

On the second issue of the day—augmenting the International Monetary Fund—it is said that agreement is close.

The disagreement in this case has been more time consuming than important, and again it has basically been France versus the United States. The question is how the member countries can increase their subscriptions to the Fund without making too big a dent on the American gold supply.

France wants strict adherence to the standing rule that every country pays one-quarter of its subscription in gold. It is agreed that the major countries will use their own gold for their payments, and not take from the United States. But many small countries do not have the gold they would need and would have to buy it from the United States. Thus, Washington has pushed various schemes to relax the gold requirement.

The compromise solution that is said to be in the works would spare the United States somewhat, but not altogether. It would, at the same time, adhere to the one-quarter gold rule by using the Fund's own gold supply to help cover the need.

If all goes well, a decision could be announced by the IMF in Washington within the next week or two.

Net outflow of U.S. private capital, July 1962 to September 1964

[Seasonally unadjusted annual and quarterly data by major area; in millions of dollars]

Period	1962				1963					1964			
	II	III	IV	Total, year	I	II	III	IV	Total, year	I	II	III	Total, I-III
1. Transactions with all areas:													
Portfolio:													
New issues	312	133	461	1,076	486	513	166	85	1,250	127	284	71	482
Outstanding issues	15	15	−49	96	79	72	−15	−87	49	−94	−40	−37	−171
Direct investment	496	324	538	1,654	563	509	145	671	1,888	453	623	422	1,498
Redemptions	−28	−58	−34	−203	−43	−50	−52	−50	−195	−54	−38	−38	−130
Other long-term capital	60	34	−33	258	199	128	114	320	581	243	122	500	865
Short-term capital	−92	73	200	553	−61	532	−99	362	734	607	587	203	1,397
Total	763	521	1,083	3,434	1,043	1,704	259	1,301	4,307	1,282	1,538	1,121	3,941
2a. Transactions with areas subject to interest equalization tax:													
Portfolio:													
New issues	--------	63	32	296	107	236	71	39	453	--------	11	--------	11
Outstanding issues	--------	17	−34	39	27	64	8	−63	36	−72	−59	−18	−149
Direct investment	--------	216	186	921	433	230	96	307	1,066	328	410	356	1,094
Redemptions	--------	−11	−5	−37	−9	−6	−18	−14	−47	−18	−12	−12	−42
Other long-term capital	--------	43	69	190	49	148	116	299	612	227	107	140	474
Short-term capital	--------	43	163	429	−70	309	−34	356	561	245	322	64	631
Total	--------	371	411	1,838	537	981	239	924	2,681	710	779	530	2,019
2b. Transactions with Canada:													
Portfolio:													
New issues	--------	41	294	457	348	260	61	24	693	86	187	44	317
Outstanding issues	--------	−3	−37	−79	−10	3	3	−33	−37	−15	19	−27	−23
Direct investment	--------	51	150	314	119	55	54	111	339	68	−56	34	46
Redemptions	--------	−38	−23	−83	−27	−30	−27	−23	−107	−30	−18	−18	−66
Other long-term capital	--------	5	8	37	−19	−33	26	9	−17	−4	29	293	318
Short-term capital	--------	108	−98	64	57	195	−131	−145	−24	236	147	−72	311
Total	--------	164	294	710	468	450	−14	−57	847	341	308	254	903
2c. Transactions with areas not subject to interest equalization tax:													
Portfolio:													
New issues	--------	29	135	323	31	17	34	22	104	41	86	27	154
Outstanding issues	--------	1	22	136	62	5	−26	9	50	−7	(1)	8	1
Direct investment	--------	57	202	419	11	224	−5	253	483	57	269	32	358
Redemptions	--------	−9	−6	−83	−7	−14	−7	−13	−41	−6	−8	−8	−22
Other long-term capital	--------	−14	−110	31	−11	13	−28	12	−14	20	−14	67	73
Short-term capital	--------	−78	135	60	−48	28	66	151	197	126	118	211	455
Total	--------	−14	378	886	38	273	34	434	779	231	451	337	1,019

Net outflow of U.S. private capital, July 1962 to September 1964—Continued

[Seasonally unadjusted annual and quarterly data by major area; in millions of dollars]

Period	1962				1963					1964			
	II	III	IV	Total, year	I	II	III	IV	Total, year	I	II	III	Total, I–III
3a. Transactions with Western Europe:													
Portfolio:													
New issues	--------	15	7	195	65	154	19	34	272	--------	11	--------	11
Outstanding issues	--------	6	−38	16	16	35	2	−56	−3	−66	−52	−13	−131
Direct investment	--------	211	160	867	407	146	92	242	887	269	373	308	950
Redemptions	--------	−8	−4	−33	−2	−3	−10	−8	−23	−3	−7	−7	−17
Other long-term capital	--------	8	34	84	29	134	83	258	504	155	91	103	349
Short-term capital	--------	77	139	185	−87	171	−47	33	70	17	243	16	276
Total	--------	309	298	1,314	428	637	139	503	1,707	372	659	407	1,438
3b. Transactions with Japan:													
Portfolio:													
New issues	--------	48	25	101	42	65	52	5	164	--------	--------	--------	--------
Outstanding issues	--------	11	4	23	10	15	8	−4	29	−4	−3	−2	−9
Direct investment	--------	5	26	54	13	35	15	5	68	28	11	18	57
Redemptions	--------	−3	−1	−4	−5	−1	−3	(1)	−9	−13	−1	−3	−17
Other long-term capital	--------	33	36	108	21	5	39	55	120	61	19	24	104
Short-term capital	--------	−36	29	245	12	134	9	308	463	237	65	40	342
Total	--------	58	119	527	93	253	120	369	835	309	91	77	477

[1] Less than $500,000.

Source: U.S. Office of Business Economics. Survey of Current Business; issues of June, September, and December, 1964.

REMARKS

Area data for 1962 are not strictly comparable to those for later years due to a change in geographic coverage in the source. In 1962 Australia, New Zealand, and South Africa are included in areas not subject to the interest equalization tax (IET) while in 1963 and 1964 they are included in areas subject to IET.

Moreover, attention must be drawn to the fact that, in the source, the following countries are included in Western Europe, hence in an area subject to IET, while they are tax exempt under the Interest Equalization Tax Act: Finland, Greece, Iceland, Ireland, Portugal, Turkey, and Yugoslavia. On the other hand, Hong Kong, statutorily subject to the tax, is included in source in "Other countries in Africa and Asia," hence in an area generally not subject to IET.

By an Executive order, issued under the authority of sec. 4914(a) of the Interest Equalization Tax Act, purchases of Canadian new portfolio issues, but not Canadian outstanding securities, are IET exempt.

Negative figures indicate net inflows.

THE GOLD RESERVE REQUIREMENT: SHOULD IT BE ELIMINATED?

(Address of Dr. Charles E. Walker, executive vice president, the American Bankers Association, before the bank management appreciation dinner of the Houston chapter of the American Institute of Banking, Houston, Tex., January 20, 1965.)

Should the 25-percent gold reserve requirement against Federal Reserve notes and deposits be eliminated? In recent years monetary growth and reductions in our gold stock have combined to pull the actual ratio below 28 percent. According to newspaper reports, President Johnson plans to ask the Congress to reduce or eliminate the requirement.

Advocates of removal or reduction of the requirement argue that it threatens the sustainability of the economic advance in this country and undermines the strength of the dollar abroad. Those who favor such a requirement maintain that it serves a highly useful purpose as an ultimate check against the excessive monetary expansion which could destroy domestic prosperity and undermine the dollar abroad.

It may surprise you to learn that I agree with both of these viewpoints: The requirement, at its present level, does threaten the sustainability of the economic advance and may hurt the dollar internationally. But it is equally true that such a requirement has in the past and can in the future serve a useful purpose.

In short, the gold reserve requirement should and must be changed. But it should be relaxed, not removed. And such a reduction should be effected only if the American people are assured that the discipline enforced by the requirement will be maintained.

BACKGROUND OF THE PROBLEM

At the present time, Federal Reserve banks are required to maintain a gold-certificate reserve equal to at least 25 percent of their note and deposit liabilities.[1] Legislative requirements that the banks maintain a minimum gold reserve equal to a specified proportion of these liabilities dates from the Federal Reserve Act of 1913. Originally, Reserve banks were required to hold a gold reserve of 40 percent against notes and a reserve of gold and/or other lawful money of 35 percent against deposits. Despite the intervening suspension of domestic convertibility, these requirements remained in effect until 1945. By that time the actual gold coverage of Federal Reserve notes and deposits, which had been as high as 91 percent in 1941, had declined to slightly less than 50 percent. Uncertainties concerning the postwar requirements for monetary expansion, as well as the direction and magnitude of gold flows, led to congressional reappraisal of the gold reserve requirement in that year. As a result, the requirement was reduced to 25 percent and made uniformly applicable to both note and deposit liabilities of the Reserve banks. This requirement remains in effect today.

The gold reserve requirement is not absolutely rigid. The Board of Governor of the Federal Reserve System is empowered to suspend it for as long as 30 days, and to renew such suspensions for up to 15 days. There is no stated limit as to the number of times that a suspension may be renewed. However, in the event of the requirement's suspension, the Board of Governors is required to establish a graduated tax upon the amounts by which the gold-certificate reserve may be permitted to fall below the 25 percent level.[2]

The present urgency of the problem posed by the gold reserve requirement reflects an accumulation of developments. First, postwar monetary expansion in this country has produced a gradual increase in the amount of gold required as a legal reserve. Second, and parallel to this growth in the amount of gold required to meet the legal requirement, U.S. gold holdings have declined steadily as a result of the persistent deficit in our international accounts. These divergent trends have produced a sharp decline in the Nation's stock of free gold, or gold in excess of the amount necessary to meet the reserve requirement, and at the present time the amount of free gold held is only $2 billion.

In view of the absence of prospects for near-term elimination of our balance-of-payments deficits, it is clear that our stock of free gold can be expected to decline further, and perhaps disappear altogether, in the months and years ahead. As it declines, this key question becomes more urgent: Is the U.S. commitment to continuing convertibility of the dollar backed only by its $2 billion of free gold, or is it backed by the entire gold stock of $15 billion? The answer to that question can have a profound impact on international confidence in the dollar.

THE IMPORTANCE OF CONFIDENCE IN THE DOLLAR

Maintenance of confidence in the dollar—in its continued convertibility into gold at the rate of $35 per ounce—is the key to the stability and viability of the international monetary system. This is because the international payments mechanism which has evolved in the postwar period has been built

[1] Gold certificates, which are owned by the Reserve banks, must be backed dollar for dollar by gold owned by the Treasury. Therefore, the term "gold reserve requirement" is synonymous with "gold-certificate reserve requirement."

[2] Section 11(c) of the Federal Reserve Act provides that "when the reserve held against Federal Reserve notes falls below 25 percent, the Board of Governors shall establish a graduated tax of not less than 1 percent per annum upon such deficiency until the reserves fall to 20 percent, and when said reserve falls below 20 percent, a tax at the rate increasingly of not less than 1½ percent per annum upon each 2½ percent or fraction thereof that such reserve falls below 20 percent. The tax shall be paid by the Reserve bank, but the Reserve bank shall add an amount equal to said tax to the rates of interest and discount fixed by the Board of Governors of the Federal Reserve System."

This tax is applicable to deficiencies in the reserve requirement against Federal Reserve notes, but not against deficiencies in the reserves held against Federal Reserve deposits. Presumably, therefore, the tax could be avoided, or at least reduced, by "assigning" all gold certificates to the reserve against notes, allowing the deficiency to be registered in the reserve against deposits. This, in turn, would mean that automatic increases in discount rates could be reduced, or perhaps eliminated altogether.

around the dollar as a supplement to gold in the monetary reserves of free world nations. Suspension of dollar convertibility into gold at the $35-per-ounce price could well lead to collapse of the international payments system. Moreover, the reduction in international liquidity which would result from the suspension of dollar convertibility also could generate worldwide deflationary tendencies. Much of the postwar progress in restoring a system of multilateral trade and payments might be sacrificed, and the strength and unity of the free world could be strained severely.

It is in this context that the existing gold reserve requirement must be viewed, for Government action or inaction with respect to the requirement is certain to be scrutinized by foreign observers for implications concerning future dollar convertibility.

THE GOLD RESERVE REQUIREMENT: THE CASE FOR ITS RETENTION

In some circles, there is a tendency to regard the Nation's gold stock as "backing" for the domestic money supply, and there frequently is the implication that the value of money is in some way derived from the gold collateral which is pledged to secure it. Many of those who hold this view advocate a strengthening of the ties between currency and gold—that is, the restoration of domestic gold convertibility—as the most effective means of assuring a sound monetary system. They oppose, consequently, steps which would sever or weaken the remaining domestic relationship between gold and currency.

While this view often reflects a mystical confidence in the merits of gold as a currency base, sound reasons underlie it. Principal among them is the fact that the existence of a close relationship between currency and gold serves as an ultimate check against excessive monetary expansion. Under conditions of domestic currency convertibility, the capacity of the monetary authorities to expand the money supply is limited by the supply of gold, for excessive monetary expansion can shake public confidences and lead to internal gold drains. In the absence of domestic currency convertibility, internal gold drains cannot lead to a check against excessive monetary expansion. As a substitute, therefore, principal reliance is placed upon statutory requirements which limit monetary expansion to a given multiple of the value of the gold supply on hand.

Most observers agree that the United States should not hesitate—as, in fact, it has not hesitated—in pledging its entire gold stock to the defense of the dollar. This does not answer the question, however, as to whether the gold reserve requirement should be retained with the understanding that it may be suspended if necessary, whether it should be retained in relaxed and modified form, or whether it should be eliminated altogether.

The advocates of a gold reserve requirement do not necessarily suggest that the gold required for currency backing be made unavailable for settling international claims. They recognize that although the absence of domestic convertibility prevents internal gold drains from arresting excessive monetary expansion, such expansion nevertheless will give rise to an external gold drain arising from unfavorable balance-of-payments developments.

Implicit in this argument is the belief that a nation should not exhaust its entire "free gold" stock before initiating the required action with domestic economic policies, particularly monetary policy. Rather, it is felt, changes should be made gradually and with due regard to trends in gold holdings. Thus, the gold reserve requirement may be viewed as an instrument for ultimately enforcing a harsh adjustment only if earlier indications of the need for adjustment have been ignored.

There can be little quarrel with the crux of the argument advanced by advocates of a gold reserve requirement: that a nation which provides international convertibility of its currency—especially a key-currency nation—must sooner or later submit to the discipline of the balance of payments. In effect, a gold reserve requirement is an arbitrary device for insuring that their adjustments take place sooner than otherwise. As such it has the merits as well as the shortcomings of other arbitrary control devices, such as the public debt ceiling.

Advocates of a gold reserve requirement would also argue that the declining margin of free gold in recent years has provided a very strong inducement to actions which would relieve our balance-of-payments deficit. Abandonment of this requirement, they believe, would tend to relieve the sense of urgency with which the international payments problem has been viewed, thereby resulting in the postponement of remedial action already overdue.

Viewed in this context, the gold reserve requirement plays an important role in our economy. Proposals to remove or change the requirement should, in this view, be assessed with the utmost care.

THE GOLD RESERVE REQUIREMENT: THE CASE FOR ITS REMOVAL

Arguments for elimination of the gold reserve requirement proceed from the fact that the principal role of gold is to serve as a source of international liquidity. As such, a nation's gold reserve provides maneuvering room—or time during which to adjust internal policies to international requirements—when its currency comes under international pressure.

Critics of the gold reserve requirement argue that it serves to prevent the functioning of gold as a source of international liquidity. By pledging gold as collateral to secure domestic claims which legally cannot be exercised, the requirement leaves only a small margin of gold to satisfy claims which, in fact, can be exercised freely. As a result, uncertainty exists concerning both the availability of U.S. gold to satisfy foreign claims and the extent of the U.S. commitment to dollar convertibility. In view of the fact that "free gold" holdings have declined to less than $2 billion and indications point to continued international payments deficits, such uncertainty could have disturbing consequences.

Elimination of the gold reserve requirement, by pledging the entire gold stock behind the commitment to dollar convertibility, would remove uncertainty concerning the availability of U.S. gold to satisfy foreign claims and, it is believed in many quarters, thereby relieve a source of the gold drain. Moreover, such a step would give the United States greater maneuverability in working toward long-range solutions to its international payments problem.

Removal of the gold reserve requirement can, in the current situation, be supported on domestic grounds. The normal growth in the Nation's monetary needs in the months and years ahead will require expansion in Federal Reserve note and deposit liabilities, thereby requiring additional gold backing. Maintenance of the gold reserve requirement at the present level could hinder such growth and thus impede domestic economic expansion.

As a substitute for the requirement, advocates of its removal point to the judgment and integrity of the monetary authorities—those officials of the Federal Reserve System who formulate and carry out the policies which influence the rate of monetary growth. These officials, it is argued, can be depended upon to prevent monetary expansion from becoming excessive. In effect, therefore, the administrative decisions of the monetary authorities would be trusted to substitute adequately for the type of statutory discipline afforded by the gold reserve requirement.

A SUGGESTED COURSE OF ACTION

As I noted at the outset, both of these sets of arguments have considerable merit. The gold reserve requirement does serve as a check on excessive monetary expansion and, as the volume of free gold declines, spurs actions to correct a balance-of-payments deficit. On the other hand, the requirement ties up gold that could, and at times should, be used to support the dollar internationally, and it can contribute to an artificial shortage of reserves that may deter domestic expansion by hampering normal and desirable growth in the money supply. Now below 28 percent, the actual ratio is approaching the danger point. And it should be noted that the recent sharp drop in the ratio has not resulted primarily from gold outflows, which have diminished in the past few years, but from growth in the currency and deposits required by a rapidly growing economy.

How to solve the dilemma? The best course of action seems to me to be to relax, but not to remove, the requirement. Retention of the discipline, even if at a lower level, would preserve many of its advantages. But any easing of the limit should be effected only if we can be certain that the monetary discipline which the requirement helps maintain continues to be assured.[3]

It is in this respect that we must rely on the integrity and good sense of the Federal Reserve authorities. The financial community, both domestic and foreign, has great faith in that integrity and good sense, and would be willing to rely on the Federal Reserve to carry out a sound and flexible monetary policy even if the gold reserve requirement were relaxed. This confidence reposes, however, in a Federal Reserve System operating independently within Government, unhampered by political considerations. Anything that restricted that independence could undermine the confidence of the financial community in the ability of the Federal Reserve System to carry out a monetary policy flexibly adjusted to the needs of the economy. Unfortunately, there is legislation pending before the Congress which would restrict this traditional independence and the sponsors of these measures intend to push them strongly.

It is highly regrettable that this challenge to Federal Reserve independence should occur at the same time the administration is seeking a change in the gold reserve requirement. As the financial community appraises the desirability of such a change, it cannot but be impressed with this fact: One set of legislative proposals would, if enacted, sharply increase our national reliance on sound and discretionary monetary policy as a means of protecting the public interest in national and international economic stability. The second set of legislative proposals, if enacted, would expose the monetary authorities to political pressures which, if history is a guide, would impair their ability to adjust monetary policy flexibly to the needs of the economy.

With heavy Democratic majorities in the House and Senate, the attitude of the administration toward the legislative proposals to

[3] There are various ways in which the requirement could be relaxed while still preserving its basic discipline. The approach believed to be favored by the administration—removal of the requirement against Federal Reserve deposits but retaining it against notes—has much to commend it. This action would raise the volume of free gold to more than $6 billion but would retain the traditional linkage between the public's paper money and the Nation's gold reserve.

restrict the independence of the Federal Reserve System will be of great importance. In this respect, recent statements by Administration officials are encouraging. In March 1964, Secretary of the Treasury Douglas Dillon represented the administration in testifying on similar bills and, although he did endorse coterminous terms of office for the president and the chairman of the Federal Reserve Board (as has, in fact, Federal Reserve Chairman William McChesney Martin), he strongly supported independence within Government of the Federal Reserve as conducive to sound monetary policy.

During the past year President Johnson has at least twice referred to the independence of the Federal Reserve System. In a speech to business leaders last April, the President expressed his confidence in "the independent Federal Reserve" as a line of defense against either inflation or adverse balance-of-payments developments. In October, the President stated that the Kennedy-Johnson Administrations had maintained "the Federal Reserve's traditional independence within the Government." He went on to say that "our monetary system must remain flexible." He added "if inflation develops, or if excessive outflows of funds occur, the Federal Reserve System is in a position to do what is necessary."

These statements seem to me to imply that the administration recognizes the importance of an independent Federal Reserve System and intends to protect that independence. It would be conducive to strong support in the financial community, however, if the President's request for a change in the gold reserve requirement were accompanied by reaffirmation of the statements of last year. Such a statement would serve to remove any lingering doubts that relaxation of the discipline of the gold reserve requirement would be followed by elimination of still another safeguard against excessive monetary expansion—the independence within Government of the Federal Reserve System.

Inasmuch as any action to reduce the gold reserve requirements also relaxes a statutory pressure toward balance-of-payments correction, support for relaxation of the requirement could also be broadened and strengthened if the administration would at the same time make it clear that efforts to bring our international accounts back into balance will be intensified. Although some progress in reducing the deficit has been made, it is believed to have risen sharply in the last quarter of 1964, and the prospects for further substantial progress are not encouraging. It is to be hoped that this necessary intensification of balance-of-payments policies will reflect a fundamental understanding of the need to minimize the dollar outflows on Government account and, rather than to rely on arbitrary selective controls, to use policies that work through market processes and encourage, rather than obstruct, the free flow of goods, services, and capital among nations.

CONCLUDING REMARKS

Statutory limitations can cause trouble, but they can also provide an important discipline to bolster and support administrative decisions that are vital to the interests of the American people. The test of leadership is to know when such limitations, because of their blunt and nondiscriminating nature, should be relaxed. It seems clear to me that now is the time to relax, but not to remove, the 25-percent gold reserve requirement.

Opinions within the financial community differ with respect to the desirability of changing the requirement. However, if the administration moves only to relax and not to eliminate the restriction, and if the financial community becomes convinced that the independence within Government of the Federal Reserve System will be continued, and that balance-of-payments policies will be intensified, the proposal to increase the volume of free gold available to protect the dollar should gain a broad base of support.

LITTLE DELL PROJECT

Mr. BENNETT. Mr. President, I send to the desk, for appropriate reference, a bill to authorize construction of the Little Dell project near Salt Lake City, Utah, for flood control, water supply, and recreational purposes.

PROJECT HISTORY

Congressional authorization for the Little Dell Dam proposal was originally obtained with the addition of my bill, S. 1045, as an amendment to the Flood Control Act of 1960. However, the Salt Lake City commissioners, for several reasons, decided to reject the proposal, and the Metropolitan Water District of Salt Lake City then called in an independent firm of consulting engineers, Berger & Associates of Salt Lake City, who conducted a study under the direction of Mr. E. O. Larson, former regional director of the Bureau of Reclamation in Salt Lake City, and submitted a report in December 1962. Whereas the original project was limited to flood control, the new proposal calls for a comprehensive water development and flood control plan.

In order to reauthorize the Little Dell project, a review investigation by the Army Corps of Engineers of the enlarged project was necessary, and such a review was authorized by the Senate Public Works Committee at my request in May of 1963. The Army Corps of Engineers Sacramento district has submitted its findings in a preliminary report dated December 10, 1964, which accepted almost intact the project as outlined by Berger Associates.

The proposal calls for a combined Federal-district project to be built by the Corps of Engineers at an estimated cost of $18.5 million. It consists of a 50,000-acre-foot multiple-purpose reservoir on Dell Creek, and the diversion of water to the reservoir from Emigration Creek; from Lamb's Creek, a tributary of Parley's Creek; and from Mill Creek. The former proposal was for an 8,000 acre-foot reservoir for flood control purposes only, to be built at an estimated cost of $6,060,000.

PROJECT BENEFITS

The water benefit of the project is, of course, most important for the expanding Salt Lake metropolitan area. It is estimated that by conserving high water runoff and enabling more efficient water regulation, enough additional water will become available to supply another 100,000 population, which will assure an adequate water supply for 20 to 25 years, depending on the rate of population growth. At the present rate of growth in the area, the possibility of a water shortage by 1970 is very likely. Thus the need for early approval and construction of the Little Dell project is apparent.

The project's flood control and recreation proposals will also provide substantial benefits. The project will materially alleviate the flood hazard to Salt Lake City and to areas south of the city from damaging high flows originating on Emigration, Parleys, and Mill Creeks. Recreational value will be tremendous, particularly in view of the close proximity of the reservoir to the city and its nearness to Interstate 80.

PROJECT COSTS

Based on the preliminary report of the Corps of Engineers, the total project cost would be $18,500,000, of which $9,138,000 for water supply would be repaid to the Federal Government by the Metropolitan Water District of Salt Lake City. The remainder allocated to flood control and recreation benefits would be nonreimbursable.

REAPPRASIAL OF FLOOD CONTROL AND RECREATION ALLOCATIONS

The Corps of Engineers differs from the Berger Associates study in the allocation of costs to flood control and recreation. In the Berger report it was estimated that approximately $7 million should be allocated to flood control and approximately $2 million to recreation. The preliminary report of the Corps of Engineers, however, allocates only $3,984,000 to flood control and almost triples the estimate for recreation benefits, to $5,378,000.

Representatives of the Corps of Engineers and the metropolitan water district of Salt Lake City met together on December 17 to discuss the preliminary report, and the district strongly recommended that the flood control and recreation allocations be reviewed and more consideration be given to flood control measures. The district feels that the $7 million figure recommended in the Berger report represents a more comprehensive approach to flood control needs in the area. The district fully realizes the tremendous recreation value of the proposed reservoir; however, it feels that the original ratio of approximately $7 million for flood control measures and approximately $2 million for recreation is more realistic and desirable. In light of similar projects, an allocation of $7 million to flood control does not seem unreasonable. Moreover, it is my understanding that the Corps of Engineers surveyed flood control benefits in Parleys Canyon only and has not surveyed flood control needs in Emigration and Mill Creek Canyons, as did Berger Associates, which comprehensive study I am sure would reveal a need for additional flood control measures.

IMPORTANCE OF SPEEDING LITTLE DELL AUTHORIZATION AND CONSTRUCTION

The timetable of the Sacramento district office calls for preparation of the final report and submission to the division engineer by December 15, 1965. I realize that it will take some time to evaluate the preliminary studies and to complete the additional investigations, but I cannot overemphasize the importance of speeding congressional approval of the Little Dell project, and I want to do everything possible to move it forward. I am, therefore, today introducing a bill to authorize the project.

The rapid increase in population and industrial development along the Wasatch Front and the apparent need for

more water to serve Salt Lake City within the next few years points up the importance of prompt approval and speedy construction of the Little Dell project. The project's flood control and recreation purposes likewise offer substantial benefits. The Little Dell project will be a great boon to the people of the Salt Lake metropolitan area.

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

The bill (S. 817) to authorize a Little Dell project in the State of Utah for flood control, water supply, and recreational purposes, introduced by Mr. BENNETT, was received, read twice by its title, and referred to the Committee on Public Works.

THE DOCTORS' ELDERCARE PROGRAM

Mr. TOWER. Mr. President, I introduce for appropriate reference a bill and ask that an analysis of it and my remarks on it be printed in the RECORD.

The doctors' eldercare program was drawn up by physicians, who care for the elderly, and know their health problems and medical needs.

It offers more benefits for people 65 and over—who need care and cannot pay for it—than any other legislation now before Congress.

It provides a wide range of benefits—physicians' care, surgical and drug costs, hospital and nursing home charges.

Eligibility for benefits would be determined quickly—before illness strikes—and without a welfare department type of investigation.

Citizens 65 and over would obtain a policy for medical care. Some would pay nothing for it. Others would contribute a part of the cost of their policy, depending on the level of their income.

To apply for the policy, the elderly would submit a simple statement of income. That is all.

The doctors' eldercare program would be financed with Federal-State matching funds. It would not require any increase in payroll taxes.

Blue Cross-Blue Shield and health insurance companies would be utilized—assuring experienced administration.

Furthermore, the doctors' program would offer free choice of physician and hospital—without Federal bureaucratic interference. And it would provide medical care in a manner that is in keeping with the high standards and quality of our present health care system.

The doctors' eldercare program offers better care than medicare.

By contrast, the Federal medicare tax scheme would cover only hospitalization and some nursing home care—a fraction of the cost of illness.

Medicare would call for higher payroll taxes on all wage earners to pay benefits for everyone over 65—the rich as well as the needy.

And what is more, the $5,600-a-year worker would be forced to pay as much tax as the $56,000-a-year executive.

The medicare tax plan would permit the Federal Government to exercise an undesirable degree of direct control over hospitals and doctors.

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

The bill (S. 820) to amend titles I and XVI of the Social Security Act to liberalize the Federal-State programs of health care for the aged by authorizing any State to provide medical assistance for the aged to individuals eligible therefor (and assist in providing health care for other aged individuals) under voluntary private health insurance plans, and to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage prepayment health insurance for the aged introduced by Mr. TOWER, was received, read twice by its title, and referred to the Committee on Finance.

The analysis presented by Mr. TOWER is as follows:

ANALYSIS OF ELDERCARE ACT OF 1965

HEALTH INSURANCE COVERAGE UNDER MAA

This bill would amend title I (old-age assistance and medical assistance for the aged) and title XVI (aid to the aged, blind, or disabled, or such aid and medical assistance for the aged) of the Social Security Act to add a new section under which a State with an MAA program would be authorized, in its discretion, to provide the MAA in the form of premium payments for health insurance coverage under voluntary private health insurance plans in addition to providing the assistance in the manner authorized under existing law. A State wishing to participate in the program would be required to enter into contracts or other arrangements with private insurance carriers as it deems appropriate.

The contracts would have to: (1) Be guaranteed renewable; (2) provide benefits which, together with MAA benefits authorized in existing law, include both institutional and noninstitutional care; (3) establish enrollment periods not less often than once a year; and (4) contain such other provisions as the State agency determines are necessary to carry out the purposes of the program.

If a State provides an MAA program in the form of health insurance coverage, the same coverage would have to be available to all individuals who reside in the State and who are 65 or over. In the case of old age assistance recipients (or aged recipients of aid to the aged, blind, or disabled under title XVI), at the discretion of the State, the coverage may be in lieu of or in addition to aid provided in the form of medical or remedial care under existing law. The bill provides that premium payments for such coverage would constitute medical or remedial care for aged recipients under the two titles.

The bill provides that premiums for coverage of any individual under an insurance plan would be paid by the State agency with the following two exceptions. The State agency could establish a maximum income level at least equal to the highest level at which an individual may qualify under the MAA program in the State. If the individual's income is above this level, the premiums would be paid in part by the individual and in part by the State agency in proportions based on the individual's income as the State agency may determine up to a higher income level as the State agency determines to be appropriate. If the individual's income is above the higher level, he would be required to pay the premium in full. Income standards for eligibility would have to be "reasonable."

For the purposes of the bill, "income" would include gross income as defined under the Internal Revenue Code and all other income which is not includible in gross income for tax purposes.

Each individual covered under an insurance plan under the program would be required to certify his income to the State agency in a manner and at such times (but at least once a year) as the State agency may require. The State agency would be required to accept the certification as conclusive. The certification would be subject to the penalties for fraud under the Social Security Act (a fine of up to $1,000, or imprisonment for up to 1 year, or both).

The bill would provide that medical assistance for the aged would be provided in behalf of individuals who are not recipients of OAA but whose income (rather than income and resources) is insufficient to meet the cost of necessary medical services.

The bill provides that, notwithstanding the provisions of existing law, if a State plan under title I or XVI includes both MAA and old age assistance or aid to the aged, blind, or disabled, the State could designate one State agency to administer or supervise the portion of the plan that relates to old age assistance (or aid to the aged, blind, or disabled), and a separate State agency to administer the medical assistance for the aged plan.

The bill would modify the prohibition in existing law against enrollment fees by providing an exemption for a State plan which provides medical assistance for the aged in the form of health insurance coverage.

The bill would amend the provisions of titles I and XVI which describe the purposes of appropriations to include encouragement for "each State to provide medical assistance for all aged individuals through the utilization of insurance provided by private insurance carriers."

The bill provides that States which provide MAA through the use of health insurance plans would have their Federal contributions increased by 5 percent (to 52.5–84 percent rather than 50–80 percent) of sums expended for medical or remedial care. A State which provides medical care using the health insurance plan under the old age assistance program or the combined program of aid to the aged, blind, or disabled, would also have its Federal contribution increased by 5 percent (to 52.5–68.25 percent rather than 50–65 percent).

Further, the Federal Government would contribute toward the cost of administration of the health insurance program on the same basis as it does under the OAA and MAA programs.

PUBLIC ASSISTANCE FOR MENTALLY ILL AND TUBERCULOUS

The bill would amend title I (old age assistance and medical assistance for the aged) and title XVI (aid to the aged, blind, or disabled and medical assistance for the aged) of the Social Security Act to authorize money payments to, or medical care in behalf of, needy individuals who are 65 years of age or over unless the individual is an inmate in a public institution other than a patient in a medical institution.

Thus, payments or care could be provided to any needy individual who is a patient in an institution for tuberculosis or mental disease. Payments could be made to an individual who has been diagnosed as having tuberculosis or psychosis and who is a patient in a medical institution as a result thereof, and care could be provided to an individual who is a patient in a medical institution as a result of a diagnosis of tuberculosis or psychosis without regard to the 42-day limitation contained in existing law. However, under the combined program of aid to the aged, blind, or disabled (title XVI), such payments or care could not be made or provided to or in behalf of any individual in an institution for tuberculosis or mental disease if he is under age 65.

INTERNAL REVENUE CODE AMENDMENTS

The bill would make the following amendments to the provisions of the Internal Revenue Code which relate to medical expense deductions.

1. If neither the taxpayer nor his spouse has attained the age of 65, they would be authorized a deduction equal to:

(a) The uncompensated amount spent for medical care for any dependent who has attained the age of 65;

(b) The amount paid for accident or health insurance for the taxpayer or his spouse which by its terms would become effective when either has attained the age of 65; and

(c) Uncompensated medical expenses incurred on behalf of the taxpayer, his spouse, and other dependents which exceed 3 percent of the taxpayer's adjusted gross income.

2. If the taxpayer or his spouse has attained the age of 65, there would be no limitation of the deduction for uncompensated medical expenses incurred in behalf of the taxpayer, his spouse, or dependents over age 65. However, the deduction in behalf of dependents under age 65 would continue to be subject to the 3-percent limitation.

For the purposes of the above amendments, a dependent over age 65 would mean any individual who is related to the taxpayer, or who is a member of the taxpayer's household (as defined by the Internal Revenue Code) regardless of the amount of support the individual receives from the taxpayer. (A dependent under existing law is one who receives over half his support from the taxpayer.)

The amendments relating to the health insurance program would become effective July 1, 1966, but a State could make them effective any time after the first day of any quarter after the date of the bill's enactment. The amendments relating to the income tax deductions would become effective for taxable years after the bill's enactment.

Mr. TOWER subsequently said: Mr. President, I ask unanimous consent that the bill on medicare which I introduced today, Senate bill 820, may be permitted to lie on the table for 10 days for additional cosponsors.

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

ADJUSTMENT OF WHEAT AND FEED GRAIN PRODUCTION AND ESTABLISHMENT OF A CROPLAND RETIREMENT PROGRAM

Mr. HICKENLOOPER. Mr. President, on behalf of myself, and Senators ANDERSON, AIKEN, HOLLAND, ALLOTT, BENNETT, DOMINICK, HRUSKA, JORDAN of Idaho, LAUSCHE, MILLER, MORTON, SCOTT, SIMPSON, TOWER, and DIRKSEN, I introduce, for appropriate reference, a bill to adjust wheat and feed grain production, to establish a cropland retirement program, and for other purposes. I ask unanimous consent that the bill be printed in the RECORD, and held at the desk for 1 week, for additional cosponsors.

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

The bill (S. 891) to adjust wheat and feed grain production, to establish a cropland retirement program, and for other purposes, introduced by Mr. HICKENLOOPER (for himself and other Senators), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

S. 891

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Wheat and Feed Grain Act of 1965".

Declaration of policy

SEC. 2. The Congress finds that the production of excessive supplies of wheat and feed grains depresses prices and the income of farm families, constitutes improper land use, and is wasteful of our natural resources. It is hereby declared to be the policy of the Congress and the purpose of this Wheat and Feed Grain Act of 1965 to bring the supplies of wheat and feed grains into line with current demand in order to (a) increase per family farm income; (b) reduce the surplus of wheat and feed grains; and (c) decrease the public costs of maintaining farm programs. To effectuate the policy of Congress and the purpose of this Act, programs are herein established to assist farmers in (1) diverting a portion of their cropland from the production of excessive supplies of wheat, feed grains, and other commodities; (2) carrying out a voluntary program of soil, water, forest, and wildlife conservation; and (3) obtaining commodity prices in the marketplace higher than levels at which commodity loans are made available by the Commodity Credit Corporation.

TITLE I—LAND RETIREMENT AND SOIL CONSERVATION

Annual determination—Voluntary land retirement—Rental payments in cash

SEC. 101. Beginning with the 1966 crop year the Secretary of Agriculture is authorized and directed to establish and carry out a cropland retirement program. In formulating and administering such program—

(a) The Secetary shall each year make and announce an annual determination of—

(1) the estimated total cropland available for the production of crops in the United States in that year;

(2) the total acreage of farm cropland necessary to be retired and devoted to soil-conserving uses in order to bring the total estimated annual production plus the anticipated release from the Commodity Credit Corporation stocks into balance with the estimated annual disappearance of soil-depleting commodities; and

(3) the acreage that can be retired effectively and economically in the respective year.

(b) The Secretary is authorized to enter into contracts covering periods of three or more years with producers determined by him to have control for the contract period of the farms covered by the contracts, if such producers agree to retire and devote to soil-conserving uses any or all farm cropland. The Secretary shall determine and announce the period within which such contracts will be entered into. This period shall be of sufficient duration to provide an opportunity for maximum producer participation. The Secretary shall encourage the retirement of whole farms and shall provide full opportunity for producers of all commodities to participate voluntarily in the cropland retirement program: *Provided,* That the Secretary shall place a maximum limitation on the percentage of total cropland which may be retired and devoted to soil-conserving uses in any State or county or community area if he finds that such action is necessary to prevent the cropland retirement program from having an unduly disruptive effect on the economies of any such area counties and local communities: *And provided further,* That any cropland retired and devoted to soil conserving uses under the cropland retirement program established pursuant to this title shall be deemed in subsequent years to have been planted cropland for the purpose of establishing cropland history.

(c) The Secretary shall make an annual rental payment to producers who: (1) retire and devote cropland to soil-conserving uses with proper management pursuant to subsection (b) of this section, and (2) otherwise comply with the cropland retirement program as set forth in this title.

The Secretary shall determine the rate of rental payments that will provide producers with a fair and reasonable annual return on the land retired and devoted to soil-conserving uses after taking all relevant factors into consideration, including (1) the incentive necessary to achieve voluntary participation in the program, (2) the loss of crop production on the retired acres, (3) any savings in cost which result from not planting crops, (4) the estimated profit margin of crop production on the designated acres, (5) continuing farm overhead expenses, (6) the cost of establishing a conservation practice on the retired acres, (7) the value of the land for production of commodities customarily grown on such kind of land in the county or area, and (9) drought, flood, or other abnormal condition.

The rate on lands determined in accordance with the preceding paragraph shall be adjusted on a State, county, and individual farm basis in such a manner as the Secretary determines will facilitate the practical administration of the program. The lands to be covered by contracts shall be determined by a competitive bid procedure whereby a producer wishing to obtain a contract shall specify the percentage of the rental rate applicable to his farm which he is willing to accept.

(d) The Secretary shall compensate producers for participating in the cropland retirement program through annual cash payments.

In order to assist producers in the establishment of soil-conserving uses on cropland retired under the cropland retirement program, the Secretary shall coordinate such program with the agricultural conservation program established pursuant to the Soil Conservation and Domestic Allotment Act, as amended (49 Stat. 163; 16 U.S.C. 590 et seq.).

Terms and conditions of contracts with producers

SEC. 102. (a) Under any cropland retirement contract the producer shall agree—

(1) to establish and maintain with proper management for the contract period protective vegetative cover (including but not limited to grass and trees), water storage facilities or other soil-, water-, wildlife-, or forest-conserving uses (excluding orchards and vineyards) on an acreage of land which is specifically designated at the time the contract is entered into and which has been regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers), which do not require annual tillage;

(2) to allow to remain fallow, idle, and in the production of crops (including tame hay, alfalfa, and clovers) which do not require annual tillage throughout the contract period, an acreage of the remaining cropland on the farm which is not less than the acreage normally allowed to remain fallow, idle, and in the production of crops which do not require annual tillage on such remaining acreage;

(3) not to harvest any crop from the acreage established in the protective vegetative cover, excepting timber (in accordance with sound forestry management) and wildlife or other natural products of such acreage which do not increase supplies of feed for domestic animals;

(4) not to graze any acreage established in protective vegetative cover;

(5) not to adopt any practice, or divert lands on the farm from conservation, woods, grazing, or other noncropland use, to any use specified by the Secretary in the contract as a practice or use which would tend to defeat the purposes of the contract;

(6) to abide by regulations prescribed by the Secretary with respect to the planting of crops during the contract period for later harvest or use; and

(7) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of this title and to facilitate the practical administration of the cropland retirement program, including provisions relating to control of insects, rodents, and noxious and other objectionable weeds.

(b) In the event that the Secretary determines that there has been a violation of the contract (including the prohibition of grazing on retired acreage) at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the contract, the producer shall forfeit all rights to payments or grants under the contract, and shall refund to the United States all payments and grants received by him thereunder. In the event that the Secretary determines that there has been a violation of the contract but that such violation is of such a nature as not to warrant termination of the contract, the producer shall accept such payment adjustments, and make such refunds to the United States of payments received by him, under the contract, as the Secretary may determine to be appropriate.

SEC. 103. The Soil Bank Act, as amended (70 Stat. 188; 7 U.S.C. 1801 et seq.), is amended as follows:

Administrative and judicial remedy

(1) The first sentence of section 107(d) of such Act (7 U.S.C. 1831(d) is amended by adding after the words "paragraph (6) of the subsection (a)" the phrase "or under section 102(b) of the Wheat and Feed Grain Act of 1965".

Effect on other programs

(2) Section 112 of such Act (7 U.S.C. 1836) is amended by adding after the words "under this subtitle" each time it appears therein the phrase "or under title I of the Wheat and Feed Grain Act of 1965".

Geographic applicability

(3) Section 113 of such Act (7 U.S.C. 1837) is amended by adding after the words "subtitle B" the phrase "and title I of the Wheat and Feed Grain Act of 1965".

Reapportionment prohibited

(4) Section 115 of such Act (7 U.S.C. 1803) is amended by adding after the words "conservation reserve programs" the phrase "or the cropland retirement program established pursuant to title I of the Wheat and Feed Grain Act of 1965".

Utilization of local and State committees

(5) Section 117 of such Act (7 U.S.C. 1805) is amended by adding after the words "this title" the phrase "or title I of the Wheat and Feed Grain Act of 1965".

Utilization of other agencies

(6) Section 118 of such Act (7 U.S.C. 1806) is amended by adding after the words "this title" the phrase "or title I of the Wheat and Feed Grain Act of 1965".

Utilization of land use capability data

(7) Section 119 of such Act (7 U.S.C. 1807) is amended by adding after the words "this title" the phrase "or Title I of the Wheat and Feed Grain Act of 1965".

Finality of determinations

(8) Section 121 of such Act (7 U.S.C. 1809) is amended by adding after the words "this title" the phrase "or under title I of the Wheat and Feed Grain Act of 1965".

Protection of tenants and sharecroppers

(9) Section 122 of such Act (7 U.S.C. 1810) is amended by adding after the words "this title" the phrase "or under title I of the Wheat and Feed Grain Act of 1965".

Penalty for grazing or harvesting

(10) Section 123 of such Act (7 U.S.C. 1811) is amended by adding after the words "section 103 or 107" the phrase "or under title I of the Wheat and Feed Grain Act of 1965".

Pooling or cropland retirement land

(11) Section 126 of such Act (7 U.S.C. 1814) is amended by adding after the words "conservation reserve program" the phrase "or in the cropland retirement program pursuant to title I of the Wheat and Feed Grain Act of 1965".

Incorrect information furnished by the Government—Marriage of producers

(12) Section 128 of such Act (7 U.S.C. 1816) is amended by adding after the words "conservation reserve program" the phrase "or the cropland retirement progam established pusuant to title I of the Wheat and Feed Grain Act of 1965".

Authorized period of contract and expenditure—Appropriations

SEC. 104 (a) The Secretary is authorized to formulate and announce programs under this title and to enter into contracts thereunder with producers during the three-year period 1966–68 to be carried out during the period ending not later than December 31, 1973, except that contracts for establishment of tree cover may continue until December 31, 1978.

(b) The period covered by any contract shall not be less than three years and shall not exceed five years, except that contracts for the establishment of tree cover may extend for ten years.

(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this title, including amounts as may be required to reimburse the Commodity Credit Corporation for its actual costs.

Termination and modification of contracts

SEC. 105. The Secretary may terminate any contract with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest. The Secretary may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of this title and to facilitate the practical administration of the cropland retirement program.

Regulations

SEC. 106. The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this title.

TITLE II—REPEAL OF AUTHORITY FOR ACREAGE ALLOTMENTS, MARKETING QUOTAS AND MARKETING CERTIFICATES ON WHEAT AND ACREAGE ALLOTMENTS ON CORN—PRICE SUPPORT ON WHEAT, CORN, OATS, RYE, BARLEY, AND GRAIN SORGHUM

SEC. 201. Notwithstanding any other provision of law, effective with the 1966 crops of wheat, corn, oats, rye, barley, and grain sorghum, sections 321 through 339 of parts II and III of subtitle B and section 379(a) through 379(j) of subtitle D of title III of the Agricultural Adjustment Act of 1938, as amended (52 Stat. 31; 7 U.S.C. 1281 et seq.), are repealed. Parts IV, V, and VI of subtitle B are redesignated as parts II, III, and IV respectively, and subtitle F is redesignated subtitle D.

SEC. 202. Effective with the 1966 crop of wheat, the Act of May 26, 1941, as amended (Public Law 74, Seventy-seventh Congress, 55 Stat. 203), is repealed.

SEC. 203. Effective with the 1966 crops of wheat, corn, oats, rye, barley, and grain sorghum, sections 327 and 328 of the Food and Agriculture Act of 1962 (Public Law 87–703, Eighty-seventh Congress) are repealed.

SEC. 204. Effective with the 1966 crops of corn, oats, rye, barley, and grain sorghum, section 105 of the Agricultural Act of 1949, as amended (7 U.S.C. 1441 note), is amended to read as follows:

"SEC. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1966 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers, excluding payments in kind made by the Secretary, during the three complete marketing years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect on such price of any abnormal quantity of low-grade corn marketed during any of such years: *Provided,* That the level of price support for any crop of corn shall not be less than 50 per centum of the parity price therefor.

"(b) Beginning with the 1966 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghum at a level which relates to the level at which price support is made available for corn as the feed value of such commodity relates to the feed value of corn."

SEC. 205. Effective with the 1966 crop of wheat, section 107 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445(a)), is amended to read as follows:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1966 crop, price support shall be made available to producers for each crop of wheat at the United States farm price equivalent, as determined by the Secretary, of the average world market price during the three complete marketing years immediately preceding the calendar year in which the marketing year for such crop begins, with premiums and discounts as indicated by the market to reflect milling and baking quality: *Provided,* That the level of price support for any crop of wheat shall not be less than 50 per centum of the parity price therefor."

TITLE III—GENERAL PROVISIONS

Federal irrigation, drainage, and flood control projects

SEC. 301. Section 211 of the Agricultural Act of 1956, as amended (7 U.S.C. 1860), is amended (1) by striking "three years" each time it appears therein and inserting in lieu thereof "thirteen years", and (2) by adding after the words "soil bank provisions of the Act" in subsection (b) the phrase "and under title I of the Wheat and Feed Grain Act of 1965".

Restrictions on sales by the Commodity Credit Corporation

SEC. 302. Section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), is amended—

(a) By changing the period at the end of the fourth sentence to a colon and adding the following: "*Provided,* That beginning July 1, 1965, the Commodity Credit Corporation shall not make any sales (except sales offset by equivalent purchases) of wheat, corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed at less than 125 per centum of the current support price for any such commodity, plus reasonable carrying charges.", and

(b) By deleting the seventh sentence.

PROPOSED AMENDMENT TO CONSTITUTION ON PRESIDENTIAL POWER AND SUCCESSION

Mr. PASTORE. Mr. President, at the request of Justice Michael A. Musmanno

of the Supreme Court of Pennsylvania, I introduce for appropriate reference, a joint resolution proposing an amendment to the Constitution of the United States on Presidential power and succession.

This joint resolution embodies the so-called Musmanno plan. It is identical with House Joint Resolution 118, introduced in the House by Mr. HOLLAND, of Pennsylvania, on January 5 of this year. It is similar, also, to Senate Joint Resolution 155, which the senior Senator from West Virginia [Mr. RANDOLPH] introduced during the 2d session of the 88th Congress.

Justice Musmanno's plan in essence provides that the House and Senate Judiciary Committees will constitute a permanent Commission on Prevention of Lapse of Executive Power. Under such rules as the Congress shall prescribe by concurrent resolution, the Commission shall determine by a two-thirds vote all questions concerning the inability or disability of the President to discharge the powers and duties of his office, and shall determine when such inability or disability ceases.

I am aware that I am a cosponsor of Senate Joint Resolution 1, introduced on January 6 by the junior Senator from Indiana [Mr. BAYH]. I still support Senate Joint Resolution 1 in every respect.

The joint resolution which I have introduced will be referred to the Committee on the Judiciary. I understand that Justice Musmanno, a noted authority on the Constitution, will appear before the committee on Friday of this week to testify concerning the problem of Presidential succession. It will assist the committee to have before it the Musmanno plan. I offer this joint resolution for that purpose.

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

The joint resolution (S.J. Res. 34) proposing an amendment to the Constitution of the United States on Presidential power and succession, introduced by Mr. PASTORE, by request, was received, read twice by its title, and referred to the Committee on the Judiciary.

PROCEDURES IN CONNECTION WITH PROPOSED AMENDMENTS TO THE CONSTITUTION

Mr. STENNIS. Mr. President, I send to the desk for appropriate reference a Senate resolution to require that the passage of a joint resolution proposing an amendment to the Constitution shall be determined by a yea-and-nay vote upon a call of the roll of the Senate. If adopted, this resolution would amend the standing rules of the Senate:

Article V of the Constitution provides, in part, that:

> The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing amendments.

The significance of proposing changes in our basic law is self-evident, Mr. President; it is a duty which the Congress should exercise with the greatest care. I became deeply concerned during the last session of Congress, however, with the manner in which the Senate considered and adopted Senate Joint Resolution 139. That resolution proposed very basic changes in our Constitution with reference to Presidential inability and succession, and yet it was considered on the floor of the Senate and adopted at a time when only nine Senators were present. There was no rollcall vote and the RECORD does not even reflect the presence of a quorum at the time of the voice vote, although a quorum was present earlier in the day. When this situation came to my attention, I moved to reconsider the vote by which Senate Joint Resolution 139 had been adopted. By agreement of the majority leader, this motion was passed and the resolution was subsequently adopted on a rollcall vote of 65 yeas and 0 nays.

I emphasized on the floor of the Senate during consideration of Senate Joint Resolution 139 that the constitutional provisions and the rules of the Senate had been technically followed. In my opinion, however, the Constitution does not contemplate the adoption of a resolution proposing an amendment when only nine Members of the Senate are in attendance.

To the contrary, I believe the spirit of the Constitution requires that the RECORD affirmatively reflect not only the actual presence of a quorum and the names of those constituting the quorum, but also the fact that two-thirds of the Senators present voted in favor of the resolution.

A vote thus recorded is itself a strong recommendation to the States that the proposed amendment be adopted.

The Congress has no greater responsibility, Mr. President, than that of considering proposed changes in our basic and fundamental law. The amending process is not often used, but when it is extreme care should be exercised. The adoption of the resolution I now introduce would insure such consideration. I strongly urge its immediate consideration by the Committee on Rules and adoption by the Senate.

Mr. President, I ask that the resolution be appropriately referred.

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

The resolution (S. Res. 67) was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Standing Rules of the Senate are amended by adding at the end thereof the following new rule:

"RULE XLI

"The question of the passage of a joint resolution proposing an amendment to the Constitution shall be determined by a yea-and-nay vote upon a call of the roll of the Senate."

APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

AMENDMENT NO. 7

Mr. LAUSCHE submitted amendments, intended to be proposed by him, to the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region, which were ordered to lie on the table and to be printed.

Mr. LAUSCHE. Mr. President, if adopted, the amendment would prohibit the use of any money which would be authorized in the bill, S. 3, for the rehabilitation of strip-mined land belonging to private individuals until a study authorized in the bill is completed on July 1, 1967. The bill contains language calling for a study of the ravages of strip-mined land. The study would make recommendations as to how to solve the problem. I completely concur with that part of the bill. But the bill contains a paradox. While the study is being made, money would be authorized for the leveling of private land, I suppose, provided that it would be devoted to public use. My purpose is to make the study first, find out what might be done, and then begin appropriating money for the rehabilitation of land.

AMENDMENT NO. 8

Mr. McCLELLAN. Mr. President, on behalf of my distinguished colleague from Arkansas [Mr. FULBRIGHT], the distinguished junior Senator from Oklahoma [Mr. HARRIS], and myself, I send to the desk a proposed amendment to S. 3. I ask unanimous consent that it may be printed and lie on the desk.

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

The amendment (No. 8) was ordered to lie on the table and to be printed.

Mr. McCLELLAN. Mr. President, the amendment would add a new chapter to S. 3, the Appalachia bill, entitled "The Ozark Development Act of 1965."

The amendment would create the Ozark Development Commission, composed of seven members, three appointed by the President from the participating States, three appointed by the Governors of the States, one each from the States of Arkansas, Missouri, and Oklahoma; and the seventh to be appointed at the discretion of the President, to serve as chairman and full-time executive officer of the Commission.

The Commission would provide for the continuing development of comprehensive and coordinated plans and programs, including those for land and public works, and establish priorities therefor; conduct investigations, research, and studies, including inventory and analysis of the resources of the region. The Commission would also sponsor demonstration projects designed to foster regional productivity and growth.

The Commission would prepare detailed plans, in cooperation with the Secretary of Commerce, for scenic highways in the region, to include planning for the development of recreational sites in such regions.

The Commission would review and recommend modifications or additions to existing Federal, State, local, and private programs to improve their effectiveness, and assist in their financing. It would be authorized to recommend interstate compacts and cooperation; to work with State and local agencies to develop model legislation; support existing local development districts and encourage formation where needed and make

grants for professional assistance to these locals; encourage private investment in industrial, commercial, and recreational projects; and to serve as a focal point and coordinating unit for Federal, State, and local programs in the region.

The Commission would provide a meaningful forum for consideration of problems of the region and propose solutions thereto, using citizens and special advisory councils and public conferences.

The Commission could also designate such other counties in the States covered as deemed necessary to carry out the purposes of the Ozark region legislation; and recommend to the President for transmittal to the Congress a program of development projects, with proposals for Federal participation in their funding as the Commission deems warranted by studies.

The bill would authorize the expenditure of $7.5 million.

We feel that some areas of our Nation meet the criteria for the proposed development of the Appalachia region, and we in the Ozark area feel that the Ozarks should be included in any program of assistance that is proposed and involved in S. 3.

If we are to have a program of this kind and select areas of our country that are in distress or that are having some economic problems, those of us who are sponsoring the amendment to which I have referred feel that the program should be made applicable to areas and sections of the country in which we are interested and where some of our people live as well as other sections of the Nation. We do not feel that our States and our areas should be discriminated against, omitted, or excluded from the character of the legislation proposed, if it is deemed to be wise and a part of the responsibility of the Federal Government.

AMENDMENT NO. 9

Mr. McCLELLAN. Mr. President, on behalf of my distinguished colleague, the Senator from Arkansas [Mr. FULBRIGHT] and myself, I submit and send to the desk an amendment intended to be proposed to the amendment of the Senator from Wisconsin [Mr. NELSON] to S. 3, and I ask unanimous consent that the amendment be printed and lie on the desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered; and, without objection, the amendment will lie on the desk.

The text of the amendment is as follows:

On page 4, after line 23, insert the following new subsection:

"(e) Notwithstanding the provisions of subsection (a) of this section, the Administrator shall designate that portion of the States of Arkansas, Missouri, and Oklahoma as is commonly known as the Ozark region, as a region for the purposes of this Act."

Mr. McCLELLAN. Mr. President, this is an amendment to the amendment offered by the senior Senator from Wisconsin [Mr. NELSON] to S. 3. The amendment of the Senator from Wisconsin [Mr. NELSON] is designed to assist no more than six economically depressed regions to meet their special problems and to promote their economic development by helping to develop policies and programs for Federal, State, and local efforts essential to an attack upon common problems through a coordinated and concerted regional approach.

His amendment, in essence, is designed to lead to the development of six Appalachia-type regions and starts with the planning, coordinating, developing, and recommending stages.

The amendment we are now submitting to the amendment of the Senator from Wisconsin [Mr. NELSON] would merely specify the Ozark region as one of the six regions to be designated under the proposed legislation. If accepted, it would mean that the Ozark region would qualify for up to $2½ million for the development of a regional plan for the area.

AMENDMENT NO. 10

Mr. LONG of Louisiana submitted an amendment, intended to be proposed by him, to Senate bill 3, surpa, which was ordered to lie on the table and to be printed.

PREVENT FEDERAL SUBSIDIES FOR CATTLE PRODUCTION IN APPALACHIA (AMENDMENT NO. 11)

Mr. HRUSKA. Mr. President, on behalf of myself and Senators CURTIS, DOMINICK, MUNDT, TOWER, BENNETT, SIMPSON, MILLER, and LAUSCHE, I submit an amendment, intended to be proposed by us, jointly, to Senate bill 3, the Appalachia bill, which if adopted, will strike section 203 from the Appalachia bill. Section 203 is the section dealing with special assistance to the Appalachia region by the Secretary of Agriculture.

Last year the corresponding section of the bill was entitled "Pasture Improvement and Development." It provided for a direct program of assistance in building up the cattle industry of the region.

In this year's bill as reported by the committee, section 203 is entitled "Land Stabilization, Conservation, and Erosion Control." The new language carefully avoids any mention of pasturage, or of cattle or any other kind of livestock. The language has been completely recast after the model of the Great Plains conservation program and all the emphasis is on conservation.

Last year, section 203 was stricken from the bill by the Senate on the basis of protest from indignant cattlemen all over the country. Although the language has been rewritten, it is suggested that the authority contained in this section should still be a cause for concern by the American cattle industry, and the Senate should stand by its guns and strike it out again.

This position is taken for the following reasons. First of all, the new section 203 still gives to the Secretary of Agriculture all the same authority to make grants and to lend special assistance to the farmers of Appalachia that was contained in the language of section 203 of the bill last year, S. 2782 of the 88th Congress. The bill would authorize grants to landowners in the amount of 80 percent of the cost of the work to be undertaken in conserving and developing the land. In last year's bill, such assistance could be given on not more than 25 acres for each landowner; in this year's bill, the limit has been raised—to 50 acres per landowner.

Last year the Secretary of Agriculture advised us that the only hope of salvation for the farmers of the Appalachia region lay in the development or expansion of cattle production. That was the only real opportunity for improvement in the agricultural productivity of the region. We were told that no other agricultural industry could be expanded to a degree that would be of any real help to those farmers.

If that was the case last year, I see no reason to believe that the situation has changed this year. We must conclude that such improvements as would be accomplished under the provisions of this rewritten section 203 would be mainly in the direction of expanded cattle production.

Thirdly, it is to be noted that exactly the same sum of money, $17 million, would be authorized in this year's bill as in last year's bill.

Our opposition to this proposal is not due to any lack of sympathy for the problems of the small farmers of the Appalachia region. We understand those problems and would help with them if we could. But we cannot afford to grant discriminatory assistance to the cattle industry of one part of the country at the expense of our own producers. We cannot be expected to acquiesce in a proposal directed squarely against the livelihood of our own people.

Mr. President, surely Senators have not forgotten the uphill struggle of American cattlemen during these past 2 years, to keep their heads above water, to maintain the solvency and the productivity of the American cattle industry. American cattlemen suffered severely from the sharp price declines of 1963 and 1964. Initially, prices of fed cattle dropped as much as 30 percent on the major livestock markets. Choice slaughter steers in Chicago which were over $30 a hundred in the latter part of 1952, averaged between $21 and $22 a hundred during much of last year. Although a part of this price drop has been recovered, it is only a part and prices are still distressingly low.

The plans announced for the Appalachia region were in terms of feeder cattle rather than fat cattle. The picture in this respect is even more depressing. Feeder cattle are still far below the prices even of last year. In Omaha during the week ended January 23, according to the Department of Agriculture, choice feeder steers averaged only $21.50 per hundred, compared with $24.25 per hundred at the same time last year.

It would be my hope that whatever action the Senate takes, it will not inflict another blow on the American cattle industry. Last year, the Secretary of Agriculture went up and down the land proclaiming that the problems of the cattle industry were due primarily to our own overproduction. It is inconsistent, in fact it is ridiculous for him to recommend and for us to take action to stimulate further beef production through the use of special Federal subsidies on a basis which discriminates in favor of one

section of the country and against all other sections.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the table.

ADDITIONAL COSPONSOR OF S. 5

Mr. HARTKE. Mr. President, I ask unanimous consent that at the next printing of S. 5, the higher education bill, the name of the Senator from Louisiana [Mr. LONG] be added as a cosponsor.

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

DESIGNATION OF COLUMBUS DAY AS A LEGAL HOLIDAY—ADDITIONAL COSPONSOR OF BILL

Mr. BOGGS. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 108) making Columbus Day a legal holiday, the name of the distinguished junior Senator from New Hampshire [Mr. MCINTYRE] be added as a cosponsor.

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

TO AUTHORIZE THE ESTABLISHMENT OF A PUBLIC COMMUNITY COLLEGE AND A PUBLIC COLLEGE OF THE ARTS AND SCIENCES IN THE DISTRICT OF COLUMBIA—ADDITIONAL COSPONSORS OF BILL

Mr. MORSE. Mr. President, I ask unanimous consent that at the next printing of the bill, S. 293, authorizing the establishment of a public community college and a public college of arts and sciences in the District of Columbia, the names of my distinguished colleagues, the Senator from New York [Mr. KENNEDY], the Senator from Maryland [Mr. TYDINGS], and the Senator from Texas [Mr. YARBOROUGH] be added as cosponsors.

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

A FLOOD CONTROL INSURANCE STUDY—ADDITIONAL COSPONSOR OF BILL

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that at the next printing of S. 408, the bill I have introduced to authorize a flood insurance study, the names of Senators MCGEE, HART, JAVITS, and PELL be added as cosponsors.

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

REVISION OF OUR IMMIGRATION LAWS—ADDITIONAL COSPONSOR OF BILL

Mr. HART. Mr. President, I ask unanimous consent that at its next printing the Senator from California [Mr. MURPHY] be added as a cosponsor of S. 500, a bill carrying out the President's recommendations for revision of our immigration laws.

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

UPPER NIOBRARA RIVER COMPACT, WYOMING AND NEBRASKA—ADDITIONAL COSPONSORS OF BILL

Mr. SIMPSON. Mr. President, a mistake was made as to the sponsors of S. 553. This bill calls for the consent to the Upper Niobrara River Compact between the States of Wyoming and Nebraska.

A similar bill was introduced during the 88th Congress by myself, Senator HRUSKA, Senator CURTIS, and Senator MCGEE. The bill, as introduced on January 15, 1965, should have had the same cosponsors. I ask unanimous consent to have the names of the two Senators from Nebraska and Senator MCGEE added to the bill at the next printing.

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

ADDITIONAL COSPONSORS OF BILL AND JOINT RESOLUTION

Under authority of the orders of the Senate of January 19, 1965, the following names have been added as additional cosponsors for the following bill and joint resolution:

S. 602. A bill to amend the Small Reclamation Projects Act of 1956: Senators ALLOTT, BENNETT, BIBLE, BURDICK, CHURCH, KUCHEL, MCGEE, MCGOVERN, MORSE, MUNDT, AND SIMPSON.

S.J. Res. 30. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget: Mr. HRUSKA and Mr. THURMOND.

ANNOUNCEMENT OF HEARINGS ON S. 672, A BILL TO AMEND THE ARMS CONTROL AND DISARMAMENT ACT

Mr. FULBRIGHT. Mr. President, I wish to announce that the Committee on Foreign Relations will schedule hearings on February 22, 1965, on S. 672, a bill to amend the Arms Control and Disarmament Act, as amended, in order to increase the authorization for appropriations.

A draft of this bill was transmitted to the Senate by the President of the United States on January 15 and was introduced by me on January 22, 1965. The Director of the Arms Control and Disarmament Agency, Mr. William C. Foster, will appear on behalf of the administration, and subsequently the committee will hear such others as ask to testify.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, notified the Senate that, pursuant to the provisions of 20 U.S.C. 42 and 43, the Speaker had appointed Mr. MAHON, of Texas; Mr. KIRWAN, of Ohio, and Mr. BOW, of Ohio, as members of the Board of Regents of the Smithsonian Institution, on the part of the House.

The message also notified the Senate that, pursuant to the provisions of Public Law 88-427, the Speaker had appointed Mr. PRICE, of Illinois; Mr. DENTON, of Indiana; Mr. BRAY, of Indiana; and Mr. FINDLEY, of Illinois, as members of the Joint Committee To Commemorate the 100th Anniversary of the 2d Inagural of Abraham Lincoln, on the part of the House.

SENATOR AIKEN ON APPORTIONMENT

Mr. DIRKSEN. Mr. President, on December 9, 1964, the distinguished Senator from Vermont [Mr. AIKEN] addressed the American Farm Bureau annual meeting at Philadelphia. In his remarks he laid great emphasis on the issue of apportionment and reapportionment. I ask unanimous consent that his address be printed in the RECORD.

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

ADDRESS BY SENATOR GEORGE D. AIKEN, AMERICAN FARM BUREAU ANNUAL MEETING, PHILADELPHIA, PA., DECEMBER 9, 1964

On July 4, 1776, the sparsely settled American Colonies, having long endured the injustice of paying taxes to the more populous British Crown Government, while having no representation in the British Parliament, declared their independence of England and took up arms in defense of liberty.

In 1787, having won the war against Great Britain, representatives of the emerging Colonies met at Philadelphia to write a workable constitution for the United States.

The job was not easy.

Populous States, like New York, Pennsylvania, and Massachusetts, held that the Congress should consist of a single house with representation based on population alone, although there was some suggestion that wealth should also be taken into consideration as a basis for representation.

Other States, with smaller population, but with great potential for future growth, and which were already the source of much of the wealth which was centered in Boston, New York, and Philadelphia, protested vigorously and threatened to leave the Constitutional Convention if representation in the Congress were to be based on population alone.

Had they done this, there would have been no organization of the United States.

To make a long and torrid story short, it was finally decided that the U.S. Congress should be comprised of two Houses, the Representatives of one to be based on population alone, while the other, the Senate, would have two Members from each State, regardless of population.

To guard against possible injustice by the smaller, more numerous States, however, it was provided that all bills relating to revenue should originate in the House.

It has also been accepted by tradition that all appropriation bills should also originate in the House.

The Senate was given the responsibility for approving all major appointments of the President.

Besides providing for a Congress, the Constitution also provides for an executive branch and a judicial branch of the Government.

The provisions for the appointment of Supreme Court Justices and a general definition of their powers is found in the Constitution.

The authority for establishing lower Federal courts and defining their powers and limitations is vested in the Congress.

The provision for balancing the powers of Government in three separate branches has served us well for over 175 years.

Since I have been in public service, I have seen each of the three branches undertake to infringe on the authority of another, though none of the previous forays has been quite as bold as the current efforts of the judiciary to assume legislative powers and remake the structure of our Government.

The American law section of the Library of Congress says that the power of the Supreme Court to interpret the Constitution and acts of the legislative branch was first laid down by Chief Justice Marshall in 1803 (*Marbury* v. *Madison*).

However, Marshall's claim has never been supported by legislation.

The matter of conferring such power on the Court was discussed at the Philadelphia Convention and was never granted by the Constitution, thus implying that it was a subject for the legislative branch to deal with.

The following year (1804), Thomas Jefferson wrote: "The Constitution meant that its coordinated branches be checks on each other. But the opinion which gives the judges the right to decide what laws are constitutional, and what not, not only for themselves in their own sphere of action, but for the legislative and executive also in their spheres, would make the judiciary a despotic branch."

And after 160 years, we can see the justification for Jefferson's analysis.

The opinion of the Supreme Court which holds that State legislatures, whether unicameral or bicameral, must have membership based on population alone is founded on the contention that the 14th amendment of 1866 justified such decision.

Yet, Justice Harlan in a vigorous and scholarly dissent from the majority opinion of the Court shows conclusively that the 14th amendment was never intended to interfere with the States right to control legislative representation within their own borders.

Should the assumption of power by the Supreme Court be permitted to stand and that body become permanently vested with authority to not only repeal acts of the legislative branch of the Government but to alter the structure of government itself, then the United States would be in the unique and unenviable position of being virtually the only nation where the desires of the people can be stifled by a politically appointed tribunal.

If the Supreme Court ruling in the case of *Reynolds* v. *Sims* is fully implemented, the result will be that except for a few small nations where unicameral legislatures are in effect, the United States will be about the only nation where representation in legislative bodies is based on population alone while area and other factors are disregarded.

Therefore, the decision of the Supreme Court can only be regarded as a judicial "coup d'etat" resulting in a weakening of the power of the States to regulate suffrage on the local basis and a further assumption of the power of government by the judiciary.

Leaving further discussion of the legal and constitutional aspects of the situation to the lawyers, I would now like to discuss the probable effect of the Court's decision, particularly as it may affect rural America.

First, let us recognize the fallacy of any belief that the battle in which we are now engaged is essentially a conflict between the people of the urban areas and the people who live in the smaller towns and cities and the farflung rural areas of America.

We, who live on the farms, hold no monopoly on devotion to the democratic principles of government.

A goodly percentage of the protests against the Court's decision comes from urban areas.

To be specific, we are engaged in a struggle between the powerful political machines of the great cities and the people of the United States.

Make no mistake about it—this is a battle for the political control of the Nation and with that control goes the power to tax, the power to spend, and the power to enact programs which will affect the lives and welfare of every living person for generations to come.

What makes a nation great?

What makes its economy expand?

Not the concentration of people and of wealth in already overcrowded cities, but the expansion of industry and commerce and people into the less developed areas, where there is opportunity and resources and room.

It was this type of expansion across the Alleghenies—across the prairies—across the Rockies to the broad Pacific—that made the United States the greatest nation in the world.

And every foot of that progress was made over the objection of the early counterparts of those who would seize the reins of political power today.

There is no question but what both area and population being represented in the legislature of each new State was one of the most cogent reasons for the rapid growth and development of the United States, just as the same formula for the U.S. Congress was also a mighty influence to the same end.

Now this formula for progress has been declared unconstitutional.

Unless this backward turn toward the days of King George III can be corrected, what results can be expected?

When the requirement that membership in both houses of a State legislature be based on population alone, as laid down by the Supreme Court in *Reynolds* v. *Sims*, is fully implemented not only the rural areas of the United States but the Nation itself can anticipate adverse results.

Once both houses of the State legislatures are apportioned in accordance with the rule, control of fully half the States will pass to an urban majority, leaving the rural areas of a State as a minority or possibly without representation at all.

Having achieved control of the legislature, the urban majority will then have the power to embark upon a legislative program designed to provide the greatest possible benefits to their urban constituents.

The adverse effect on the rural area will come in three stages.

During the first stage, some State legislatures will immediately move to alter or curtail many present State functions.

There are many programs now in operation benefiting the rural areas that can reasonably be expected to be terminated or substantially reduced so as to leave more State revenues for urban use.

A prime example in some might be the farm-to-market road programs.

Obviously, an urban area is more interested in the construction of more freeways, expressways, and improved city streets and sidewalks than it is in constructing farm-to-market roads that are used less frequently by urban dwellers.

Yet, these farm-to-market roads which require tax dollars to construct and maintain are frequently the sinews by which the strength of the whole community is maintained.

Does anyone doubt that a greater portion of the road funds, both State and local, would be siphoned off for urban use?

In the education fields, the need for additional funds in the cities and in the rapidly burgeoning suburbs is readily acknowledged.

Today, in well-balanced State legislatures, educational funds are distributed on a fairly equitable basis.

An urban dominated legislature could certainly be expected to reorganize existing procedure so as to provide a greater share of the funds for urban use and particularly to provide more State funds for the construction of suburban schools.

This alteration could take various forms.

It might well be to deny State funds to schools with less than a certain minimum daily attendance, one that could easily be met by urban schools but would force further consolidation of rural schools in order to qualify for State assistance.

This procedure could even be extended to deny recognition to schools with less than the minimum number of required students.

Certainly, a change in curriculum could be anticipated as a means of conserving funds for urban use.

This, for many States, would undoubtedly mean a greatly restricted vocational agriculture program.

The present home economics program operated under the vocational education system could also be in jeopardy.

The emphasis on vocational education could be expected to be shifted to urban oriented programs designed to prepare students for employment in industry or commerce.

One of the more devastating actions that could be taken by an urban dominated legislature would be in the field of taxation.

Certainly, the amount of taxes paid by farmers would be increased substantially, even though they would be distributed in such a manner that the major portion would go to the urban areas.

This change could come in various ways.

Real estate, less improvements, could be taxed at a much higher rate than at present.

Sales taxes could be imposed upon farm sales.

And even more burdensome tax might well be the much-discussed value added tax.

Of all taxpayers, except professional people, farmers would be hardest hit by an across-the-board application of a value added tax.

These illustrations I have given represent but a few of the immediate steps that an urban controlled legislature could take.

More devastating action will come later during the second stage of rural adversity.

In all probability, in most States where county government prevails, the farmer will feel the next effect of the *Reynolds* v. *Sims* decision when there is a forced reorganization of county government units either by court action or by action of an urban dominated legislature.

Most counties today operate under a township form of government.

That is to say the governing body of the county is the board of trustees, elected one from each township, regardless of the population of the township.

This method of selecting members cannot possibly survive the *Reynolds* v. *Sims* decision.

Membership of the board will be based on population and it requires no oracle to determine where the majority resides.

It is not on the farm.

Having gained control of county governments, the urban power will operate in much the same fashion as the urban dominated legislature, except it will be on a local scale.

The result, so far as the farmer is concerned, will be the same.

The third and most disastrous stage of the application of the *Reynolds* v. *Sims* rule will probably come in 1972 when urban dominated legislatures, assuming complete reapportionment by then, undertake to create new congressional districts in accordance with the 1970 census.

Here will come the real blow to rural representation in the Congress of the United States.

Although not mentioned in the Supreme Court decision, the State legislature does create new congressional districts following each decennial census.

It requires little imagination to visualize the districts that will be created by an urban controlled legislature in many States.

Certainly, they will not be drawn in such a manner as to favor the rural people.

Undoubtedly, they will have equal population but their shape might be something else again.

Having lost representation in the Congress as a direct result of the Supreme Court decision, agriculture would then lose much of the protection and services it now receives under Federal law.

An urban controlled Congress would be interested in food and fiber of the highest quality at the cheapest price for the city constituents, regardless of how or where produced.

Certainly, price support programs, which are already opposed by many city Congressmen would be abandoned and many of our dwindling number of farmers could not survive in the battle of markets that would ensue.

In like fashion, other agricultural programs that have been developed over the years would likely be rapidly terminated.

These are but a few of the possible consequences of the decision announced by the Supreme Court of the United States on June 15, 1964, when it handed down its decision in the case referred to as *Reynolds* v. *Sims*.

Now, the question arises—Do we take this change in our constitutional form of government lying down?

Do we roll over on our backs and whine and admit we are licked?

Or, do we rise up on our hind legs and fight this infringement of our democratic rights?

I say "let's fight"—for democratic principles are hanging in the balance.

But right now, I would like to make a few factual statements; call them concessions if you wish.

1. There is no question but what the legislatures of many States are malapportioned in one or both houses.

In some cases, this is due to the rapid population growth of the State and the timelock on amendments to the State constitution.

2. There is no reason to believe that in most State legislatures reapportionment will not be fairly conducted.

3. There never has been any constitutional prohibition against any State basing representation in its legislature on population only, although, at this time, only one State is currently operating on a unicameral basis.

My own State of Vermont, for 50 years functioned under a unicameral legislature before deciding that it was better to have two houses—one based on area and the other on population.

4. There is absolutely no reason why any qualified person in this Nation should be denied the right to vote.

5. There is no reason whatever why any person should be denied the right to representation in the legislative bodies of the State and the Nation.

6. There is no doubt that if the Supreme Court's ruling in the case of *Reynolds* v. *Sims* is carried out literally as ordered by the lower Federal courts, it would be possible to deny a substantial percentage of the voters of the Nation equal representation in their legislative bodies.

On the other hand, it is not reapportionment by itself that should give us most concern.

What we must be most concerned with is: (1) The assumption of legislative powers by the judiciary, thus upsetting the balance of government; and (2) the denial—up to date—of the right of the people to decide for themselves the method of representation in their State legislatures and eventually in the U.S. Congress.

In the normal course of events, it would be a simple matter for the Congress to submit to the States a constitutional amendment providing that each State could decide for itself whether it desires both houses of its legislature to be based on population alone or whether other factors might be considered.

Such an amendment could be acted upon either by the legislature of the State or by State convention as directed by the Congress.

Under the convention method, all voters of the State would be permitted to express themselves on this subject without the complications attendant to the election of a legislature.

During the last session of Congress, constitutional amendments were proposed.

Efforts to submit an amendment or to postpone reapportionment orders until an amendment could be submitted were blocked by parliamentary maneuvers, even though both Houses of Congress clearly favored the submission of such an amendment.

Effective though far-reaching legislation did pass the House but in the Senate the move to let the people decide for themselves was effectively blocked.

According to ancient history, King Leonidas and 1,000 Spartans and Thespians, armed only with bows, swords, and spears, for 3 days kept almost 200,000 Persians from getting through the pass at Thermopylae.

According to more recent history, a half dozen U.S. Senators armed only with a filibuster kept 190 million Americans from getting through the impasse of Washington in order to exercise their constitutional right of expressing themselves through the votes of their duly elected representatives to the U.S. Senate.

History also records that King Leonidas and his troops after their initial success were eventually overwhelmed and annihilated.

The strategy of the filibusterers was clear.

They were sure that an amendment voted upon by presently constituted State legislatures would be quickly approved by more than three-fourths of the States or more than the required number.

They were equally sure that an amendment voted upon by State legislatures elected under the population-only ruling would not get the support of enough States to put it into effect, since legislators would be inclined to stick by the system under which they themselves had been elected.

And our filibusterers were equally opposed to the Constitutional Convention method of considering an amendment since they feared that, if given the opportunity, the people themselves would overturn the Supreme Court ruling.

It is significant that virtually all of the Senators taking part in the filibuster were from States with cities of 1 million and over; cities that are overwhelmingly in debt and are constantly seeking new sources of revenue either from taxes or public grants; cities whose demand for Federal appropriations can never be adequately met and which may be driven by desperation to seek further benefits from the more prudent rural areas once they get the opportunity.

During the debate on the civil rights bill, this same group bitterly assailed the filibustering tactics of others.

The civil rights bill affected only part of our population.

The reapportionment ruling affects every man, woman, and child in this Nation.

There may be some who say that the Court's decision applies only to the States and will not affect the Federal Government.

This may be true for the present, but the advocates of city control over State legislatures have already made it plain that they believe the U.S. Congress to be improperly constituted.

During the course of the debate last session, they bitterly lamented the fact that small States have equal representation in the U.S. Senate.

If the structure of State government can be so preemptorily shattered, as in the *Reynolds* v. *Sims* case, is there any reason to doubt that a move to reorganize the U.S. Senate on a population-only basis is not far off?

The time to act to protect the rights of our communities, our States, and the people of our country is right at the beginning of the next session of Congress.

There are two things which common justice demands that we do.

First, let a constitutional amendment be submitted and let us fight to a finish to see that all the people of the United States get a chance to pass on it.

If we could spend 5 months in breaking a filibuster against legislation that affected the rights of only part of the people, we should spend all the next session, if needs be, in breaking any filibuster aimed at restricting the rights of all the people.

Secondly, the Congress should settle once and for all the question of the powers and limitations of the U.S. Supreme Court.

If this is not done, if we supinely acquiesce in the Court assumption of powers not authorized by the Congress, we may expect further encroachments upon the legislative branch of Government.

And, mind you this and mind it well, Members of Congress cannot win the battle alone.

We must have the backing of the people actively supporting us at all levels of Government.

The extent of that backing will depend upon how well the American Farm Bureau Federation and other organizations devoted to the principles of democratic government do their work.

The task is tremendous—the conflict is inevitable—the reward will be a well-balanced Government and a self-governing people.

COMMITTEE MEETINGS DURING SENATE SESSION

Upon request by Mr. MANSFIELD, and by unanimous consent, the Committee on Rules and Administration and the Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare were authorized to meet during the session of the Senate today.

ENCOURAGEMENT OF PHYSICIANS AND DENTISTS TO PRACTICE THEIR PROFESSIONS IN AREAS WHERE SHORTAGES EXIST

Mr. MANSFIELD. Mr. President, I have cleared with interested Senators a bill which I should like to bring before the Senate at this time. It is a minor bill which was passed last year, unanimously, I believe. I ask unanimous consent for the immediate consideration of Calendar No. 6, Senate bill 576.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 576) to encourage physicians and dentists who have received student loans under programs established pursuant to title VII of the Public Health Service Act to practice their professions in areas having a shortage of physicians or dentists.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare.

Mr. COTTON. Mr. President, I ask unanimous consent that the name of the junior Senator from Idaho [Mr. JORDAN] be added as a cosponsor of the bill.

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

Mr. COTTON. Mr. President, as the sponsor of S. 576, I wish to express my appreciation to the distinguished Senator from Alabama [Mr. HILL], the chairman of the Senate Committee on Labor and Public Welfare, and to the members of his committee for their prompt action in reporting this bill to the Senate. I am also grateful to the majority leader for scheduling it for Senate consideration with so little delay.

As Senators are aware, this bill is identical to S. 2220, which I and other Senators introduced in the 88th Congress and which passed the Senate December 3, 1963. Unfortunately, the bill failed to pass the House of Representatives on September 3, 1964, by a vote of 140 to 160.

The aim of the bill is to encourage doctors who have received some Federal loans for their medical education to practice in rural areas and other sections of the country where there is a shortage of doctors. Specifically, the bill permits a forgiveness of the principal and interest on the Federal loans for doctors who agree to practice their profession in areas certified by State health officials as being in need of physicians. The loan forgiveness would be in the amount of 10 percent per year up to 5 years. In other words, 50 percent of the Federal loan could be forgiven for physicians who practice for 5 years in shortage areas.

The problems of a shortage of doctors in many remote and rural areas is not an academic one. It is a literal matter of life and death of many, including some in parts of New Hampshire who must travel great distances to get medical attention.

There are some 99 counties in this country today in which not a single doctor lives or practices medicine. A study by the Department of Health, Education, and Welfare brought to light the fact that there were three times as many doctors per 1,000 people in metropolitan counties than there were in isolated rural areas.

As is true with other Senators, I know from firsthand experience of the suffering, the pain, the anguish and hardship which results in many of our remote areas and small towns because of the absence of doctors.

But something more than pain and hardship is involved. There are more than a few cases on record where people with heart attacks have died in automobiles on their way to distant hospitals because a physician was unavailable to administer the emergency measures to keep them alive.

I think compassion alone compels us to do everything in our power to encourage a solution to this problem.

This certainly is not a complete answer, but it is a sure step in the right direction. It is the least we can do.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 576) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 741 of the Public Health Service Act is amended (1) by redesignating subsections "(f)", "(g)", and "(h)" thereof as subsections "(g)", "(h)", and "(i)", respectively, and (2) by adding immediately after subsection (e) thereof the following new subsection:

"(f) Where any person who obtained one or more loans from a loan fund established under this part—

"(1) engages in the practice of medicine, dentistry, or osteopathy, in an area in a State determined by the appropriate State health authority, in accordance with regulations prescribed by the Secretary, to have a shortage of and need for physicians or dentists; and

"(2) the appropriate State health authority certifies to the Secretary of Health, Education, and Welfare in such form and at such times as the Secretary may prescribe that such practice helps to meet the shortage of and need for physicians or dentists in the area where the practice occurs; then 10 per centum of the total of such loans, plus accrued interest on such amount, which are unpaid as of the date of such practice begins, shall be canceled thereafter for each year of such practice, up to a total of 50 per centum of such total, plus accrued interest thereon, except that regulations prescribed pursuant to clause (1) may also provide for a minimum period of service as a condition to application of this subsection."

Mr. COTTON. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table the motion to reconsider was agreed to.

LEAVE OF ABSENCE

Mr. PASTORE. Mr. President, having in mind the Senate activities of tomorrow, Friday, I am asking unanimous consent of the Senate to be excused from attendance at the Friday session. This is in order that I may pay my last respects to a very close and very dear friend and honored Rhode Island public servant, State Representative Anthony Tarro, whose untimely death has cast a gloom on the community.

The Senate will have under consideration S. 4, a bill to amend the Federal Walter Pollution Control Act, S. 3, the Appalachian Regional Development Act of 1965; and S. 408, to provide flood and earthquake insurance.

All these bills have my support, and I have no doubt they will all be passed by good margins. However, in the event that they should come up for yea-and-nay votes, I would hope that the leadership will provide me with a live pair so that my stand in favor of the legislation may be fully recorded.

Mr. President, I ask unanimous consent that I may be excused from attendance at the session of the Senate toworrow, Friday.

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

DEATH OF FORMER SENATOR CLAYTON DOUGLAS BUCK, OF DELAWARE

Mr. BOGGS. Mr. President, it is with sorrow that I join my distinguished colleague from Delaware [Mr. WILLIAMS], in calling the attention of Senators to the death yesterday of former U.S. Senator and Governor of Delaware, Clayton Douglass Buck.

He served in the Senate from January 3, 1943, to January 3, 1949, and during that time was chairman of the District of Columbia Committee as well as very active as a member of the Banking and Currency Committee. He served as acting chairman of this committee for a period while the chairman was ill.

He was a man of many talents. From 1922 to 1929 he served as chief engineer of the State of Delaware, and developed a nationwide reputation as a roadbuilder as he laid the foundation for Delaware's modern road system of today.

Elected Governor in 1929, he served two 4-year terms with distinction.

After his service as a Senator he consented to serve as State tax commissioner from 1953 to 1957, during my first term as Governor of Delaware.

Along with his many other interests, he was also a trustee for many years of the University of Delaware. In addition to his career as an engineer, he was active as a banker.

My personal debt to him is great.

After my service in World War II, I was serving as a judge in Delaware's family court when Senator Buck invited me to see him one day. He was also Delaware's national Republican committeeman at the time.

He suggested to me that I consider giving some of my time to public service and specifically recommended that I run for Congress that year, 1946. He was the first one to suggest elective public office to me, and all these years since was a loyal supporter, friend, and counselor.

It can well be understood, then, that it was with the deepest regret and sense of personal loss that I learned of the passing of this great Delawarean. His outstanding public services brought honor and respect to him, his family, and his State. In addition to his record of public accomplishment, he was also wonderful company and a person sensitive to the needs and problems of others.

Mrs. Boggs and I extend our deepest sympathy to his family.

Mr. WILLIAMS of Delaware. Mr. President, I join my colleague from Delaware in expressing regret over the death late yesterday of former Senator C. Douglass Buck, of Delaware.

Senator Buck's passing is especially sad for me to note, for it was to him that I looked for and received invaluable guidance when I first arrived in the Senate back in 1947. Senator Buck was then entering his fifth year as a Member of the Senate and he could not have been joined by a colleague greener than I. I shall

ever be grateful for the assistance which he and his fine staff offered me during the 2 years we were together in the Senate.

Senator Buck's public service to the people of Delaware was not, however, confined to the one term he served as a Member of this body from January 1943 to January 1949. Prior to his election to the Senate, Senator Buck served as the chief engineer of the Delaware State Highway Department and was elected twice to the office of Governor of Delaware, where he served from 1929 until 1937. He was also a member of the Republican National Committee from 1930 to 1937.

Upon leaving the Senate in 1949, Senator Buck returned to the banking business, but in 1953 he was called again into public service, this time to be State tax commissioner, a post which he held with distinction until 1957.

I am deeply saddened this morning to hear the news of his passing, and I know that the thousands of Delawareans who knew him and were associated with him both in business and in public life share the same feeling of loss.

Mrs. Williams joins me in extending to all members of the Buck family our deepest sympathy in this hour of sorrow.

WINSTON CHURCHILL

Mr. BARTLETT. Mr. President—

For Heaven's sake, let us sit upon the ground,
And tell sad stories of the death of Kings.

Saturday, they bury Sir Winston Churchill with no less the pomp and honor with which were buried Wellington and Marlborough; and this is fitting, for Churchill was no less than they.

His was a life of heroism and leadership, lived in the full glory of historical perspective. Churchill and the triumph of the Battle of Britain stand proud and sure with Nelson at Trafalgar and Marlborough at Blenheim. Churchill's greatness and his victory, and Britain's greatness and Britain's victory—for they were one and the same—will last for a thousand years, and the name of this splendid man will never be forgotten.

The beginning of all things, says the Bible, is with the word. All that Churchill was and all that he did were wrought with words. His supreme power was in his language. It is words that cause a man to rise up or that cast him down. It is language that inspires, that leads, and directs. No man writing in the English language—at least, in this century—has better understood or made better use of the power of our language.

It is a mawkish thing for us who live after to attempt to pay full and lasting tribute to Sir Winston. We cannot do it. He has done it for us. What he meant and what he was are seen in his words during those agonizing months in 1940. Those words have already taken their place with the greatest speeches ever addressed by leader to Nation.

Three times, in modern times, the enemy stood at English gates, and England was outnumbered and ill prepared. Three times, great men have come forth, and, using English as their weapon, have triumphed.

In 1415, young King Henry addressed his troops on the eve of Agincourt:

This day is call'd the Feast of Crispian:
He that outlives this day, and comes safe home,
Will stand a tip-toe when his day is named,
And rowse him at the Name of Crispian.
He that shall see this day, and live old age,
Will yeerely on the Vigil feast his neighbours,
And say, to morrow is Saint Crispian.
Then will he strip his sleeve, and shew his skarres:
Old men forget; yet all shall be forgot:
But hee'le remember, with advantages,
What feats he did that day. Then shall our Names,
Familiar in his mouth as household words,
Harry the King, Bedford and Exeter,
Warwick and Talbot, Salisbury and Gloucester,
Be in their flowing Cups freshly remembered.
This story shall the good man teach his sonne:
And Crispine Crispian shall ne're goe by,
From this day to the ending of the World,
But we in it shall be remembered;
We few, we happy few, we band of brothers:
For he to day that sheds his blood with me,
Shall be my brother: be he ne're so vile,
This day shall gentle his Condition.
And Gentlemen in England, now a bed,
Shall thinke themselves accurst they were not here;
And hold their Manhoods cheape, whiles any speakes,
That fought with us upon Saint Crispines day.

In 1588 Elizabeth, the Virgin Queen, addressed her troops as the greatest armada in the history of nations bore down upon the island people:

My loving people, we have been persuaded by some that are careful of our safety, to take heed how we commit ourselves to armed multitudes, for fear of treachery; but I assure you, I do not desire to live in distrust of my faithful and loving people. Let tyrants fear. I have always so behaved myself that, under God, I have placed my chiefest strength and goodwill in the loyal hearts and goodwill of my subjects; and therefore I am come amongst you, as you see, at this time, not for my recreation and disport, but being resolved, in the midst and heat of the battle, to live or die amongst you all; to lay down for God, for my kingdom, and for my people, my honour and my blood, even in the dust. I know I have but the body of a weak and feeble woman; but I have the heart and stomach of a king, and a king of England, too, and think it foul scorn that Parma or Spain or any prince of Europe, should dare to invade the borders of my realm; to which, rather than any dishonour should grow by me, I myself will take up arms, I myself will be general, judge, and rewarder of every one of your virtues in the field.

And in 1940, after Dunkirk, the King's First Minister, Winston Churchill, stood before the Parliament, and said:

What General Weygand called the Battle of France is over. I expect that the Battle of Britain is about to begin. Upon this battle depends the survival of Christian civilization. Upon it depend our own British life and the long continuity of our institutions and our empire. The whole fury and might of the enemy must very soon be turned on us. Hitler knows that he will have to break us in this island or lose the war. If we can stand up to him, all Europe may be free and the life of the world may move forward into broad, sunlit uplands. But if we fail, then the whole world, including the United States, including all that we have known and care for, will sink into the abyss of a new Dark Age, made more sinister, and perhaps more protracted, by the lights of perverted science. Let us therefore brace ourselves to our duties, and so bear ourselves that, if the British Empire and its Commonwealth last for a thousand years, men will say, "This was their finest hour."

Churchill's speeches—like that Shakespeare gives Henry before Agincourt, like Elizabeth's before the coming of the armada, or Nelson's before Trafalgar—have the force of a thousand atom bombs; but they do not destroy—they create; they give formulation to the nameless—and, until then, wordless—yearning of the national soul for the greatness of which it is capable and the courage of which it is shaped. By giving form to this force, they make it real; and, made real, it becomes invincible.

Churchill in 1940 made freedom invincible.

SUPPRESSION OF CIRCULATION OF OBSCENE LITERATURE

Mr. LAUSCHE. Mr. President, my attention has been called to the fact that Prosecutor James V. Barbuto, of Summit County, Ohio, has called together the law enforcement officials of 17 cities and villages. The purpose of the assembly is to map ways and means to suppress the circulation of obscene literature.

My purpose in speaking today is to commend Mr. Barbuto and his associates. I have great difficulty in reconciling the Federal Government's spending money, ostensibly for the purpose of helping youth escape delinquency, while, at the same time, pornographic, obscene, licentious literature is being indiscriminately sold on the public newsstands, and thus made available to our youth. I know that where poverty exists, the number of crimes may increase because of that fact. I likewise know that the morality of our youth is being poisoned by television shows which constantly portray violence as a heroic exhibition of goodness.

I likewise know that youth, when it has accessibility to prurient and obscene literature, is likely to depart from the path of righteousness and be precipitated into a life of crime.

Mr. President, Ohio State University had, in its Law Review, a chapter on obscene radio shows, and devoted considerable time to a program which was imported from a foreign country, for the purpose of being shown within the United States. The name of the motion picture was "The Mark of Cain" and the picture was supposedly taken from a biblical happening. When Cain slew Abel, there appeared on Abel's body the mark of the murderer. That theme was used in the motion picture. I was shocked to read that there was question as to whether certain phases of the picture were prurient and obscene.

The PRESIDING OFFICER (Mr. BASS in the chair). The time available to the Senator from Ohio in the morning hour has expired.

Mr. LAUSCHE. Mr. President, may I proceed for 2 more minutes?

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, certain phases of the motion picture, as reported in the book, in my opinion are obscene. The motion picture is now before the courts.

Mr. President, here on the floor of the Senate we can talk all we want about driving juvenile delinquency out of life, but that goal will never be reached by merely spending money. The cause must be reached; and the way to do that is to stop the panderers from exploiting the human weaknesses of our people.

I commend the prosecutor in Akron for his efforts to make the drive. If the prosecutors in the 88 counties of my State would enter into a vigorous fight against that type of exploitation of innocent people, we might reach some level of propriety and morality in our youth.

I ask unanimous consent that the newspaper article to which I have referred be printed at this point in the RECORD.

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

PROSECUTOR SEEKS BAN ON SMUT

AKRON.—Summit County Prosecutor James V. Barbuto, with the approval of law enforcement officers from 17 cities and villages, has declared war on obscene literature.

Barbuto will seek a permanent injunction in common pleas court next week against an unnamed newsstand operator who is selling what the prosecutor considers obscene paperback novels.

Meeting with law directors and solicitors from throughout the county yesterday afternoon, Barbuto said a favorable ruling could lead to an all-out war on so-called smut literature throughout the county.

Barbuto said a survey by his staff shows the obscene-type novels have penetrated 75 percent of the county. "If we don't attack it, it will destroy us," he remarked.

Barbuto declined to specify in which community he would attack the problem first. But he assured the law agents he would not move into their territory without notifying them in advance and asking for their cooperation.

Barbuto said a favorable court ruling under the injunctive procedure could prevent a retailer permanently from selling any of the paperbacks which would be submitted and ruled on by the court.

MRS. MARY SIPOS TO RECEIVE AWARD FOR HEROISM

Mr. LAUSCHE. Mr. President, I have read a newspaper article which states that Mrs. Mary Sipos, 36, of Brunswick, Ohio, is to be the recipient of a Carnegie Medal for heroic conduct. Her neighbor's house was on fire, about 250 feet from her own. She heard screaming. She left her home, ran the 250 feet into the smoke-filled and burning house, and took an infant out of a crib; and as she left the building, she was enveloped in flame, and was seriously burned.

Mr. President, it is a great delight to read of heroic conduct of this type, especially in the face of the morbidness that is constantly before us. As a Senator, I—and I am sure my colleague [Mr. YOUNG] will join me in doing this—express our commendation and joy and our respect for this distinguished lady.

Mr. YOUNG of Ohio. Mr. President, I gladly join my colleague in doing so.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that the newspaper article to which I have referred be printed at this point in the RECORD.

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

MRS. SIPOS TO GET TOP HERO AWARD

Mrs. Mary Sipos, 36, a Brunswick housewife who rescued a 22-month-old neighbor boy trapped in his flaming bedroom last September 28, will receive the Carnegie Medal for heroism this weekend, the Plain Dealer learned last night.

Mrs. Sipos has been accepted by the Carnegie Hero Fund Commission of Pittsburgh, for the award for the rescue of David Dissette, son of Mr. and Mrs. Charles Dissette, 652 West Drive, Brunswick, it was reported.

She reportedly will receive about $900 for her heroism.

The medal was recommended by Fire Chief Carlton F. Erdman of Brunswick. Several others also recommended her after her exploits had been publicized.

Mrs. Sipos, who is awaiting the birth of her third child, said last night she had not heard about the award.

In the rescue of the Dissette boy she ran 250 feet from her home to the home of the boy, after she heard her neighbor screaming for help.

She fought her way through the smoke to reach the bedroom of David, who was crying for help. She snatched the boy from his crib and ran outside with her dress flaming. She was burned seriously.

She lives at 645 West Drive.

RESPONSIBILITY FOR DECISION WHICH PERMITTED THE RUSSIANS TO CAPTURE BERLIN DURING WORLD WAR II

Mr. ROBERTSON. Mr. President, I deny that former President Dwight D. Eisenhower was responsible for the decision which permitted the Russians to capture Berlin near the close of World War II.

The charge by a columnist, as published today in the Washington Post, that General Eisenhower made the unfortunate decision to let the Russians take Berlin is both historically inaccurate and grossly unfair to the supreme commander of our forces in Europe at that time.

In the summer of 1947, General Eisenhower told me that the decision to let the Russians take Berlin was made by President Roosevelt, who, of course, was his Commander in Chief.

The conversation in which General Eisenhower made that statement occurred on a Pennsylvania Railroad train when he and I were returning from the celebration of the 200th anniversary of the founding of Princeton University. I was a member of the Commission on arrangements for that observance, at which the university conferred an honorary degree on General Eisenhower.

Being greatly disturbed over a divided Berlin and the problems that had arisen over access to the section of the city that had been assigned to us and our allies, and the fact that we were required to keep a large body of troops in West Berlin for its protection, I asked General Eisenhower why it was he could not have taken Berlin before the Russians got there. He replied that he could have taken Berlin 2 weeks before the Russians arrived and earnestly desired to do so, but that permission was denied by President Roosevelt, who instructed Eisenhower to "stay where you are and let the Russians have the credit for taking Berlin."

When General Eisenhower returns from representing our Nation at the funeral Saturday of Sir Winston Churchill, I shall ask him to confirm the statement that he made to me in 1947, and perhaps at that time he can get access to the official records which I am confident will support the Eisenhower version of what happened.

UKRAINIAN INDEPENDENCE DAY

Mr. MONDALE. Mr. President, on this 47th anniversary of Ukrainian independence we pay tribute to a courageous, fearless people dedicated to the principles and ideals of freedom.

It is fitting that we should honor Urkainians from the world-renowned forum of democracy. In their homeland, Ukrainians have never permitted the erosion of their identity as a separate nation and people within the Soviet Union. They have been proud of their heritage, a heritage that extends far back into the earliest period of east European history. And despite a historical experience of tragic subjugation, they have resisted successfully the abrasive forces of both Russification and Sovietization.

It is fitting that we honor Ukrainians for another reason: and it is that they have taken their place among the many European people who had fled tyranny in Europe and have come to our country to begin life anew. They have contributed immensely to national greatness. America is a better nation for their presence, and to the many hundreds of thousands of descendants of Ukrainians, all America owes an enduring debt of gratitude.

Our hopes and prayers go out to the people of the Ukraine on this anniversary of their independence that their aspirations for self-determination will one day become a political reality.

REPRESENTATIVE O'NEAL NAMED TO HOUSE COMMITTEE ON AGRICULTURE

Mr. TALMADGE. Mr. President, it was with a great deal of pleasure that I learned of the appointment of Representative MASTON O'NEAL, the new Congressman from the Second District of Georgia, to the House Committee on Agriculture. It is indeed a high honor for Congressman O'NEAL to be appointed to this very important committee even though he is a freshman Member of the House of Representatives.

Moreover, inasmuch as the Second District of Georgia is the most diversified agricultural area in the State of Georgia, it is also extremely fitting that

he be given this assignment. I know he will render outstanding service and, as a member of the Senate Agriculture Committee myself, I am looking forward to working with him on legislative matters which vitally concern the farmers of Georgia and the Nation.

Mr. President, there appeared in the January 23, 1965, issue of the Moultrie, Ga., Observer an editorial commending Congressman O'NEAL on this appointment. This is a splendid tribute, and I ask unanimous consent that it be printed in the RECORD.

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

[From the Moultrie Observer, Jan. 23, 1965]

A VOICE IN AGRICULTURE

The Second Congressional District of Georgia, recognized as the most diversified and richest farming area in the State, and its new Congressman have been signally honored by the appointment of Representative MASTON O'NEAL to the powerful House Agriculture Committee.

O'NEAL, although beginning his first term as Congressman from this district, finds himself in the enviable position of being the 14th ranking member of the Agriculture Committee of 35 already—a most unusual climb under the general plan of seniority.

The quick rise in rank by O'NEAL came about by a series of changes in Congress at the outset of the current session, and the course of events has given the second district a well-deserved voice in the Nation's agricultural policies and programs.

It so happens that within the second district three of the five basic crops under Federal control are grown—tobacco, cotton, and peanuts. The district is also noted for its developing livestock program, corn, vegetables, sugarcane, forestry, and other products—a diversity of agriculture which few areas of the world can equal.

It is most important, therefore, to the farm economy of this district and to the national agricultural program that a Georgian—and a Representative from this outstanding farm section—sit on the powerful Agriculture Committee. MASTON O'NEAL, although devoting his time for a quarter century to legal matters in the district, was reared in a rural background, knows the problems of agriculture and what it takes to develop and maintain a strong farm economy. He and the district have been honored by the appointment to the House Agriculture Committee, but the national agricultural program stands to gain from his knowledge and direct grassroots contact with farming.

"TOMORROW'S AIR TRANSPORTATION"—ADDRESS BY WILLIAM M. ALLEN

Mr. MANSFIELD. Mr. President, Mr. William M. Allen has been the president of the Boeing Co., since 1945. Under his direction, Boeing has grown to become one of the world's largest industrial firms. I feel particular pride in the accomplishments of Mr. Allen, because he is a fellow Montanan. He is a graduate of the State university of my State. But I also have pride in Mr. Allen as an American. Under his leadership, his company has played a leading role in world commerce, through its production of jet aircraft. Boeing jets are in use all over the globe. Boeing's contributions to our defenses are many. Mr. Allen's company has helped make us strong in the face of our adversaries.

Mr. President, on January 27, Mr. Allen addressed the National Defense Transportation Association on the subject of "Tomorrow's Air Transportation." The address was delivered at the Willard Hotel, here in Washington, D.C.

I believe what Mr. Allen had to say will be of interest to all of my colleagues, and particularly his comments on the supersonic transport. I believe he makes some new and significant points concerning the economies of this extraordinary airplane. His address is an excellent summary of a subject much discussed and much written about. He corrects a great number of the misconceptions of this program.

I commend to Congress the text of Mr. Allen's address, and ask unanimous consent to have it printed at this point in the RECORD, as a part of my remarks.

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

TOMORROW'S AIR TRANSPORTATION

(Talk by William M. Allen before the National Defense Transportation Association, Washington, D.C., January 27, 1965)

I am aware that the assigned subject matter of my talk, "Tomorrow's Air Transportation," is enough to keep us here through the afternoon, which I hasten to assure you is not my intention. The title was simply made broad enough to cover at least two major questions which are currently being raised. First, what is the status of the supersonic transport? Second, what may be the significance of a large military logistics transport development in terms of future commercial application? A third question is implicit. Are these two directions of development mutually exclusive; will one or the other preempt the field in the future? By future I mean the period of the 1970's.

Actually I was asked to talk primarily about the supersonic transport. But in order to examine this subject meaningfully I felt it was necessary to do so in terms of the larger situation in the air transport field. I still intend to spend the major part of my time on the SST. In doing this I wish in no sense to imply any less interest on our part in the CX-HLS type development—the very heavy logistics transport more recently designated the C-5A. On the contrary, the latter has a top priority in the Boeing Co. I am frank to say that we want to build this military airplane, which we regard as extremely important to our national defense.

As I am sure you know, the C-5A is approximately twice the size of the largest present jet transports. It is intended to give our ground forces full mobility, with a capability of carrying all of the heavy equipment, supplies,, and personnel of an Army division, over intercontinental ranges, and of delivering them to semiprepared fields in advance areas. A possible commercial derivative, which has received only secondary study because the initial project objective is military, could carry a 120-ton load of cargo or up to 700 economy passengers, or a deckload of cargo and another of passengers, or any other combination which might fit airline requirements.

We have explored the commercial C-5A possibility with the airlines, and although they are attracted by the low seat-mile costs, there are many questions which will of course require a great deal more study on their part as well as on our own. The answers will no doubt emerge during the next 2 to 5 years. There would have to be determinations, for instance, as to the number of routes and schedules on which traffic density would absorb aircraft of this size, load factor predictions, and the overall economics of integrating such craft into an operation, as well as considerations of the competition to be offered by supersonic or other transports.

Fortunately, the case for the C-5A airplane does not rest upon such determinations. It rests, rather, on a present clear military need, against which the airplane has been designed. We at Boeing believe unequivocally in the C-5 method of logistics transportation. It offers dramatic improvement in our military mobility.

As to the basic questions I have cited, our feeling is that the SST and C-5A type developments are not competitive but complementary. If we assume that the SST will go forward, we find not only the military need for the C-5A but also the probability of a valid application of a C-5A type derivative to the commercial field. If we assume a commercial version of the C-5A, we still find economic justification for building the supersonic transport. They will serve different purposes in the market.

While much public attention has recently been focused on the C-5A, there have been some very significant developments in connection with the supersonic transport. In the past few months, the prospects for this airplane have come forward rather spectacularly, we think—particularly with respect to operating economics. As a result of improvements made, we find that the supersonic airplane will operate as economically, on long range routes, as present jet transports.

I would like to review with you, very briefly, what has been happening in this program, and at the same time perhaps correct some common misconceptions about the SST development. The first misconception is that we are in a "crash" program and that this has been entirely occasioned by the competitive challenge of the British-French Concorde. Certainly the European competition has been a stimulus, and a healthy one; but the fact is that our effort, begun before the Concorde program came into existence, has been an orderly and logical one, and is still being pursued on this basis.

Our first Boeing study of a supersonic transport was made in 1952. Preliminary design effort was started more seriously in 1956 and 1957. Then in 1958 the SST became a major engineering project and it has continued in that status ever since, involving many of our top engineers.

From the start of our effort to the present, design determinations have come in an orderly and unhurried progression, as a result of the integration of mountains of test data, much of it worked out in close conjunction with NASA laboratories which, incidentally, deserve the sincere thanks of the American people for their pioneering work in this field.

In the process we explored 290 configurations, and completed wind tunnel testing on 56 different high-speed wings. From the beginning, our SST design teams were given two clear goals. The first was that we must have a practical flying machine capable of being operated day in and day out on the airlines. The second was that the cost and earning potential of the airplane had to be acceptable to the commercial airlines. It was the combination of these economic and performance goals and a developing bakground of wind tunnel tests which caused us in 1960 to turn our major emphasis to the development of variable sweep wings. The variable sweep is accomplished by ring pivots having the same structural integrity as the wings themselves, and permitting the advantage of both the arrow wing for high speed cruise and the straight wing for docile, slow landing. In between these two extremes, a conventional jet sweepback position can be used during subsonic operation in and around airports and while climbing to the heights at which supersonic boom effects would not be objectionable. We believe the variable sweep provides a simple, straight-forward solution

to the problem of operating at a wide range of speeds, as mechanically logical as the variable pitch propeller, or the automatic transmission in an automobile.

Along with this configuration development, we carried forward manufacturing research and structural studies which led us to a conventional box form of wing structure, utilizing the advantages of high strength titanium alloys. Production costs can thus be brought into line.

In mid-1963 we entered the phase 1 SST proposal competition sponsored by the Federal Aviation Agency. By January of 1964 we had been able to meet each of the aerodynamic requirements laid down in this competition, but our economic goals were not yet satisfied. Since that time we have concentrated heavily on the economic side, with a body size change and design refinements that have improved payload by 50 percent with but 17-percent increase in gross weight. Now we find that the airplane can operate with a lower break-even load factor than existing subsonic transports on all but the shorter ranges—even after including amortization of prototype development and testing as part of the direct cost of operation per passenger mile.

We have come down an orderly path to this point in the airplane's development. Nor do we propose any rush into production. Rather we propose that the program should proceed to the next orderly steps—prototype construction, testing, proving, gaining of actual flight experience.

So much for the airplane itself. What about the public on the ground? We have found that two things are working in our favor in the supersonic transport as far as noise is concerned. First, the performance of the airplane gets it away and to altitude much faster than present jets; second, the arrangement of the supersonic intake suppresses the air intake noise. The combined result is that although there is somewhat greater closein noise for operating personnel on the airport, there are actually lower decibel levels of noise to be heard by the public than with existing jet transports.

As for sonic boom effects, we know that transoceanic operation will not be a problem. We hope that overland flying will prove satisfactory as well. FAA tests show no structural damage on the ground under the conditions for which we have designed. The altitude and distance to be acquired by the aircraft before emitting the pressure change effect will reduce the boom from the sharpness of a rifle crack to a sound of distant thunder. Admittedly there will be the question of public familiarization and acceptance of a new sound phenomenon, as has been the case in the past with other new applications of power.

What about the air passenger? Does he really need to get there in 3 hours instead of 7? We do not have to go very far back to recall similar questions being asked about the forthcoming jet transport, with a different set of figures. The fact was that, when offered the alternative of the faster schedule, the passenger chose it over the slower, as has always been the case. Some wonder, however, if the time difference is getting too short to have meaning, especially in light of slow ground travel to and from airports. Certainly there is much to be done in modernizing transportation to terminals. There is need for further speeding up and simplifying the whole matter of ground transfer. But there still remains the desire to shorten trip times aloft.

We are entering an age where mobility has become a part of both business and personal life. The out-in-the-morning and back-the-same-night business trip is an example of it. On transoceanic and transcontinental trips the SST schedule advantage is significant—saving a business day that is otherwise cut in half, or leaving an evening for rest or personal pleasure. As the demands on a man's working time increase, he places a higher value on his personal time—in the evening, on the weekend, on vacations.

What value, if any, does the supersonic transport have to the nontraveling public? There may be several. Each advance in transportation has made travelers out of more and more of the nontraveling public. But there are the broader economic effects to be considered: the stimulus to business, the adding of a new dimension to the economy—which has its growth, we find, mainly through this process of adding new dimensions—the jobs and payrolls involved, the contribution to balance of payments resulting from export sales—of which our U.S. aircraft industry has been contributing a substantial part—the capability of our Nation as a whole, with its direct bearing on our status and position in the world in time of peace, and our national defense in event of war. There is a tax return to the Government, also, in this type of growth.

What about the concept that we are in the race because of prestige or the spur of foreign rivalry; that if the European Concorde bogs down the pressure is off? I have tried to examine the subject on its own merits without reference to European or potential Soviet competition. However, this fact must be kept in mind: when there is an advance in the so-called "state of the art" in any given technology, it generates its own pressures. If we can demonstrate that a supersonic transport is a technically and economically feasible piece of equipment, we know that someone else, in Europe, or Russia, can do it also. Our technology has advanced into supersonic speeds. The SST has become inevitable.

Now I would like to get back to the juxtaposition of the SST and the C–5A developments. There have been three interrelated trends in air transport: toward increased speed—with which has gone increased convenience and comfort—toward greater economy, and toward continued traffic growth. The increase in economy has come from both increase in airplane size, as traffic warranted, and in speed. As an illustration of the interchangeability of speed and size, it is interesting to note that the SST and the C–5A would have roughly the same work capacity—the SST making up in speed for what it lacks in number of passengers. In the past, each major increase in speed has proved a means to greater economy, the simple explanation being the airplane's capability of doing more work per minute.

Market growth has accompanied these gains. Because the jets aroused passenger demand, they became the predominant equipment of the airlines. With further design refinement and particularly engine improvement, they became actually the most economical to operate. Increased demand brought higher load factors than anticipated, increasing the profitability of operations for the airlines, and enabling them to recover sooner their investment in the new equipment.

The jets very quickly have almost totally replaced piston-engine planes in the medium- and long-range market. Now, with new designs, they are in the process of penetrating the short-range market as well.

Looking to the future, it is quite evident that we have by no means reached the end of the line in any one of the three past directions of progress—in speed, economy, or traffic growth. Reduced fares over the Atlantic have been proved a success, and have brought additional hundreds of thousands of people into the foreign travel market. In pursuit of further economy, both the Douglas Co. and ourselves are studying new long-body versions of the DC–8 and the 707, respectively, for transatlantic and other high-density markets, to reduce direct seat-mile operating costs.

The consideration of adapting the still-larger C–5A type airplane to future commercial operations, whether for cargo or passengers, is an extension of this quest of economy through increased capacity. As I have said, traffic and load factor considerations will determine how far to go in this direction, whether to the long-body versions of the present airplanes, to the giant C–5A, or somewhere in between. Any further lowering of fares may be expected to add to the growth of the market above present predictions. This in turn would add to the possibility of greater diversity of equipment to meet the varying requirements of the market.

The technical progress to date in the supersonic development makes it evident that the road to greater speed is likewise open. This, too, may be expected to add to the growth of the market, developing new usage. If this should result, as in the case of the jet introduction, in higher load factors than projected for the SST, the economics of the faster airplane are such that profitability for the airline operator climbs rapidly to make the SST look very good indeed.

Beyond this must be considered the growth factor traditionally allowed for in a new design—in aerodynamic, structural or powerplant advancements, any or all three of which could further lower supersonic operating costs.

In short, tomorrow's air transportation, assuming continued growth in the national and world economy, faces favorable outlook in terms of opportunity for further gains in speed, economy and traffic growth, with the two programs we are considering providing the impetus. To create these new equipment stimuli fits the pattern of desired national economic growth.

Lastly, we come to the question of financing and business risk. By reason of the very magnitude of an SST program, it has been recognized by all who have concerned themselves with it, that government participation in the financing and in the risks involved is essential. In this connection, it has been repeatedly emphasized that the contractors involved must have a real financial stake in the enterprise. Apparently there has been a feeling in some quarters that industry is endeavoring to place all of the risk upon the Government.

Directing my remarks only to the airframe prime contractor's portion of the program (although I would expect that they would be generally applicable to the engine manufacturers), it is important to recognize that under any expected contractual arrangements between the contractors and the Government, the inherent characteristics of an SST program are such that there are unavoidable risks on the part of the contractor which are very large.

In the first place, it would be from 12 to 15 years before there could be any hope of a return from the production program. With the 707, it was 12 years after start of prototype before we arrived at a break-even point on the program, and this without considering interest on the investment during the period. Secondly, during this long period, a large number of the contractor's most skilled personnel would be required by the program. Thirdly, we estimate that new facilities, consisting principally of machines and equipment required to work and test the materials used in a supersonic transport, would involve an expenditure of approximately $40 million. Furthermore, the assignment of existing plant and equipment, with a replacement value in excess of $250 million, would be required through prototype and production manufacture. These figures are not fanciful estimates. We consider them real.

It will, therefore, be seen that even if the program ultimately proved to be a financial success (and we would expect that it would

be), nevertheless, a contractor would have a considerable part of its resources in the form of people, plant, and equipment, dedicated to the SST program for probably a decade and a half without any return on its investment or effort. It therefore appears to me that the concern which has been expressed that the industry is not ready to assume a proper amount of risk is without foundation. The very magnitude and nature of the program is such that substantial risks on the part of a contractor are unavoidable.

In my opinion, the action that should now be taken is for the Government, at such time as it has completed its evaluation process, to proceed to contract for the construction of prototypes. The program has reached that stage. There is a limit to how much further gain can be made in the wind tunnel and on paper. There is need for hardware—for a flying article. We need to get it flying and obtain by actual experience the remaining information required for sound planning on the part of the airlines, the FAA, the CAB, and the public. Although the construction of prototypes would involve considerable expense, they will more than pay for themselves over the life of the program. In my opinion, it would be definitely unwise to launch into a production program without the benefit of prototype experience.

What type of contractual arrangement should the Government make through the prototype stage? In this month's Technology Review of the Massachusetts Institute of Technology, Prof. Secor Browne and William Barclay Harding propose that the Government should "finance the entire development program on the basis of a mutually agreeable cost, plus a profit. If the manufacturer exceeded his estimates, the overrun would come out of his profits, possibly wiping out his profit completely, but his risk would not go beyond that point. As protection against his cost estimates being too high it should be agreed that his profits would be limited to a predetermined figure. But there should be some incentive compensation to encourage efficiency."

Another approach would be to reimburse the contractor for its costs, with a fee sufficient only to cover costs not recognized under Government procurement regulations. In my view, the stake of the contractor in the form of investment of people, new facilities, and existing plant equipment is of such magnitude that there is ample incentive to do the most efficient job possible. If there is a desire to be more specific, a dollar investment on the part of the contractor could be negotiated, crediting against such amount the contractor's investment in new facilities required to perform the contract, plus its cost under cost-sharing contracts with the Government previously negotiated. I would hope that a realization of the great importance of the SST program to the Nation would motivate all parties involved to arrive at a basis for proceeding with prototype construction that is fair to the Government and not unduly burdensome on industry.

I feel that it would be a mistake to endeavor at this time to determine the basis upon which the production program would be carried out. Let us first get a tangible concept of the flying article that we are going to build, its performance capabilities and probable market, as well as information on various operational problems. Who is omniscient enough to determine the terms under which a production program should proceed 5 years hence? Clearly, this can be more intelligently worked out during the prototype phase, when we have established a design which meets production and operational requirements. The production plan should be developed as soon as the manufacturers and the airlines reach a point of confidence in the program which would justify production planning and implementation. The first step, however, is to get a prototype or prototypes. An effort to solve all problems from the "cradle to the grave" is not feasible and will only delay the program.

Finally, I would like to comment upon one last misimpression that has, I believe, been prevalent concerning the proposed program. It should not be thought of in terms of subsidy but rather a commercially repayable investment on the part of the Government. If the program is successful and the airplane is profitable for the airlines to operate, which we are confident it can be, the Government's investment can be returned.

In summary, I think the country has a real opportunity before it. Here is a program that should be undertaken in addition to the C-5A military transport. We should not be dependent on the stimulus of foreign competition or on prestige rivalries in this undertaking, although without doubt these will continue. The SST has developed a convincing case in its own right. We have a market to go after. It involves jobs, payrolls, foreign exchange to be earned through continued export sales in the next decade. We cannot accomplish this national goal in the period of the 1970's unless we act in the present period. Tomorrow never comes except in terms of what we do today.

I hope I have left the impression that we are enthusiastic about the possibilities that exist for the SST. We are. I think we have reason to be.

The PRESIDING OFFICER. Is there further morning business?

SWEET WATER DEVELOPMENT CO., DALLAS, TEX.—ROBERT G. BAKER

Mr. WILLIAMS of Delaware. Mr. President, on Tuesday I discussed certain phases of two contracts which have been awarded to the Sweet Water Development Co.

These contracts, the first of which was awarded May 1, 1962, and the second on September 2, 1963—effective April 27, 1963—dealt with the development of a process for the desalinization of water. In the course of this presentation I quoted from a letter dated December 15, 1964, from the office of Weisman, Celler, Allan, Spett & Sheinberg, 1501 Broadway, New York City. The quotation from this letter is as follows:

We were retained by Sweet Water Development Co. of 2808 Southland Center, Dallas, Tex., to render it legal services. This client was referred to us by Tucker & Baker. Upon receipt of payment from the client for the legal services rendered, we sent our check in the sum of $2,500, representing 25 percent of our fee, to Tucker & Baker, the forwarding attorneys.

We made no other payment of any kind at any time to Robert Baker or Tucker & Baker.

Subsequent to my remarks Congressman CELLER issued a statement to the effect that his law firm had not rendered any legal service to the Sweet Water Development Co. concerning its Government contracts but that they had received a $10,000 retainer from the company and that $2,500 of this fee had been paid to Tucker and Baker as forwarding attorneys. I understand that this retainer covered legal services from September 1961 to September 1962.

Congressman CELLER said that services of his firm had been primarily on giving advice on real estate operations and the possibility of establishing a helium storage plant.

To keep the record straight I will review the chronological record of the important dates of the operation.

March 7, 1961: Notes in the Department files indicate that there was a patent issued to V. C. Williams.

March 16, 1961: The Sweet Water Development Co. was organized and chartered under the corporate laws of the State of Texas, with authorized common stock of 100,000 shares with a stated par value of $1 per share. Of this amount 15,000 shares were issued.

September 1961: The law firm of Weisman, Celler, Allan, Spett & Sheinberg was retained by the Sweet Water Development Co. at a $10,000 annual retainer fee. This legal retainer was to cover the period from September 1961 to September 1962.

November 30, 1961: Check No. 65040, amount $2,500, payable to Tucker & Baker, and drawn on the Sterling National Bank & Trust Co. of New York, was issued by the Weisman, Celler, Allan, Spett & Sheinberg law firm. This was the forwarding fee mentioned in the letter previously referred to.

December 14, 1961: This check, endorsed "deposit to the account of Tucker & Baker," was deposited in the joint account of Tucker & Baker at the McLachlan Banking Corp. An analysis of this account indicates that Mr. Baker had not written any checks on this joint account during the years 1960 and 1961 until after the deposit of this $2,500 check on December 14, 1961.

Following this deposit the following checks were drawn for Mr. Baker's use:

Date	Amount	Check No.	Explanation
Dec. 14, 1961	$884.27	623	Check drawn by Baker payable to Robert Thompson.
Do	593.43	624	Check drawn by Baker payable to the Senate restaurant.
Dec. 22, 1961	[1] 300.00	625	Check drawn by Tucker payable to the C T Corp. System, "On account for Potomac Vending Machine Corp."
Dec. 26, 1961	25.00	626	Check drawn by Baker payable to Playboy Clubs International.
Do	503.00	627	Check drawn by Tucker payable to Tucker, endorsed by Tucker, "Pay to Robert G. Baker." Noted on the face of the check is "Expense for Baker." There is evidence that this check was deposited by Baker at the American Security & Trust Co. on Dec. 28, 1961.

[1] It is not quite clear whether this check was solely for the benefit of Mr. Baker and his associates, but the record shows that Mr. Tucker, Mr. Baker's partner, had handled the incorporation of the Potomac Vending Co. The Potomac Vending Co. was the predecessor of the Serv-U Corp., which corporation was owned or controlled by Mr Baker; so it is reasonable to assume that the benefits of this check likewise accrue to Mr. Baker and his associates.

January 6, 1962: The records indicate that the Sweet Water Development Co. submitted its first proposal to obtain a Government contract. This proposal was for an engineering study for the desalinization of water.

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

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that I may proceed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Delaware may proceed for 5 additional minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. WILLIAMS of Delaware. Mr. President, May 1, 1962, final negotiations were completed and contract No. 14-01-0001-259 was officially signed providing for a total expenditure of $75,000. This was the contract which was ultimately expanded through a series of amendments followed by the negotiation of a second contract a year later which, as I outlined in the RECORD on Tuesday, ultimately expanded into expenditures of around $1 million.

In my remarks of Tuesday when discussing the operations of the Sweet Water Development Co. I made no effort to describe the type of legal services that had been rendered, nor am I today engaging in any debate as to the type of these services, or for that matter, whether any services at all were rendered. Let us not muddy the water with a lot of denials of something that has never been said. The point is—this company, the Sweet Water Development Co., owned and controlled by the Tecon Corp., a Murchison company did pay the law firm referred to, and Mr. Robert Baker while serving as an employee of the U.S. Senate did receive $2,500 of this fee, and the most of this $2,500 can be traced to his personal use.

The record stands that the Sweet Water Development Co. did obtain two related Government contracts which started at $75,000 and which ultimately were expanded to over $1 million.

The Army's audit report was highly critical of the expenditures—traveling expenses, legal expenses, and so forth—that were made by the Sweet Water Development Co. and which they attempted to charge to the cost of the contract.

What the Senate is interested in and the question which remains unanswered is—why did the Murchison interests feel it necessary to engage Mr. Baker while he was an employee of the U.S. Senate, and if the services for which he was paid were not in return for this particular contract, then what service did he render to them to justify the $2,500 payment?

Let us not overlook the fact that this is not the first payment that has been made by the Murchison interests to Mr. Baker. Several strange financial arrangements between an official of this group and Mr. Baker can be found in Mr. Robert F. Thompson's testimony as appearing in the Rules Committee report of January 28, 1964, part 10.

Mr. LAUSCHE. Mr. President, I commend the Senator from Delaware for his constant attention to what is going on in the case which he has been discussing. I look forward to hearing his statements in his attempt to bring before the Senate practices that obviously have gone on for a long time and which indicate definite corruption. I thank the Senator for the great service that he is rendering to the Senate and to the people of the United States, and for the vigilance which he is showing with respect to this matter.

Mr. WILLIAMS of Delaware. I thank the Senator from Ohio. I join him in saying that I feel very strongly that the Senate itself is on trial in this particular case. We have no choice except to proceed through to a thorough and complete disclosure of all questionable matters. There can be no possible circumstances, in my opinion, under which any private citizen or private company wishing to do business with the Government should be employing Members of Congress or employees of the Government.

Mr. LAUSCHE. We talk about juvenile delinquency and how we are going to cure it. We certainly will not cure it if we condone conduct of the type described beneath the dome of the Capitol of the United States. What type of example are we setting? What shall we expect of our youth?

MAINTENANCE OF PRICE STABILITY

Mr. MORTON. Mr. President, the steel industry has been under substantial criticism in the last few months for certain isolated price increases. I do not hold the steel industry up as a paragon of virtue. Those who are responsible for its management have—as all of us have—made certain mistakes. On the other hand, I do not like to see one great American industry become the whipping boy or the fall guy for every real or imagined weakness in our general economic system.

This subject was put into perspective admirably on Tuesday by Mr. Roger F. Blough, the chairman of the board of United States Steel. He held a press conference and, in response to many questions, he issued a statement, speaking for his own company and for all companies in the industry. I ask unanimous consent that his statement be printed in the RECORD at this point.

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

NEW YORK, N.Y., January 26.—In response to queries from the press, the following statement was made today by Roger M. Blough, chairman of the board of United States Steel Corp.

Today when our Government faces many thorny fiscal problems and when the purchasing power of the consumer's dollar is shrinking at a slow but steady pace, the Nation is deeply concerned about the need to maintain overall price stability. That concern is understandable, and I share it fully.

In recent weeks, however, so much has been said and written about steel prices, and so much attention has been given to the few scattered price changes which have recently occurred, that one all-important fact has been almost totally obscured.

That fact is that there has been practically no change in the average price of steel during the past 6 years.

The Government publishes a monthly index of finished steel prices which is compiled by the Bureau of Labor Statistics of the U.S. Department of Labor. At the end of 1958—following the general steel price increase that occurred during the late summer and fall of that year—this index stood at 102.3. And last November the index still stood at 102.3—exactly where it was 6 years ago.

This means that the widely publicized price increases that took place in 1963—increases reportedly covering 75 percent of all steel products—were offset completely by numerous and little publicized price decreases effected under the competitive pressures of the marketplace.

As for the few minor price changes that have occurred since the November index was published, these were—with one exception—attempts to restore, in part at least, price reductions that had previously been made. The one exception was in the case of galvanized sheets which are steel sheets coated with zinc; and the net effect of this change was an increase of less than $6 per ton on this product. For United States Steel the increase averaged about 2 percent or $4 per ton which is one-fifth of a cent per pound. By way of perspective, it might be noted that the price of zinc has risen $60 per ton—or 26 percent—since the last price action in galvanized sheets occurred in April 1963.

The effect of all of these recent changes can be seen in the Government's weekly index of finished steel prices which is compiled on a spot-check basis by the Bureau of Labor Statistics. Last week, on January 19, this index stood at 102.9 as compared to 103.1 in the corresponding week a year ago. Thus the Government's figures now show that the average price of finished steel has risen six-tenths of 1 percent in a little over 6 years, and has declined by two-tenths of a percent in the past 12 months despite the recent price increases that have attracted so much public attention.

It should be noted, moreover, that the Government index exaggerates the actual cost of steel to the consumer, because it is based on published prices which in many cases are higher than those actually charged under competitive market conditions.

Furthermore, these Government statistics do not take into account at all the improved quality of today's steels. Since it now takes fewer pounds of these improved steels to do almost any given job, and since steel is generally sold by the pound, the result, in many cases, is a definite, though hidden, reduction in the cost to the consumer. For example, it is calculated that with today's steels, the Empire State Building could have been 13 stories taller without increasing the weight of the steel used in the present structure.

One factor which has undoubtedly contributed to the widespread misunderstanding of these facts about steel prices is that there are more than 10,000 different finished steels which sell at varying prices. Among all of these products, prices are changing frequently, upward and downward, in accordance with the competitive forces exerted in the marketplace.

But while public attention has been focused on increases of $5 or $10 a ton in some of these items, much larger decreases in a broad range of steel products such as wire and wire rods, concrete reinforcing bars, line pipe, oil country goods, and stainless steels have gone almost unnoticed. In the past 6 years, for example, the prices of at least a dozen different stainless steel products have declined by amounts ranging from $200 to $315 per ton.

Another factor which contributes to public misunderstanding, probably, is the popular belief that steel prices have some special, magic, multiplying effect upon prices generally. The fallacy of this belief can be illustrated by the case of a typical refrigerator which retails at $225 and contains a little more than 200 pounds of steel. Few people realize that all the steel in this refrigerator sells for about $17.50—or 8½ cents per pound.

Thus a 1-percent increase in the price of this steel would add only 17½ cents to the material out of which the appliance is made. And in saying that, I should emphasize that

this is merely cited as an example. Also that apart from the day-to-day price changes that will inevitably occur in a competitive market, United States Steel has no out-of-the-ordinary price actions under contemplation.

Considerable misunderstanding also seems to exist concerning the heralded improvement in steel profits since 1962 when the industry's profit rate fell to the lowest levels since World War II. But a look at these profit rates over the past 10 years will quickly dispel the widely held impression that steel profits are soaring.

Studies of 41 leading industries, published annually by the First National City Bank of New York, show that in 1955 steel ranked in 14th place, and that its return on net worth was just equal to the average for the group as a whole. But the latest study, published last year, shows that in 1963, steel had dropped to 38th position and that its profit rate was 37 percent below the average for all 41 of these industries.

In 1964, the industry broke all production records, topping the 1955 record by some 10 million ingot tons. But while the profit results, when available, will show encouraging improvement, they will still be far below the 1955 rates despite the fact that the industry's capital expenditures for plant and equipment amounted to more than $12 billion during this period. Last year alone they were $1.8 billion and next year they are expected to be at least as great.

These heavy capital expenditures are necessary, of course, if the steel industry is to remain competitive, if it is to continue to provide jobs for its 575,000 employees, and if it is to contribute fully to the physical and fiscal strength of the Nation.

But the ability to provide capital sums of this magnitude is greatly influenced by investor confidence in the companies; and this confidence in turn depends heavily upon profits and dividends. It is important to note, therefore, that dividends in a number of steel companies have been reduced in recent years. In United States Steel's case, its dividend—which had not been increased since 1956—was cut by 33⅓ percent in 1962 and this cut has not yet been restored.

In the light of all these facts, therefore, it is difficult to understand why steel—among all the industries of the Nation—has been singled out for the special scrutiny and attention it has received in connection with prices. And those who seek to pinpoint the cause of the inflation which has increased the cost of living by nearly 8 percent in the past 6 years will obviously have to look elsewhere for an explanation.

RESTON COMPLAINT ON INADEQUATE JOB STATISTICS—VALID FEDERAL, STATE, PRIVATE GROUPS NOW AT WORK ON PROBLEM

Mr. PROXMIRE. Mr. President, as chairman of the Statistics Subcommittee of the Joint Economic Committee, I was concerned by a recent remark by James Reston in his column in the New York Times:

> At the present time there is not even a satisfactory census on jobs now available, let alone a plan to find new jobs that might be made available.

Mr. Reston, of course, is quite correct. But it should be noted that the Subcommittee on Economic Statistics reported recommendations on statistics on employment and unemployment—February 2, 1962. On page 6 our recommendation to remedy this gap in our statistics was put forth as strongly as it could have been written:

> Research should be undertaken directed toward development of a regular monthly survey of job opportunities or vacancies to illuminate the demand side of the labor market in the way the present series measures the supply of labor. Experience here and abroad indicates that substantial difficulties must be overcome before a statistical series on vacant jobs can become operational but past success in using survey techniques to solve some other difficult data-gathering problems suggests that a useful program may be practical. In any event, the data from such a survey would be so useful in analyzing labor markets, in operating employment services, and developing practical worker training and retraining programs, that expenditure of some funds on research into this problem would be warranted.

In the same vein, the President's Committee to Appraise Employment and Unemployment Statistics recommended in September 1962 that work go forward on developing such a statistical series on unfilled jobs. Subsequently, research was initiated in the Department of Labor which is still underway and, in addition, research has been undertaken by the Illinois Bureau of Employment Security and by the National Industrial Conference Board under a grant from the Ford Foundation. All of this work is going forward but has not yet produced a workable plan for producing such statistics on a regular monthly basis.

Progress has been substantial, however, represented by the fact that the National Bureau of Economic Research, Inc., of New York has felt it useful to sponsor a conference on "The Measurement and Interpretation of Job Vacancies" to be held February 11–13, 1965, in New York City.

Both Government and private agencies are eager to see the problems conquered that face anyone who tries to collect these statistics on a regular basis. As soon as some satisfactory scheme can be developed, a proposal will be presented to the Congress for regular collection. Some pilot collections, as indicated above, are already underway in and out of Government.

TRIBUTE TO GEN. CURTIS E. LEMAY, A GREAT MILITARY LEADER

Mr. ROBERTSON. Mr. President, next Monday, at noon, I expect to be present at the White House when the President of the United States will present the Distinguished Service Medal to Gen. Curtis E. LeMay, of the U.S. Air Force.

It is a fortunate and often noted fact of the history of this country that periods of crisis have seen the rise of men of foresight, courage, and determination into positions of great responsibility. No one can review the story of the early years of the United States without being impressed by the talents and the strengths of those who brought the Nation through those dangerous years.

Time after time after time, the greatness of individuals has provided the rest of us with the leadership and inspiration needed to enable us to come through a period of torment, of potential catastrophe—not only to survive, but also to emerge from the trial with unprecedented strength and a more solid confidence in the future.

Gen. Curtis E. LeMay is one of those individuals. Can any of us here today look back upon the grim postwar years of Stalin and the Berlin airlift or the threatening intransigeance of Khrushchev, without recognizing that one of the most potent factors in the maintenance of peace and the survival of freedom was the great deterrent strength of the U.S. Air Force?

General LeMay is a man who understands war and peace. He understands that power in the hands of the unscrupulous, the uncivilized, the "unsane," must still in today's world be met by greater power in the hands of men of good will; and for nearly four decades he has devoted his life to the singleminded purpose of making peace his profession and that of the hundreds of thousands of men and women of the U.S. Air Force.

Throughout those years, no man has worked harder for these men and women—in peace or war—than has General LeMay. He has come to Congress year after year, not only to talk about missiles and bombers, but also to seek the enactment of legislation to provide for the welfare of his people, for, in understanding peace and war, he understands the need to demand much from his people; and from us he has loyally demanded, in return, their due.

We could talk endlessly of his World War II leadership, of his building of the SAC, of his direction of the Air Forces around the world. We could extol his devotion, his wisdom, and his loyalty to the United States. But, with all the words, one unassailable fact stands above all others: today all of us and our wives and children are safer, more secure, and face a brighter future, because of Gen. Curtis E. LeMay.

I am glad his Commander in Chief is going to say, "Well done, thou good and faithful servant," when he presents to him, next Monday, the Distinguished Service Medal.

TRIBUTE TO THE WIND RIVER MOUNTAIN MEN

Mr. McGEE. Mr. President, I would like to express my appreciation, and that of the Senate, to the Wind River Mountain Men of Fremont County, Wyo., for representing the State of Wyoming in the inaugural parade in honor of President Lyndon B. Johnson.

I would like to stress the authenticity of costume and weaponry adhered to by these men, who undertook the long journey from their homes in Fremont County to Washington, with their mounts, under trying circumstances. Their determination to honor the President and Vice President of the United States brought them to our Nation's Capital and won for them the hearts of many.

The Wind River Mountain Men, though rather recently organized, also carry on a tradition of historical importance to Wyoming, the West, and, indeed, the entire Nation. The men they honor—the

original mountain men of the West—were by and large responsible for opening the routes to the Pacific and thereby making these United States a nation which spans a continent. In carrying on their commerce in furs and pelts, the original mountain men also developed a close working relationship with the Indians of the West. Today, the Wind River Mountain Men carry on this tradition, too, and include members of the Arapahoe and Shoshone Tribes from the Wind River Indian Reservation among their number.

The historical traditions being kept alive by Wyoming's representatives in the recent inaugural parade have a special meaning this year, too, because 1965 is a year of historical importance for Wyoming. Our State is 75 years old and celebrating its diamond jubilee.

Mr. President, the Wind River Mountain Men provided just a taste of the color Wyoming offers the public this year. In conjunction with the diamond jubilee celebration, the cities and towns of Wyoming—virtually every one of them—will be holding local celebrations throughout the year. We hope Americans everywhere will come and help us celebrate 75 years of statehood.

PROPOSALS ON GOLD

Mr. McCARTHY. Mr. President, in my remarks in the Senate last Friday, I questioned the view of Charles E. Walker, executive vice president of the American Bankers Association, who, while supporting the proposal to relax the legal reserve gold requirements, stated that they should not be removed altogether.

Our monetary system is dependent, not on gold reserves, but on the productivity of the United States and the strength and stability of our Government. I recommend that we take out of cold storage not just the $5 billion in gold now being held against deposits in the Federal Reserve System, but also the additional gold being held as reserves behind Federal Reserve notes.

Such action would release approximately $13 billion in gold, which could strengthen the dollar, provide greater liquidity in the trading area which depends primarily upon the dollar, and strengthen our hand in the economic cold war.

I am pleased to find that a New York Times editorial of Monday of this week also questions Mr. Walker's proposal. The Times editorial recommends that the administration eliminate the gold cover, and also that it adopt a series of other measures to reduce the dollar drain and the pressure on the gold stock. I ask unanimous consent that the editorial, entitled "Proposals on Gold," be printed at this point in the RECORD.

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

[From the New York Times, Jan. 25, 1965]

PROPOSALS ON GOLD

The proposal to eliminate the domestic gold cover so that the Nation's gold stock will be freely available to meet the demands of foreign creditors has met the objection that the gold cover is essential as a check against excessive monetary expansion.

But if the domestic gold cover remains at the present legal minimum of 25 percent, the monetary authorities will be unable to increase the money supply to meet the legitimate demands of a growing economy. If the gold lobby prevails, foreign demand will doubtlessly increase, lowering the gold stock to the minimal 25 percent level.

A compromise solution suggested by C. E. Walker of the American Bankers Association calls for reducing rather than eliminating the gold cover. Mr. Walker admits that a change must be made to permit a necessary increase in the domestic money supply and to reassure foreign creditors. Bue he fears that removing the cover entirely would lead to a relaxation in the administration's efforts to defend the dollar.

Mr. Walker's proposal for keeping a small link to gold is more likely to induce complacency than do away with it. The gold cover has been reduced in the past without instilling a need for discipline; if it is reduced again, the natural tendency will be to sit back and relax until the gold stock erodes to whatever new minimum is set. But with no cover at all, the administration will be forced to step up its disciplinary measures to safeguard currency strength.

The idea that nothing should be done about removing the cover until new steps are taken to reduce the deficit also is a mistake. For it would create fresh doubts in Europe and, at the same time, provoke concern about the adequacy of the domestic monetary supply. The administration can best allay fears by combining a request to eliminate the gold cover with a series of other measures designed to reduce the dollar drain and the pressure on the gold stock.

THE FUTURE OF DROPOUTS

Mr. CANNON. Mr. President, in recent years, this Nation has become more and more aware of the critical problem of students who fail to complete elementary school or high school.

Indeed, the word "dropout" has become one with which virtually every American is familiar. But although the public is aware that many students quit school every day, I often wonder whether we fully realize the life to which the dropout commits himself.

More important, I wonder whether the student who is considering quitting school realizes the bleak future he faces.

Today, we often speak of poverty and its causes and effects. Last week, the President spoke again of poverty, in his message on full educational opportunity, when, after noting that if the present rate continues, 1 student out of every 3 now in the fifth grade will drop out before finishing high school, he said:

> Poverty has many roots, but the taproot is ignorance.

Later in the message, the President underscored the relationship between poverty and lack of education, when he said:

> Just as ignorance breeds poverty, poverty all too often breeds ignorance in the next generation.

There is no doubt, Mr. President, that we must attack the dropout problem at every level. Many programs to meet this problem have been established; but I can think of no better way to begin than to expose to the potential dropout the life to which he is doomed. In this regard, mass communication media can be a tremendous assistance to the student, his parents, and the community, by studying and reporting the myriad of problems faced by the dropout.

Mrs. Patricia Glendon, of the Reno Evening Gazette, recently wrote a penetrating and revealing series of articles on school dropouts in Washoe County, Nev.

If every student who is considering quitting school and if his parents were to read this excellent series, I am convinced that a most significant number of students would realize the great harm—often irreparable—they would incur by failing to complete their education.

Mr. President, I ask unanimous consent that several of these excellent articles be printed in the RECORD.

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

[From the Reno (Nev.) Evening Gazette, Dec. 12, 1964]

JOBS DIFFICULT TO FIND, SCHOOL DROPOUTS LEARN ALL TOO SOON

(By Patricia Glendon)

What happens to the teenager who drops out of school before receiving a diploma? How does he fare on the labor market?

Not very well, both dropouts and businessmen agree.

The school dropout who decided that earning money is more important than acquiring a high school diploma discovers that jobs with good pay are scarce, and employers do not want unschooled teenagers in their employ.

Jobs requiring less than a high school degree decrease at least 25 percent every year, E. A. Haglund, deputy superintendent of the Nevada Department of Education says.

"The economic outlook for the school dropout is bleak as he enters the ranks of the unemployed," he adds.

POTENTIAL FAILURE

The school dropout is a potential economic failure, school officials say. "He is unqualified, unschooled, and unskilled," Roger Corbett, director of a study on the Washoe County dropout situation says.

Most school dropouts discover that industry and business reject them as thoroughly as they rejected school.

And for this reason, many dropouts return to night school to make up credits for a diploma.

Here's what five dropouts say:

A married, 25-year-old man, now employed, who had been a dropout at age 17: "I thought there were more important things than getting a high school diploma. I was wrong."

An 18-year-old returnee who had spent 2 years working but is now unemployed:

"I quit school because I was bored. Lack of imagination on the teacher's part and the standard routine day after day also influenced me. I dislike and rebel against strict discipline and sitting all day."

NIGHT SCHOOL

A 20-year-old unmarried man who had left at 17:

"I wasn't doing well and wanted to get a job and see if I could get along. I enrolled in night school to get a high school diploma. I found it hard to get a decent job without high school or even college."

Another returnee who left at 16 said: "I wasn't interested in school. I thought that it was unimportant. Now I am in night school to try for a diploma so I can enter the apprentice program offered by the International Brotherhood of Electrical Workers."

More boys than girls quit school, the Washoe County Dropout Study shows.

The girls who do leave school prematurely list "marriage" as the prime reason for abandoning classes. However, of 33 women dropouts interviewed by the dropout study committee, 32 of these brides were working at full-time jobs. Marriage does not necessarily mean the teenager has dropped from the labor market.

The school dropout too often finds that the grass is not as green in the labor market as he supposed and returns to school under conditions which are more difficult than when he was a full-time high school student.

The basic problem still remains: How can potential dropouts be stopped from throwing away their education? Can the students be guided into courses which will be more interesting to them than academic subjects?

Monday: Job chances slim.

[From the Reno (Nev.) Evening Gazette, Dec. 14, 1964]

DROPOUTS FIND JOB MARKET LIMITED WITHOUT HIGH SCHOOL DIPLOMA

(By Patricia Glendon)

School dropouts ride a dead end street without a high school diploma.

This is what school counselors say.

But it is also repeated at the State employment office—by the people who get teenagers jobs.

"There is very little we can do for them," Mrs. Lorabell Hume, in charge of the youth program, said.

"We can get the girls jobs as babysitters. The boys can work as bag boys for the supermarkets or in car wash places. But that's about all."

Mrs. Hume said that teenagers without high school diplomas are kept out of almost all apprentice programs.

"A high school diploma is required for these," she added.

NOT FOR DROPOUTS

Are there jobs available for young people in Reno? "Oh, yes," She answered, "but not for the dropouts."

One gas station owner said he would not hire a school dropout as an attendant. "I question the boy's reliability," he said. "If he hasn't the stuff to stick it out through school, I don't think he'll stick here."

To give special help to the young men and women who have left school, the State employment office has a special youth service.

It works this way: Each month the Nevada Department of Education gives a list of the local school dropouts to each employment office in the State.

SOME WAIT

The local offices, in turn, try to reach the dropouts and have them come to the employment office.

"Some of them wait a month before coming down. Others appear the day they quit school," Mrs. Hume said.

The teenagers are given aptitude and counseling services.

"We urge them to go back to school," she explained. "We try to show them the lack of job opportunities they face without a high school diploma.

"Some of the boys and girls who have to work, enroll in the adult education division and finish up, get their diplomas that way," she added.

"The only advice we can give the teenagers is, Don't drop out of school. We don't have a job available for you," Mrs. Hume said.

"Most of the teenagers who drop out of school have no job field in mind," she added. "Although the majority of boys say they like to work on cars, unfortunately, we can't get the boys jobs working on cars. The best we can do for them is to get them the car wash jobs.

[From the Reno (Nev.) Evening Gazette, Dec. 22, 1964]

BLEAK FUTURE AWAITS SCHOOL DROPOUTS: CHANCE FOR CHANGE SLIM

(By Patricia Glendon)

The bleak future awaiting the school dropout will not change for the better in the next few years.

As jobs become more technically skilled, the dropout will find fewer and fewer jobs, officials say.

But the dropout is helping potential dropouts. Because of him, school officials, employment officers, and just plain citizens have taken a new look at the cause of the dropout problems.

TECHNICAL PROGRAMS

In Washoe County, school officials are working to develop more technical programs in the high schools.

Reno High School will build a half-million-dollar shop to be used in teaching auto mechanics, electronics, sheet metal, welding, woodworking, and mechanical drawing.

At Earl Wooster High School, there are courses in data processing, auto mechanics, electricity, electronics, industrial mathematics, mechancial drawing, metal fabrication, and woodworking.

Sparks High School offers industrial arts, metal and wood, vocational metal, electronics, electricity, and radio courses.

George Brighton, school administrator, has prepared a technical program, with its own school building which would begin on the junior high school level and continue through 2 years of post-high school work.

School officials are recognizing not only the need for more technical training but also, fulfilling the demand by industry for such workers.

Graduates of these technical courses can enter apprentice programs in unions, school officials say.

No decision has been made on this program by the school system.

"In view of the dropout studies, here and nationwide, we have begun to look more into doing all that we can, and offering courses for terminal students," Washoe County School Superintendent Procter Hug, Sr., said.

SECOND LOOK

"We're taking a second look to see what we can do to take care of this type of student more adequately," he added.

Evening courses in the adult division of the school system are offering training under the Manpower Development and Training Act of 1963, he said.

These courses are set by the State employment security office which determines job needs in Washoe County. They also try to find students who need retraining, Hug said.

Alan Dondero, director of the adult division, has six programs from welding to clerk and bookkeeper to service station techniques underway at the present time.

With funds from the Economic Opportunity Act of 1964, a youth opportunity center will be located in Las Vegas to help school dropouts or disadvantaged youth.

"It is hoped that the program will expand to include a counselor for the Washoe County area," Bruce Barnum, executive director of the employment security office and director of the job corps program adds.

"The school dropout will not be motivated to finish school until the public, the people of Washoe County, is aware of the full extent of the problem," Al Peevers, temporary chairman of a citizens action committee working on young adult and youth programs, says.

"That's when the situation will change and the problems be solved."

FISHERY PROBLEMS ON THE INTERNATIONAL SCENE

Mr. BARTLETT. Mr. President, in the face of the increasingly mounting complications of the international fisheries situation, I should like to call the attention of the Congress to the speech made January 26, 1965, before the 58th Annual Convention of the National Canners Association in San Francisco by the Honorable William C. Herrington, Special Assistant for Fisheries and Wildlife to the Under Secretary of State. Because his was such a lucid presentation of different aspects of U.S. involvement in the international fisheries, I ask unanimous consent that the text of his remarks before the convention be printed at this point in the RECORD.

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

SOME U.S. INTERNATIONAL FISHERY PROBLEMS AND INTERNATIONAL RULES DEALING WITH FISHERIES

(Speech by William C. Herrington, Special Assistant for Fisheries and Wildlife to the Under Secretary of State, U.S. Department of State, at the Fishery Products Program ("Three Views of the American Fishing Industry") at the 58th Annual Convention of the National Canners Association, San Francisco, Calif., January 26, 1965)

Today, early in the new year, I am not going to attempt to give you solutions to any of our numerous high seas fishery problems; I would like a little more time for that. I am only going to outline some of these problems and the circumstances that affect them. Furthermore, I am going to steer clear of the problem of imports and exports. For the time being I will leave these to the trade experts and economists. However, I assure you that this leaves plenty of problems for me to talk about today.

KINDS OF PROBLEMS

An overwhelming proportion of the problems that land in my office are concerned with fishery conservation and fishery jurisdiction, separately or with various degrees of intermixture. There is much confusion in popular thinking dealing with these issues, with jurisdiction often presented as conservation. This confusion of concepts is encouraged by the fact that "conservation" in the public mind has something of the status of "peace" and "motherhood," while jurisdiction tends to be identified with selfish, self-serving actions. No statesman, be he national or international, can afford to oppose conservation, whereas often he can be a hero by opposing (or supporting) jurisdiction. In general, conservation can be defined as concerned with maintaining and increasing the productivity of a resource without regard to who gets the catch, while jurisdiction deals with who gets or controls the catch. I include under this heading any provisions which determine the share of the total catch each or any country gets.

PRESENT INTERNATIONAL SYSTEM

Since the high seas are not subject to the jurisdiction of individual countries, the actions taken on the high seas by the United States and other countries should conform to international law or practice. Therefore, as a background for this review of U.S. high seas fishery problems it should be useful to briefly outline the present international system dealing with conservation of, and jurisdiction over fishery resources.

There is a considerable assortment of bilateral and multilateral conventions dealing with conservation, the United States being

a party to eight of them. Some of them also deal with jursidiction, i.e., how the catch of fish should be divided up, but this is a secondary consideration and presumably is included only because it was necessary to resolve this issue in order to secure an effective conservation agreement. Examples are the North Pacific Fur Seal Convention and the Fraser River Salmon Convention. Some of these conventions go back 30 to 40 years.

At the U.N. Conference on Law of the Sea, held in Geneva in 1958, many of the ideas which had been developing through experience gained in the operation of the fishery conventions were brought together to provide the basis for a world convention that would stimulate and guide the development of international law on fisheries. Modifications from past practice were developed to meet the changing needs and views of the participating countries. The Geneva Fisheries Convention received the overwhelming support of the Conference with 45 votes in favor, 1 against and 18 abstentions. The terms of the Convention include:

(1) The right of all states to engage in fishing on the high seas subject (a) to their treaty obligations, (b) to the interests and rights of coastal states as provided for in the convention; and (c) to the conservation provisions of the Convention; (2) the duty of all states to adopt necessary conservation measures and to cooperate with other states in conservation programs; (3) the definition of conservation; (4) the special interests of coastal states in the maintenance of the productivity of the resources in the high seas adjacent to their territorial sea and the special privileges which go with this, one of these being the right to adopt unilateral measures of conservation provided negotiations with other states concerned have not led to agreement within 6 months and provided that there is an urgent need for such measures, that they are based on scientific findings and that they do not discriminate against foreign fishermen; and (5) a procedure is included for settling disputes regarding the need for conservation measures and the kind of measures to be applied.

The United States and Canada worked vigorously for the inclusion of the "abstention" principle or procedure in this convention. Wide support for this concept was obtained in the fisheries committee of the Conference, the supporting vote in committee being over two-thirds. However, in plenary session it became involved with other issues and failed to obtain the two-thirds vote required for adoption.

All four of the conventions coming out of the 1958 Law of the Sea Conference at Geneva include provisions dealing with jurisdiction. The Convention on the High Seas states:

"ART. 2. The high seas being open to all nations, no state may validly purport to subject any part of them to its sovereignty. Freedom of the high seas is exercised under the conditions laid down by these articles and by the other rules of international law. It comprises, inter alia, both for coastal and noncoastal states:

"1. Freedom of navigation;

"2. Freedom of fishing;

"3. Freedom to lay submarine cables and pipelines;

"4. Freedom to fly over the high seas.

"These freedoms, and others which are recognized by the general principles of international law, shall be exercised by all states with reasonable regard to the interests of other states in their exercise of the freedom of the high seas."

The Convention on the Territorial Sea defines the situations where straight baselines may be drawn, sets out the criteria to be observed in their construction, states the criteria to be met in constructing the closing lines for bays, and sets out the rules governing innocent passage.

The Continental Shelf Convention is the most specific in extending the jurisdiction of the adjacent states to cover species not previously considered within their jurisdiction. This convention states (art. 2, pars. 1 and 4 and art. 3):

"1. The coastal state exercises over the Continental Shelf sovereign rights for the purpose of exploring it and exploiting its natural resources.

"4. The natural resources referred to in these articles consist of the mineral and other nonliving resources of the seabed and subsoil together with living organisms belonging to sedentary species, that is to say, organisms which, at the harvestable stage, either are immobile on or under the seabed or are unable to move except in constant physical contact with the seabed or the subsoil.

"ART. 3. The rights of the coastal state over the Continental Shelf do not affect the legal status of the superjacent waters as high seas, or that of the airspace above those waters."

The formula in article 2(4) developed out of an intense controversy as to where to draw the dividing line between resources of the shelf and those of the superjacent waters, and the drafting of criteria which in practice could be effectively applied. Meanwhile, research has shown that the king crab of the North Pacific meet these criteria. This has led to discussions during recent months with Japan and the Soviet Union whose fishermen conduct fisheries for king crab on the U.S. Continental Shelf in eastern Bering Sea. The Continental Shelf Convention also defines the Continental Shelf as (art. 1):

"* * * The term 'Continental Shelf' is used as referring (a) to the seabed and subsoil of the submarine areas adjacent to the coast but outside the area of the territorial sea, to a depth of 200 meters or, beyond that limit, to where the depth of the superjacent waters admits of the exploitation of the natural resources of the said areas; (b) to the seabed and subsoil of similar submarine areas adjacent to the coasts of islands."

Incidentally, the Continental Shelf Convention was adopted by a vote of 57 for, 3 against, and 8 abstentions.

I have briefly outlined the present system of international law or developing international law covering fishery conservation and jurisdiction. The provisions of the conventions to which I referred are being interpreted and put into practical effect by countries acting unilaterally or through agreements with other concerned countries.

U.S. POLICY

It is U.S. policy to work out our international fishery problems, like other international problems, in accordance with international law and practice. When solutions are not provided by present international law or practice, we seek to negotiate agreements with the concerned countries which will provide acceptable solutions. When neither international law nor negotiated agreements are adequate, we have in the past, and I expect may again in the future, seek to modify international law by means of such procedures as the 1958 Law of the Sea Conference. Of course, to consider such a move we must have modifications in mind which are reasonable and which we are quite sure will receive wide international support.

SOME INTERNATIONAL FISHERIES PROBLEMS OF THE UNITED STATES

I now propose to briefly review some of our principal international fishery problems in the field of conservation and jurisdiction. I will begin with the North Pacific, since this is an area where fisheries are of great importance to the economy of the coastal communities and where for many years the survival of certain stocks of fish of great importance to the area has been particularly dependent on research and stringent regulations conducted and applied by the United States and Canada. Furthermore, the fishery problems of this region appear to be uncommonly numerous and persistent.

The salmon problem involves both conservation and jurisdiction. Before the development of the high seas salmon fishery, the problem was essentially domestic since, with the principal exception of the Fraser River run, the United States and Canada each managed and fished the runs from their own rivers. There are some partial exceptions to this which I will not go into now. Since World War II a high seas salmon fishery by foreign nationals developed but the abstention provisions of the North Pacific Fisheries Convention maintained the status quo except for the Bristol Bay red salmon run. The far-ranging migrations of the Bristol Bay reds into the area of western Bering Sea and south of the Aleutians, where they intermix extensively with Asian salmon, has made them vulnerable to Japanese high seas fishing. Since the expiration of the minimum 10-year term of the Convention Japan has been seeking modifications that would eliminate the abstention provisions and now or in the future make more than Bristol Bay salmon accessible to Japan's high seas fishery. The United States has been seeking more protection for the Bristol Bay salmon during their migrations in western Bering Sea. There have been three meetings of the parties, Canada, Japan, and the United States of America, to work out a new convention. A fourth meeting will be held this year. The results of these negotiations will be crucial to the U.S. salmon industry.

The halibut problem in substantial degree is similar to salmon. The relation of the early life history to internal waters is lacking, but the economic survival of the stocks has been equally dependent upon the research and management efforts of the adjacent countries, the United States, and Canada. Since the yield is being fully utilized, any substantial participation in the fishery by a third party would displace the equivalent United States-Canadian fishing effort. Since World War II this fishery has been protected from the expanding Japanese fishery in the eastern North Pacific by the aforementioned abstention provisions of the North Pacific Fisheries Convention. In the case of halibut, as in the case of salmon, Japan seeks a convention modified to provide for Japanese participation in the fishery. The U.S.S.R. fishes for groundfish in both the eastern Bering Sea and the Gulf of Alaska, but operates in such a manner that halibut are not substantially affected.

In the case of groundfish, U.S. fishermen do not exploit the stocks in Bering Sea and only to a limited extent in the southeastern gulf of Alaska. U.S. concern regarding these stocks is primarily related to conservation. We wish to be sure that the countries which exploit these stocks will apply conservation measures adequate to maintain their maximum sustainable productivity so that they will remain available to our fishermen should the latter one day find it feasible to exploit them.

I am going to comment on a fourth problem, fur seals, primarily as an example of a problem that has been resolved, at least for the time being. The solution involves both conservation and jurisdiction. The conservation program is worked out among the four countries that share in the yield—Canada, Japan, U.S.S.R. and the United States. The measures are carried out by the countries having jurisdiction over the area where the measures are applied. The yield is shared among the four countries on the basis of a formula worked out years ago which gave consideration to actual participation in the fishery prior to the first agreement.

Solution of a fifth problem, king crab, now appears to be well underway as the result of the Continental Shelf Convention and bilateral negotiations with Japan and the U.S.S.R.

As we move south in the eastern Pacific we come to an area where the tropical tuna fishery generates our greatest problem of the eastern tropical Pacific. This, by far the largest and most valuable of our long-range fisheries, depends primarily on the yellowfin and skipjack tunas which migrate over great distances to the north and south and, we suspect insofar as the skipjack is concerned, from east to west. Some 16 years ago before the tuna fishery had grown to its present size, foresighted representatives of Government and industry anticipated the time when industry would expand to make full use of the tuna resource and, if not controlled on the basis of extensive scientific knowledge of the conditions of the stocks, could deplete or destroy the resource and with it the industry which depended upon it. They also recognized that because of the tuna's wide ranging migrations off the coasts of many countries, and because the fishery was conducted by a number of countries, effective research and management must be an international operation. Prompted by these considerations the Inter-American Tropical Tuna Convention was negotiated with Costa Rica in 1949. It is an open-ended convention to which Panama, Ecuador, and Mexico have since adhered. Research by the Commission's excellent staff has shown that in recent years the yellowfin stock has been too intensively fished and that limitations on the catch are necessary to prevent further overfishing and to restore the stock to the level that will produce the maximum sustainable yield. It is clear that to make such limitations effective all countries which fish this stock, nonmembers as well as members of the IATTC, must cooperate in regulating their fishermen. Otherwise, the limitations on the catches of the fishermen of one country would provide a stimulus to increase the efforts of the fishermen of the noncooperating country to supply the markets which normally depended on the catches of the regulated fishermen. Accordingly, the Governments of the United States and other IATTC member countries have been most assiduously attempting to enlist the cooperation of the nonmember countries. So far the effort has not been successful because we have not been able to obtain assurance of the cooperation of one of the nonmember countries. The problem is complicated by questions of jurisdiction since that country claims jurisdiction over the high seas extending to a distance of 200 miles or more from its coast. The end of this problem is not in sight and meanwhile the conservation problem continues unresolved to the detriment of everyone.

Moving now to the Northwest Atlantic, to the waters off the coast of New England, we find problems which have increased greatly in seriousness in recent years. Until recently the international problem was one of conservation measures to assure the continued maximum productivity of groundfish stocks, primarily haddock, ocean perch, and cod. The Northwest Atlantic Fisheries Convention was negotiated in 1949 to accomplish this. This Commission has done some excellent work in determining and applying minimum mesh size regulations to protect small haddock and cod. However, with the increasing number of countries involved and the complexity of the problems, the delays in implementation and problems of enforcement grow. Furthermore, the greater number of countries and amount of gear operated in areas of historic U.S. fisheries is threatening the survival of these fisheries since in many cases the yield is limited and an increase in catch from the new operations of foreign fishermen means an equivalent decrease in the U.S. catch. Means to ameliorate this situation are being studied but the solution is not easy or clear.

In the waters off the South Atlantic and Gulf States the international problems of the shrimp and menhaden people are partly current and partly potential. The American shrimp fisherman operating on the high seas off the coasts of Central and South America is very much concerned over any moves to extend jurisdiction without regard to international law or accepted international practice. If the uncertainties of his oversea operations force him back to compete in the already fully exploited shrimp fisheries along the U.S. coast, then both he and the fishermen that he joins suffer from the increased competition. On the other hand, the problem of the menhaden fisherman is potential since his fishery is inshore and he is not now faced with competition from foreign fishermen for the limited supply. However, he is concerned that such a threat should sometime develop in waters outside the present fishery. You will note that moves to help reassure the menhaden fishermen may stimulate increased hazards for the shrimp fishermen, and vice versa.

As I stated earlier, I am not going to attempt at this time to propound solutions to these problems. I would like to remind you, however, that the problems are conflicting, they are highly complex and they involve an extensive intermixture of conservation and jurisdiction.

You may be interested in how these problems are handled in Washington. In the Department of State my office has the primary responsibility on most fishery problems. If they are essentially legal they may go to the legal adviser's office, if primarily trade, to the Department's economic section. My immediate superior is the Under Secretary. He may designate his deputy to coordinate the work of my office with other areas of State. At the moment Governor Harriman is coordinating the work of my office. Depending on the nature of the problem my office works with the geographic bureaus which have overall responsibility for the affairs of the countries concerned, with the legal adviser's office, and the economic section.

We work closely with the Commissioner of Fish and Wildlife, Department of the Interior, and with the Bureau of Commercial Fisheries. The Department of State has a Fishing Industry Advisory Committee which also includes representatives of State governments concerned with international fishery problems. This committee meets once a year, or more often if circumstances warrant it, to consider with State and Interior Department representatives government policy on international fishery problems and specific courses of action on particular problems. This provides the industry advisers with information on the ramifications of the fishery problems, much of which is not public knowledge, and provides government with information on the details of industry operations and the impact on these operations of various courses of action that might be considered. The information and advice of this group has been invaluable in shaping government policy and, where the interests of various segments of the industry are conflicting, finding a course of action which best reconciles the various interests and which all can support. Many Members of Congress are interested in these problems and their assistance is invaluable in many of the actions we undertake.

Taking these activities all together I think one can conclude that international fishery problems do get a considerable amount of attention in Washington. The object of all this activity, of course, is to find solutions which further U.S. interests and which are consistent with international law and accepted international practice.

LEGISLATIVE PROGRAM OF SENATOR WILLIAMS OF NEW JERSEY

Mr. NELSON. Mr. President, in a recent article for one of the fine newspapers of New Jersey, the Newark Star-Ledger, Senator WILLIAMS of New Jersey outlined his legislative program for the coming session.

Although he is especially well known for his deep knowledge of urban affairs, his interests are wide. As chairman of the Subcommittee on Migratory Labor, he has waged a valiant fight to improve the lot of the forgotten Americans who harvest our crops; and as chairman of the Subcommittee on Frauds and Misrepresentations Affecting the Elderly, he has done fine work in exposing the frauds and quacks who prey on our senior citizens.

In this interesting article, Senator WILLIAMS eloquently discusses these and other problems. Most important, he shows his profound concern with building and improving our educational system, surely the cornerstone of the Great Society.

I am sure his thoughts will be of interest to all Senators; and I ask unanimous consent that the article from the Newark Star-Ledger be printed in the RECORD.

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

[From the Newark (N.J.) Star-Ledger, Jan. 24, 1965]

TIME RUNNING OUT ON OUR URBAN AREAS

In the exciting opening days of the new session of Congress, the Great Society has ceased to be a good campaign slogan and has become a tangible and practicable goal. In his state of the Union message and his health and education messages, President Johnson has already outlined some of the important legislation which will provide the building blocks for the Great Society of tomorrow.

The legislation on which the Congress will act in the coming months will be of tremendous importance to the citizens of New Jersey. As the Senator from a rapidly growing and highly urbanized State, I was greatly encouraged by the Johnson administration's awareness of the needs and problems of our great cities. More than 85 percent of New Jersey's population lives within metropolitan areas, and in the years ahead the vast majority of all America's population will live in cities. The Congress and the President know that time is running out for our great urban areas, and unless we act now, future generations will spend their lives in an ugly amalgamation of asphalt and concrete.

New Jersey lies in the heart of the supercity which will one day spread from Boston to Washington. My chief goal as a Senator from New Jersey will be to make sure that our cities are beautiful, healthful, and happy places in which to live and work. As President Johnson phrased it so eloquently in his state of the Union message:

"An educated and healthy people require surroundings in harmony with their hopes.

"In our urban areas the central problem today is to protect and restore man's satisfaction in belonging to a community where he can find security and significance."

This will be the central theme of my work in Congress.

The major legislation which the President has proposed so far strikes directly at the problems of our cities. In his education message, President Johnson has proposed bold and imaginative answers to the educational needs of our children. This $1.5 billion

package will pour more than $24 million into New Jersey's school system and of this almost $18 million will be used for the education of children of low income families. Money will be allotted to those school districts where large number of families are living on poverty level incomes.

In addition, preschool programs will be started to enable the slum child—often a year behind the average child in academic achievement—to receive the most benefit from his formal schooling. Three million dollars will go toward improving school libraries and for making more and better textbooks available to New Jersey schoolchildren. Supplementary education centers, which will provide specialized services in language and science training, guidance counseling, programs for the handicapped, and social work services will be established through grants to the State totaling more than $3 million. I have joined with Senator MORSE in cosponsoring a bill, the Elementary and Secondary Education Act of 1965 which will go far toward accomplishing this necessary strengthening and improving of the educational quality and opportunities of our Nation's schools.

WIDE COVERAGE

The education program covers the entire spectrum of educational need. In this age of automation, a high school diploma is no longer a luxury, it is a necessity. The poverty act work study programs, to provide part-time employment to keep potential high school dropouts in school, are already at work in New Jersey. But we must make sure that the talented high school graduate is able to go on to college or to a technical school.

Last year, I offered a bill to provide scholarships and low-cost, guaranteed loans to students. Under this proposal, the Government would have paid part of the student's interest costs. I am happy that the administration has now adopted this approach to college student aid, and the President has recommended similar legislation to the Congress in this session.

There are two other educational proposals in which I have a deep interest. While the cold war continues, many of our young men will have their education interrupted by military service and they will all too often serve their country's defense at the risk of their own lives. Therefore, during my service in the Senate, I have continually fought for a "cold war GI bill" which will allow today's veteran to continue and to complete his education.

Only a small percentage of our youth ever have to perform military service. Their contemporaries are able to begin their careers or pursue their education without this interruption. The cold war GI bill would enable the veteran to make up for his lost time, and to begin his working life on an equal footing with the nonveteran. Again in this session, I have sponsored legislation to create an education program for cold war veterans.

DIRECTION NEED

The increasing participation of the Federal Government in our Nation's education has created a need for a high-level position to direct and coordinate our educational activities. At present, almost 42 different government agencies administer various educational programs. I have joined with my colleague, Senator RIBICOFF, a former Secretary of Health, Education, and Welfare, in sponsoring a bill to establish a Cabinet-level Department of Education. The new Secretary of Education would coordinate and supervise the educational efforts of the Government and undertake the long-range planning necessary for the Government to work closely with States and local communities to improve our educational systems.

The Nation's health is another area into which we can and must channel our vast resources. An adequate, soundly financed program of medical care for our elderly combined with a rise in social security benefits, will ease the financial burdens of retirement which now weigh so heavily on our 18 million citizens over 65.

More than half of our elderly citizens now have no health insurance at all, and many of the private policies for old-age health insurance pay inadequate benefits. Medicare will protect the savings and incomes of the elderly from being wiped out by crushing medical expenses, and will prevent parents from imposing tragic financial demands on their children.

To me one of the most exciting health measures to come before the Congress is the proposal to create regional medical centers. Under a 5-year program, these regional centers would provide specialized services for the treatment of major killers such as heart disease, strokes, and cancer. Affiliated with medical schools, these centers could develop and try out new techniques for eliminating these age-old destroyers of life. They would be centers for a coordinated and concentrated attack on disease.

With our renewed determination to improve the life of our cities, I am confident that a Cabinet-level post to deal with urban affairs will be established this year. I was most encouraged that the President called for the creation of a Department of Housing and Urban Development in his state of the Union message. Such a department would make our efforts to build better housing, and better commuter transit systems even more effective.

One bill of the greatest importance to me as a Senator from New Jersey is the Immigration Reform Act. New Jersey is a State where citizens from many lands live and work together; the national heritages of these different countries have made a vital contribution to our progress and our culture.

As this brief review has indicated, this session will be busy and active. This is a time of hope for America. Although we must continue to resist vigorously the encroachment of communism on the free world, cold war tensions are gradually easing. Defense spending has leveled off, and this year will be reduced by about $300 million. Although this poses problems for some industries, it will mean that in the years ahead we can devote an increasing share of our national wealth to meeting the health, education, and housing needs of our great Nation. Although it will be a long time before we reach a truly peaceful world, at long last we can begin to beat our swords of war into the ploughshares of peace.

SIR WINSTON CHURCHILL

Mr. McCARTHY. Mr. President, the citizens of the United States share the loss of the people of Great Britain in the death of Winston Churchill, and join them in public acknowledgment of his contributions to our times. His leadership at a time of great danger to the freedom of nations and men is a matter of history and his place in it is secure.

I ask unanimous consent that the New York Times editorial tribute to Winston Churchill, the wartime leader and the man, be printed at this point in the RECORD.

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

[From the New York Times, Jan. 25, 1965]

SIR WINSTON CHURCHILL

The power and the glory are gone, the soaring oratory, the eloquent pen, the cherubic face, the impish twinkle in his eyes, the jaunty cigar, the vitality that sparked a world.

One measure of Churchill's greatness is that no one today, now that the blaze of his genius has subsided into dust and ashes, need explain or describe or grope for words. He is one of those rare figures in history who stand like skyscrapers above the merely great. Usually history waits to recognize its supreme leaders, but there is no need to wait in Churchill's case.

He was Britain's glory in a special way, for he somehow managed to personify what is magnificent in the English race, and what is most appealing—John Bull with imperfections and eccentricities, but with the courage, the doggedness, the loyalty, the strength. Many who sought to isolate the essential quality of his greatness fastened upon the astonishing vitality. Never was there a man so durable, so indefatigable, so indomitable. It is almost incredible that there was a man among us yesterday who rode in the charge of the 21st Lancers at Omdurman and was a Member of Parliament under Queen Victoria, who served as his nation's Prime Minister as late as 1955.

Yet, durability and vitality are not in themselves a guarantee of greatness. They only assured him life and dominance at a moment of history when all his gifts and those of his people could combine to produce the miracle of Britain in the Second World War.

There was some quality of anticlimax about the rest. When the Great War was won, Winston Churchill was rejected as his nation's leader. A few of his military commanders were critical in their memoirs of some of his wartime decisions—as an earlier generation had been critical of his Gallipoli campaign in 1915–16.

A decade ago his work was done, in the sense that he no longer had the strength to carry on in his beloved House of Commons, although he remained a Member of Parliament almost to the end. In some ways the whole of his life was devoted to the House of Commons. He did go on writing and, in fact, the fourth and last volume of his monumental "History of the English-Speaking Peoples" was published only in 1958. Writing for him was always an avocation although for years he had to make a living out of it and wrote superbly.

He was, too, an orator whose speeches were never dull and sometimes reached the most inspiring heights of which our language is capable. Like Shakespeare, he will be "full of quotations" so long as the English language lives. But no one in later generations will ever recapture the thrill that came to us, listening over the radio in moments of glory and agony, as we heard Winston Churchill speak of "blood, toil, tears and sweat," of "their finest hour," of fighting on the beaches, in the fields, in the streets, of so much being owed by so many to so few.

In the sweet, sad process of looking back we have the consolation of these memories. A man like Winston Churchill makes everyone a part of his life, as if a little of that greatness were shared by each of us. That he should have been half-American as well as "all English" was a special source of pleasure to Americans. Nowhere beyond his native land will he be more sincerely mourned than throughout the length and breadth of these United States.

Winston Churchill was the glory of a tremendous era in history encompassed by the two World Wars. He leaves one feeling that an age has gone into history with him. Years ago he wrote that he gave "sincere thanks to the high gods for the gift of existence." We, too, have reason to be thankful for that gift.

One would like to think of his passing in terms jotted down in a notebook by another supremely great human being, Leonardo da

Vinci: "Just as a day well spent brings happy sleep, so a life well spent brings happy death."

ANNIVERSARY OF UKRAINIAN INDEPENDENCE

Mr. WILLIAMS of New Jersey. Mr. President, the cruelty with which man will treat his fellow man often overwhelms me. In recent years we have seen too many tragic examples of cruel oppression, of snatching long fought for and hard won freedom from nations that were just beginning to learn what this greatest of possessions really means.

Forty-seven years ago the determined nation of Ukraine finally won its independence after several hundred difficult, strife-filled years. This liberty was well earned. Only a people dedicated to the principles of freedom and stouthearted enough to persevere years of fighting and torment could have mustered the strength to bring their great dream of freedom into being. The determined and strong people of the Ukraine had these qualities. On January 22, 1918, the word was spread across this brave little nation, "Freedom had come."

Freedom, indeed, had come, but it was short lived. A mere 2 years after their precious achievement, the bold people of the Ukraine felt the iron gauntlet of the Soviet Union and every vestige of freedom in their land was destroyed.

The ruthless and imperialistic oppression of the people of the Ukraine by the Communist dictators in Moscow has not and will not be forgotten. The people of the Ukraine will not be stopped in their desire for freedom by the point of the Soviet sword.

On this 47th anniversary of Ukrainian independence, it is the obligation of all freedom-loving peoples to rededicate themselves to the task of freeing all captive peoples throughout the world and ending once and for all time the enslavement of our fellow men.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

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

WATER QUALITY ACT OF 1965

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of Calendar No. 5, Senate bill 4, the Water Quality Act of 1965, which was made the unfinished business yesterday.

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

The LEGISLATIVE CLERK. A bill (S. 4) to amend the Federal Water Pollution Control Act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate resumed consideration of the bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. MONDALE in the chair). Without objection, it is so ordered.

Mr. MUSKIE obtained the floor.

Mr. MORSE. Mr. President, will the Senator from Maine yield?

Mr. MUSKIE. Mr. President, I am happy to yield to the Senator from Oregon.

FOREIGN AID

Mr. MORSE. Mr. President, I support the amendment added by the House of Representatives to the supplemental appropriation bill.

It is long past time for the Congress to legislate the policy under which foreign aid and food for peace is administered. In fact, Congress tried to avoid this very situation 2 years ago by adding the so-called "aggressors" amendment to the foreign aid bill. In it, aggression was defined so as to bring about a termination of aid when a recipient undertook aggressive adventures against other recipients of our aid.

But the executive branch has ignored the letter and the purpose of that amendment. "Don't mention countries" they always tell us when we review aid legislation. So we did not mention any countries in the "aggressors" amendment, whereupon they have simply ignored it.

Had the administration followed the directive of extending no aid and making no sales under Public Law 480 to a nation guilty of aggression against other nations friendly to the United States we would not be compelled now to specify the United Arab Republic. The refusal of the administration to enforce the aggressor amendment requires Congress to take further action.

Interference in the President's direction of foreign policy? That is the objection raised by the administration. Such an objection is unsound. This is not a foreign policy matter for which the President is responsible under the Constitution.

This is a statute. I say most respectfully that there is a crying need for a refresher course in the State Department on the very elementary principles of the setup of this form of government. They apparently do not comprehend the meaning of the separation-of-powers doctrine. They apparently do not comprehend the meaning of government by law. They apparently do not comprehend what they teach the children from the grade schools through their postgraduate courses in college, that this is a system of government by three coordinate, coequal branches of government. This is not a government of presidential supremacy, of executive supremacy. The American people must be on guard against this trend in this Republic. Year after year, we are marching farther down the road toward a government by presidential supremacy in the United States. People should read their history. When societies in the past followed that course of action, they ended by losing the freedom of the people. They moved into a police state, taking one form or another of executive supremacy.

As we move into the historic debate on foreign aid this year, this is one Senator that will continue to fight to place checks upon the executive branch of the Government in connection with the administration of foreign aid. Foreign aid rests upon a statute. Senators in this body cannot continue to abdicate their responsibility to direct the executive branch of this Government in the administration of foreign aid. Why, for the past 2 years, we received committee reports from the Committee on Foreign Relations which set out one criticism of foreign aid after another. But the Foreign Relations Committee has refused to do anything about their own criticisms. The overwhelming majority of the Foreign Relations Committee, in committee reports for the past 2 years, has said to the executive branch of the Government: "If you do not do something about these criticisms, you are going to be in trouble in your next foreign aid bill."

Here is one member of the Committee on Foreign Relations who will challenge the Committee on Foreign Relations this year to do something about its own criticisms of foreign aid. I shall insist that they stop passing the buck to the executive branch of the Government with a slap on the wrist and saying: "If you do not do something about it, you are going to have trouble with foreign aid."

Let me say to this administration that it is in trouble over foreign aid across this country from hamlet to hamlet. The issue that has been raised by the House of Representatives presents to us now the first call to action in carrying out what I consider to be the responsibilities of Congress—to protect the rights of the American people in the administration of all types of foreign aid.

We are dealing with a statute. It is the responsibility of Congress to see that the policy and purpose of the statute are clearly set forth and carried out. Without a statute authorizing the President to administer Public Law 480, there would be no sales to the United Arab Republic or to anyone else.

Congress has created the program, and Congress can end the program without interfering one whit in the President's foreign policy functions.

Let no one tell me that it is a matter of tying the President's hands. It is a matter of fulfilling our own responsibilities.

The concept that Congress can create and maintain by law an international aid

program, and then wash its hands of responsibility for the results is not going to be accepted by the voters who sent us here.

A repudiation of our commitment under Public Law 480? That is what the administration was alibiing as of yesterday afternoon. I say that when Colonel Nasser spit in the eye of the United States he terminated the commitment. The longer we allow Nasser to wipe his feet upon us, the more we prove he is right when he claims that aid from the West is a right, yes, a right, of the less developed nations.

There is being developed in the world today, on the part of the less developed nations, propaganda that they are entitled, as a matter of right, to aid from this country. Taking this position, Nasser's insults, his open aggression against our friends, and his attacks upon American property, public and private, are Nasser's way of proving to his own people, to the Arab world, and to all the undeveloped nations that those who demand tribute from the United States will get it.

The Department of State has been helping him to prove his case. It insists that there should be no standards for food for peace. The State Department has been Nasser's patsy, as it has been Sukarno's. But Congress is not. And only in Congress acts by adopting the House amendment will we establish that the American people are not, either.

Unless we are firm on this matter, we of Congress are going to confirm that any and all smalltime Mussolinis of this world have a claim to American food and to American aid with no obligation whatsoever on their part to use it wisely or in conformity with American objectives.

This amendment is no interference with the affairs of another nation. Nasser is free to run his country and its foreign affairs as he likes. But we do not have to help him do it. That is the test. We do not have to help every government do whatever it takes a fancy to. Nasser can tell us to go jump in the lake, he can burn our libraries, invade Yemen, and aid the Congo rebels. But we do not have to subsidize all these things.

Unless we act now, we are going to have all the Nassers of the next hundred years in Africa, Asia, Latin America, and the Middle East putting in their claim on American money and food as their rightful due.

The time has come for the Congress, as the House has already done, to file a caveat in the form of the amendment adopted by the House. The State Department is trying to sell the propaganda to the American people that in some way, somehow, we are under some kind of contractual commitment. It is an elementary principle of contract law that when one party to a contract follows a course of action that violates the terms of the contract, that party abrogates the contract.

In my judgment, the course of conduct of Nasser constitutes an abrogation of any commitment which the State Department alleges the U.S. Government has made in this matter.

The time has come for the Congress to meet this issue, and I am ready to have it met. I am ready to have the Members of Congress cast their vote. If Congress wants to follow a course of action that I consider to be an abdication of our responsibility under the legislative responsibility it took unto itself when it passed the authorization bill, let those who will so vote answer to the people who sent them here.

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

Mr. MORSE. I yield to the Senator from Ohio.

Mr. LAUSCHE. For the purpose of information, what is the present language of Public Law 480 with respect to the discretionary right of the administration to send food to the various nations of the world? Secondly, why was the House amendment necessary?

Mr. MORSE. I cannot give the Senator from Ohio, off the top of my head, the exact language. But clearly any discretionary language would in no way prevent Congress from exercising its function by stopping the delivery of food when a country with a little dictator follows such a course of action as Nasser has followed against the United States. I do not see how we could possibly justify sending to Egypt at the present time food of the great value called for in the aid program until Nasser mends his ways.

In my judgment, we cannot permit these little dictators to turn the United States into a shoewiping rag, but that is what they are doing.

Mr. LAUSCHE. About 2 weeks ago, I made a statement on the floor of the Senate, after the newspapers had repeatedly carried stories about our libraries, embassies, and properties being destroyed in foreign lands. My statement related to the assault upon our honor and the destruction of our property in Egypt. At that time, I stated that unless we did something about it we would be giving encouragement to people all over the world—in spite of our generosity in helping them—to tear down our flag, to destroy our embassies, to burn up our libraries, and we would do nothing about it.

Mr. MORSE. There is no question about that.

Mr. LAUSCHE. With regard to Egypt, I have felt that Nasser wanted to take our aid, but at every critical moment he declares himself to be in favor of the course of action followed by our enemies.

Mr. MORSE. The Senator from Ohio is correct.

Mr. LAUSCHE. The Senator from Oregon has just mentioned that Egypt is being used as a corridor to send Red Chinese and Russian equipment into the Congo.

Mr. MORSE. It is also a training center area.

Mr. LAUSCHE. It is sending in military equipment to Algeria, Egypt, Ghana, and the Sudan, which is creating a new problem for us.

Mr. President, I cannot understand it. We believe that by suffering these slaps in the face, by suffering the repudiation of our principles and still allowing our bounty and generosity to become the source of aid to them, we are helping our country.

Mr. MORSE. I agree with the Senator from Ohio. Let me say to him that I intend to speak only briefly today on this situation. I have made this brief statement which is my answer to the propaganda drive of the Secretary of State, Mr. Rusk, on yesterday, to try to persuade Congress to abdicate what I consider to be its responsibilities under the Constitution of the United States in regard to lawmaking.

I shall speak at much greater length, from time to time, during this session of Congress, as we move into the historic debate on foreign aid, because I happen to believe that this is the year in which Congress must return to its exercise of the authority available to it in regard to the foreign aid program.

In one of those early speeches—and I am working on one now—I shall discuss developments in Latin America. I shall speak as chairman of the Subcommittee on Latin-American Affairs. But there are certain forces in Latin America that seem to feel that they should be considered now as being entitled to aid from us in regard to certain kinds of aid as a matter of right.

Watch out for it, because they will try to single us out and hold us up to the world as a country walking out on some kind of obligation.

This year, we had better make it perfectly clear that in connection with foreign aid we are going to help those willing to help themselves in cooperation with us.

We are willing to help with loans on sound investments. Of course, we are going to carry out our great humanitarian obligations to be of assistance to people in times of great tragedy or of starvation, and so forth; but we had better watch out, the way the Public Law 480 program is being handled, to make certain that we do not establish certain precedents of policy that we will rue in the not too distant future.

Mr. LAUSCHE. I agree with the Senator from Oregon that Congress has altogether too frequently been abdicating its responsibility and transferring it to the executive branch under the guise of the use of discretionary power; that is, we write into laws a broad authority for the executive branch to adopt a course that is inconsistent with what was initially intended in the passing of those laws. Let me say to the Senator from Oregon that this abdication of responsibility does not only reside in the foreign aid program; it resides in countless other programs when we give broad power to the various agencies of the executive branch of the Government to practically become legislative bodies through regulations.

Mr. MORSE. The Senator can say that over and over again. He is so right. It is one phase of the march down the road toward government of executive supremacy in this country. I am for checking it.

BORROWINGS IN THE UNITED STATES BY THE WORLD BANK AND OTHER INTERNATIONAL MONETARY ORGANIZATIONS

Mr. MORSE. Mr. President, a few days ago I spoke on the floor of the Senate in some criticism of the policies of the U.S. Treasury Department in connection with borrowing in the United States on the part of the World Bank and other international monetary organizations.

I have received a very much appreciated letter on this subject from Representative HENRY S. REUSS. His letter and the enclosure in it show that Representative REUSS is concerned about some of the same phases of the same problem that I mentioned.

I ask unanimous consent to insert in the CONGRESSIONAL RECORD at this point, as a part of my remarks, a statement which Representative REUSS released in the form of a press release on January 15, 1965, entitled "REUSS 'Regrets' World Bank Borrowing in United States."

I highly commend Representative REUSS' comment, and I want him to know that I associate myself with his views.

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

REUSS "REGRETS" WORLD BANK BORROWING IN UNITED STATES

The United States must make additional efforts to eliminate its balance-of-payments deficit, Representative HENRY S. REUSS, chairman of the House Subcommittee on International Finance and of the Joint Senate-House Subcommittee on International Exchange and Payments, said today.

Despite the interest equalization tax in effect throughout 1964, REUSS said, "capital outflow from the United States to the surplus reserve and payments countries of Western Europe is still too large. We ought to be doing everything possible to discourage capital outflow from this country to areas like the Common Market. If need be, we must curb long-term bank loans and ballooning private direct investments in such countries. It is the countries of Western Europe, not the United States, who should currently be doing the major job of capital export."

REUSS also said: "Our basic balance-of-payments position has shown steady improvement, with a record merchandise trade surplus currently running nearly $7 billion per year. The high fourth quarter overall deficit estimated to have been at the annual rate of $4 to $5 billion was due almost entirely to a bunching of Canadian borrowing, exempt from the interest equalization tax, and the deferral of payments by Britain on a U.S. loan. A major part of the remaining basic deficit of $2 to $2.5 billion (annual rate) is due to a sustained high volume of private capital outflow from this country and the absence of an equalizing outflow from the surplus rich countries of Europe.

"Under these circumstances, I think it unwise for the U.S. Government to allow the World Bank to sell its $200 million bond issue in New York this week. When I first heard of this proposed borrowing last summer, I urged the Treasury to deny the World Bank access to our capital market at this time. Though it had the clear power to do so, the Treasury disagreed with me.

"While some part of the new $200 million bond issue can result in increased U.S. exports, there is a substantial net addition to our deficit. Because World Bank money is lent only as 'hard loans' to creditworthy borrowers, including relatively well-off countries like Japan and Norway, it could afford to borrow money from the European capital market at higher interest rates, and it would be welcome there as it has been in the past. By confining its bond borrowing to Europe, the World Bank could help to reduce the payments imbalance between the United States and Europe as well as to increase its lendable capital.

"It should be part of our balance-of-payments program on limiting capital outflow to divert borrowers like the World Bank or the developed countries to other capital markets. We also have an equal responsibility to save our capital resources for countries which could not qualify for World Bank or private capital loans and for those in balance-of-payments difficulties."

WATER QUALITY ACT OF 1965

The Senate resumed the consideration of the bill S. 4 to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes.

Mr. MUSKIE. Mr. President, on October 16, 1963, the Senate considered S. 649, a bill to amend the Water Pollution Control Act, as amended. It was a bill which had been subject to rigorous and extensive hearings, producing over 1,000 pages of testimony. It had been subjected to intensive study by the members of the Subcommittee on Air and Water Pollution and the members of the full Committee on Public Works. Members of both parties worked on revisions in the legislation. The final product, as reported to the Senate, retained the original objectives of the bill, but incorporated significant changes which were responsive to the hearing testimony and to the flow of ideas and discussions in the subcommittee. The bill was debated in some detail on October 16, being tested by Members of the Senate who had sincere doubts as to some of its provisions.

Following debate, the Senate passed S. 649 by a vote of 69 to 11, and of the 20 Members not voting, 15 announced themselves as favoring its passage. The House Public Works Committee reported an amended version during the closing days of the 88th Congress. However, no further action was taken by the other body.

In the months and weeks before the opening of the 89th Congress, the members of the Subcommittee on Air and Water Pollution and others interested in the Water Pollution Control Act reviewed S. 649 and the needed changes in the program. S. 4, which is now before the Senate, represents the consensus of that group. It has been cosponsored by 31 of my colleagues, including all members of the subcommittee in the 88th Congress. A hearing was held on the legislation, January 18, 1965. As reported to the Senate, it is identical with S. 649, with two deletions and several perfecting amendments which were adopted by the committee. I shall comment on those changes later in my remarks.

I believe S. 4 is a sound and meaningful legislative approach to the enhancement of the quality of our national water resources. I believe its adoption will strengthen our pollution control and abatement program and will contribute to expanded and more effective efforts at the regional, State, and local level.

I want to express my appreciation to my colleagues who have made a substantial contribution to the development and perfection of S. 4. The chairman of the Committee on Public Works, the senior Senator from Michigan [Mr. MCNAMARA], created the special Subcommittee on Air and Water Pollution and has given the subcommittee his backing and support. The ranking majority member of the subcommittee, the senior Senator from West Virginia [Mr. RANDOLPH], has devoted considerable time and effort to the legislation, offering many helpful suggestions.

The ranking minority member of the subcommittee, the senior Senator from Delaware [Mr. BOGGS], has been a creative and constructive partner from the very beginning. His patience and good will and his determination to achieve a reasonable meeting of the minds were essential to our success in the 88th Congress and today.

The exchanges on S. 649 and S. 4 have been healthy. The senior Senator from Kentucky [Mr. COOPER], whose disagreement with the majority of the committee has been recorded in our reports and in the debate, has contributed to a more complete understanding of the issues involved.

The development of S. 4, the Water Quality Act of 1965, has been a rewarding experience for me. It is, in my opinion, the product of creative dialog and legislative craftsmanship.

S. 4 is consistent with and supports the objectives outlined by President Johnson in his state of the Union message, in which he called for an expanded conservation program as part of our effort to achieve the Great Society:

> For over three centuries the beauty of America has sustained our spirit and has enlarged our vision. We must act now to protect this heritage. In a fruitful new partnership with the States and cities the next decade should be a conservation milestone. * * *
>
> We will seek legal power to prevent pollution of our air and water before it happens. We will step up our effort to control harmful wastes, giving just priority to the cleanup of our most contaminated rivers. We will increase research to learn much more about the control of pollution.

These objectives and approaches stated by the President are reflected in S. 4.

As I mentioned previously, this legislation is, with the exception of two deletions and some perfecting amendments, identical to S. 649, as approved by the Senate on October 16, 1963, by a vote of 69 to 11. The two sections deleted were those relating to the control and abatement of pollution from Federal installations and the problem of nondegradable detergents.

The Federal installations section was eliminated from this bill because similar problems with respect to Federal installations are present in the field of air pollution, as well as water pollution. In addition, there were other matters relating to Federal activities in both fields which require separate and more complete consideration. Because of these factors it was decided to cover these matters in separate legislation.

The detergents section was deleted because the members of the soap and detergent industry have reported changes in their schedules for supplying the market with detergents which will degrade more readily than those presently on the market. In view of this change it was considered advisable to conduct additional hearings on the detergent problem to determine the type or need of corrective legislation.

S. 4 includes the following proposals:

First. To establish an additional position of Assistant Secretary of Health, Education, and Welfare to help the Secretary to administer the Federal Water Pollution Control Act.

Second. To create a Federal Water Pollution Control Administration to administer sections 3, comprehensive programs; 4, interstate cooperation and uniform laws; 10, enforcement measures; and, 11, to control pollution from Federal installations, of the act.

Third. To authorize appropriations for the fiscal year ending June 30, 1965, and for 3 succeeding fiscal years in the amount of $20 million a year for grants for research and development to demonstrate new or improved methods for the control of combined storm and sanitary sewer discharges.

Fourth. To increase grants to individual sewage treatment projects from $600,000 to $1 million, and to allow multimunicipal combinations grant increases from $2,400,000 to $4 million.

There is also a provision which provides a 10-percent bonus on construction grants for treatment plants where such construction is part of a comprehensive metropolitan plan.

Fifth. To provide procedures for the establishment of water quality standards applicable to interstate waters.

Sixth. To authorize action by the Secretary of Health, Education, and Welfare to initiate abatement proceedings where he finds that substantial economic injury results from the inability to market shellfish or shellfish products in interstate commerce because of pollution of interstate or navigable waters and actions of Federal, State, or local authorities.

Seventh. Provisions for audits where Federal funds are utilized under the act, and provisions, under the Water Pollution Control Act, for appropriate application of the authority and functions of the Secretary of Labor with respect to labor standards.

The two perfecting amendments to the bill, as adopted by the committee, relate to the quality standards section of the bill. The first clarifies the procedure relating to the revision of water quality standards, so that the same provisions for hearings and consultation, followed in establishing standards in the first instance, will be followed in the revision of those standards. There is, connected with that amendment, another amendment which provides a more logical sequence of paragraphs in the standards section.

The second committee amendment requires the hearing board, under the enforcement procedure, to give consideration to "the practicability of complying with such standards as may be applicable." This language is identical with that added to the court review section of the Water Pollution Control Act, as amended, in S. 649 in the 88th Congress. It is considered a clarification of a protection the committee intended to be present in the enforcement provisions of the act.

I have outlined, Mr. President, the provisions of S. 4, its origins, its development, and its senatorial sponsorship and support. In addition, this year, it has the support of the administration, as indicated in the January 18, 1965, letter to Chairman McNamara from the Secretary of Health, Education, and Welfare. In that letter he wrote, in part:

> The overall purposes of S. 4 are highly desirable, particularly insofar as they are consistent with the President's goals and objectives noted above. We favor, therefore, the enactment of this legislation as necessary for the effective conduct of the national water pollution control program and the accomplishment of its important aims and purposes.

Mr. President, I ask unanimous consent that the full text of the Secretary's letter be printed at this point in the Record.

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

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., January 18, 1965.

Hon. PAT V. McNAMARA,
Chairman, Committee on Public Works,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of January 11, 1965, for a report on S. 4, a bill, to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes.

In his state of the Union message, delivered to the Congress on January 4, 1965 (H. Doc. No. 1, 89th Cong.), President Johnson set forth important national goals and objectives for the prevention, control, and abatement of water pollution. The President proposed "that we end the poisoning of our rivers," and to this end he recommended legal power to prevent pollution before it happens and further asserted that we will step up our effort to control harmful wastes, giving first priority to the cleanup of our most contaminated rivers and will increase research to learn much more about the control of pollution. We view the purposes of S. 4 as consonant with these goals and objectives and therefore highly desirable.

The provisions of S. 4 are identical with those of S. 649, 88th Congress, passed by the Senate on October 16, 1963, except for the deletion of the provisions for permits for waste discharges from Federal installations and for measures for the control of synthetic detergents. Our comments on these identical provisions were submitted to you in our letter of October 11, 1963.

As stated therein, we fully support the provision of an additional Assistant Secretary position for this Department. This important provision will contribute to the necessary strengthening of the Office of the Secretary and will benefit all the Department's programs.

The proposed program of grants to assist municipalities in the development of projects which will demonstrate new or improved methods of controlling discharges of sewage and wastes from storm sewers and combined storm and sanitary sewers will aid greatly in resolving this very critical pollution problem. A recent report prepared by the Public Health Service, entitled, "Pollutional Effects of Stormwater and Overflows from Combined Sewer Systems; a Preliminary Appraisal," reveals the following significant aspects of this problem: Approximately 59 million people in more than 1,900 communities are served by combined sewers and combinations of combined and separate sewer systems. Storm water and combined sewer overflows are responsible for major amounts of polluting material in the Nation's receiving waters, and the tendency with growing urbanization is for these amounts to increase. Both combined overflows and storm water contribute significant amounts of pollutional materials to watercourses. These discharges affect all known water uses adversely in the receiving watercourses. Complete separation of storm water from sanitary sewers and treatment of all waste is the ultimate control measure to provide maximum protection to receiving waters. Total costs for complete separation based on scattered information are estimated to be in the $20 to $30 billion range. The report recommends demonstration projects identical in purpose with those specified in S. 4 as an attack on the problem and to provide information for future action. While we fully endorse the objectives of this provision of the bill, we wish to advise the committee that the administration will be proposing a community facility grants program. The organizational and coordinating arrangements for this and related existing programs are still under consideration, and will be dealt with in future recommendations to the Congress.

We agree with the desirability of increasing the existing dollar ceiling limitations on the amount of a single project grant from $600,000 to $1 million and from $2,400,000 to $4 million for a project in which two or more communities jointly participate. This amendment will provide a more equitable measure of assistance to those projects involving disproportionately higher costs and substantially stimulate the construction of necessary waste treatment facilities by larger communities, where the attendant needs are commensurately greater.

The bill provides that the amount of a grant for a project may be increased by 10 percent of that amount if the project is certified as conforming with a comprehensive plan for the metropolitan area in which the project is to be constructed. We believe that a direct financial incentive such as this is desirable to encourage municipalities to coordinate and conform, if practicable, to the facility plan for the metropolitan or regional area, both in the interests of effective water pollution control and because of the substantial savings in expenditures that may be realized to all levels of government as a result of such area coordination. This provision of S. 4 and the proposed increases in the dollar limitations for any single or joint construction project implement the recommendations of the Advisory Commission on Intergovernmental Relations in its October 1962 report on "Intergovernmental Respon-

sibilities for Water Supply and Sewage Disposal in Metropolitan Areas."

The provisions for establishment of standards of water quality to be applicable to interstate waters would appear to have for their purpose the prevention of pollution before its inception. Sound water quality standards are capable of serving as valuable guidelines for municipalities and industries in providing for effective treatment and disposal of their wastes so as to prevent pollution situations from arising. We are in agreement, therefore, as to the necessity and desirability of these provisions.

Such industries as the commercial shellfish and fishing enterprises, which are importantly engaged in the shipping and marketing of seafood products, are particularly susceptible to the deleterious effects of pollution. In addition to the immediate health hazards involved, the uncontrolled discharges of waste matters in proximity to shellfish bed and commercial fish habitat areas inflict grave economic losses upon these industries through the resultant necessary closing of such areas to harvesting operations. The proposal of S. 4 directing the application of enforcement authority and procedures in such instances would provide corrective relief measures presently unavailable to those operators whose economic livelihood is imperiled through such pollution.

The overall purposes of S. 4 are highly desirable, particularly insofar as they are consistent with the President's goals and objectives noted above. We favor, therefore, the enactment of this legislation as necessary for the effective conduct of the national water pollution control program and the accomplishment of its important aims and purposes.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

ANTHONY CELEBREZZE,
Secretary.

Mr. MUSKIE. Mr. President, the provisions of S. 4 also have the support of the Federal Water Pollution Control Advisory Board, by resolutions adopted by the Board on June 12, 1963, and November 10, 1964. This distinguished panel of public-spirited citizens maintains a continuing relationship with the water pollution control program and has an intimate knowledge of its operation within the Public Health Service and the Department of Health, Education, and Welfare.

Mr. President, I ask unanimous consent that the names and titles of the members and the resolutions of the Board relating to the creation of a Water Pollution Control Administration in the Department of Health, Education, and Welfare be printed at this point in the RECORD.

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

WATER POLLUTION CONTROL ADVISORY BOARD

Chairman, ex officio: Hon. James M. Quigley, Assistant Secretary, Department of Health, Education, and Welfare, Washington, D.C.

Executive secretary: Mr. Robert C. Ayers, Department of Health, Education, and Welfare, Washington, D.C.

Mr. Earle G. Burwell, former member, Wyoming State Stream Pollution Committee, Casper, Wyo.

Mr. M. James Gleason, commissioner, Multnomah County, County courthouse, Portland, Oreg.

Mr. Raymond A. Haik, attorney-at-law, Minneapolis, Minn.

Mrs. Burnette Y. Hennington, national secretary, National Federation of Business and Professional Women's Clubs, Inc., Northside Station, Jackson, Miss.

Mr. Gerald A. Jackson, vice president, Champion Papers, Inc., Chicago, Ill.

Mr. Lee Roy Matthias, executive vice president, Red River Valley Association, Shreveport, La.

Mr. Blucher A. Poole, director, bureau of environmental sanitation, State board of health, Indianapolis, Ind.

Mr. William E. Towell, director, Missouri Conservation Commission, Jefferson City, Mo.

Mr. William E. Warne, director, California Department of Water Resources, Sacramento, Calif.

RESOLUTION ADOPTED BY FEDERAL WATER POLLUTION CONTROL ADVISORY BOARD ON JUNE 12, 1963

Whereas the Federal Water Pollution Control Advisory Board was created by Congress and members are appointed by the President for the purpose of reviewing the water pollution problem of this country, appraising public opinion on the subject and making recommendations which would lead to the formation of policies which would effectuate better water pollution control throughout the Nation; and

Whereas there is now pending before the Congress legislation which would transfer the administration of the Federal water pollution control program out of the Department of Health, Education, and Welfare; and

Whereas there is also pending before the Congress legislation which would establish a separate administrative agency within the Department of Health, Education, and Welfare for the Federal water pollution control program; and

Whereas this Board is previously on record in favor of the establishment of such a separate administrative organization within the Department of Health, Education, and Welfare: Now be it

Resolved—

1. That considering the availability of highly qualified water pollution control personnel now in the Department of Health, Education, and Welfare and considering the wealth of knowledge and experience accumulated within that Department in this area this Board strongly urges and recommends that the administration of water pollution control be retained within the Department of Health, Education, and Welfare; and

2. This Board specifically endorses and urges the adoption either by administrative action by the Secretary of Health, Education, and Welfare or by congressional enactment, that section of S. 649 and H.R. 3161 (or similar pending bills) which relates to the establishment of a separate administrative agency for water pollution control within the Department of Health, Education, and Welfare; and be it further

Resolved, That the Chairman of this Board is requested to bring the contents of this resolution to the attention of the Secretary of Health, Education, and Welfare and the chairman of the Senate Subcommittee on Water and Air Pollution and the chairman of the House Subcommittee on Rivers and Harbors and Public Works so that they may be fully appraised of this Board's deep concern for the need of the immediate upgrading of the water pollution control program within the Department of Health, Education, and Welfare.

RESOLUTION CREATING A WATER POLLUTION CONTROL ADMINISTRATION IN THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Resolved, That the Federal Water Pollution Control Advisory Board, in executive session this 10th day of November 1964, at Chicago, Ill., recommends the creation of a separate Water Pollution Control Administration within the Department of Health, Education, and Welfare.

Mr. MUSKIE. Mr. President, the proposed legislation has the support of the distinguished Governor of California, Edmund G. Brown, who testified before the committee. It is supported by the U.S. Conference of Mayors and other civic organizations. It is supported by the National Wildlife Federation and other conservation groups. Industrial representatives who appeared before the committee and who consulted with us have indicated that while they may not agree with all of its provisions, they believe S. 4 is reasonable in its approach.

Mr. President, I believe S. 4 deserves the high priority accorded it by the administration and by the Senate leadership. Two years have passed since its basic provisions were presented to the Senate. A year and a quarter has passed since the Senate approved S. 649. The improvements that this legislation offers are needed today more than ever.

The need for the acceleration of sewage treatment plant construction and for the correction of the problem of combined sewers is no less urgent than when I introduced S. 649 in January of 1963, or when it passed the Senate in October of that year. As a matter of fact, the delay in enactment of legislation has created a greater backlog of needs in correcting the Nation's water pollution problems.

The committee recognizes that the increased authorizations in S. 4 do not go as far as some members would like. We are conscious of the problems confronting our larger cities where even the $1 million project authorization contained in S. 4 will not approach 30 percent of the project cost. We are also conscious of the growing needs of smaller communities, where the cost of collection sewers—not eligible for aid under the Water Pollution Control Act—is often larger than that of the sewage treatment works. There are many other fiscal and developmental problems connected with the sewage treatment grant program which must be examined. But none of these questions can be considered adequately without giving attention to the problem of overall grant authorizations. It is the committee's intention to give timely and intensive study to this problem. The views of all interested parties will be solicited in an effort to arrive at a sound and fair total authorization and to correct any inequities which exist in the present grant program.

Today our older cities are faced with the necessity of separating their combined storm and sanitary sewers, or devising means whereby the discharge of runoff from city streets is gradually fed through treatment plants to prevent overloading of treatment systems and the discharge of untreated sewage into public waterways. The correction of the problem of combined sewers requires huge expenditures on the part of communities. Current estimates place the cost of separation in the order of $30 billion. The $20 million annual authorization in S. 4 would help launch a research and development program to find

improved methods of dealing with the combined sewage problem. Hopefully, this program will also cut the costs of corrective action.

For the program of sewage treatment facilities to be of greater benefit to our larger communities, the limitation on individual and multimunicipal grants needs to be raised. The present ceilings are unrealistic when applied to the considerably greater expenditures which a larger city must bear in installing necessary treatment works. In application, the grants approximate as little or less than 10 percent of the costs involved, and thus they fail to achieve what is at once a primary and necessary objective of the grant program—the incentive to develop local projects for the control and abatement of water pollution.

S. 4 would authorize the establishment of an additional Assistant Secretary to help in the responsibility of the Department to oversee this important sphere of activities. There would also be authorized a Federal Water Pollution Control Administration to carry out certain functions of the Federal Water Pollution Control Act, thus accomplishing two purposes:

First, the new Administration would elevate the status of our water pollution control and abatement programs to a more appropriate and effective level in the Department.

Second, it would free the Public Health Service to concentrate on its primary concern with health in the water pollution field, as it is in other areas.

The importance of establishing water quality standards in our interstate water system is gaining more recognition and support. While this would be a new provision in Federal legislation, it is by no means a new or novel approach to aiding in the improvement of water quality and in the proper management of our water resources. We all recognize that the availability of water of good quality is a necessity for our economic and industrial growth. It is essential to the achievement of the Great Society.

The development and application of water quality standards would enable us to establish objectives and guidelines on the use of our waters and to prevent the misuse and abuse of this vital resource.

Water quality standards would provide techniques which could, in many instances, help us to avoid the necessity for enforcement action. Under present law and procedures nothing is done until pollution has reached the point where it endangers the health or welfare of many people when there then are imposed unconscionable burdens upon industry and others responsible for dealing with it. Then abatement action is taken and efforts are made to correct a situation which could have been prevented if standards of water quality had been established; municipalities and industries could develop realistic plans for new plants or expanded facilities, without uncertainties about waste disposal limitations which may be imposed.

In my own State, as in others, our previously abundant shellfish producing waters have been immeasurably harmed through disposal of deleterious wastes. The economic losses to shellfishermen have been catastrophic. S. 4 could provide them with effective protection for the first time.

These, Mr. President, are the basic provisions of the Water Quality Act of 1965, as amended by the committee. I urge the Senate to approve S. 4 as a major contribution to the quality of American life.

WATER POLLUTION MORE SERIOUS EACH YEAR

Mr. YARBOROUGH. Mr. President, I strongly support this legislation being brought before the Senate by the leadership of the distinguished junior Senator from Maine [Mr. MUSKIE].

Water pollution is high on the list of our urgent national priorities. Increasing population and industry will necessarily increase water pollution; increasing reuse of the scarce water supplies of a basin will compound pollution problems.

A recent survey showed a national backlog of over $2 billion of waste treatment works needed to be built now; several hundred millions of dollars should be spent annually to keep population growth from increasing water pollution.

The bill before the Senate today is another modest improvement in the water pollution effort the Federal Government has been engaged in for several years. It provides research and development grants for work on the problems of combined storm-sewage systems, increases the maximum grants possible to communities under the sewage treatment works construction program, and improves the administrative authority over the water pollution program including procedures for establishing quality standards for interstate waters. All of these are reasonable and prudent steps that represent progress. Pure water is necessary for a healthy people. Impure water lowers the health level of a people, and increases the death rate. Clean water makes for clean people.

For all of us who labor here in Washington, the need for faster progress in water pollution prevention is illustrated by the Potomac River that so enhances the majesty of this great city. The Potomac is a beautiful river—until one gets close to the stinking thing. So far as I am concerned, none of us can feel content with what has been done against water pollution until there are again bathing beaches on the Potomac within sight of the Capitol. Then we can feel that the needed job is being done.

I commend my colleagues who have labored so diligently in this field; I assure them of my support for continued efforts to combat water pollution across the Nation.

Mr. BOGGS. Mr. President, I wish to join with the distinguished chairman of the subcommittee, the very able junior Senator from Maine [Mr. MUSKIE], in the remarks he has just made regarding S. 4, the Federal Water Pollution Control Act Amendments of 1965. I also want to express my appreciation to him and other members of the committee for the great amount of work which has gone into the preparation of this legislation and its ultimate referral from the committee to the Senate floor for action.

As the Senate knows, an almost identical bill to this passed the Senate in the last Congress but, unfortunately, did not receive final consideration by the other body. The bill presently before the Senate is the result of many days of work by members of the committee and many conferences held between State governments, industries, and Federal officials. It is my considered opinion that in this legislation we have a good bill which will go a long way in protecting the wise use of our water resources.

As I think everyone is well aware, the waters of our Nation are one of our most precious natural resources. They are in fact essential to all aspects of our well-being.

With the population growth and the increasing uses of our available waters, their essentiality is becoming more and more evident.

I think it is also well to keep in mind, Mr. President, that commendable progress in pollution control has been made by industry, municipalities, States, regional authorities, and the Federal Government; and it is only because of the scope, number, and complexity of the problems of pollution that I feel this legislation is timely and provides for a more realistic and effective water pollution control program.

As the distinguished Senator from Maine has pointed out, it provides for an "effective national policy for the prevention, control, and abatement of water pollution."

Much concern has been evidenced over the standards section of this legislation; therefore, I would like to make this comment. It is my firm belief that the establishment of standards as provided for in this legislation will reduce the need for enforcement proceedings and facilitate treatment programs because full knowledge would be available as to water quality needs. This authority to establish standards in appropriate cases does not extend the jurisdiction of the Federal Government over water not now covered by existing law. In fact, Mr. President, the members of the committee and the staff have worked diligently in preparing language to make it abundantly clear that the States, interstate agencies, and industries will be fully protected from any arbitrary action by a Secretary of Health, Education, and Welfare regarding established standards. Senators will note that the report as well as the language of the bill make it abundantly clear that the review authority contained in existing water pollution control laws shall take into consideration the practicability of complying with such standards as may be applicable.

(At this point Mr. TYDINGS took the chair as Presiding Officer.)

Mr. BOGGS. I should like to mention one further thing, Mr. President, and that is the fact that the proposed legislation, unlike S. 649 of the past Congress, does not include a section dealing with water pollution control at Federal installations. Both the chairman of the subcommittee, the junior Senator from Maine, and I, along with others, have

introduced a separate piece of proposed legislation dealing with pollution abatement at Federal installations. I feel very strongly that legislation to control pollution at Federal installations is a "must," and that we at the Federal level must place our own house in order before we can expect others to do likewise. I would hope and believe that the Federal installations bill would receive early consideration by the subcommittee and that we would see it enacted into law in this Congress.

Again, Mr. President, let me most sincerely commend the junior Senator from Maine [Mr. MUSKIE], the chairman of our subcommittee, for his leadership in this field of water pollution control and for the many kindnesses and courtesies, he has extended to me during all of our deliberations in the creation of a meaningful proposal in the field of water pollution control.

I urge my colleagues in the Senate to consider this proposed legislation most favorably, and look toward its passage. This proposed legislation will be a reasonable and practical step toward the protection and wise use of our water resources.

I thank the Senator from Maine [Mr. MUSKIE], the distinguished Senator in charge of the bill, for yielding to me.

Mr. MUSKIE. I thank my good friend the Senator from Delaware for his helpful and useful statement, lucid as always, and for his kind, personal remarks.

Mr. MILLER. Mr. President, will the Senator from Maine yield?

Mr. MUSKIE. I yield.

Mr. MILLER. First, I commend the Senator from Maine for his excellent statement on the pending bill. The Senator will recall that last year, when a similar bill was considered by our Subcommittee on Air and Water Pollution Control, a considerable amount of attention was devoted to what might be called the problem of judicial review, with a view to making very clear the procedure that would be followed if the bill became law. I should like to ask the Senator a few questions.

On page 9, the bill contains a provision indicating that violations are "subject to abatement in accordance with the provisions of this section." The section reference is to section 10 of the basic Federal Air and Pollution Control Act, a part of which is amended, along with additions, by the pending bill.

Mr. MUSKIE. The present section 8 will become section 10, if the bill is passed.

Mr. MILLER. That is correct.

Let us assume that action for abatement were taken because of what appeared to be a violation by some individual. What would be the first step involved?

Mr. MUSKIE. The first step would be the calling of a conference, notice of which would be given to States, State agencies, interstate agencies, industries, and municipalities. Any parties in interest would be brought into the conference for the purpose of considering all matters dealing with the problem of pollution in the waters involved. I emphasize that the waters must be interstate waters, under the act.

Mr. MILLER. If the conference procedure, which I presume would be relatively informal, did not result in an abatement, what would be the next step?

Mr. MUSKIE. The conference procedure would be informal. It would not be an adverse procedure in any sense at that point. Its purpose is to establish a factual basis upon which the Secretary may determine whether or not to proceed with an abatement order. The conference would make its report to the Secretary. The Secretary, following the conference, would be required, under the law, to prepare and forward to all water pollution agencies attending the conference a summary of the conference discussions.

In effect, this is a notice to the agencies involved, State and interstate, of the findings of the conference on this very point.

The Secretary is then required to allow at least 6 months for the States or interstate agencies to act upon any recommendations he may make in connection with the conference report. The period is at least 6 months.

If at the conclusion of the period which he allows—and that period is stated, so that all parties are on notice—such remedial action has not been taken, the Secretary shall call a public hearing, to be held before a hearing board appointed by the Secretary.

Mr. MILLER. Do I understand that in the proceedings before that hearing board, it would be expected that the procedure would indeed be an adversary type procedure?

Mr. MUSKIE. Let me read the provision of the act. I am speaking of the present law, and not of S. 4. It reads:

Each State in which any discharge causing or contributing to such pollution originates and each State claiming to be adversely affected by such pollution shall be given an opportunity to select one member of the Hearing Board and at least one member shall be a representative of the Department of Commerce, and not less than a majority of the Hearing Board shall be persons other than officers or employees of the Department of Health, Education, and Welfare. At least three weeks' prior notice of such hearing shall be given to the State water pollution control agencies and interstate agencies, if any, called to attend the aforesaid hearing and the alleged polluter or polluters. On the basis of the evidence presented at such hearing, the Hearing Board shall make findings as to whether pollution referred to in subsection (a) is occurring and whether effective progress toward abatement thereof is being made. If the Hearing Board finds such pollution is occurring and effective progress toward abatement thereof is not being made it shall make recommendations to the Secretary concerning the measures, if any, which it finds to be reasonable and equitable to secure abatement of such pollution. The Secretary shall send such findings and recommendations to the person or persons discharging any matter causing or contributing to such pollution, together with a notice specifying a reasonable time (not less than six months) to secure abatement of such pollution, and shall also send such findings and recommendations and such notice to the State water pollution control agency and to the interstate agency, if any, of the State or States where such discharge or discharges originate.

I have read the provisions of the present law in detail in order to emphasize the point that the hearing board, established by the Secretary, does not in itself have the power to direct enforcement action against a polluter. The board is to hear the case as it is developed up to the time when the case is presented to it. Then the board is to make recommendations based upon its findings.

Mr. MILLER. The recommendations are to go to the Secretary. The Secretary, if he thinks such action is indicated, I presume, could then refer the matter to the Department of Justice for enforcement.

Mr. MUSKIE. Yes. The provision for not less than 6 months' notice, is to give a State or interstate agency an opportunity to move in with its own enforcement board. If they fail to act, in the case of a pollution of waters which is endangering the health and welfare of persons in a State other than those in which the discharge or discharges take place, the Secretary may request the Attorney General of the United States to bring a suit on behalf of the United States to seek abatement of the pollution.

Mr. MILLER. In that action, there would be what might be termed a judicial review. Is that not correct?

Mr. MUSKIE. Yes. This is the first adversary proceeding in the whole process, in the sense that we lawyers understand the term "adversary proceedings." It is at this point that the polluter is confronted with the enforcement power of the Government.

Mr. MILLER. At that stage of the proceeding, it would be proper for the person aggrieved and the person against whom the abatement action is being brought to argue the reasonableness of the standards under which the abatement action had been taken?

Mr. MUSKIE. Precisely.

Mr. MILLER. I understand further that in this bill, we have specifically written in another matter than can be considered. It provides on page 10, subsection (d), that the practicability of complying with such standards as may be applicable is also relevant matter. Is that not correct?

Mr. MUSKIE. Yes. I ought to explain what the provision in the bill which the Senator has just read means. Under S. 4 as originally drawn and S. 649 as passed by the Senate, the court was given the power to consider the practicability of complying with the act. This language would give like power to a hearing board in connection with the functions we have described. I think the board had that power under S. 4 as written, but to make it clear, we have inserted it in the language in the section dealing with the powers of the hearing board.

Mr. MILLER. I appreciate the Senator's extended reply to my question. It will help in making clear what the legislative intention of this language is.

One further observation. The Senator has said that at least a 6-month delay must occur to give State agencies an opportunity to proceed in an abatement action. I assume that the procedures under the State laws involved would embrace judicial review. Is that correct?

Mr. MUSKIE. I did not hear the last part of the question.

Mr. MILLER. I assume that the procedures under the State laws involved would admit of judicial review.

Mr. MUSKIE. Yes.

Mr. MILLER. So, either way, the aggrieved person, whether it be in a procedure before a State agency or a procedure under the law proposed by S. 4, has the assurance that there will be an opportunity for judicial review under which the reasonableness of the standards and practicability of compliance therewith will be considered?

Mr. MUSKIE. Yes.

Several Senators addressed the Chair.

Mr. MUSKIE. I yield first to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. I say to my friend from Iowa that the amendment which I will propose goes to the very point that has been discussed. I shall not discuss it at this time. I disagree wholly with the thesis on which the Senator from Maine bases his argument.

Mr. MUSKIE. I have been reading from the provisions of the present law. I have not interpolated any words of my own.

I yield now to the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, I wish to speak very briefly on another matter, but before I do so, I congratulate the Senator from Maine for taking up this very important issue. Increasingly we have interstate problems in dealing with water pollution. The Mississippi is a polluted stream, but eight or nine States are involved in the pollution, and it is difficult to obtain united action on this problem. The same problem exists on lower Lake Michigan as between Indiana and Illinois. The Senator from Maine has made a fine contribution to the solution of this problem.

NOMINATION OF NICHOLAS DEB. KATZENBACH TO BE ATTORNEY GENERAL

Mr. DOUGLAS. Mr. President, a few moments ago the President sent to us the name of Nicholas Katzenbach to be Attorney General of the United States. I rise to commend this appointment. Mr. Katzenbach has had a distinguished academic and legal career. He is a graduate of Princeton University, of Oxford, and the Yale Law School. He had the good sense to come to Illinois, and for a number of years was professor of law at the University of Chicago, of which faculty I was once a member. Here he made a very enviable academic record and won the respect of all.

When Mr. ROBERT F. KENNEDY became Attorney General, Mr. Nicholas Katzenbach became an Assistant Attorney General. Then upon the appointment of Deputy Attorney General White to the Supreme Court he was appointed by President Kennedy to that office. Here he bore for several years the burdens of that responsible position. So far as I can tell, he has administered the office with great courage and fairness.

Since the resignation and subsequent election to the Senate of ROBERT F. KENNEDY, Mr. Katzenbach has served as the Acting Attorney General and has done a fine piece of work in that office.

This appointment by President Johnson recognizes demonstrated merit and will prove to be an excellent step forward in the administration of justice in this country.

On behalf of the State of Illinois, I say to the President "Well done." And to Mr. Katzenbach "Congratulations and heartfelt thanks for intelligent devotion to the public welfare." The Justice Department will be in safe and honorable hands.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield for a comment?

Mr. DOUGLAS. I am glad to yield.

Mr. JAVITS. I join the Senator from Illinois in hailing the appointment of Mr. Katzenbach for another reason, aside from those the Senator has mentioned. Many Senators have had direct and personal experience with Mr. Katzenbach during the days of the civil rights struggle, and I, for one, have been greatly impressed by seeing a man move up through the ranks and achieve a top Cabinet office. No one deserves this as much as Mr. Katzenbach. The appointment will be such a great morale builder for the whole efforts of those who serve the United States that it should be especially noted by the Senate.

I thank the Senator from Illinois for the opportunity to make these comments.

Mr. KENNEDY of New York. Mr. President, it is with the greatest of pleasure that I received the news that the President of the United States has nominated Nicholas deB. Katzenbach as Attorney General of the United States.

As Assistant Attorney General, then as Deputy Attorney General and as Acting Attorney General, Nicholas Katzenbach has exhibited the highest qualities of mind, devotion, and will. His performance at the Department of Justice over the last 4 years demonstrates his eminent qualification for this new appointment; and its guarantees the distinction with which he will fill it.

Mr. Katzenbach's qualities were apparent at an earlier age. He left college to enlist in the Air Corps during World War II. Shot down and captured, he determined to turn his enforced inactivity to advantage. Studying by himself, with Red Cross books but without the aid of instructors, he gave himself the equivalent of a college education. On returning to the United States after the war, he convinced the university to give him his final examinations, and was awarded his degree magna cum laude. He then went to law school, where he again graduated with high academic honors. He practiced law, and then began to teach. Again he distinguished himself in a short time.

From the campus, he came to the Department of Justice. As Attorney General I witnessed his performance at firsthand. In the most difficult situations, in the most intricate of legal problems, and in the most profound of national crises, his performance was beyond duplication and above reproach. No one was more committed than he to the ideals of freedom and justice upon which this country rests. In the pursuit of these ideals, he shed the light of intelligence, reason, and commitment. But he never allowed the heat of personal feeling, nor even the conviction of ultimate rightness, to obscure his judgment or to place himself in judgment over others.

In short, he is the ideal judicial officer. Under him, the Department will be what its name demands—an agency dedicated to the principle that the Government wins its case when justice is done.

For the post of Deputy Attorney General, the President has made another excellent choice. Ramsey Clark served with brilliance as Assistant Attorney General in charge of the Lands Division. Among his many achievements was a sharp lowering of the length of Government condemnation proceedings. He willingly assumed many duties beyond those nominally assigned to him; and these duties he performed with like distinction. Mr. Clark will be of inestimable value to the new Attorney General as they continue their work, with the dedicated men and women of the Department, for freedom and justice for all Americans.

WATER QUALITY ACT OF 1965

The Senate resumed the consideration of the bill S. 4 to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes.

Mr. SYMINGTON. Mr. President, let me congratulate the Senator from Maine [Mr. MUSKIE] and the members of the Senate Public Works Committee for the speed with which they have considered and reported S. 4. Abatement of water pollution and improved standards of water quality control are most worthy objectives.

In Missouri, we are proud of the fact that we have made great progress in construction of sewage treatment plants, and thus the abatement of pollution of our interstate waters.

In this effort, however, some of our communities, particularly smaller communities such as Caruthersville, Mo., are finding it extremely difficult, if not impossible, to finance the necessary sewage collection and treatment plants.

A community in an economically depressed county, Caruthersville is a city of approximately 8,600 with a high rate of unemployment. Of the 10,443 households in the county, 1,013 are on welfare and 3,518 have been receiving surplus food.

This city is under order from the Missouri Water Pollution Control Board to stop dumping raw sewage into the Mississippi River. The citizens want to meet this requirement. In fact, in August of 1963, they voted by a majority of 659 to 4 to authorize the sale of revenue bonds to

pay $484,000 of the estimated cost of $908,000 for construction of the sewage treatment plant, interceptor and outfall mains, plus some extension and modernization of the present sewage system.

The city was counting on the accelerated public works program for grants of $424,000 to pay the balance of the cost. Unfortunately money was exhausted before these worthy applications could be approved.

The city has filed an application for 30 percent of the cost of interceptor, outfall and treatment works, a cost estimated at $657,000; but it does not appear that such a grant would provide sufficient funds to do the job.

Mr. President, I can understand that in the effort to move rapidly on this present bill, S. 4, the Public Works Committee did not go into problems such as that presented by the city of Caruthersville.

I do note, however, that on page 7 of the committee report—Senate Report No. 10—on this bill that the committee states:

> It is the intention of the committee to give early and thorough attention to the financial and technological problems confronting communities, large and small, as they endeavor to control and abate municipal sewage.
>
> The committee is confident that out of the experience we have gained under the present act and from information derived from hearings and technical studies it will be able to develop a sound and expanded program of pollution control and abatement grants designed to meet realistic goals of water quality enhancement.

I would ask the distinguished Senator from Maine if this means that consideration will be given to an increase in the percentage of the allowable grant on the cost of sewage treatment plants and the necessary interceptor and outfall sewage mains connected thereto?

Mr. MUSKIE. Let me say to the Senator from Missouri that it is our desire and intent to go into that question. So far as the larger States are concerned, they are not getting a sufficiently large proportion of the total cost of sewage treatment projects from the Federal Government. I believe that is a legitimate concern. In the development of this program, we have moved toward higher and higher ceilings in that respect, but we still have a problem.

Then there is the question of the percentage of Federal support, particularly in distressed areas. That has been a problem.

The accelerated public works program has been of great assistance in this connection. We have been able to generate Federal grants of 50 percent or more in the past. That experience will be useful to our committee in considering changes in the formulas in the Federal Pollution Act itself.

I assure the Senator from Missouri that it is the full intention of the committee to go into this subject thoroughly, in the hope of developing proposals which will help relieve communities and States, to an even greater extent than in the past, of the burden of dealing with this problem.

Mr. SYMINGTON. I thank the able Senator from Maine. May I ask if this is planned to be done fairly soon?

Mr. MUSKIE. We intend to do it in this session.

Mr. SYMINGTON. In this session?

Mr. MUSKIE. Yes.

Mr. SYMINGTON. I thank the chairman. I appreciate his courtesy in acceding to my request in this particular case, and I am sure that will be true in other cases that will arise in the State of Missouri.

Mr. MUSKIE. Yes; and I expect to hear other remarks on this subject today.

Mr. STENNIS. Mr. President, I, too, commend the Senator from Maine and his subcommittee and the full committee for the very fine work they have done on this timely subject and troublesome question, to which some solution must be found.

GOLD AND FISCAL WEAKNESS

Mr. BYRD of Virginia. Mr. President, the administration's budget message for fiscal year 1966, beginning July 1, was sent to Congress January 25. I am advised that the economic message, and recommendations with respect to amending the requirement that currency in circulation and Federal Reserve deposits be backed by gold to the extent of 25 percent, will be sent today, or shortly.

I think analysis of all of these will clearly show Federal fiscal weakness and breakdown in fiscal discipline on the part of the Federal Government.

To assist in analyzing the reports I have mentioned, and others, I shall ask unanimous consent to make the following insertions in the RECORD:

First, a table showing from 1930 to date: (a) Federal debt; (b) interest on the debt; (c) budget surpluses and deficits; (d) value of the dollar; (e) balance of international payments; (f) U.S. gold stock; (g) Federal Reserve Bank reserves, in gold; (h) Federal Reserve liabilities subject to gold requirements—Federal Reserve notes and deposits; and (i) ratio of Federal Reserve gold reserves to combined deposits and notes in circulation.

Second, an article under the heading, "Trade Trouble: Imports Exceed Exports in Many Key Industrial Lands Besides Britain; but United States Piles Up Surplus; Rising Prices Hurt Sales of Foreign Nations' Goods; Uncle Sam's Capital Outflow." This article was written by Alfred L. Malabre, Jr., and it appeared on page 1 of the January 27 edition of the Wall Street Journal.

It has been suggested that the Senate Finance Committee be briefed by the Treasury Department, and others, on various fiscal and monetary problems now confronting the Nation, including the gold situation and extension of the Tax Equalization Act. The chairman of the Finance Committee is giving this suggestion serious consideration.

I ask unanimous consent that the insertions to which I have referred be made a part of my remarks at this point.

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

Federal debt, interest on the debt, budget surplus or deficit, value of the dollar, balance of payments, U.S. gold stock, and total reserves, note liabilities and deposits of Federal Reserve banks, showing reserve ratio—1930 to date

Year	Gross public debt and guaranteed obligations (fiscal year)	Interest on the public debt (fiscal year)	Budget deficit or surplus (fiscal year)	Value of dollar (calendar year) 1939=100 cents	Balance of international payments (calendar year)	U.S. gold stock [1] (fiscal year)	Total reserves, note liabilities and deposits of Federal Reserve banks, showing reserve ratio				
							Total reserves [1] (all gold since June 12, 1945)	Liabilities subject to reserve requirements			Reserve ratio
								Federal Reserve notes	Federal Reserve bank deposits	Total, note and reserve liabilities	
	Millions	*Millions*	*Millions*	*Cents*	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*	*Percent*
1930	$16,185	$659	+$738	83.2	+$598	$4,535	$3,174	$1,424	$2,455	$3,879	81.8
1931	16,801	612	−462	91.4	+1,132	4,956	3,576	1,723	2,504	4,227	84.6
1932	19,487	599	−2,735	101.7	+726	3,919	2,777	2,795	2,028	4,823	57.6
1933	22,539	689	−2,602	107.4	+323	4,318	3,813	3,093	2,494	5,587	68.2
1934	27,734	757	−3,630	103.8	+1,140	7,856	5,022	3,101	4,138	7,239	69.4
1935	32,824	821	−2,791	101.2	+1,174	9,116	6,426	3,258	5,406	8,664	74.2
1936	38,497	749	−4,425	100.2	+896	10,608	8,385	4,034	6,585	10,619	79.0
1937	41,089	866	−2,777	96.7	+1,053	12,318	9,159	4,206	7,278	11,484	79.7
1938	42,018	926	−1,177	98.5	+1,482	12,963	11,041	4,149	9,247	13,396	82.4
1939	45,890	941	−3,862	100.0	+1,915	16,110	13,874	4,511	11,701	16,212	85.6
1940	48,497	1,041	−3,918	99.2	+2,890	19,963	18,120	5,199	15,213	20,412	88.8
Depression years		8,660	−27,643								

See footnote at end of table.

Federal debt, interest on the debt, budget surplus or deficit, value of the dollar, balance of payments, U.S. gold stock, and total reserves, note liabilities and deposits of Federal Reserve banks, showing reserve ratio—1930 to date—Continued

Year	Gross public debt and guaranteed obligations (fiscal year)	Interest on the public debt (fiscal year)	Budget deficit or surplus (fiscal year)	Value of dollar (calendar year) 1939=100 cents	Balance of international payments (calendar year)	U.S. gold stock [1] (fiscal year)	Total reserves, note liabilities and deposits of Federal Reserve banks, showing reserve ratio: Total reserves [1] (all gold since June 12, 1945)	Liabilities subject to reserve requirements: Federal Reserve notes	Liabilities subject to reserve requirements: Federal Reserve bank deposits	Liabilities subject to reserve requirements: Total, note and reserve liabilities	Reserve ratio
	Millions	*Millions*	*Millions*	*Cents*	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*	*Percent*
1941	$55,332	$1,111	−$6,159	94.4	+$1,119	$22,624	$20,583	$6,724	$15,863	$22,587	91.1
1942	76,991	1,260	−21,490	85.3	−205	22,737	20,830	9,376	13,957	23,333	89.3
1943	140,796	1,808	−57,420	80.3	−1,979	22,388	20,582	13,872	14,022	27,894	73.8
1944	202,626	2,609	−51,423	79.0	−1,859	21,173	19,287	18,899	15,386	34,285	56.3
1945	259,115	3,617	−53,941	77.2	−2,737	20,213	18,055	23,019	17,188	40,207	44.9
1946	269,898	4,722	−20,676	71.2	+1,261	20,270	18,103	24,191	18,206	42,397	42.7
World War II years		15,127	−211,109								
1947	258,376	4,958	+754	62.2	+4,567	21,266	20,039	24,154	17,748	41,902	47.8
1948	252,366	5,211	+8,419	57.8	+1,005	23,532	22,258	23,752	20,176	43,928	50.7
1949	252,798	5,339	−1,811	58.3	+175	24,466	23,245	23,373	19,246	42,619	54.5
1950	257,377	5,750	−3,122	57.8	−3,580	24,231	22,982	22,921	18,316	41,237	55.7
Post-World War II years		21,258	+4,240								
1951	255,251	5,613	+3,510	53.5	−305	21,756	20,514	23,630	20,598	44,228	46.4
1952	259,151	5,859	−4,017	52.3	−1,046	23,346	22,143	24,826	20,559	45,385	48.8
1953	266,123	6,504	−9,449	51.9	−2,152	22,463	21,286	25,831	20,396	46,227	46.0
1954	271,341	6,382	−3,117	51.7	−1,550	21,927	21,239	25,588	20,808	46,396	45.8
Korean war years		24,358	−13,073								
1955	274,418	6,370	−4,180	51.9	−1,145	2,1678	20,994	25,868	19,268	45,136	46.5
1956	272,825	6,787	+1,626	51.1	−935	21,799	21,109	26,367	19,575	45,942	45.9
1957	270,634	7,244	+1,596	49.4	+520	22,623	21,945	26,682	19,630	46,312	47.4
1958	276,444	7,607	−2,819	48.1	−3,529	21,356	20,767	26,705	19,883	46,588	44.6
1959	284,317	7,593	−12,427	47.7	−3,743	19,705	19,416	27,402	18,832	46,234	42.0
1960	286,471	9,180	+1,224	46.9	−3,881	19,322	19,029	27,505	19,126	46,631	40.8
1961	289,211	8,957	−3,856	46.4	−2,370	17,550	17,256	27,778	17,694	45,472	37.9
1962	298,645	9,120	−6,378	45.9	−2,203	16,435	16,158	29,021	18,445	47,466	34.0
1963	306,466	9,895	−6,266	45.4	−2,644	15,733	15,457	30,670	18,188	48,858	31.6
1964	312,526	10,666	−8,226	44.8	([2])	15,461	15,185	32,835	18,250	51,085	29.7
Post-Korean war years		83,419	−39,706								
Total, 1930–64		153,822	−287,291								
Latest	[3] 320,006				[2] −2,260	[3] 15,188	[4] 14,880	[4] 34,837	[4] 18,597	53,434	[4] 27.8
Estimate: [5]											
1965	316,900	11,200	−6,281								
1966	322,500	11,500	−5,287								

[1] The difference between U.S. Treasury gold stock and Federal Reserve bank reserves represents gold held in Treasury cash, of which $156,000,000 constitutes a reserve against U.S. notes.
[2] 3d quarter (only) 1964. Full year not yet available.
[3] Jan. 21, 1965 (Treasury Department).
[4] Jan. 20, 1965 (Federal Reserve).
[5] Budget document for fiscal year 1966.

[From the Wall Street Journal, Jan. 27, 1965]

TRADE TROUBLES—IMPORTS EXCEED EXPORTS IN MANY KEY INDUSTRIAL LANDS BESIDES BRITAIN—BUT UNITED STATES PILES UP SURPLUS; RISING PRICES HURT SALES OF FOREIGN NATIONS' GOODS—UNCLE SAM'S CAPITAL OUTFLOW

(By Alfred L. Malabre, Jr.)

In a massive turnabout of trade, nearly all the world's great industrial nations now import far more than they sell abroad.

The single mighty exception: The United States, whose multi-billion-dollar trade surplus is the envy of foreign capitals.

Recent worry over the soundness of the pound sterling has riveted world attention on Britain's trade plight. Month after month, Britons have been buying far more abroad than they have been able to sell, and the subsequent outflow of funds has tended to deplete the nation's sagging currency reserves. From Paris to Tokyo, the cry has gone up: "The British must work harder and modernize their factories. They must learn to compete more effectively in international trade."

A close inspection of the record, however, discloses there's nothing very unique about Britain's sickly trade deficit of more than $3 billion yearly. Latest International Monetary Fund statistics—based on three quarters of 1964—show combined exports of the eight leading industrial nations of continental Europe, plus Japan, are lagging some $6 billion annually behind imports.

Not entirely by coincidence, this deficit almost exactly matches the magnitude of the U.S. trade surplus, and it is a far cry from the $317 million surplus registered by the same nine nations as recently as 1959. (The industrial nations of continental Europe, by IMF definition, are the six Common Market countries, plus Sweden and Switzerland.)

Many of these nations admittedly have long sustained trade deficits. The record clearly demonstrates, however, that lands which once sported fat trade surpluses have seen their surpluses shrivel, and other nations traditionally plagued by imbalanced trade have seen their deficits grow larger.

The trade deficit of France—a nation not hesitant to proffer financial advice to its distressed British neighbor—is nearing $1 billion annually, IMF figures indicate. Only 4 years ago, France had a trade surplus of nearly $600 million.

Four years ago West Germany's trade surplus exceeded $1.7 billion. In the third quarter of 1964 the same country had no trade surplus at all—its climbing volume of imported goods exactly matched its sagging export volume.

JAPAN'S DEFICIT GROWS

Japan's trade deficit totaled $143 million in 1959. IMF statistics show the Asian nation's third-quarter deficit in 1964, on an annual basis, was nearly four times that amount.

At a time of much official fretting over U.S. competitiveness in world markets, the record of recent years helps make clear Uncle Sam's fundamental strength in the no-holds-barred battle of international trade.

The picture could change, of course; IMF figures, in fact, show some narrowing of the U.S. trade surplus in recent months.

Moreover, the road ahead is dotted with perplexing imponderables. To cite just one, protective farm policies taking shape within the Common Market seem bound eventually to crimp America's $1 billion a year sales of agricultural products to the economic bloc. For the present, however, as an IMF economist puts it: "It's plain nonsense to talk about the United States not being able to hold its own in international commerce."

Sidney Homer, a partner and economist of Salomon Bros. & Hutzler, a New York securities firm, adds: "Five or six years ago we were told that the United States had become noncompetitive in world markets, that the new factories of Europe and Japan, with their cheap labor, had all but destroyed our ability to sell abroad. We now know that while there was a germ of truth in this warning, the facts were vastly exaggerated."

CAPITAL FLOW PROBLEM

The record also demonstrates the degree to which the nagging U.S. balance-of-payments deficit is rooted in matters of capital flow, rather than trade. It further underscores how very little the rising exchange reserves of such lands as France have to do with the economics of commercial competition.

The nine industrial countries whose combined trade balance so drastically deteriorated between 1959 and late 1964 in the same

span managed to add $10 billion to their combined supply of gold and reserve currencies. Reserves of the U.S. trade colossus in the same period plunged $5 billion.

What has happened is that the U.S. trade surplus, despite its great size, has been insufficient to offset a cascading outflow of U.S. capital—dollars for investment abroad, for foreign aid and for the defense of most of the free world. By one recent estimate American investment abroad—much of it in the very industrial lands whose trade balance has deteriorated—now approximates the staggering sum of $100 billion, nearly twice the total investment of all foreigners in the United States.

"If the United States ever decides, because of its gold losses, to clamp strict controls on this outflow of capital, a lot of foreign countries besides the United Kingdom would find themselves in a financial squeeze," warns the economist of a large New York bank. "They would have to try to get their trade balances into much healthier condition than is now the case."

Such effort would doubtless entail a good deal more economic conservatism than most industrial lands have exhibited in recent years—again, the United States is the great exception.

The table below, based on IMF data, traces what has happened to the cost of living—the generally accepted yardstick of inflation—in key industrial countries since 1959:

Living-cost rise since 1959

	Percent
Japan	34
Italy	26
France	23
United Kingdom	15
West Germany	13
United States	7

In view of the cost-of-living record, it's not surprising that in most industrial lands the average price level of exports has been moving up; in France and Germany, for example, the export price level has climbed roughly 10 percent since 1959. Nor is it surprising that the average price of U.S. exports has barely budged in recent years.

It's true that U.S. prices are measured from a comparatively high base; in absolute terms, the cost of many U.S.-produced goods still exceeds that of foreign-made merchandise. Nonetheless, the record since 1959 suggests there is a significant tie between the relatively high degree of inflation abroad and the foreigners' deteriorating trade posture.

A few statistics on money supply—demand deposits plus currency in circulation—help point up the economic conservatism that underlies Uncle Sam's stable price record. Between 1959 and last year, according to the IMF, the U.S. money supply rose 9 percent. In the same span, the money supply in Germany climbed 40 percent, and that was a mild rise by some standards. Italy's money supply increased 77 percent in the period, France's rose 78 percent and Japan's rocketed 121 percent above the 1959 level.

BEHIND BRITAIN'S PLIGHT

Why, among the great industrial nations, is only Britain in such financial straits? Since 1959, its trade deficit has roughly doubled, but the record clearly shows this is the rule, not the exception.

Much of the answer appears to lie in Britain's rejection from the Common Market. In the 4 years through 1962, before French President de Gaulle dashed British hopes of joining the bloc, U.S. direct investments in the United Kingdom averaged $286 million yearly. Since then, this annual investment rate has dropped to about $150 million.

In the 4-year span before the De Gaulle rejection, U.S. direct investments in Britain amounted to 75 percent of all U.S. direct investments elsewhere in Europe. Since then, the rate has dropped to about 20 percent.

WATER QUALITY ACT OF 1965

The Senate resumed the consideration of the bill S. 4, to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes.

Mr. TOWER. Mr. President, I wish to propose an amendment to the bill S. 4.

The PRESIDING OFFICER. The Senate must first dispose of the committee amendments.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Have not the committee amendments been disposed of?

The PRESIDING OFFICER. They have not. The first committee amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 14, it is proposed to strike out the word "and"——

Mr. MUSKIE. Mr. President, I move that the committee amendments be considered en bloc, and that the bill as thus amended be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine?

There being no objection, the committee amendments were considered and agreed to en bloc, as follows:

On page 7, line 14, after the word "and", to strike out "in"; after line 19, to strike out:

"(2) The Secretary shall also call such a public hearing on his own motion or when petitioned to do so by the Governor of any State subject to or affected by the water quality standards set pursuant to this subsection for the purpose of considering a revision in such standards."

At the beginning of line 25, to strike out "(3)" and insert "(2)"; on page 8, line 1, after the word "health". to strike out "and" and insert "or"; at the beginning of line 7, to strike out "(4)" and insert "(3)"; in the same line, after the word "promulgate", to strike out "the"; in line 8, after the word "to", to insert "paragraphs (1) and (4) of"; in line 12, after the word "paragraph", to strike out "(3)" and insert "(2)"; after line 14, to insert:

"(4) The Secretary shall also call a public hearing after reasonable notice on his own motion or when petitioned to do so by the Governor of any State subject to or affected by the water quality standards promulgated pursuant to this subsection for the purpose of considering a revision in such standards. The Secretary may after reasonable notice and public hearing and consultation with the Secretary of the Interior and with other Federal agencies, with State and interstate water pollution control agencies, and with municipalities and industries involved, prepare revised regulations setting forth standards of water quality to be applicable to interstate waters or portions thereof."

On page 9, line 6, after the word "paragraph", to strike out "(4)" and insert "(3)"; in line 8, after the word "paragraph", to strike out "(3)" and insert "(2)"; on page 10, after line 2, to insert:

"(d) Redesignated subsection (f) of the section of the Federal Water Pollution Control Act herein redesignated as section 10 is amended by inserting after the words 'such hearing,' in the fourth sentence thereof, the words 'including the practicability of complying with such standards as may be applicable'."

At the beginning of line 9, to strike out "(d)" and insert "(e)"; and on page 12, after the numerals "11", to strike out "(a)"; so as to make the bill read:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) section 1 of the Federal Water Pollution Control Act (33 U.S.C. 466) is amended by inserting after the words 'section 1.' a new subsection (a) as follows:

"'(a) The purpose of this Act is to enhance the quality and value of our water resources and to establish a national policy for the prevention, control, and abatement of water pollution.'

"(2) Such section is further amended by redesignating subsections (a) and (b) thereof as (b) and (c), respectively.

"(3) Subsection (b) of such section (as redesignated by paragraph (2) of this subsection) is amended by striking out the last sentence thereof and inserting in lieu of such sentence the following: 'The Secretary of Health, Education, and Welfare (hereinafter in this Act called "Secretary") shall administer this Act and, with the assistance of an Assistant Secretary of Health, Education, and Welfare designated by him, shall supervise and direct the head of the Water Pollution Control Administration created by section 2 and the administration of all other functions of the Department of Health, Education, and Welfare related to water pollution. Such Assistant Secretary shall perform such additional functions as the Secretary may prescribe.'

"(b) Section 2 of Reorganization Plan Numbered 1 of 1953, as made effective April 1, 1953, by Public Law 83-13, is amended by striking out 'two' and inserting in lieu thereof 'three'; and paragraph (17) of subsection (d) of section 303 of the Federal Executive Salary Act of 1964 is amended by striking out '(2)' and inserting in lieu thereof '(3)'.

"SEC. 2. Such Act is further amended by redesignating sections 2 through 4 and references thereto, as sections 3 through 5, respectively, sections 5 through 14, as sections 7 through 16, respectively, by inserting after section 1 the following new section:

"'FEDERAL WATER POLLUTION CONTROL ADMINISTRATION

"'SEC. 2. Effective ninety days after the date of enactment of this section there is created within the Department of Health, Education, and Welfare a Federal Water Pollution Control Administration (hereinafter in this Act referred to as the "Administration"). The head of the Administration shall be appointed, and his compensation fixed, by the Secretary, and shall, through the Administration, administer sections 3, 4, 10, and 11 of this Act and such other provisions of this Act as the Secretary may prescribe. The head of the Administration may, in addition to regular staff of the Administration, which shall be initially provided from personnel of the Department, obtain, from within the Department or otherwise as authorized by law, such professional, technical, and clerical assistance as may be necessary to discharge the Administration's functions and may for that purpose use funds available for carrying out such functions.'

"SEC. 3. Such Act is further amended by inserting after the section redesignated as section 5 a new section as follows:

"'GRANTS FOR RESEARCH AND DEVELOPMENT

"'SEC. 6. The Secretary is authorized to make grants to any State, municipality, or

intermunicipal or interstate agency for the purpose of assisting in the development of any project which will demonstrate a new or improved method of controlling the discharge into any waters of untreated or inadequately treated sewage or other waste from sewers which carry storm water or both storm water and sewage or other wastes, and for the purpose of reports, plans, and specifications in connection therewith.

"'Federal grants under this section shall be subject to the following limitations: (1) No grant shall be made for any project pursuant to this section unless such project shall have been approved by an appropriate State water pollution control agency or agencies and by the Secretary; (2) no grant shall be made for any project in an amount exceeding 50 per centum of the estimated reasonable cost thereof as determined by the Secretary; (3) no grant shall be made for any project under this section unless the Secretary determines that such project will serve as a useful demonstration of a new or improved method of controlling the discharge into any water of untreated or inadequately treated sewage or other waste from sewers which carry storm water or both storm water and sewage or other wastes.

"'There are hereby authorized to be appropriated for the fiscal year ending June 30, 1965, and for each of the next three succeeding fiscal years, the sum of $20,000,000 per fiscal year for the purpose of making grants under this section. Sums so appropriated shall remain available until expended. No grant shall be made for any project in an amount exceeding 5 per centum of the total amount authorized by this section in any one fiscal year.'

"SEC. 4(a) Clause (2) of subsection (b) of the section of the Federal Water Pollution Control Act herein redesignated as section 8 is amended by striking out '$600,000,' and inserting in lieu thereof '$1,000,000,'.

"(b) The second proviso in clause (2) of subsection (b) of such redesignated section 8 is amended by striking out '$2,400,000,' and inserting in lieu thereof '$4,000,000,'.

"(c) Subsection (f) of such redesignated section 8 is redesignated as subsection (g) thereof and is amended by adding at the end thereof the following new sentence: 'The Secretary of Labor shall have, with respect to the labor standards specified in this subsection, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z 15) and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276(c)).'

"(d) Such redesignated section 8 is further amended by inserting therein, immediately after subsection (e) thereof, the following new subsection:

"'(f) Notwithstanding any other provisions of this section, the Secretary may increase the amount of a grant made under this section by 10 per centum for any project which has been certified to him by an official State, metropolitan, or regional planning agency empowered under State or local laws or interstate compact to perform metropolitan or regional planning for a metropolitan area within which the assistance is to be used, or other agency or instrumentality designated for such purposes by the Governor (or Governors in the case of interstate planning) as being in conformity with the comprehensive plan developed or in process of development for such metropolitan area. For the purposes of this subsection, the term "metropolitan area" means either (1) a standard metropolitan statistical area as defined by the Bureau of the Budget, except as may be determined by the President or by the Bureau of the Budget as not being appropriate for the purposes hereof, or (2) any urban area, including those surrounding areas that form an economic and socially related region, taking into consideration such factors as present and future population trends and patterns of urban growth, location of transportation facilities and systems, and distribution of industrial, commercial, residential, governmental, institutional, and other activities, which in the opinion of the President or the Bureau of the Budget lends itself as being appropriate for the purposes hereof.'

"SEC. 5. (a) Redesignated section 10 of the Federal Water Pollution Control Act is amended by redesignating subsections (c) through (i) as subsections (d) through (j).

"(b) Such redesignated section 10 of the Federal Water Pollution Control Act is further amended by inserting after subsection (b) the following:

"'(c) (1) In order to carry out the purposes of this Act, the Secretary may, after reasonable notice and public hearing and consultation with the Secretary of the Interior and with other Federal agencies, with State and interstate water pollution control agencies, and with municipalities and industries involved, prepare regulations setting forth standards of water quality to be applicable to interstate waters or portions thereof.

"'(2) Such standards of quality shall be such as to protect the public health or welfare and serve the purposes of this Act. In establishing standards designed to enhance the quality of such waters, the Secretary shall take into consideration their use and value for public water supplies, propagation of fish and wildlife, recreational purposes, and agricultural, industrial, and other legitimate uses.

"'(3) The Secretary shall promulgate the standards pursuant to paragraphs (1) and (4) of this subsection with respect to any waters only if, within a reasonable time after being requested by the Secretary to do so, the appropriate States and interstate agencies have not developed standards found by the Secretary to be consistent with paragraph (2) of this subsection and applicable to such interstate waters or portions thereof.

"'(4) The Secretary shall also call a public hearing after reasonable notice on his own motion or when petitioned to do so by the Governor of any State subject to or affected by the water quality standards promulgated pursuant to this subsection for the purpose of considering a revision in such standards. The Secretary may after reasonable notice and public hearing and consultation with the Secretary of the Interior and with other Federal agencies, with State and interstate water pollution control agencies, and with municipalities and industries involved, prepare revised regulations setting forth standards of water quality to be applicable to interstate waters or portions thereof.

"'(5) The discharge of matter into such interstate waters, which reduces the quality of such waters below the water quality standards promulgated by the Secretary pursuant to paragraph (3) of this subsection or established by the appropriate State or interstate agencies consistent with paragraph (2) of this subsection (whether the matter causing or contributing to such reduction is discharged directly into such waters or reaches such waters after discharge into tributaries of such waters), is subject to abatement in accordance with the provisions of this section.

"'(6) Nothing in this subsection shall (a) prevent the application of this section to any case to which subsection (a) of this section would otherwise be applicable, or (b) extend Federal jurisdiction over water not otherwise authorized by this Act.'

"(c) Paragraph (1) of redesignated subsection (d) of the section of the Federal Water Pollution Control Act herein redesignated as section 10 is amended by striking out the final period after the third sentence of such subsection and inserting the following in lieu thereof: ', or he finds that substantial economic injury results from the inability to market shellfish or shellfish products in interstate commerce because of pollution referred to in subsection (a) and action of Federal, State, or local authorities.'

"(d) Redesignated subsection (f) of the section of the Federal Water Pollution Control Act herein redesignated as section 10 is amended by inserting after the words 'such hearing,' in the fourth sentence thereof, the words 'including the practicability of complying with such standards as may be applicable'.

"(e) Redesignated subsection (h) of the section of the Federal Water Pollution Control Act herein redesignated as section 10 is amended by inserting after the words 'of practicability' in the second sentence thereof, the words 'of complying with such standards as may be applicable'.

"SEC. 6. The section of the Federal Water Pollution Control Act hereinbefore redesignated as section 12 is amended by adding at the end thereof the following new subsections:

"'(d) Each recipient of assistance under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"'(e) The Secretary of Health, Education, and Welfare and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this Act.'

"SEC. 7. (a) Section 7(f)(6) of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out 'section 6(b)(4)' as contained therein and inserting in lieu thereof 'section 8(b)(4)'.

"(b) Section 8 of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out 'section 5' as contained therein and inserting in lieu thereof 'section 7'.

"(c) Section 10(b) of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out 'subsection (g)' as contained therein and inserting in lieu thereof 'subsection (h)'.

"(d) Section 10(i) of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out 'subsection (e)' as contained therein and inserting in lieu thereof 'subsection (f)'.

"(e) Subsection 11 of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out 'section 8(c)(3)' as contained therein and inserting in lieu thereof 'section 10(d)(3)' and by striking out 'section 8(e)' and inserting in lieu thereof 'section 10(f)'.

"SEC. 8. This Act may be cited as the 'Water Quality Act of 1965'."

UNANIMOUS-CONSENT AGREEMENT TO LIMIT TIME

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

Mr. TOWER. I yield to the Senator from Montana.

Mr. MANSFIELD. I should like to propound a unanimous-consent request without the Senator from Texas losing his right to the floor.

Mr. President, I ask unanimous consent that on the Tower amendment in the nature of a substitute there be a time

limitation on debate of 1 hour, 30 minutes to be under the control of the Senator from Texas [Mr. TOWER] and 30 minutes to be under the control of the Senator in charge of the bill, the distinguished Senator from Maine [Mr. MUSKIE].

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

Mr. TOWER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Texas will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TOWER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

AMENDMENTS BY MR. TOWER

Strike out all after the enacting clause and insert in lieu thereof the following:

"That (a)(1) section 1 of the Federal Water Pollution Control Act (33 U.S.C. 466) is amended by inserting after the words 'Section 1.' a new subsection (a) as follows:

"'(a) The purpose of this Act is to enhance the quality and value of our water resources and to establish a national policy for the prevention, control, and abatement of water pollution.'

"(2) Such section is further amended by redesignating subsections (a) and (b) thereof as (b) and (c), respectively.

"(3) Subsection (b) of such section (as redesignated by paragraph (2) of this subsection) is amended by striking out the last sentence thereof and inserting in lieu of such sentence the following: 'The Secretary of Health, Education, and Welfare (hereinafter in this Act called the "Secretary") shall administer this Act and, with the assistance of an Assistant Secretary of Health, Education, and Welfare designated by him, shall supervise and direct the head of the Water Pollution Control Administration created by section 2 and the administration of all other functions of the Department of Health, Education, and Welfare related to water pollution. Such Assistant Secretary shall perform such additional functions as the Secretary may prescribe.'

"(b) Section 2 of Reorganization Plan Numbered 1 of 1953, as made effective April 1, 1953, by Public Law 83-13, is amended by striking out 'two' and inserting in lieu thereof 'three'; and paragraph (17) of subsection (d) of section 303 of the Federal Executive Salary Act of 1964 is amended by striking out '(2)' and inserting in lieu thereof '(3)'."

SEC. 2. Such Act is further amended by redesignating sections 2 through 4 and references thereto, as sections 3 through 5, respectively, sections 5 through 14, as sections 7 through 16, respectively, by inserting after section 1 the following new section:

"FEDERAL WATER POLLUTION CONTROL ADMINISTRATION

"SEC. 2. Effective ninety days after the date of enactment of this section there is created within the Department of Health, Education, and Welfare a Federal Water Pollution Control Administration (hereinafter in this Act referred to as the 'Administration'). The head of the Administration shall be appointed, and his compensation fixed, by the Secretary, and shall, through the Administration, administer sections 3, 4, 6, 8, 10, and 11 of this Act and such other provisions of this Act as the Secretary may prescribe. The head of the Administration may, in addition to regular staff of the Administration, which shall be initially provided from personnel of the Department, obtain, from within the Department or otherwise as authorized by law, such professional, technical, and clerical assistance as may be necessary to discharge the Administration's functions and may for that purpose use funds available for carrying out such functions.

"SEC. 3. Such Act is further amended by inserting after the section redesignated as section 5 a new section as follows:

"'GRANTS FOR RESEARCH AND DEVELOPMENT

"'SEC. 6. The Secretary is authorized to make grants to any State, municipality, or intermunicipal or interstate agency for the purpose of assisting in the development of any project which will demonstrate a new or improved method of controlling the discharge into any waters of untreated or inadequately treated sewage or other waste from sewers which carry storm water or both storm water and sewage or other wastes, and for the purpose of reports, plans, and specifications in connection therewith.

"'Federal grants under this section shall be subject to the following limitations: (1) No grant shall be made for any project pursuant to this section unless such project shall have been approved by an appropriate State water pollution control agency or agencies and by the Secretary; (2) no grant shall be made for any project in an amount exceeding 50 per centum of the estimated reasonable cost thereof as determined by the Secretary; (3) no grant shall be made for any project under this section unless the Secretary determines that such project will serve as a useful demonstration of a new or improved method of controlling the discharge into any water of untreated or inadequately treated sewage or other waste from sewers which carry storm water or both storm water and sewage or other wastes.

"'There are hereby authorized to be appropriated for the fiscal year ending June 30, 1965, and for each of the next three succeeding fiscal years, the sum of $20,000,000 per fiscal year for the purpose of making grants under this section. Sums so appropriated shall remain available until expended. No grant shall be made for any project in an amount exceeding 5 per centum of the total amount authorized by this section in any one fiscal year.'

"SEC. 4. (a) Clause (2) of subsection (b) of the section of the Federal Water Pollution Control Act herein redesignated as section 8 is amended by striking out '$600,000,' and inserting in lieu thereof '$1,000,000,'.

"(b) The second proviso in clause (2) of subsection (b) of such redesignated section 8 is amended by striking out '$2,400,000,' and inserting in lieu thereof '$4,000,000,'.

"(c) Subsection (f) of such redesignated section 8 is redesignated as subsection (g) thereof and is amended by adding at the end thereof the following new sentence: 'The Secretary of Labor shall have, with respect to the labor standards specified in this subsection, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c).'

"(d) Such redesignated section 8 is further amended by inserting therein, immediately after subsection (e) thereof, the following new subsection:

"'(f) Notwithstanding any other provisions of this section, the Secretary may increase the amount of a grant made under subsection (b) of this section by an additional 10 per centum of the amount of such grant for any project which has been certified to him by an official State, metropolitan, or regional planning agency empowered under State or local laws or interstate compact to perform metropolitan or regional planning for a metropolitan area within which the assistance is to be used, or other agency or instrumentality designated for such purposes by the Governor (or Governors in the case of interstate planning) as being in conformity with the comprehensive plan developed or in process of development for such metropolitan area. For the purposes of this subsection, the term "metropolitan area" means either (1) a standard metropolitan statistical area as defined by the Bureau of the Budget, except as may be determined by the President as not being appropriate for the purposes hereof, or (2) any urban area, including those surrounding areas that form an economic and socially related region, taking into consideration such factors as present and future population trends and patterns of urban growth, location of transportation facilities and systems, and distribution of industrial, commercial, residential, governmental, institutional, and other activities, which in the opinion of the President lends itself as being appropriate for the purposes hereof.'

"SEC. 5. (a) Redesignated section 10 of the Federal Water Pollution Control Act is amended by redesignating subsections (c) through (i) as subsection (d) through (j).

"(b) Such redesignated section 10 of the Federal Water Pollution Control Act is further amended by inserting after subsection (b) the following:

"'(c)(1) In order to carry out the purposes of this Act, the Secretary may, after consultation with officials of the State and interstate water pollution control agencies and other Federal agencies involved, and with due regard for their proposals, prepare recommendations for standards of water quality to be applicable to interstate waters or portions thereof. The Secretary's recommendations shall be made available to any conference which may be called pursuant to subsection (d)(1) of this section, and to any hearing board appointed pursuant to subsection (f) of this section; and all or any part of such standards may be included in the report of said conference or in the recommendations of said hearing board.

"'(2) The Secretary shall, when petitioned to do so by the Governor of any State su ject to or affected by the water quality standards recommendations, or when in his judgment it is appropriate, consult with the parties enumerated in paragraph (1) of this subsection concerning a revision in such recommended standards.

"'(3) Such recommended standards of quality shall be such as to protect the public health and welfare and serve the purposes of this Act. In establishing recommended standards designed to enhance the quality of such waters, the Secretary shall take into consideration their use and value for public water supplies, propagation of fish and wildlife, recreational purposes, and agricultural, industrial, and other legitimate uses.

"'(4) The Secretary shall recommend standards pursuant to this subsection with respect to any waters only if, within a reasonable time after being requested by the Secretary to do so, the appropriate States and interstate agencies have not developed standards found by the Secretary to be consistent with paragraph (3) of this subsection and applicable to such interstate waters or portions thereof.

"'(5) No standard of water quality recommended by the Secretary under this subsection shall be enforced under this Act unless such standard shall have been adopted by the Governor or the State water pollution control agency of each affected State.

"'(6) Nothing in this subsection shall (A) prevent the application of this section to any case to which subsection (a) of this section would otherwise be applicable, or (B) extend Federal jurisdiction over water not otherwise authorized by this Act.'

"(c) Paragraph (1) of redesignated subsection (d) of the section of the Federal Water Pollution Control Act herein redesignated as section 10 as amended by striking out the final period after the third sentence

of such subsection and inserting the following in lieu thereof: '; or he finds that substantial economic injury results from the inability to market shellfish or shellfish products in interstate commerce because of pollution referred to in subsection (a) and action of Federal, State, or local authorities.'

"(d) Redesignated subsection (h) of the section of the Federal Water Pollution Control Act herein redesignated as section 10 is amended by inserting after the word 'practicability' in the second sentence thereof, the words 'of complying with such standards as may be applicable'.

"SEC. 6. The section of the Federal Water Pollution Control Act herein redesignated as section 11 is amended by inserting '(a)' after 'SEC. 11.' and by inserting at the end of such section the following:

"'(b) No interceptor drain shall be constructed or financed, in whole or in part, by any department, bureau, agency, or instrumentality of the United States to carry waste drainage water or treated sewage effluent from the service area of any reclamation project constructed in whole or in part by the Secretary of the Interior within the State of California to a termination point in the San Francisco Bay, the San Pablo Bay, the Suisun Bay, the waters of the Sacramento-San Joaquin Delta, or any channels lying between these bodies of water, unless the Secretary of Health, Education, and Welfare has first made a determination, based upon a study, that the anticipated discharge water from such interceptor drain will not, in the foreseeable future, pollute or increase the salinity, chloride, or pesticide content or impair usability for domestic, industrial, or irrigation purposes of the receiving water in the vicinity of the location where the interceptor drain is terminated, and Congress is given notice of such determination. The Secretary of Health, Education, and Welfare shall consult with the California regional water pollution control boards for the San Francisco Bay region and the Central Valley region before making the determination and shall give consideration to the recommendations and findings of such regional boards.'

"SEC. 7. The section of the Federal Water Pollution Control Act hereinbefore redesignated as section 12 is amended by adding at the end thereof the following new subsections:

"'(d) Each recipient of assistance under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"'(e) The Secretary of Health, Education, and Welfare and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this Act.'

"SEC. 8. (a) Section 7(f)(6) of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out 'section 6(b)(4)' as contained therein and inserting in lieu thereof 'section 8(b)(4)'.

"(b) Section 8 of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out 'section 5' as contained therein and inserting in lieu thereof 'section 7'.

"(c) Section 10(b) of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out 'subsection (g),' as contained therein and inserting in lieu thereof 'subsection (h)'.

"(d) Section 10(i) of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out 'subsection (e)' as contained therein and inserting in lieu thereof 'subsection (f)'.

"(e) Section 11(a) of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out 'section 8(c)(3)' as contained therein and inserting in lieu thereof 'section 10(d)(3)' and by striking out 'section 8(e)' and inserting in lieu thereof 'section 10(f)'.

"Amend the title so as to read: 'An Act to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize recommendations for standards of water quality, and for other purposes.'"

Mr. TOWER. Mr. President, I intend to make only a brief presentation. I intend to ask for the yeas and nays; therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, on the Tower amendment in the nature of a substitute, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I intend to be relatively brief; however, other Senators may wish to speak on the amendment, so I ask unanimous consent that the time for the quorum call not be charged to either side.

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

Mr. TOWER. Mr. President, my proposal is identical with S. 649, as reported from the House Committee on Public Works last year.

The substitute can be easily described and understood. It simply removes from the Secretary the authority to promulgate standards of water quality. The Secretary is, however, granted authority to make recommendations for these water quality standards, although no such standard may be enforced under the act unless the standard has been adopted by the Governor or State water pollution agency of each affected State.

Mr. President, as the minority views on S. 4 point out, the proposed Federal Water Pollution Control Act, particularly with the discretionary authority conferred up the Secretary, is opposed by a large number of States.

Further, State water control agencies have not had ample opportunity to express their views before the Senate Public Works Committee.

Mr. President, the matter of water quality standards is one that depends on State and regional circumstances, thus basically, the setting of such standards is a function for State and regional agencies.

The Texas Water Pollution Control Board is opposed to S. 4 because of the vast power that would be given to a new Federal agency. The Texas Water Agency fears the encroachment into an area that has always been reserved to State and local agencies.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, with accompanying material, the statement of Joe D. Carter, chairman, Texas Water Pollution Control Board, accompanied by David E. Smallhorst, executive secretary, Texas Water Pollution Control Board, made before the House Committee on Public Works. Many other State agencies have expressed similar opinions.

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

STATEMENT OF JOE D. CARTER

I have with me today Mr. David Smallhorst who is the executive secretary of the Texas Water Pollution Control Board who can field some of these difficult questions that you all toss out every once in a while.

Mr. WRIGHT. Mr. Smallhorst, we are glad to have you with us, sir.

Mr. SMALLHORST. Thank you, sir.

Mr. CARTER. The State of Texas, not being blessed with an abundance of water as some other States, has traditionally held water in high regard and great respect, adhering to the philosophy that water should be maintained in as high a degree of purity as possible.

Texas has been and is continuously moving to assume the responsibility of pollution control within its boundaries and cooperating with its neighboring States on border streams.

The preponderance of testimony presented to the Subcommittee on Natural Resources and Power of the Committee on Government Operations at the Southwest regional hearing, December 6–7, 1963, in Austin, Tex., indicated quite strongly that "no additional Federal water pollution control legislation is needed at this time."

The Texas Water Pollution Control Board concurs in this, and therefore, submits this statement in opposition to S. 649 and related bills.

The Texas Water Pollution Control Board is opposed to S. 649 because it unquestionably would place a great deal of power and authority in the hands of a new Federal agency which would have far-reaching effects threatening encroachment into a governmental area heretofore reserved to the State and local agencies.

Since the beginning of the current Federal water pollution control law in 1956, administration of the program has been competently carried out by the U.S. Public Health Service, and Texas has always enjoyed excellent working relationships with that agency. It is difficult to rationalize, therefore, the advantage which might be gained by any such drastic change in administration as authorized in S. 649.

The Texas Water Pollution Control Board is seriously concerned about and is opposed to the proposal in S. 649 which would authorize the Federal Government to establish standards of water quality. This is a matter depending entirely upon State and regional circumstances and is, therefore, basically a function of State and regional agencies.

Texas is proud of the close cooperation always received from the neighboring States when interstate waters become involved, and such situations have always been handled in a most friendly and effective manner.

It is obvious that quality standards which would be applicable to a "water rich" State would certainly not be applicable to a "water poor" State. There looms, therefore, the very difficult and time-consuming problem of establishing adequate water quality standards

on any given stream, not to mention the gigantic task this implies when imposed on a nationwide basis.

The Texas Water Pollution Control Board is charged by the legislature to issue permits for all waste discharges in the State, and an elaborate surveillance and enforcement program has been developed to back up this permit system. Hence, if this Federal law were passed, it would appear there would be a duplication of effort and a needless expenditure of Federal funds. This does not appear to be consistent with the present economy move of the administration, nor would it be conducive to unification of effort.

Pollution abatement is something that cannot be achieved instantaneously but tremendous inroads have been made during recent years, and the machinery for reaching a solution to this problem is currently operational. Inasmuch as amendments were made to the Federal water pollution control law as recently as 1961, it is believed the present act, as amended, has not been in effect a sufficient length of time to indicate the need for further "patch work." Obviously, changing the basic "ground rules" at such frequent intervals does not contribute to a healthy administrative atmosphere. Drastic administrative revisions as proposed in S. 649 might result in retrogression and possibly confusion in the entire program rather than a desirable acceleration of progress.

It is for these reasons the Texas Water Pollution Control Board recommends that no action be taken on S. 649 and related bills which proposes to amend the present Federal Water Pollution Control Act.

Mr. WRIGHT. Mr. Carter, I note that you have appended to your statement a copy of the testimony presented to Jones subcommittee in Austin on December 6 and 7.

Mr. CARTER. Yes, sir.

Mr. WRIGHT. Since that is a subcommittee of another committee of the House, I wonder if it would not be appropriate for us simply to make this additional statement a part of our record at this point.

Mr. CARTER. I would appreciate that, Mr. Chairman, and would like to incorporate our entire statement by reference.

Mr. WRIGHT. Without objection, then, it will be so ordered.

Mr. WRIGHT. Joe—may I call you Joe?—I would like to ask you one thing here. I notice that you are basically in opposition to what you refer to as patchwork. You do feel that the present program is working effectively?

Mr. CARTER. We feel it is in Texas, Congressman WRIGHT. I do not know how it is working in the other States. We feel we have an effective program in cooperation with other Federal agencies in Texas.

Mr. WRIGHT. When the grants program was first inaugurated, there was some apprehension expressed in the committee and on the floor of the House, based on the fear that the presence of Federal matching funds to assist in the most severe cases might in fact discourage some communities and municipalities undertaking a solution of their own problems individually and slow down, rather than accelerate, the cleaning up of our streams. You do not feel that that has been the case, do you?

Mr. CARTER. No, sir.

Mr. WRIGHT. Would you say that the programs as such as accelerated and encouraged and stimulated a great deal of activity which has been needed for a great many years?

Mr. CARTER. Unquestionably.

Mr. WRIGHT. Now, with respect to further amending the law at this time, I have in question that your basic objection, like that of so many representatives of agencies of our States, relates primarily to the establishment of broad national standards and the conferring upon the Secretary the power to make those unvarying standards.

Is this really the crux of your opposition?

Mr. CARTER. That is really the crux of our argument, Congressman WRIGHT.

Mention was made earlier, I believe by Mr. BLATNIK, with respect to the fact that the Secretary was only going to set these standards if the State or local agencies weren't doing a good job. That might be the intention but the language of the act is such, as was brought out by Congressman HARSHA, that he is the sole judge on this. The big print in the bill might leave that impression but the little print kind of takes it away.

Mr. WRIGHT. In other words, the provision as is presently contained in the bill would vest in the Secretary, the authority to determine whether, in his judgment, the States had done a good job?

Mr. CARTER. Dictatorial powers.

Mr. WRIGHT. This does give him the power to set standards, of course.

With respect to the general proposal in section 12 of the bill, I would like to get your views and those of Mr. Smallhorst about the need for additional liaison between the Secretary and the national manufacturers of detergents and with respect to increasing efforts to find detergents with greater decomposibility.

Mr. CARTER. I might say, Mr. WRIGHT, that there is no legislation needed for such a program. That could be handled by your Health, Education, and Welfare agency now in cooperation with industry. I see no need for Congress to take action.

Mr. WRIGHT. This authorizes the creation of a technical committee.

Mr. CARTER. That could be created by appointment of the Secretary of Health, Education, and Welfare in cooperation with the industries of the States.

Mr. WRIGHT. I am not certain of the breadth of his authority in that regard. It might be that he could create an additional secretary now.

Mr. CARTER. The point I mention is that he could call industry and say, Let others get together and try to work out this problem of detergents. They are doing it now. Industry is working on this problem. They have found a solution to it. It is just a question of getting this new formula they have worked out into operation. I think industry will solve this problem very shortly.

Mr. WRIGHT. I am sure we do applaud the efforts on the part of industry and any other scientists who may be involved in eliminating this particular problem as soon as possible.

Are there any questions?

Mr. SCHWENGEL. I have one.

I wish to commend the gentleman for his fine statement and position on this problem. I know you are wary of Federal Government authority to establish standards of water quality. Now, you have that right in the State of Texas?

Mr. CARTER. Yes, sir.

Mr. SCHWENGEL. You establish the standard.

Will you give that to us so that we will have that part of the record?

Mr. CARTER. We are very much like Michigan. Our standard is a policywide standard in the sense that all applications for permits which we pass on we are dedicated to the proposition of maintaining the purity of the stream. Under any permit we issue to an industry or municipality, the effluent they contribute to the stream must not deteriorate the quality of the stream from its existing condition.

Then we propose later to come in with those industries and municipalities whose effluent is not quite up to the quality we would like to see and we will move in and amend the permits they have at the present time to require a better quality of effluent.

I might say on standards with respect to municipal effluent, Mr. Smallhorst can probably give you the answer.

Mr. SCHWENGEL. I wish you would continue on that. This is a very important aspect.

Mr. SMALLHORST. The board since its creation in 1961 has followed the policy of requiring what we call complete treatment, producing an effluent of a quality to get technical here, of 20 parts per million BOD, 120 parts total solids and chlorination of 15 parts per million residual after 30 minutes contact. The board is taking this across the board on a statewide basis.

I might say also that as far as Texas is concerned, every city in the State that has a sewage system has some type of sewage treatment plant with the exception of three. This is mentioned in our Jones committee statement. The three towns that do not have a treatment plant, the total population is about 30,000 and they now have active plans underway to correct this situation.

So that our problem, you might say, is more of one not of building plants but to prevent the discharge of raw sewage, but to keep the plants that we have up to date and adequate for the population explosion that we are experiencing in the area.

Does that answer your question, sir?

Mr. SCHWENGEL. Yes. Your policy, then, is one of maintaining the present quality of the water in the streams?

Mr. CARTER. Yes, sir.

Mr. SCHWENGEL. There are areas, especially in Iowa, where we need to improve the water and with this kind of program this would not do this. I ask you, you probably have this kind of situation in Texas, what do you do about those areas where you need improvement?

Mr. CARTER. We propose to move in the trouble areas as soon as possible and require not only the municipalities but also the industries to improve the quality of the effluent they are now discharging.

Mr. SCHWENGEL. What is your policy with reference to industry? Do you force them to do it right now or do you give them a period of time?

Mr. CARTER. We give them a period of time, of course. We try to be rational about it. As Mr. Smallhorst pointed out, this pollution legislation in Texas is rather new. They had a grandfather clause in it which permitted those making discharges to continue to do so as of the type they were discharging in 1961.

We propose to come into those trouble areas, as I pointed out, and try to correct what we consider bad situations.

Mr. SCHWENGEL. At the present time, it has to be mostly by negotiation, though, doesn't it? Or do you have a law?

Mr. CARTER. We have a law. It is $200 a day fine for continuation of any discharge which the pollution board says they should not be discharging. And we have the injunction process, too.

Mr. SCHWENGEL. What do you do in a situation like this where an industry has moved in because of an invitation from the community with certain assurances about disposal over a period of years?

Mr. CARTER. We have run into that problem when Campbell Soup came into Paris, Tex., with an effluent discharge program that did not quite meet the standards we thought should be met. Through discussions with the management, we worked out what we consider an acceptable practice.

Mr. SCHWENGEL. In that case, you resorted to negotiations

Mr. CARTER. Yes, sir.

Mr. SCHWENGEL. You probably could not resort to law, then, in that case?

Mr. CARTER. We could have, had the negotiations failed. But we feel it is best to talk these things out with folks.

Mr. HARSHA. Mr. Carter, as I understand, it is the position of the Texas Water Pollution Control Board that no amendments are necessary at this time to the Water Pollution Control Act.

Mr. CARTER. Exactly.

Mr. HARSHA. If amendments are to be made to it, would you favor amendments that expand the research program under that act and possibly increase the construction grants but not go any further than that?

Mr. CARTER. Mr. HARSHA, personally, I do not see why legislation would be needed. That would come under the heading of appropriations.

Mr. HARSHA. There are some limitations under the construction grant, the amount that a grant may be, and to certain types of areas. Then there is a limitation on the amount of grant. I think that is 30 percent of the construction project.

Mr. CARTER. I would answer that and this is my personal answer and not for the pollution board. We are doing very well under the program. I see no reason to change it.

Mr. HARSHA. Thank you.

I have one other thing: What is Texas doing in the oil-field brine situation?

Mr. CARTER. That is my biggest headache.

The pollution board at the present time is issuing permits for the disposal of oilfield brine. We sent out 70,000 applications here a few weeks ago to the oil operators who in turn are returning them indicating how much oilfield brine each well is producing, how they are disposing of it, and so forth. We are in the process of holding hearings with a view of what we term "no pit law," you can't put the salt water you are disposing of into an open unlined pit.

One area that we are having our biggest hearing on is what we call the area overlaying the Ogallala formation in west Texas which covers around 47 counties. These hearings are in progress.

We have been working closely with the oil industry, Mid-Continental Oil & Gas Association, and all the representatives of the oil companies, trying to come up with procedures to get rid of this salt water by injection primarily, and that is not the solution to the problem in its entirety because you must be very careful in injecting this brine into the subsurface. You must have these injection wells properly cased. You must be careful about the pressure under which this salt water is injected.

We have closed two counties, three counties, issued orders where they cannot use these open pits for salt water disposal purposes. It is a tremendous job. With 70,000 less, producing less.

Mr. HARSHA. Is there any research program going on, either conducted by the State or industry to develop a method of disposal?

Mr. CARTER. The State and industry are working together to come up with what we consider proper injection procedures. We have just about got together on it. There is a little area of disagreement. We feel that through this cooperative effort we will arrive at a solution to the problem. It is a tremendous job.

Mr. HARSHA. Thank you.

I have no further questions.

Mr. WRIGHT. Thank you very much, Mr. Smallhorst. We greatly appreciate your having come and given us the benefit of your experience and following and background.

Mr. SMALLHORST. Thank you.

TEXAS WATER POLLUTION CONTROL BOARD

(Abstract Statement presented to the Jones Subcommittee on Natural Resources and Power of the Committee on Government Operations, southwest regional hearing, December 6–7, 1963, Austin, Tex.)

PHYSICAL CHARACTERISTICS OF TEXAS AFFECTING WATER POLLUTION CONTROL

In order to fully appreciate some of the water quality or water pollution control problems of Texas, some knowledge of the physical characteristics of the State itself is desirable.

1. Texas is big. Over 264,000 square miles in area. This presents obvious administrative problems in surveillance and water quality monitoring activities and dictates the type of cooperative program which has been developed over the years.

2. Texas is a water-scarce State, with average annual rainfall ranging from less than 10 inches on the west to about 50 inches on the east. This is a wide variation and profoundly affects surface runoff in Texas river systems.

3. Evaporation rates exceed rainfall rates. This indicates generally arid conditions with resultant water losses due to evaporation and definitely affects water quality.

4. Most of the river systems of Texas are intrastate, with the Canadian, the Red, the Sabine, and the Pecos being the only interstate rivers and the Rio Grande being an international boundary. Interstate compacts are in effect on the Pecos and Sabine Rivers; a commission is developing an agreement on the Red River, and the waters of the Rio Grande are under the immediate control of the International Boundary and Water Commission.

5. In general, the river systems of Texas head in the western areas of the State—the most arid areas—and flow in a southeasterly direction to the gulf. In some of the western headwater areas natural minerals tend to contribute to deterioration in quality of the runoff water.

6. Texas relies heavily upon its underground water resources. Protection of the quality of this water supply source is of vital importance. Also the effect of return flows from these underground sources upon the quantity and quality of surface river systems is a matter of interest.

7. In Texas, areas of population concentration are located at, or near, the headwaters of some of the major river systems. This feature complicates the water quality control picture not only as to furnishing these areas with adequate water supply sources, but also concerning the downstream effect of return "used" waters upon the river system.

8. The production of oil and gas in Texas has been developed generally on a statewide basis so that the disposal of the byproducts of this industry (oil- and gas-field waste) is a matter of interest in every river basin of the State.

9. Concentration of the major manufacturing industries of Texas is along the gulf coast with waste discharges to tidal waters, hence the resultant problem is different than where such discharges are to fresh waters.

TEXAS WATER POLLUTION CONTROL PROGRAM

The initial water pollution control statute of Texas was passed in 1917 vesting the authority for enforcement primarily with the State health department. In 1961, the State legislature enacted a new law codified as article 7621d creating a water pollution control board comprised of three ex officio members and three appointive members.

This law also established a permit system wherein all wastes discharged into or adjacent to the waters of the State must be in accordance with a valid permit issued by the board. This board is now completing its second year of operation, and in this relatively short time, considerable progress has been made and some general observations can be made as to the effectiveness of this type of administration.

1. The initial phase of setting up the machinery for operation under the new law is just now being completed—after establishing rules, regulations, and modes of procedure for obtaining permits—in that most all "statutory" or "grandfather" permits have been issued for municipal and industrial discharges. Applications for oil and gas waste discharges have been issued by the board. In this process it has been noted that numerous corrective measures are being obtained by mutual agreement and the planning of needed improvements is being initiated.

2. Water-pollution-control committees of interested groups have proved to be invaluable in assisting the board in setting up this basic machinery. These groups included the Texas Water and Sewage Works Association, the Texas Water Pollution Control Association, the Texas Water Conservation Association, the Texas Manufacturers Association, the Texas Chemical Council, the Texas Society of Professional Engineers, and the Texas Public Health Association. Close communication with these groups is deemed vital in assuring the cooperation required for a successful program.

3. By relying upon the cooperating State agencies (water commissions, parks and wildlife, and the health department) for technical and field services, duplication of effort and service is eliminated, with a considerable financial saving to the State.

4. In its short period of operation the board has held public hearings and has issued orders relative to municipal, industrial, and oil- and gas-field waste discharges. The board has initiated a survey of the Galveston Bay waters to obtain needed basic data for the establishment of water quality objectives in this vast area involving some 511 square miles of water surface. One small segment of this survey is the Clear Lake watershed which includes the NASA development complex, and another area is the industrial complex along the Houston ship channel.

5. Clear Lake has been determined by the board to be conserved as a recreational lake and intensive studies are underway toward this end. Determinations will be considered by the board in June or July of 1964 as to the desired water quality objectives in the ship channel, following completion of the first phase of the survey.

PRESENT STATUS OF THE WATER POLLUTION CONTROL PROGRAM IN TEXAS

Probably one of the most outstanding achievements of the past water-pollution-control program has been in the field of municipal waste treatment and disposal. An active partner in this endeavor has been the Texas Water and Sewage Works Association—an association of almost 4,000 members, all of which are intimately connected with the municipal waste treatment field. This association has gained national and even international recognition for its intensive operator training program as well as its never-ending efforts to broaden the scope of technical advances in waste-water treatment knowledge. The association has been influential on the local level in bringing about needed construction and elevating the status of local operators. As a result, it is with considerable pride that the board reports that every city within the State of Texas having a sewage collection system has some type of sewage treatment facilities with the exception of three small municipalities located along the gulf coast. The 1960 population of these three municipalities was only about 30,000, and each of them is now actively engaged in abatement programs.

Indicative of the high regard Texans have for water is the extensive use of waste water for irrigation purposes. Presently 119 municipalities utilize sewage plant effluents for the irrigation of cotton, cattle feed crops, and pasture land.

Coupled with the development of these irrigation systems, Texas pioneered in the application of holding ponds (now called sewage oxidation or waste stabilization ponds) as a type of inexpensive but efficient secondary treatment unit. These ponds are being used by 284 municipalities in Texas.

The application of sewage plant effluents for industrial uses was begun in Texas in the late 1930's. At the present time three refineries are using municipal effluent for cooling water, and one of these further uses the

refinery waste water for flooding operations in the oil production industry.

Texas has 998 municipal waste-water treatment plants; consequently, apprising municipal officials of the status of their facility, the need for planning, financing, and constructing plant enlargements to keep abreast of population growth and the proper maintenance and operation of the treatment works is one of the principal functions of the enforcement agency. Construction grants made available under Public Law 660 have proven of tremendous aid. One hundred and thirty-one projects have been completed and an additional 110 projects are under construction or have been approved. Of the 110 projects just mentioned, 22 are under the accelerated public works program.

There is an active water quality monitoring program underway. This consists of monthly samples being obtained at 276 points located on the rivers and major tributaries of the State. This program has been in effect since 1957 as a cooperative activity between the health department and the parks and wildlife department. Evaluation of data discloses water quality conditions to be generally good with evidence of mineral contamination affecting rather large areas of three river systems, whereas organic contamination is locally confined below major areas of population.

Utilizing the framework of the statewide monitoring program, samples were taken and the baseline radioactive levels of the surface waters of the State were determined.

Under provisions of article 7621b, V.C.S., the Texas Water Commission, in close cooperation with the water pollution control board, administers a permit system for the disposal, by subsurface injection, of municipal and industrial wastes.

Since most of the major industries are concentrated along the gulf coast, the problem of industrial waste disposal is not one as acute as it might be if these industries were located inland. Under the new permit system water quality objectives for tidal water will be established by the board in the near future.

The permit system for oil- and gas-field wastes is in the early stages of establishment with some 70,000 applications for permits having been mailed to operators.

Studies of the control of natural pollution sources are well advanced by the U.S. Public Health Service and the Corps of Engineers.

Status of permits issued by the board to date is as follows: Municipal, 542 statutory issued, 167 being processed, 41 regular issued. Industrial, 1008 statutory issued, 59 being processed, 19 regular issued. Oil and gas, 70,000 applications for permits mailed to operators. Hearings held on permits, et cetera, 41 municipal, 19 industrial, 10 oil and gas.

WATER POLLUTION CONTROL NEEDS

Due to the general water-scarce characteristics of Texas and the deep respect of the average citizens toward water, there is no public apathy toward support of the water pollution control program. With the type of approach being taken by the board, and in view of trends observed during the short time of its operation, it seems that the water pollution control program of Texas is receiving full support from all interested groups. On this basis, therefore, the "can-do" spirit is becoming more and more apparent in State-local relationships. Of primary importance at this time is the ability to furnish the know-how leadership for keeping pace with the rapidly increasing economic, industrial, and population growth of Texas. Most of these problems are local in nature and will be resolved through State-local cooperative endeavors. Others, however, are not limited to matters of this nature, and consequently, involve areas of Federal contribution to the program. A few suggestions of such problem areas are as follows:

1. Being on the threshold of increased water reuse in Texas, it is becoming more urgent that techniques in the art and science of waste-water treatment be drastically broadened and improved.

2. There is a need for the development of reasonably priced, portable, and reliable instruments, recording devices, and data transmission systems for water quality monitoring networks and close surveillance.

3. Better and more quickly determined parameters of water quality are needed.

4. More information is required concerning bioassay tests on salt water fishes, shellfish, and other marine life.

5. Studies are needed on methods and materials to assure the construction of a "tight line" from the house to the treatment plant.

6. Consideration could be given to a program which would encourage plant operators and superintendents to conduct studies and applied research on waste-water treatment process improvements.

In conclusion, the State enforcement agencies, in effect, represent the frontline troops fighting the battle against pollution but are relying upon the logistic support of the Federal Government to develop new and advanced equipment and techniques. If the States receive this kind of support, then certainly they will be in better position to meet and conquer the common enemy, water pollution.

Mr. TOWER. Mr. President. the adoption of my amendment in the nature of a substitute would not hinder water pollution control. Indeed, my amendment merely recognizes that the primary responsibility for pollution control lies with the affected States.

Too often there is a tendency to face up to a problem by creating some sort of new authority that places arbitrary discretion in only one person. That is what I believe has been done in this instance. I do not believe that any one person should possess such power.

I should like to express commendation and appreciation to the distinguished senior Senator from Kentucky [Mr. COOPER] for having the perception to point out to Senators the inherent danger in the enactment of legislation of this kind. He has said that it would give the administrator the authority virtually to zone practically every body of water that feeds into a navigable stream. The significance of such vast power should and must be understood. Furthermore, conceivably at some time such power could be used as a political bludgeon.

So I urge the Senate to give favorable consideration to my amendment in the nature of a substitute. It has already been acted on by the House committee. It is, in effect, the work of the House committee, which was broadly representative and had considered the various angles. It was a committee that possessed a large Democratic majority at the time the report was made.

I urge the Senate to adopt my amendment because I believe it is a sound and sane solution of what I believe is an inherent and fatal weakness in the bill. At the same time, I do not believe my amendment would narrowly proscribe what we are trying to do in trying to mitigate the pollution of our streams. Certainly something must and should be done in that field, but let us do it in the right way. Let us not run roughshod over the Federal system.

Let us recognize that Governors and State agencies are conscious of the needs, the problems, and the ramifications of the enforcement and other provisions of the act in their own areas and, therefore, should have a decisive voice in the establishment of water quality standards.

Mr. President, I yield 5 minutes to the distinguished senior Senator from Kentucky.

Mr. COOPER. Mr. President, later I shall speak in more detail on this subject in connection with an amendment I shall offer.

In 1963, a bill almost identical to S. 4 was presented to the Senate. I raised in the Senate then, some of the issues which have been discussed by the Senator from Texas [Mr. TOWER]. I pointed out that vast powers were proposed to be given to the Secretary of Health, Education, and Welfare—powers which, in my judgment, would be greater than any powers now given to any other official in the Federal Government. That bill as S. 4, now before us, did not assure to the States, to interstate compacts, to municipalities, the right to participate fully in the development of water quality standards.

It is questionable whether any right of judicial review is provided to the States by S. 4. The bill confers vast power, one which would enable the Secretary, as stated by the Senator from Texas, to zone every body of interstate water in the United States, and to prescribe the uses of such waters or portions thereof. Nothing like this has ever been proposed before.

In 1963, my efforts were rejected, and the bill went to the House. A different situation obtained there.

During the 1963 hearings in our committee, no Governor was called, some but not many State water authorities were called. But Governors and State water authorities were called in the House. Without exception, the Governors and State authorities who testified before the House committee, protested the ultimate grant of power to one man to fix water quality standards. The House Public Works Committee rejected the Senate bill. In its place, it substituted the measure which is now proposed by the Senator from Texas. I would support S. 4 if there were some provisions in it for the effective participation of the States in the preparation of proper quality standards and for their proper judicial review.

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

Mr. TOWER. Mr. President, I yield such time to the Senator from Kentucky as he may require.

Mr. COOPER. I support the amendment of the Senator from Texas. If the amendment should be rejected—and I am not suggesting that it will be, although I know the great fighting spirit of the Senator from Maine—I shall offer an amendment that will at the least assure that States, municipalities, and individuals will have the right to have the action of the Secretary reviewed by a court. I support the pending amendment.

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Maine is recognized for 5 minutes.

Mr. MUSKIE. Mr. President, the interesting aspect of the chore that I have had for almost 2 years in dealing with this bill and the arguments against it is that I am often in the position of trying to explain what the bill is and how irrelevant the arguments against the bill are, before I can proceed to deal with the arguments advanced against the bill.

I am interested in the argument of the Senator from Kentucky that the bill gives the Secretary vast powers that are greater than the power given to any official of the Federal Government. This is a form of exaggerated statement that does not stand up. I can illustrate that by referring to the Secretary's power in this very field. It is a power that was considered at the hearings. That is the power of the Secretary to absolutely prohibit from shipment in interstate commerce shellfish which the Public Health Service finds deleterious to health. This is an absolute prohibition which can put a man out of business, as it has done in my State, in the case of the clam diggers and shellfish harvesters along the coast of Maine. There is no recourse whatsoever to the Federal Government for protection against that type of calamity.

The statement of the Senator from Kentucky that the powers asked for on behalf of the Secretary are greater than any powers now existing does not stand up. I am sure that the Senator would agree with me if he were to give the subject further thought.

The proposal presented to us by the Senator from Texas is very interesting. He is saying that the Senate, rather than accept the recommendation of its own committee—a recommendation sponsored by all members of the subcommittee, dealing with the subject, Republicans and Democrats, and reported by the Subcommittee on Water Pollution—should accept the recommendation of a House committee, not of this Congress, but of the previous Congress.

It is a recommendation that the House itself never acted upon. The Senator from Texas is asking us to accept this proposal, not only against the recommendation of our own committee, but also against the action of the Senate itself in October 1963 when it passed this bill, and particularly this section, in almost exactly the same form by a vote of 69 to 11, with 15 Senators not voting, but expressing their favorable position on it.

We are asked to take the position that this vehicle of the House committee, never acted upon by the House, should be given that weight in the Senate merely because the action of the Senate as a whole was rejected.

I have never found that the Senate was willing to concede its own prerogatives in any time past, and I doubt that it will concede its own prerogatives now.

The substitute offered by the Senator from Texas differs from the Senate bill in one important respect, which I think is at the heart of his proposition. That is with respect to the water quality standard section of the bill.

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

Mr. MUSKIE. Mr. President, I yield myself such additional time as I may require.

The House bill, for all practical purposes, eliminates any power of the Secretary to establish water quality standards on interstate streams, and substitutes for it the dubious right to make recommendations for standards of water quality.

Under the House bill, the Secretary could not even make recommendations on standards under the provisions of the present law, prior to such time as an enforcement action is begun by a conference. If he should undertake to give consideration to an interstate waterway, in which case he thought a little preventive medicine might avoid a great deal of economic hardship—which is the position now taken by industries and communities—if he should feel that he ought to recommend certain standards of water quality which may apply to preventive measures to the interstate or State agencies involved, under the House version of the bill, he could not make recommendations to anybody. So in the House bill, he is not even given full and clear authority to recommend standards.

On page 22 of the proposed substitute, there is this interesting language:

> No standard of water quality recommended by the Secretary under this subsection shall be enforced under this Act unless such standard shall have been adopted by the Governor of the State Water Pollution Control Agency of each affected State.

That language, "each affected State" means not only the State being injured, but the State doing the injury. Is it conceivable that in this type of situation, the Governor of a downstream State which has been injured by its pollution would seemingly accept such a standard if pressures were brought to bear upon him within his own State, by industrial polluters of the waterway, not to accept such standards? Is it conceivable that a Governor or a legislature which had found it impossible to generate a public policy or program within its own State to deal with that situation would willingly accept the recommendation of the Secretary of the Department of Health, Education, and Welfare in such circumstances? I doubt it.

It has not happened before. It is because it has not happened before and because these problems have accelerated and accumulated, that it is before the Senate today. It is because it has not been done before that the bill passed the Senate 2 years ago. And it is because it has not happened before that the need has been so clearly recognized by so many people, many of whom I have referred to already in my remarks today.

Mr. President, I shall sum up with one or two observations about S. 4 on the question of water quality standards.

The standards would be pertinent in two different kinds of situations. One situation would be one in which already there is pollution which endangers the health or welfare of any person. I use that language because that language is found in the present law, which gives the Secretary the right to move into such situations without any standards whatsoever. The proposed standards in that kind of situation would be a warning to people, in advance of enforcement proceedings, that there was a situation requiring corrective action.

The other kind of situation in which water quality standards would be needed is a situation in which there is no pollution at the present time but in which a little preventive medicine is called for, not only in the interest of those who like to use water for recreation, or for drinking, or for water skiing, but in the interest of industry. There have been instances in my State in which we could not allow an industry to settle on the banks of a stream because there was no more oxygen left in the stream. So it would serve the industrial health of that community to have water quality standards established to avoid the expenditure of that oxygen so that the water will be available not only for recreation, but for industry.

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

Mr. MUSKIE. For those reasons, which could be expanded ad infinitum, I urge the rejection of the amendment of the Senator from Texas.

Mr. TOWER. Mr. President, I yield myself 3 minutes. I should first like to comment on the contention of my friend, the Senator from Maine, that we should accept the work of the Senate committee and reject that of the House committee. I recall reading of an incident which occurred when Mr. Thomas Jefferson returned from France after the Constitution had been framed. He called on George Washington. They were having a cup of coffee. He said to Mr. Washington, "Tell me, Mr. Washington, why do you have a bicameral Congress?" Mr. Washington said to Mr. Jefferson, "Why are you pouring coffee from your cup into your saucer?" Mr. Jefferson said, "To cool it." Mr. Washington said, "That is why we have a bicameral Legislature. We pour legislation from one Chamber to the other to cool it."

The proposed legislation certainly needs cooling. I am not disparaging the work of my friend, the Senator from Maine, whom I hold in high esteem. It is with great trepidation that I take him on, because he is skillful, he has great knowledge, and he has worked zealously to accomplish a very desirable goal.

It appears that the States and State agencies are willing to take their chances in a mutual veto arrangement. Those agencies which opposed the measure, who either appeared or filed statements, include the Delaware Water Pollution Commission, the Texas Water Pollution Control Board, the Alabama Water Improvement Commission, the Tennessee Stream Pollution Control Board, the American Association of Professors of Sanitary Engineering—some of these are not State agencies—the Florida State Board of Health, the Kansas Department of Health, the State of New York Water Resources Commission, the Kentucky State Water Pollution Control Commission, the Kentucky Department of Health, the North Carolina State Stream

Sanitation Committee, the Pennsylvania State Health Department, the Governor of Maryland, the Arkansas Water Pollution Control Commission, the California Water Pollution Control Association, the Maine Water Improvement Commission—the agency from the Senator's own State testified in opposition to the bill—the Oklahoma State Department of Health, and the Oregon State Board of Health.

I could continue and include agencies from Rhode Island, Utah, Virginia, and many other States.

I should like to read into the RECORD at this time a statement made by the Governor of Texas, Hon. John Connally, at the County Judges and Commissioners Association conference held at Corpus Christi on October 5, 1964, which I think typifies the attitude of responsible and forward-looking State governments:

> One point I want to make clear: Texas is going to determine its own destiny in the development of its water resources. These goals will not be realized by chance nor by blind dependence upon the wisdom of the Federal agencies. We must accept our own responsibilities.

I reject the notion that State governments and State agencies are going to be irresponsible or incompetent.

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

Mr. TOWER. I yield myself 2 additional minutes.

I reject the notion that State governments and agencies are going to be less competent and fail to recognize that water pollution problems exist; or that they are going to be more loath and reluctant to do something about it.

It is time to stop downgrading State officials and governments. We have in America today some of the best State officials we have ever had, even though most of the Governors are Democratic. I am willing to leave it to them to take care of this problem. This power should be left in the States, rather than in the hands of a single man or administration.

Mr. MUSKIE. The Senator from Texas referred to Maine. The Governor has his own water pollution committee. I do not yield to the Senator, despite the differences in our views, in my appreciation of the very great need of strong local and State government actions. I have served at all levels of State government. I have served in the legislative branch in two levels and the executive branch in two levels.

One of our efforts has been to create every opportunity for the exercise of initiative and for the discharge of responsibility, for the acceptance of the burden involved in the problem, by State and local governments. Over and over again, in the enforcement procedure, in the procedure for setting standards, our State and local governments and interstate agencies have been given an opportunity to come in and do the job.

Just as the Federal Government, in its vast bureaucracy, includes people who are not as wise or as responsible as they ought to be, or who do not always meet the requirements of the public interest as they should, so on the local and State levels is that true. Neither has a monopoly on virtue, ability, or regard for the public interest.

What we have tried to do in this bill—and I think we have succeeded, certainly to the satisfaction of the Republican Members, as well as the Democratic Members, on the subcommittee—is to achieve a cooperative partnership among the State, local, and Federal governments in dealing with a problem that is not only a State and local problem, but a national problem.

The substitute recommended by the Senator from Texas would be a step backward from this objective in that, even with respect to making recommendations, the proposed substitute would dilute the power that the Secretary has under existing law.

Mr. TOWER. Mr. President, I am prepared to yield back the remainder of my time.

Mr. MUSKIE. I yield back my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment of the Senator from Texas.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The question is on agreeing to the amendment of the Senator from Texas [Mr. TOWER].

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Washington [Mr. JACKSON]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withdraw my vote.

I announce that the Senator from Virginia [Mr. BYRD], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from Montana [Mr. METCALF], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON] and the Senator from South Dakota [Mr. MCGOVERN] are absent because of illness.

I further announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Washington [Mr. JACKSON], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Connecticut [Mr. RIBICOFF], and the Senator from Texas [Mr. YARBOROUGH] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING], the Senator from Washington [Mr. JACKSON], the Senator from Washington [Mr. MAGNUSON], the Senator from South Dakota [Mr. MCGOVERN], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Kansas [Mr. CARLSON], the Senator from Idaho [Mr. JORDAN], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

The Senator from Kansas [Mr. PEARSON] and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

The Senator from Nebraska [Mr. HRUSKA] is detained on official business. If present and voting, the Senator from Colorado [Mr. ALLOTT] and the Senator from Kansas [Mr. CARLSON] would each vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Idaho [Mr. JORDAN]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Idaho would vote "nay."

On this vote, the Senator from South Carolina [Mr. THURMOND] is paired with the Senator from Kansas [Mr. PEARSON]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Kansas would vote "nay."

The result was announced—yeas 15, nays 62, as follows:

[No. 5 Leg.]

YEAS—15

Bennett	Fannin	Murphy
Cooper	Hickenlooper	Robertson
Curtis	McClellan	Simpson
Dirksen	Morton	Talmadge
Dominick	Mundt	Tower

NAYS—62

Aiken	Gore	Morse
Anderson	Harris	Muskie
Bartlett	Hart	Nelson
Bass	Hartke	Neuberger
Bayh	Hill	Pastore
Bible	Holland	Pell
Boggs	Inouye	Proxmire
Brewster	Javits	Randolph
Burdick	Jordan, N.C.	Russell
Byrd, W. Va.	Kennedy, Mass.	Saltonstall
Cannon	Kennedy, N.Y.	Scott
Case	Kuchel	Smith
Church	Lausche	Sparkman
Clark	Long, Mo.	Stennis
Cotton	Long, La.	Symington
Dodd	McCarthy	Tydings
Douglas	McGee	Williams, N.J.
Ellender	McNamara	Williams, Del.
Ervin	Miller	Young, N. Dak.
Fong	Mondale	Young, Ohio
Fulbright	Montoya	

NOT VOTING—23

Allott	Johnston	Moss
Byrd, Va.	Jordan, Idaho	Pearson
Carlson	Magnuson	Prouty
Eastland	Mansfield	Ribicoff
Gruening	McGovern	Smathers
Hayden	McIntyre	Thurmond
Hruska	Metcalf	Yarborough
Jackson	Monroney	

So Mr. TOWER's amendment was rejected.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. MUSKIE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open for further amendment.

THE PROBLEMS OF PUBLIC EDUCATION

Mr. FULBRIGHT. Mr. President, last week the Washington Post carried a series of excellent articles on the problems of public education in this country. I believe they establish quite conclusively the enormous pressures on our educational systems, both present and potential, and thereby emphasize the need for action by this Congress in the field of education.

I ask unanimous consent that the articles written by Gerald Grant and Maurine Hoffman be printed in the RECORD at this point.

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

OUR NO. 1 BUSINESS: EDUCATION QUALITY VARIES IN U.S. SCHOOL DISTRICTS

(First in a series)

(By Gerald Grant and Maurine Hoffman)

America provides equal educational opportunity, someone once said, for every fourth or fifth child. These are the children in Westchester County, N.Y., Arlington, Va., Berkeley, Calif., and other affluent school districts.

They attend modern schools with the tools and topflight teachers to provide the kind of education that assures success in our accelerating society.

In varying degrees, the other three or four out of that five do not receive such an education.

South Carolina spends an average $240 a year on each school child. The quality of its education is reflected by two salient facts: Only 48 percent of those who take the relatively simple selective service mental test in South Carolina pass it. And only half the State's eighth graders complete high school.

California puts $515 into the education of every child and 85 percent pass the selective service exam. Nearly 9 out of every 10 eighth graders will finish high school in California.

These statistics are one indication of the range in quality of education in the United States but they are State averages that tend to obscure the have-not districts in every State.

In adjacent Bristol City and Buchanan County school districts in Virginia, for instance, these disparities exist: The city spends a third more per pupil and its dropout rate is only one-third of the county's. Nearly 98 percent of the city's teachers are college graduates but less than half the county's have a degree.

Have-not schools and school districts add up to severe national shortcomings. Here are some of them:

Susan Ludy attends a one-room school in central Missouri that provides the first and most important 8 years of schooling for 20 children. Their teacher is paid $3,375 a year and has less than 2 years of college. But how many qualified teachers would be willing to work in a school wtih no running water, only a few textbooks, and no science equipment?

One out of every five teachers in the United States fails to meet full certification standards and nearly a fifth of all elementary teachers do not have a college degree.

Harold Baxter was one of 77 students in the top sixth of a class of 440 students who graduated in June 1963, from a high school in a blighted area of Detroit. Thirty-seven of those 77 received scholarships. Harold was among the 40 who did not go on to college for lack of funds, counseling, or motivation.

Nationally, 200,000 out of the 600,000 students who graduate in the top third of their class fail to go on to college, principally for lack of funds.

Monroe Bryant is one of 12,000 Boston schoolchildren who attend dismal, poorly heated, and in some instances firetrap schools—all built more than 70 years ago.

Such schools may be found in urban slums across the land. In Philadelphia recently, 117 children were given hospital treatment after coal gas seeped from a faulty furnace in the Hartranft School, built in 1890. In Washington, the replacement of the still overcrowded Shaw Junior High School—with its leaky roofs and converted basement classrooms—was called for nearly 20 years ago.

The U.S. Office of Education reports that 124,300 new classrooms were needed last year—64,900 to replace substandard facilities and 59,400 to relieve overcrowding.

Raoul Barnes, a 12-year-old, leaves his suburban home near St. Louis before daylight each morning in order to reach Hazelwood Junior High School by 6:30 a.m. Raoul attends school on the early shift. Those who come for the afternoon session attend classes until 7:10 p.m.

Throughout the United States, 409,000 pupils attended school for less than a normal schoolday last year. Many were in suburban areas like Hazelwood where schools have not been able to keep up with surging population growth.

If a child is born crippled, blind, deaf, or retarded, schooling may not only be unequal but altogether lacking. Seventeen States have no special facilities for the education of deaf children. Three times as many mentally retarded children need special classes as are in them. In most cities there are two children on waiting lists for special classes for every child in such classes.

U.S. Office of Education statistics reveal a shortage of 150,000 teachers of the retarded and handicapped.

President Johnson has put the righting of some of these most critical education wrongs at the top of his agenda. "Nothing matters more to the future of the country," he declared in his message to Congress Tuesday, "than better education for all up to their ability to receive it."

Education, the President stressed, must be the Nation's No. 1 business.

The President's school aid program, with $1.5 billion earmarked for the first year, would concentrate two-thirds of the funds on the 5 million children whose families earn less than $2,000.

In addition to the $1 billion allocated to poverty impacted schools, the President's program proposes $150 million for preschool training, $100 million for supplementary centers that would provide services ranging from reading clinics to art classes, and $100 million for textbooks and improved libraries. Nonpublic school students would be included in many programs.

Mr. Johnson has also proposed $260 million for higher education for Federal scholarships and guaranteed reduced interests loans, college library aid, and help for small colleges with a growth potential.

The President's program is a major step toward closing the gap of educational inequality. But it will leave many areas—such as teacher salaries and construction needs—largely untouched. First-rate schooling for all children will require vastly increased sums for education at all levels in the years ahead.

This series of articles will discuss some of these needs, the question of what share of the Nation's school burden the Federal Government should bear, and the history of past attempts to provide Federal aid to education.

OUR NO. 1 BUSINESS, III: PUPILS WHO NEED ATTENTION MOST START SCHOOL WITH AN UNBEATABLE HANDICAP

(By Maurine Hoffman and Gerald Grant)

"We look into the schools of Harlem and we find that our young people can't read and they can't write."

"The children are not taught anything. They are just slapped around and nobody bothers to do anything about it."

'They need to get rid of all these slummy buildings. The children can't live in these buildings. They need better schools. They need a whole lot."

These tape-recorded comments of a schoolteacher and two angry young mothers were gathered by Harlem Youth Opportunities, Inc. (Haryou) for a now-famous study "Youth in the Ghetto." But they apply with equal force to ghettos in every big city in the United States.

Salvaging the lives of the children in these ghettos is one of the prime goals President Johnson had in mind when he said that education must become the Nation's No. 1 business.

A youngster born into such a slum has only half the chance of surviving infancy that the average child has. He is twice as likely to become a juvenile delinquent and six times as likely to contract venereal disease.

He starts school with a huge cultural gap and falls progressively further behind. Studies of Harlem children show they are an average 1 year behind in academic achievement in the first grade, 2 years behind by the sixth grade, and 2½ years behind by the eighth.

He has only half the chance of finishing high school. More than 60 percent of students entering 10th grade in the inner city high schools of the Nation's 15 largest cities will drop out—compared to a national dropout rate of 30 percent.

Failure is expected and defeat permeates the classroom.

Schools are like factories: grimy, decaying, overcrowded, and understaffed.

At Shaw Junior High School in downtown Washington, students are packed into converted locker rooms and basement storerooms.

Commenting on the high truancy rate, a teacher whose class is in a dimly lit, made-over basement shop, asked: "Would you want to come to school here?"

"These kids should have cheery, bright rooms," he said. "Many of them live in this kind of a dungeon. They shouldn't have to come to school to it."

Shaw's roof leaks and the showers in the gymnasium don't work.

ELEVEN PERCENT SLOW LEARNERS

In Washington as a whole, 11 percent of the schoolchildren are in basic track classes for the slow and academically retarded. But in 18 inner city schools, 28 percent are in the slow track. At Shaw, more than a third are.

"Will you tell me why this rich country of ours should have 3 percent of our children mentally retarded while Sweden has 1 percent?" President Kennedy asked in a California speech in June 1963.

"The reason of course is that they grow up in slums, that the mothers do not have prenatal care, they do not have special teachers," the late President said.

They not only do not have special teachers, they are most likely to get the least experienced and unqualified teachers, and the shabbiest equipment.

ONCE THEY WERE BEST

But this was not always the case. Some of the schools that now have the highest dropout rates and the lowest academic achievement records were among the best schools of the Nation 30 years ago.

Big city school systems paid the highest salaries, drew the best teachers, and had the most lavish equipment.

But vast shifts in population have occurred in recent decades. Unskilled rural families, primarily Negro, have moved into the decaying centers of the big cities. Middle income whites have moved to the suburbs.

Schools in the cities are getting a smaller share of the tax dollar as costs of other municipal services have risen. In most big cities only 30 cents of the tax dollar is spent for education. In the suburbs, the schools get 70 percent of the tax dollar.

The Institute of Administrative Research at Columbia University's Teachers College recently reported that New York City schools would need $200 million more this year to maintain the level of financial support the city schools achieved in 1944–45.

The decline in support is most evident when the schools are measured against those in suburban areas.

A team of Harvard University consultants who studied Washington's inner city schools concluded that $10,000 would have to be spent on each inner city family to provide the same kind of educational opportunity that is available in affluent suburbs.

GAP IS ENORMOUS

The Harvard experts readily admitted that such a sum was unrealistic but stressed that it is an indication of how "enormous * * * the gap is between our least favored public school systems and our most favored systems."

In some suburban school districts on Long Island, they pointed out, children come from homes where the average income is $15,000 a year and average per pupil expenditures range between $1,500 and $1,800.

In the inner city of Washington, where many earn less than $3,000, less than $500 is spent on each child.

The $1 billion that President Johnson has proposed for the first year of his program to aid the 5 million children whose families earn less than $2,000 is an important step toward closing the gap.

SLUMS NEED MORE

But many educators believe that huge sums beyond this must be pumped into slum schools: for public nursery school programs, smaller classes, better teachers, psychological, guidance, and social services, after-school study centers, cultural and remedial programs, modern equipment and new buildings.

As one Harlem mother said: "It is not a small thing they have to do and they are taking too much time in doing it."

OUR NO. 1 BUSINESS; IV: MANY TALENTED YOUNG PEOPLE LACK MEANS TO PAY SOARING COLLEGE COSTS

(By Maurine Hoffman and Gerald Grant)

Increasing throngs of students are swarming over college campuses, but some of the Nation's most talented young people have been forgotten.

These are the youths who should be in college but aren't * * * the youths unable to finance the higher education necessary for them to make contributions to society equal to their potential.

President Johnson has said that more than 100,000 of our brightest high school graduates annually will not go to college—"if we do nothing."

The President is seeking a three-pronged plan aimed at helping more needy high school students gain access to higher education.

Of the total $260 million he is asking for higher education, about half would go for student aid. This would take the form of scholarships, expansion of work study programs, and Government-backed low-interest loans.

Project Talent, a study by the Office of Education and the University of Pittsburgh, found that 45 percent of American high school youths scoring in the top 20 percent in scholastic aptitude fail to enter college.

About half were from families with annual income under $6,000, while only about one-fifth came from families with incomes of $9,000 or more.

Take Linda, for example, a Negro girl with a B average at a downtown Washington high school. Linda's mother, a widow, works as a cook to support her five children. How could she possibly afford to send Linda to college? So Linda, who wanted to become a doctor, settled for a job as a practical nurse.

Or consider Juan, a Spanish-American boy in a Texas high school. His teachers said he has great talent in writing. But his family barely makes ends meet running a struggling little restaurant. After high school Juan had to go to work washing dishes instead of developing his talent.

The Lindas and Juans in this country are not the ones who receive most of the private scholarship funds. A recent study found that for every college scholarship awarded to a pupil from a family with an income under $3000, four were given to students from families with incomes above $11,000.

In particular, the opportunities to attend college have been limited for Negroes and other minority-group members. Almost 12 percent of white adults (ages 25 to 29) have completed college, as against only 5.4 percent of the comparable nonwhite group.

COLLEGE COSTS UP

Today, increasing college costs are putting a burden even on well-to-do families. College costs this year are estimated at $1,560 for public institutions and $2,370 for private institutions.

But by 1980, when college enrollment is expected to double its current record figure of 5,320,294 students, college costs will have zoomed still higher. The annual costs of public colleges are expected to rise to $2,400 and those of private colleges of $3,640.

The Federal Government is already providing some assistance in meeting college costs. Under the National Defense Education Act, $163.3 million in certain types of loans and fellowships will be available to students this year. Students who teach for 5 years after graduation have to pay back only half of their loans.

The antipoverty program passed last year included funds to help 150,000 needy college students by paying them for part-time work on campuses or in their communities.

The new Johnson proposal would broaden this program, placing it under the Department of Health, Education, and Welfare. It would supplement National Defense Education Act loans by making loans available on a wider basis.

COLLEGE TEACHER SHORTAGE

Increased financial aid probably would encourage more students to enter graduate school and indirectly help fill higher education's critical teacher shortage.

The total of new college teachers needed now is almost 32,000. Yet the annual output of Ph. D.'s, backbone of the college teaching staff, is less than 14,000. Fewer than half of these enter teaching.

Colleges and universities received help with construction needs in 1963 when Congress voted the Higher Education Facilities Act, giving grants and loans for academic buildings, laboratories, and technical schools. This legislation is due for renewal in 1966 when higher education is expected to seek expanded construction aid.

But as colleges expand, tremendous strains are being put on their research and library facilities.

The "overwhelming majority of academic libraries are understaffed, poorly housed, and ill-equipped," the Office of Education reports.

Only half of 4-year colleges meet minimum standards for library collections (50,000 volumes for 600 students, and 10,000 volumes for every additional 200 students) set by the American Library Association. Less than 20 percent of 2-year schools meet minimum ALA standards.

In spite of heavy spending increases on college libraries (up 67 percent from 1959–60 to 1963–64), the national ratio of 51.9 volumes per student has actually declined to an estimated 48 volumes because of enrollment upsurges.

President Johnson is seeking legislation to purchase books and library materials and to train more librarians.

Other categories of his higher education program are aid to smaller colleges which are battling for survival because they lack accreditation, and grants for university extension programs to fight city social problems.

"Higher education is no longer a luxury but a necessity," the President commented. While Federal aid has helped colleges and universities greatly in the past, "we need to do more," Mr. Johnson said.

OUR NO. 1 BUSINESS, II: INFERIOR SCHOOLS BLIGHT EDUCATION IN URBAN SLUMS AND RURAL SQUALOR

(Second of a series)

(By Maurine Hoffman and Gerald Grant)

The Negro youth in Harlem and the white boy in the shack in Appalachia have much in common.

Both are poor and both are likely to be receiving the kind of education that tends to keep them that way.

As the 1964 Report of the President's Council of Economic Advisers put it, "For the children of the poor, education is a handicap race; many are too ill-prepared and ill-motivated at home to learn at school. And many communities lengthen the handicap by providing the worst schooling for those who need the best."

Much has been written on the defects of urban slum schools. In his book, "Slums and Suburbs," James B. Conant, former president of Harvard University, pointed out that the contrasts between schools in wealthy suburbs and large cities "jolt one's notions of the meaning of equality of opportunity."

The expenditure per pupil in wealthy suburban schools is as high as $1,000 per year, but it is less than half that amount in some big city schools.

But little attention has been paid to the schools in poor rural areas. These country schools have deficiencies similar to those in city slums. Rural school problems are compounded by their isolated locations.

President Johnson's program recognizes this fact. In calling for a push forward in education—"the No. 1 business of the American people"—the President has proposed a billion-dollar program of grants to impoverished school districts.

"Low-income families are heavily concentrated in particular urban neighborhoods or rural areas," the President noted.

In the past people tended to stay where they were born, so it made little difference if education in rural areas lagged behind that in the rest of the Nation. There was plenty of farm work in those days that did not demand a trained mind.

CONDITIONS DIFFERENT

But today agriculture is mechanized and the farm population dwindles steadily. So the graduate of a rural high school in Louisiana is likely to end up on the relief rolls in Chicago unless he has sufficient education for employment.

A visit to a combination grade-high school in Ellsinore, a village of 500 in a depressed area of the Missouri Ozarks, gives a good picture of the barebones education meted out to thousands in underfinanced rural schools.

LIBRARY OUTDATED

At Ellsinore the academic diet is extremely meager. Foreign languages, chemistry, physics and modern methods in mathematics are not taught. Practice in English composition is infrequent since the lone overworked English teacher has little time to grade them.

The library consists of a few bookcases, containing some outdated volumes, in the corner of a dark classroom. There is some new science equipment, supplied with Federal funds, but there is no place to put it in the outdated building.

Classrooms in the dingy, overcrowded school are constructed around a gymnasium, which means constant distracting noise throughout the building.

The district desperately wants a new school, but it cannot raise the money, so it tries to make do in the present structure. English classes are taught in an old one-room school that was moved to the main schoolhouse grounds.

TEACHERS SCARCE

Finding teachers is a major problem since the village is miles from cultural centers, lacks modern rental housing, and offers low pay ($4,000 for beginning teachers) with little promise of raises. Often teachers come only to gain experience to move on to better paying jobs.

Yet the Ellsinore school repesents all that most of its nearly 400 pupils will ever know of formal education.

Higher education is completely out of the question for most of its graduates. Perhaps as many as half of the families in the school district are on welfare or eke out a marginal existence, often cutting cordwood.

The best many of its boys can hope for is an assembly line job in St. Louis, while the girls seek clerical work there or in surrounding towns. Yet the growth of automation threatens the existence of these types of jobs.

"We do the best we can with what we have, but we need help," Ellsinore's school superintendent, L. W. Kingen, said. "Our people are paying all they can and we don't get enough State aid."

Kingen longs for Federal aid. Most of his district is National or State forest preserve with a consequently small property tax base. Now even more property is being taken off the tax rolls for a national waterways monument but the last Congress turned down a provision to give aid to the affected school districts.

In other rural areas 19th century education is still being given to 20th century children. There are still thousands of one-room schools in operation, especially in the Middle West.

At the last count in 1961–62 by the U.S. Office of Education 13,333 of these remnants from horse-and-buggy days were being used to teach space-age youth.

OUR NO. 1 BUSINESS, V: STATES SEEN FAILING ON EDUCATION DESPITE SOARING PROPERTY TAXES

(Last of a series)

(By Maurine Hoffman and Gerald Grant)

Do future needs of the schools demand increased Federal contributions or can the States and localities foot the bill?

Expenditures for public schools and colleges will rise from about $27 billion this year to $35 billion by 1970, according to U.S. Office of Education projections. In the next 5 years, 400,000 new classrooms and 800,000 new teachers will be needed.

WILL IT BE ENOUGH?

Property and other local taxes which have risen sharply in recent years will go up still more. But will this be enough?

Some argue that Federal dollars are not needed. The quality of education in the States has been rising steadily, it is asserted. States and localities can raise needed revenues through income taxes and other levies, especially if the Federal Government did not take such a large slice of the tax pie.

On the other hand, Federal aid proponents say that inequities are severe and that only the Federal Government can collect the money where the wealth is and distribute it where the children are.

DISPARITY IN SPENDING

Some States spend three times as much per pupil as others. In one State, 76 percent of the high school teachers have masters degrees, in another only 8 percent. Average teacher salaries vary from a low of $3,610 in one State to $7,350 in the highest.

President Johnson who wants to end these inequities, says improvement of the schools must become the Nation's No. 1 business.

Federal contributions have been rising slowly, accounting for about 1.8 percent of school expenditures in 1940, 2.9 percent in 1950, and 4.4 percent in 1960. It is estimated that Federal contributions under the impacted areas program, National Defense Education Act, and other measures accounted for about 5 percent last year.

SUMMARY OF ARGUMENTS

But most of this aid has been categorical—for such special purposes as improving science and mathematics instruction or training teachers of the retarded.

Federal aid proponents say that it should be much more widespread and account for a greater share of school expenditures. A summary of their arguments on fiscal grounds follows:

The States and localities once collected two-thirds of all taxes but now the Federal Government collects more than two-thirds of all revenue. Thus it is argued that the degree of Federal support for education should be much higher than 5 percent.

Taxes have been increased greatly at local and State levels in recent years, but inequalities persist. It is unlikely that States, which try to keep taxes low to attract industry, and cities, which are suffering homeowner resistance to higher property taxes, will be able to raise the revenue that will be needed.

Other local needs such as welfare and transportation, are competing for dollars and not all local tax increases will go for schools.

Needs are exaggerated and the schools are improving. Pupil-teacher ratios are lower, teachers are better prepared and better paid (up 164 percent since 1946) and school expenditures have climbed at a faster rate than enrollment.

While many pupils are on part-time sessions and housed in substandard classrooms, construction is catching up because the postwar crop of babies has moved through the schools and the annual growth rate will be lower in the decade ahead.

State and local governments have the taxing power and the ability to pay for quality schooling. Roger Freeman, in his book, "Taxes for the Schools," argues that those who believe that the property tax will not yield substantially more revenue "disregard that during the 1960's over $400 billion worth of new private construction will be completed and vast areas of low-value land converted to high-value use."

Local governments will not make the extra effort if the Federal Government is going to support the schools. (President Johnson said in his education message, however, that Federal funds to poor school districts should be granted only on the condition that they are not used to reduce local and State efforts.)

If national taxes were reduced sufficiently, States could enact income and other taxes to meet their school needs.

Experts on both sides of the question admit that their case can't be proved conclusively from statistics.

But when all the arguments have been rehashed, the question may be this: Perhaps the States could do the job, but the record shows they aren't doing it and can we afford to wait?

PROTECTING AGRICULTURE

Mr. FULBRIGHT. Mr. President, on Monday the Washington Post carried an excellent editorial entitled "Protecting Agriculture," commenting on the rather cool treatment which agriculture seems to be receiving from some architects of national policy. The budget which we received on Monday contains substantial cuts in various agricultural programs. To be specific, the support price on cotton recently set by the Secretary of Agriculture is 1 cent lower than in the past crop year, the support price for rice is also lower, and many other items, such as the Soil Conservation Service technical assistance program, have been cut. This trend is disturbing to me.

I believe it is shortsighted to sacrifice the interests of rural America to the increasingly heavy demands of urban areas. In fact, hasty and ill-conceived cuts in the agriculture budget and the resulting lower prices on agricultural commodities may well hasten the migration of people from rural areas into the urban slums, a prospect which is not attractive in view of the many difficulties we are now experiencing because of urbanization. The migration of Americans from rural to urban areas is a prominent feature in recent American history. It should be our purpose to aid this trend insofar as it promotes the best interests of the American people, but the new skills required of the people involved must be cultivated, the cities must be built, and our agricultural system must be protected in the process.

These facts of life about American agriculture and its relation to the other sectors of our economy were further reviewed in the lead editorial in yesterday's Washington Post which I commend to my colleagues and other readers of the CONGRESSIONAL RECORD who are concerned not just with economic trends but more fundamentally about the people whom they affect.

I ask unanimous consent that the editorials to which I have referred, and a fine column by Leland DuVall from the Arkansas Gazette, be printed in the RECORD at this point.

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

[From the Washington (D.C.) Post, Jan. 25, 1965]

PROTECTING AGRICULTURE

With the growth of Federal expenditures politically constrained many a cold eye in the executive branch is cast on the older programs. And since the expenditures of the Agriculture Department rank second only to Defense in size, they are attracting their share of attention. There are few Federal programs that cannot be trenched upon without courting disaster, but before sub-

jecting the agricultural programs to indiscriminate cutting, an effort should be made to weigh their costs and benefits.

By the end of the current fiscal year about $3.5 billion will be spent in supporting agricultural commodity prices. The price-support programs have been criticized on the grounds that they neglect the welfare of the small "dirt farmer" and result in higher prices to consumers. It is, indeed, tempting to add to the direct Federal outlays a much larger figure representing the difference between current prices for food and what it would cost consumers in an absolutely free market.

But calculations of that type tacitly assume that farm prices can somehow be permitted to find their "natural" levels without serious economic dislocations. In a highly interrelated economy, such an assumption is highly dubious. According to the new input-output study recently completed by the Office of Business Economics, every dollar of agricultural products that is delivered for final demand requires about 78 cents in the products and services of nonagricultural industries. So any disruption in the agricultural sector would be transmitted immediately to all other sectors of the economy and would be magnified.

If the United States faced the predicament of France where farms absorb 25 percent of the labor force, the protection of agriculture would have the untoward effect of retarding the growth of the industrial labor force, raising wages, and boosting costs. But with only 7 percent of the labor force on farms and an uncomfortably high level of unemployment in urban areas, the social costs of protecting agriculture are considerably reduced. In fact a good case can be made for retarding the migration of poorly educated young people from farms to cities.

None of the foregoing considerations vitiate the need to reexamine the agriculture programs and to broaden them in such a way as to improve all aspects of rural life. Government programs are increasingly geared to the 75 percent of the population that lives in urban areas. But a Great Society cannot ignore the welfare of the other 25 percent.

[From the Washington (D.C.) Post, Jan. 27, 1965]

MOVING MISERY AROUND

Secretary of Agriculture Freeman, in his address to the American Institute of Planners which met here Monday, made some points that ought to figure in any planning of agricultural policy. It is to be hoped that his ideas will be reflected in the agricultural message soon to go to Congress.

The Secretary told the planners that half the poverty of the country is concentrated in rural areas where 30 percent of the people live—a proportion of poverty twice as high as is found in cities and suburbs; that there are more substandard, dilapidated, and deteriorating homes in rural America than in all the cities of the Nation put together.

And yet, the Federal budget message proposes a half billion dollar reduction in agricultural appropriations, most of it in price support funds. The budget message, moreover, declares that "in view of the market outlook for farm commodities at home and abroad, farming alone cannot be expected to provide a decent living in the future for more than 1 million farm families, even with continued Government assistance." The message asserts that "many low-income farm families will have to find other means of earning a living, or other sources of income to supplement their modest farm earnings, if they are to share in our national prosperity."

This is an unexceptionable statement, so far as it implies increasing farm incomes where the farmers are, but it does not hold out much hope to low-income farm families if they have no future in rural communities. Most of them are not equipped by training or provided with resources necessary to make a socially acceptable readjustment to urban life. We now have some 3½ million farm families of which 1 million are large commercial operators with gross income of $10,000 a year or more; 1½ million low-income commercial farmers, and 1 million part-time farmers. It is the 1½ million farmers who earn less than $10,000 whose fate seems to be mostly involved. Of this group, some 821,000 have incomes less than $5,000 and the rest average between $5,000 and $10,000. Given the fact that many of these farmers lack any preparation for urban employment, migration may not be the best solution either for them or for the society as a whole. Little is to be gained by moving them out of agriculture, which at least provides a subsistence, and onto urban welfare rolls.

Farm population declined 4 percent a year in the 1960's. In the 25-year period after 1929 more than 18 million farm people moved out of agriculture. This is a staggering rate of depletion. As Secretary Freeman told the planners, "rural poverty has been moved en masse to the cities to become urban poverty—and the inherent evils of poverty have been compounded by congestion and the family disorganization that takes place when people are uprooted."

The Secretary declared himself in favor of an orderly migration of the well-prepared and opposed to a disorderly, forced migration of the ill prepared. He rightly said there has been too much of the latter. And he rightly supported, as an alternative, "the creation of economic opportunity in rural America that will enable people who want to stay in their home communities to make a decent living there."

Secretary Freeman is calling for a "rural renaissance" and that is exactly what is going to be required. That renaissance might give the 2½ million farmers outside the highest income commercial group a decent standard of living in the rural areas where they now live. If the means are provided in rural areas to produce educated, capable, and self-dependent people, they will move into urban industry as rapidly as positions are available to them. No enlightened government could contemplate a policy of inducing the disadvantaged and ill prepared, by the naked coercion of want and poverty, to move into great urban centers which cannot provide the jobs for employable people already there and which cannot cope with the social problems of the unemployables already on their welfare rolls.

Nothing is to be gained by just moving human misery around from one sink of degradation to another. And that is what we are going to be doing if we simply cut agricultural appropriations in the expectation that the market system will cut the farm population down to the number that can find profitable employment in high-income commercial agriculture.

[From the Arkansas Gazette, Jan. 17, 1965]

PLANS LOOK GOOD, SAVE FOR SKIMPING, FOR "GREAT SOCIETY"

(By Leland DuVall)

One of the parables tells the story of a foolish man who built his house on a sand foundation. When the rain descended and the floods came and the winds blew and beat upon that house, it fell "and great was the fall of it."

In a slightly different context, the United States is drawing the blueprint for the Great Society but there are indications that the designers are tempted to skimp on the foundation. The announced purpose of the parsimony is to save money with which to finance the cost of the facade and pay for the interior decorations and the playroom.

The detailed plans on how and where the money will be spent will be revealed later but there are indications that the architects of the Great Society plan to trim such essential programs as the logical method of saving money with which to finance innovations.

Specifically, the often-hinted suggestion that the Government cut back on its long-term investments in research and conservation in agriculture to help pay for such projects as rural recreation site development would be as stupid as installing a weaker and less expensive foundation in order to pay for a pool table in the playroom.

In broad terms, no one could argue with the conclusions of President Johnson when he said:

"An austere budget need not be and should not be a standstill budget. When budgetary restraint leads the Government to turn its back on new needs and new problems, economy becomes but another word for stagnation. But when vigorous pruning of old programs and procedures releases the funds to meet new challenges and opportunities, economy becomes the companion of progress."

While agreeing with this broad objective, it should be remembered that some of the old programs demonstrated their essential nature forcefully and expensively before they were established in the first place and the Nation has not outgrown the need. Consequently, it would be a little foolish to prune these programs on the ground that they were old; such a move would show us quickly just how new they really are.

The Soil Conservation Service is one of several examples in which a major budget reduction—carried to a point that it would reduce the efficiency of the organization—could be the most expensive kind of false economy. The great civilizations of history drew their strength from the roots embedded in 6 inches of fertile topsoil. When the land was eroded and the roots were washed bare, the civilizations died. The United States is fully as dependent on its topsoil as were the ancient nations that rose and fell but by the time we depleted the natural resource to a point that was endangering our future we also had accumulated enough technical knowledge and political sophistication to tackle our problem intelligently. The "black dusters" and deep gullies of the 1930 decade were interpreted correctly as omens that the famine was coming. The Nation responded by offering an erosion control program on a farm-to-farm basis, then filled in the blank spots so that virtually all of the farming regions are under conservation practices.

Now there is some danger that, in the interest of economy, the Federal Government will trim its technical staff, reduce the cost-sharing provision, and cut back on its total conservation program. Under the present system, which has proved successful in the past 30 years in halting the waste of natural resources and restoring the fertility to our soil, the SCS provides technical assistance while the actual administration is under the control of local soil and water conservation districts. The districts, which are organized under charters of the various States, are composed of the landowners where the conservation work is planned and accomplished. The ASCS, which is a different Government agency, provides assistance to the landowners in carrying out the recommended and planned practices.

Under this local-State-Federal table of organization, the soil and water resources of the country have been maintained at a more-than-adequate level. The abundance of food and fiber has provided the argument that the country would be taking no chance with its future if it reduced spending in this area in order to save money for new—and perhaps more appealing—programs.

Budget Director Kermit Gordon, writing in a recent issue of Saturday Review, explained the situation this way:

"We need more education and better education, from the primary grades through graduate and professional schools. We should expand our job training and retraining programs for the unskilled and for those whose skills are obsolete. We must intensify the war on poverty. We need improved outdoor recreation facilities, efficient urban mass transportation, and better mental health facilities. We need to bring the benefits of medical research discoveries to more people more quickly. We should step up our attack on air and water pollution."

All these are laudable objectives and several of them are new, so far as their inclusion in Federal responsibility are concerned. Each, in its turn, can be justified on social or economic grounds and (admittedly) each has a political appeal to a specific and important group.

In the light of the growing population of the United States, the shrinking area of land suitable for farming, and the increasing market for food and fiber throughout the world, no single new facet of the Great Society can be ranked above the conservation of natural resources on the scale of pressing future needs.

Officials have not released target figures but reports from Washington hint that the budget planners hope to "save" $20 million by reducing the technical staff of the SCS by one-third and trimming various other parts of the program. The money saved by this maneuver could pay for a considerable amount of "improved outdoor recreation facilities" but, in the long run, the country might find itself with some of the finest picnic tables in the world—and a shortage of food in the lunch basket.

A similar case could be made against the proposal to cut back on the amount and quality of certain types of agricultural research and the sometimes-heard suggestion that extension education should be curtailed.

Perhaps the most pressing problem of all is the need for a national understanding of the long-term value of conservation, research, and extension education—not just to agriculture but to the whole economy. Urban people may support a Federal-State water pollution control program enthusiastically because they understand that it can open the way to industrial development and assure ample water in the city reservoir. It may be a little harder to see that we also need to assure ourselves a continuing supply of food by saving the natural resources from which the raw materials are manufactured.

WATER QUALITY ACT OF 1965

The Senate resumed the consideration of the bill S. 4 to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes.

Mr. COOPER. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. Beginning with line 12 page 7, it is proposed to strike out all to and including line 2, page 9, and insert in lieu thereof the following:

(c) (1) In order to carry out the purpose of this act, the Secretary may, after reasonable notice and public hearings and after consultation with the Secretary of the Interior and with other Federal agencies, with State and interstate water pollution control agencies, and with municipalities and industries involved, to obtain the views of such officer and such agencies, municipalities, and industries, prepare proposed regulations setting forth standards of water quality to be applicable to interstate waters or portions thereof.

(2) Standards of quality prescribed by regulations adopted under paragraph (1) shall be such as to protect the public health and welfare and carry into effect the purposes of this Act. In establishing such standards with respect to any waters, there shall be taken into consideration (A) the use and value of such waters for public water supplies, agricultural, industrial, and commercial use, the propagation of fish and wildlife resources, recreational purposes, and other uses of significance in the public interest, and (B) the practicability and economic feasibility of attaining such standards.

(3) Such proposed regulations shall be published in the Federal Register, and copies thereof shall be transmitted to all Federal, State, and interstate water pollution control agencies, municipalities, and industrial organizations affected. Upon request made within ninety days after publication of such proposed regulations by one or more of the States, interstate agencies, municipalities, and industrial organizations (referred to hereinafter as "interested parties") affected, the Secretary shall conduct public hearings upon such proposed regulations at a place convenient to the interested parties. In any such hearing, interested parties shall be accorded adequate opportunity to obtain and present necessary evidence in support of their contentions, and shall be entitled to propose revisions and modifications of the proposed regulations. Upon the basis of all evidence received in any such hearing, the Secretary shall prepare and transmit to each party to the hearing his report thereon, which shall contain a full and complete statement of his findings of fact and his conclusions with respect to issues presented at the hearing. The Secretary may, thereupon, affirm, rescind or modify in whole or in part such proposed regulation.

(4) Except as otherwise specifically provided by this Act, hearings and determinations under this Act shall be made, and subject to administrative and judicial review, in accordance with the provisions of the Administrative Procedure Act.

(5) Regulations under this subsection shall become effective only if, within a reasonable time after being requested by the Secretary to do so, the appropriate States and interstate agencies have not developed standards found by the Secretary to be consistent with paragraph (2) of this subsection and applicable to such interstate waters or portions thereof.

On page 9, line 3, strike out "(5)", and insert in lieu thereof "(6)".

On page 9, line 13, strike out "(6)", and insert in lieu thereof "(7)".

Mr. COOPER. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

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

Mr. COOPER. I yield.

EXTENSION OF TIME FOR FILING OF REPORT BY PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Committee on Government Operations receive an extension of time until March 1, 1965, to file a report by the Senate Permanent Subcommittee on Investigations. The report to which I refer deals with Organized Crime and the Illicit Traffic in Narcotics.

Last week a draft of this report was sent to the subcommittee members and they have not had adequate time to review and study it.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. Mr. President, I submit a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The resolution (S. Res. 68) was read, as follows:

Resolved, That the investigative authorizations provided by S. Res. 278 of the Eighty-eighth Congress are hereby continued through February 28, 1965, inclusive.

Mr. McCLELLAN. The resolution is necessitated by the fact that the resolution the Senate adopted last year will expire on Sunday, and we shall have no authority to act after that. It is not anticipated that we will get to the resolution to continue this authority until sometime later next week.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

WATER QUALITY ACT OF 1965

The Senate resumed the consideration of the bill S. 4, to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes.

UNANIMOUS-CONSENT AGREEMENT TO LIMIT TIME

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

Mr. COOPER. I yield to the Senator from Montana.

Mr. MANSFIELD. I understand that the Senator from North Carolina [Mr. JORDAN] wishes to speak for about 3 minutes. I ask unanimous consent that at the conclusion of the statement to be made by the Senator from North Carolina [Mr. JORDAN], an hour be allocated to consideration of the amendment offered by the Senator from Kentucky [Mr. COOPER], 30 minutes to be under his control and 30 minutes to be under the control of the Senator in charge of the bill [Mr. MUSKIE].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ACREAGE-POUNDAGE CONTROLS FOR THE PRODUCTION OF TOBACCO

Mr. JORDAN of North Carolina. Mr. President, I appreciate the courtesy of the distinguished Senator from Kentucky [Mr. COOPER] in allowing me time to introduce a bill. It is a bill in which he is also interested because it relates to tobacco.

On behalf of myself and Senator ERVIN, I am introducing, for appropriate reference, a bill which is of vital interest to the future of our tobacco farm program.

The bill would set up the machinery under which farmers—if they so choose—could establish a combination system of acreage-poundage controls for the production of tobacco.

I would like to emphasize that the bill specifically requires that the farmers themselves—in a referendum—must approve the acreage-poundage system before it can be put into effect.

As everyone knows, the tobacco program has operated for many years as the most successful of all of our farm commodity programs, but in recent years we have come upon very grave problems. I sincerely feel that some basic adjustments need to be made in the program if it is to survive.

Those of us who represent the tobacco-producing areas of the Nation have always taken great pride in the fact that the tobacco program has always operated at a minimum cost to the Government and at the same time has provided good income for the farmers who produce tobacco.

In recent years, we have found that acreage controls alone are not in fact effectively controlling the production of tobacco. No one is more aware of this than the growers themselves. Each year the yield per acre continues to increase in spite of repeated reductions in the number of acres planted. Despite a 10-percent reduction in the 1964 crop, yield per acre increased from 1,975 pounds in 1963 to 2,203 pounds in 1964—an increase of 11½ percent per acre—and resulted in a greater production than in 1963.

The bill which I am introducing relates specifically to flue cured tobacco, but it is written in such a way that other types of tobacco can be included in the program when the need arises.

I think the provisions of this bill have very special significance for flue cured tobacco growers who will be forced to take a 19.5 percent acreage reduction for the 1965 crop year unless a system of acreage-poundage controls is put into effect. If this bill is enacted into law and if the flue cured growers approve acreage-poundage controls, then about 14.5 percent of the 19.5 percent acreage reduction will be restored for the 1965 crop.

This would be done by putting a ceiling on the total number of pounds each farmer is permitted to sell under an acreage-poundage system.

Without going into any great detail about the formulas involved, the bill provides that each farmer would receive an acreage allotment and a poundage allotment based on the average production of his 3 highest producing years between 1959 and 1963. There are allowances made in the bill for those farmers who fall below the county average yield and provisions for those who go above the county average yield. There are also provisions in the bill for those farmers who have crop failures or for other reasons fall below their poundage quota in any one year. These provisions would permit farmers who fall below their poundage quota to add the deficit to the next year's quota.

All in all, this bill provides ways and means to set up a system which will give each farmer a fair share of the total tobacco market in terms of pounds as well as acres.

If this system is approved by the farmers, it will permit all tobacco growers to concentrate on producing high quality tobacco rather than continuing the present headlong rush to increase per acre yield each year at the cost of quality. The program will go a long way toward stabilizing the entire tobacco industry at a time when its very existence is at stake.

I fully realize that there are many and varied opinions as to how to best solve the problems facing tobacco. I am introducing this bill as a starting point and as a working draft in the hope that all of those interested in the future of tobacco can agree on a program that will once again bring stability to the tobacco producing industry.

In the past few years, the surplus stocks of tobacco have soared to volumes which are completely out of reason and which cannot be justified. This proposal offers the growers themselves an opportunity to make a choice as to the course they choose to follow in the future.

If this program is approved by the growers and put into effect this year, it will mean a savings to the U.S. Treasury of upwards of $200 milllion on the 1965 crop.

This proposed program has been developed over a period of many months of hard work on the part of many leaders in the tobacco industry and it represents the thinking of leaders in every segment of the industry. I have no way of knowing what decision the growers themselves will make concerning an acreage-poundage program, but I do know that they are deeply concerned over the future of their program as it exists today. I also know they feel that some adjustments must be made if the program is to survive. I do not think—with the supply and demand situation as critical as it is—that it would be fair to deny the farmers themselves an opportunity to vote on the question of adopting an acreage-poundage system of controls.

The primary purpose of my introducing the bill is to give the growers themselves an opportunity to choose between the existing program and an acreage-poundage program, and I will respect their choice. I would like to point out that the bill as introduced calls for an approval of at least two-thirds of the growers voting in a referendum before acreage-poundage controls can be put into effect. There has been considerable discussion as to whether this figure should be two-thirds or a simple majority, and I am confident this is something that can be worked out as the Committee on Agriculture and Forestry considers the matter.

I am hoping that we can have early hearings on this bill because time is of the essence, and I sincerely feel that the farmers themselves should have an opportunity to make a choice before they begin planting their 1965 crop.

I appreciate very much the opportunity which the Senator from Kentucky has given to me to introduce the bill. As the Senator well knows, time is short if we are to accomplish anything in 1965.

Mr. COOPER. I shall be glad to study the measure, because it concerns tobacco.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 821) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, introduced by Mr. JORDAN of North Carolina (for himself and Mr. ERVIN), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

WATER QUALITY ACT OF 1965

The Senate resumed the consideration of the bill S. 4, to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes.

Mr. COOPER. Mr. President, the amendment which I have offered is much more limited in its scope than the amendment which was offered by the Senator from Texas [Mr. TOWER] and which was voted on.

The PRESIDING OFFICER. How much time does the Senator from Kentucky yield to himself?

Mr. COOPER. I yield myself 15 minutes. At the outset I wish to make clear to Senators who are present the essential purpose of my amendment. In the event that the pending bill, S. 4, should become law, my amendment would assure that if the Secretary of Health, Education, and Welfare promulgates water quality standards, then all States, States joining in compacts, municipalities, and water control agencies who would be affected, would be assured the right of full administrative and judicial review.

The distinguished Senator from Maine [Mr. MUSKIE], the distinguished ranking minority member from Delaware [Mr. BOGGS] and the members of his Subcommittee on Water Pollution Control have worked hard to bring the Senate a bill providing for more effective water pollution control policies. I congratulate them. I am interested in their objectives. In 1947 and 1948, when I served on the Committee on Public Works, we approved, and Congress later approved, the first Water Pollution Control Act, an

act introduced by Senator Taft and Senator Barkley. I was happy to support it. In the years following that, I have supported other amendments to make the act more effective in the interest of water pollution.

Last year, I stated in the debate on the floor, my reasons for opposing the bill reported by the Committee on Public Works, and earlier in this debate I have outlined my reasons for opposing S. 4.

But now I come to the purpose of my amendment. Section 10 of S. 4, which is before the Senate, provides, among other things—and this is essentially the thrust of the bill—that the Secretary of Health, Education, and Welfare shall be authorized to promulgate water quality standards for every interstate body, or navigable water adjacent to one or more States. So at the beginning, let me say that in its geographical scope, it is not a small bill that we are considering; it is a bill which affects every State and countless miles of waters, waters upon which are located great and small cities and many industries, waters whose purity, and whose use for agriculture, industry, water supply, recreation, and the propagation of fish and wildlife, concern us as we look to the future.

The bill is broad not only in its geographical scope; it is broad in the effect that it could have upon every State, every municipality, and thousands of industries, and farms throughout the Nation. I do not believe I would have to argue to the members of the Committee on Public Works, especially the Senator from Maine [Mr. MUSKIE], that I do not speak in that committee or on the floor of the Senate for any special interest, and I do not do so now. The point I wish to make is that the bill gives to the Secretary of Health, Education, and Welfare tremendous authority and power, a power which I will say again is not matched, in my opinion, by the power of any other official of the Federal Government. I doubt whether the President of the United States has such power, except with respect to foreign affairs. It is a power that would enable the Secretary to promulgate water quality standards. It is an authority that is given him to take measures to abate any nuisance, which is defined in the bill as any discharge into the water which would reduce the water quality standards he has established.

The bill gives him the power to zone interstate waters, and navigable waters adjacent to States, reaching our lakes and the ocean itself. I do not say it will be used; nevertheless, it is a power which would enable the Secretary to determine what portion of a stream should be set aside for industry, what portion should be used for agricultural purposes, what portion for recreation, and what portion for the development of fish and wildlife, and for such other uses as he may determine.

This is a new legislative concept. If there were proper precautions drawn about the proposal, which would give States, municipalities, and others concerned an adequate role in the development of the standards which affect them and, finally, the right of judicial review, I would not oppose this concept. It does look ahead to a better, purer water supply for the Nation, a more beautiful country, and the general public interest as the Senator from Maine has said.

The Senator from Maine will argue, as he has—and very effectively, at least to the Senate—that all of these rights are preserved in the bill. I disagree with him. I have not been able to convince him. I was not able to convince the Committee on Public Works or the Senate last year. Nevertheless, I hold to my views, derived from my study of the bill.

Before the Secretary can promulgate standards, he must consult with the States, municipalities, and others concerned, and must hold public hearings. But that does not affect his sole and ultimate authority to promulgate and make effective water quality standards.

It is true also that after he promulgates the regulations, public hearings can be held upon the request of a Governor. The Secretary would have the authority to revise or modify original standards that had been promulgated. That is a fair procedure, but it does not affect his essential authority to promulgate the standards.

The Senator from Maine will argue against my insistence that there be written into the bill provisions guaranteeing to the parties affected the right to resort to the courts. He will say, in my judgment, as he said in committee, that this right is assured under its enforcement procedures. I make the point that the enforcement sections apply to the abatement of a nuisance and provide procedures to be followed after a nuisance occurs.

My amendment insists that after the standards are promulgated and before the nuisance occurs that States, municipalities, and individuals actually affected by the standards, and showing cause to courts, would have the right to be heard.

I shall discuss the specifics of my amendment, then I shall be finished.

The first section, section (c)(1) is essentially the same as provided by S. 4.

Subsection (2), of my amendment, prescribing the criteria under which the Secretary would act in proposing and promulgating water quality standards, is essentially the same as contained in S. 4 with one distinction.

I propose criteria in addition to the criteria of S. 4. I refer to the practicability and economic feasibility of attaining such standards. This is practical and necessary and fair.

The criteria of S. 4 includes the value of such waters for public water supplies, industrial use, propagation of fish, wildlife resources, and recreational resources.

I have added another factor: "the practical and economic feasibility of attaining such standards" which is a necessary factor, in all commonsense.

Subsection 3 of my amendment is very much like the language in S. 4, which authorizes a public hearing after the regulations are proposed by the Secretary. My amendment is somewhat more specific.

My amendment would require that regulations be published in the Federal Register, copies be transmitted to the States and other agencies which would be affected, and then all parties affected would be given 90 days in which to prepare for public hearing, and then the right to present their views if they believe revision is indicated.

This is an important distinction between my amendment and S. 4. Hearings under S. 4 are limited to the request of Governors. My amendment opens hearings to all parties affected. This is elemental justice.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. COOPER. I shall yield in a few moments. S. 4 would permit only the Governor of a State to ask for a public hearing, to ask for modifications and revision. My amendment would not limit this power to the State, but would extend it also to municipalities that might be affected, great cities such as Cincinnati and Cleveland.

I think of those cities because I see the Senator from Ohio [Mr. LAUSCHE] in the Chamber. I am not trying to persuade him to vote for this amendment on that account. But, municipalities all over the country would be concerned.

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

Mr. COOPER. I shall yield later. I would like to finish first. I have never had the chance to present my position in whole to the Senate.

I learned a great deal from the Senator from Maine. My amendment contains the same provision as S. 4, which is that the Secretary could not put into effect his standards until the States have had an opportunity to promulgate their own water quality standards. Again, I know that the Senator will argue, "We are giving the States a chance."

I say that it is a fictitious chance because the standards that they would be required to establish must be identical with the standards that the Secretary would promulgate or consistent with them.

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

Mr. COOPER. Mr. President, I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for an additional 5 minutes.

Mr. COOPER. Mr. President, no matter what is said, in essence, the ultimate and complete power is given to one man to fix water quality standards for every interstate stream in the country, including zoning, if he so determined. I shall read the last provision of my amendment and I do not see how anyone could be opposed to it. It reads:

> Except as otherwise specifically provided by this Act, hearings and determinations under this Act shall be made, and subject to administrative and judicial review, in accordance with the provisions of the Administrative Procedure Act.

The Administrative Procedure Act provides for adequate administrative review. It provides also that after a final rule is made, an affected party may ob-

tain a review in the circuit court of appeals. The review would not go into the question de novo, but would go to the abuse of discretion by the official or agency entering the order.

Mr. President, I ask unanimous consent that section 1009, title 5, of the Administrative Procedure Act, subsection 19, United States Code, 1958 edition, be printed at this point in the RECORD.

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

§ 1009. Judicial review of agency action.

Except so far as (1) statutes preclude judicial review or (2) agency action by law committed to agency discretion—

(a) Right of review: Any person suffering legal wrong because of any agency action, or adversely affected or aggrieved by such action within the meaning of any relevant statute, shall be entitled to judicial review thereof.

(b) Form and venue of proceedings: The form of proceeding for judicial review shall be any special statutory review proceeding relevant to the subject matter in any court specified by statute or, in the absence or inadequacy thereof, any applicable form of legal action (including actions for declaratory judgments or writs of prohibitory or mandatory injunction or habeas corpus) in any court of competent jurisdiction. Agency action shall be subject to judicial review in civil or criminal proceedings for judicial enforcement except to the extent that prior, adequate, and exclusive opportunity for such review is provided by law.

(c) Acts reviewable: Every agency action made reviewable by statute and every final agency action for which there is no other adequate remedy in any court shall be subject to judicial review. Any preliminary, procedural, or intermediate agency action or ruling not directly reviewable shall be subject to review upon the review of the final agency action. Except as otherwise expressly required by statute, agency action otherwise final shall be final for the purposes of this subsection whether or not there has been presented or determined any application for a declaratory order, for any form of reconsideration, or (unless the agency otherwise requires by rule and provides that the action meanwhile shall be inoperative) for an appeal to superior agency authority.

(d) Relief pending review: Pending judicial review any agency is authorized where it finds that justice so requires, to postpone the effective date of any action taken by it. Upon such conditions as may be required and to the extent necessary to prevent irreparable injury, every reviewing court (including every court to which a case may be taken on appeal from or upon application for certiorari or other writ to a reviewing court) is authorized to issue all necessary and appropriate process to postpone the effective date of any agency action or to preserve status or rights pending conclusion of the review proceedings.

(e) Scope of review: So far as necessary to decision and where presented the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of any agency action. It shall (A) compel agency action unlawfully withheld or unreasonably delayed; and (B) hold unlawful and set aside agency action, findings, and conclusions found to be (1) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; (2) contrary to constitutional right, power, privilege, or immunity; (3) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right; (4) without observance of procedure required by law; (5) unsupported by substantial evidence in any case subject to the requirements of sections 1006 and 1007 of this title or otherwise reviewed on the record of an agency hearing provided by statute; or (6) unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court. In making the foregoing determinations the court shall review the whole record or such portions thereof as may be cited by any party, and due account shall be taken of the rule of prejudicial error. (June 11, 1946, ch. 324, § 10, 60 Stat. 243.)

EFFECTIVE DAYS

Section as effective three months after June 11, 1946, see section 1011 of this title.

CROSS REFERENCES

Section applicable to functions exercised under International Wheat Agreement Act of 1949, see section 1642 (1) of title 7, Agriculture.

Section applicable to judicial review of any agency action under the Atomic Energy Act of 1964, see section 2231 of title 42, the Public Health and Welfare.

Mr. COOPER. Mr. President, I shall not misquote the Senator from Maine. The Senator made the statement in committee that my amendment would open the doors to everyone, whether or not they had an interest. Section 1009, subsection (a) of the Administrative Procedure Act defines those persons affected and the reasons for giving parties the right to go to the courts. So, I would say that there is no strength to that argument.

Last year, the committee held hearings for 6 days. No Governor testified before the committee. Few State water control commissioners were represented before the committee. It went to the Committee on Public Works of the House after the bill passed the Senate. The committee considered the bill. It heard the testimony of about 25 Governors and State water pollution control boards. All raised the questions that I have raised here today. The committee refused to accept S. 4, with respect to the authority to be given the Secretary.

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

Mr. COOPER. Mr. President, I close by saying that if the protections I seek can be included in the present bill respecting the formulation of standards and the assurance of judicial review, I would support the concept of water quality standards. But, I could not vote for the bill, in the form it has been presented to the Senate, without these proper safeguards.

Mr. LAUSCHE. Mr. President, how much time remains?

The PRESIDING OFFICER. There is an additional 10 minutes remaining.

Mr. LAUSCHE. Mr. President, in reading the amendment, I note that prior to the promulgation of the rule, hearings are to be conducted. The Secretary then has the right to promulgate a rule. May I ask whether the amendment would afford the affected parties a right to be heard after the rule is recommended, and before adoption?

Mr. COOPER. Yes. I must say that we are in accord on that.

Mr. MUSKIE. S. 4 does that also.

Mr. COOPER. Mr. President, after the regulation has been published—and my amendment would require publication and notice—then a public hearing could be requested.

The distinction between the amendment offered by the Senator from Maine and my amendment is that the amendment of the Senator from Maine would allow only the Governor of a State to request a public hearing, unless the Secretary wanted to do it on his own motion.

My amendment would permit any affected public party to ask for a public hearing. This is in accord with principles of justice.

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

Mr. MUSKIE. Mr. President, touching the last point first——

The PRESIDING OFFICER (Mr. MONDALE in the chair). How much time does the Senator yield himself?

Mr. MUSKIE. Fifteen minutes.

Touching the last point first, so that my reply may be close to the statement made by the Senator from Kentucky, let me say that the procedures set up in the rulemaking and policymaking authority given in S. 4 are subject to the Administrative Procedure Act. The Senator has said that S. 4 gives only the Governor the right to appeal from any water quality standard established by the Secretary. That is not so. S. 4 provides, following the promulgation of the standard, that the Governor may then petition, in accordance with the procedure followed in establishing the standard in the first instance, for a revision of the standard; but in addition to the provision in S. 4 is this provision of the Administrative Procedure Act. We have gone over this in the committee, and the matter is plain and clear:

Every agency shall accord any interested person—

Any interested person—

the right to petition for the issuance, amendment, or repeal of a rule.

So the provision of S. 4 must be read in connection with the requirements of the Administrative Procedure Act.

If there is any doubt in the Senator's mind or that of any other Senator that the Administrative Procedure Act is applicable, I shall be happy to accept an amendment to this effect: All action taken under this section for the adoption of standards and the promulgation of rules and regulations shall be taken in conformance with the provisions of the Administrative Procedure Act.

There is no question in my mind, or that of any other lawyer who has addressed himself to this question, that the Administrative Procedure Act will be applicable to this bill if it is passed. But if there is any doubt, I shall be happy to accept the amendment.

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

Mr. MUSKIE. I yield to the Senator from Vermont.

Mr. AIKEN. I was about to ask the Senator from Maine, if that safeguard is already provided for in the Administrative Procedure Act, what his objection was to accepting the amendment offered by the Senator from Kentucky. It seems to me it would be better to have a duplication of this authority than to take a

chance on some definition which might be placed on the various sections of the law later. I wondered what his objection was. I am sorry I have not been on the floor long enough to have heard all the argument.

Mr. MUSKIE. First of all, the provision of S. 4 with which we are dealing is the product of 2 years' work, careful refining and polishing, so that members of the committee on both sides know what it means and what its implications are. There is no doubt in our minds about it.

The amendment of the Senator from Kentucky has been presented to me in its present form for the first time in the past 30 minutes. From such examination as I have been able to give it in that time it does not seem to me that it changes sufficiently to make different, in my judgment, the provisions or objectives of S. 4. It says the same thing, in language that has not had the kind of testing and refining that the language in the bill has.

For example, the Senator's amendment provides that the regulations shall be published in the Federal Register. That is a requirement of the Administrative Procedure Act.

Mr. AIKEN. My question is: Does the amendment offered by the Senator from Kentucky do violence to S. 4, the bill itself?

Mr. MUSKIE. I cannot be sure. The Senator from Kentucky obviously feels it does, or he would not have offered it. He is not in the habit of offering frivolous amendments. And because of that conviction, I must be careful when I say that in my judgment it does not differ from S. 4.

Mr. AIKEN. The reason I ask the question is that I know the Senator from Kentucky is not in the habit of offering amendments that do violence to a worthy bill. I wondered what the objection was. Perhaps the Senator from Kentucky can explain what his amendment would do which the Senator from Maine has not been able to discern up to now.

I have a great deal of respect for both the Senator from Maine and the Senator from Kentucky. I dislike to vote against either of them. Therefore, I must get down to the merits in making up my mind.

Mr. MUSKIE. I agree.

In the first place, the Senator's amendment is presented in the context of the argument which he has made; and the argument which he has made includes what he considers to be a list of dangers in S. 4. He leaves the implication that his amendment will deal with this matter. Otherwise, the argument has no relevance.

For example, he has said that this amendment is designed to protect the right to judicial review which, somehow, S. 4 has presumably jeopardized.

S. 4 does not jeopardize the right to judicial review. But if it does, the Senator's amendment does nothing different from S. 4 to correct that weakness.

Secondly, the Senator from Kentucky expresses concern about the vast geographical scope that S. 4 would give to the Secretary's control over the waters of the Nation.

Here, again, if that is a danger in S. 4, the Senator's amendment does nothing to correct it. Moreover, the bill does not enlarge by a cubic inch of water the jurisdiction of the Secretary under present law. So the jurisdictional territory does not change under S. 4. But if it did, the Senator's amendment does not correct that point.

Third, the Senator complains that S. 4 is too broad in its effect over States, municipalities, and industries. If, indeed, S. 4 does go beyond reasonable bounds in this respect, again the Senator's amendment does not touch the point in any different way than does S. 4.

The Senator from Kentucky speaks of the vast authority and power S. 4 gives to the Secretary.

I have indicated that S. 4 provides ample protections. But if it does not, the Senator's amendment does not change the bill, if it is adopted, in its effect in that respect.

The fifth point the Senator makes is that S. 4 gives the Secretary power to zone all our waters. I do not believe that is true. But if it is true, it is true as a result of the powers the Secretary now has.

For example, under section 2 of the present law is this language, and the title of the section: "Comprehensive Programs for Water Pollution Control":

> The Secretary shall, after careful investigation, and in cooperation with other Federal agencies, with State water pollution control agencies and interstate agencies, and with the municipalities and industries involved, prepare or develop comprehensive programs for eliminating or reducing the pollution of interstate waters and tributaries thereof and improving the sanitary condition of surface and underground waters.

This is a power the Secretary now has. S. 4 does not enlarge it in any way. But under S. 4 it is required that the Secretary, in advance of any attempt on his part to use enforcement powers which the law gives him, to establish standards so that industrial and other users and interstate agencies may understand in advance what is expected of them. He cannot exercise even this much authority without the safeguards which have been outlined in that section, which I shall be happy to discuss in detail.

Mr. AIKEN. Mr. President, will the Senator yield further?

Mr. MUSKIE. I yield.

Mr. AIKEN. If the Senator's only objection to the amendment offered by the Senator from Kentucky is one of doubt in that the meaning may not be clear, would he not be willing to take the amendment to conference? I am sure all of us believe the question will be cleared up there. I expect to vote for the measure, as I did previously.

It seems to me it is better to state a certain position of authority twice than it is to run the risk of leaving it out, if it is a desirable matter.

Mr. MUSKIE. If there were a way to bring the Senator's language into the bill, in addition to the committee's language, I would have no particular objection to the surplusage, but he offers it as a substitute. Therefore, the Senator from Vermont puts us in the position of saying that, as between two versions which say essentially the same thing, we are to take something developed in the past 6 hours rather than something which has been developed over the last 2 years.

Mr. AIKEN. I am not saying, I am asking. I am not saying.

Mr. LAUSCHE. Mr. President, will the Senator from Maine yield?

Mr. MUSKIE. I yield.

Mr. LAUSCHE. Is there any specific language in S. 4 giving the right to an aggrieved party to avail himself of the Administrative Procedure Act and to appeal to the courts, in the event he believes that his rights have ben violated by the finding made? Is there any specific language in S. 4 to that effect?

Mr. MUSKIE. In the first place, S. 4 does not deal with the enforcement authority of the Secretary, that is, with the procedure for using that enforcement authority. It deals only with the question of establishing standards of water quality in advance of any enforcement situation.

If the enforcement powers are invoked, they are spelled out in present law and are not changed by S. 4, except to insert the test of practicability on standards. Otherwise, the enforcement powers are not changed. If they are invoked, there is ample protection for the individual.

First of all, the Secretary must call a conference. At that conference, all interested States, interstate agencies, industries, and municipalities are parties. A case is made for the factual basis, for the consideration of the Secretary. The conference then reports to the Secretary with recommendations, if it chooses.

In a report to State and interstate agencies, the Secretary then provides for a minimum of 6 months to act in accordance with the conference report. If they fail to act, the Secretary can then convene a hearing board.

Each of the States involved can appoint a member of the hearing board. The Federal Government is also represented. The hearing board then hears all the interested parties. At the conclusion of its deliberations, it files a report with the Secretary indicating what, if anything, the hearing board concludes as to the state of pollution; what, if anything, it concludes about steps to be taken to alleviate the situation; and also what, if anything, it recommends for additional action.

The Secretary then sends those recommendations to the States and the interstate agencies and gives them no less than 6 months to do something about it. If they fail to act, he then asks the Attorney General to invoke the judicial process.

Mr. LAUSCHE. The Senator from Kentucky suggests that we write into the bill the applicability of the Administrative Procedure Act and the right to appeal. Is there any specific language in S. 4 stating that the Administrative Procedure Act applies, and that a party who believes himself to be wronged may go to court?

Mr. MUSKIE. No.

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

Mr. MUSKIE. Mr. President, I ask unanimous consent to proceed for 5 additional minutes.

The PRESIDING OFFICER. The Senator from Maine is recognized for 5 additional minutes.

Mr. LAUSCHE. If it is not, what is wrong with putting it into the bill and resolving the question positively, so that it does apply and the right to go to court exists?

Mr. MUSKIE. I would be happy to accept the language of the suggestion and insert the following language:

All action taken under this action for the adoption of standards in the promulgation of rules and regulations shall be taken in conformity with provisions of the Administrative Procedure Act.

I have no objection to such a provision. I believe it is unnecessary, but I would be happy to accept that language.

Mr. President, I offer that amendment at this time.

The PRESIDING OFFICER. The Chair advises the Senator that before doing so it will be necessary to obtain unanimous consent.

Mr. COOPER. Mr. President, what is the parliamentary situation?

Mr. MUSKIE. Mr. President, I am sorry—I withdraw my suggestion.

The PRESIDING OFFICER. The Senator's request is withdrawn.

Mr. LAUSCHE. One further question. The Senator from Kentucky has stated that in his amendment there is certain following language which is not in S. 4—namely, that in determining the quality standards and what shall be done to procure them, there shall be considered the practicability and economic feasibility of obtaining such standards.

Will the Senator discuss what his proposal provides on that item, and what his position is on it? On page 10 there is some language relating to the practicability of complying with such standards as may be applicable. Is that in here?

Mr. MUSKIE. Yes.

The language about which the Senator from Ohio inquires is found in two places; first, in the provision which to do with the standard that the court shall use in evaluating not only the standard, but also the practicability of the abatement orders which it is considering.

Thus, the court is given that authority under S. 4.

Second, in addition to the language which the Senator has just brought to my attention at the top of page 10, it gives the hearing board—to which I referred earlier in my colloquy with the Senator—the same mandate to consider the practicability of applying such standards as may be applicable.

Obviously the mandate to the court and the mandate to the hearing board which establishes the size of the opening at one end of the pipe would control what goes on at the other end of the pipe.

The Secretary must consider, as he frames these standards, that they will be subject to the test of practicability, first by the hearing board and second by the court, so the test is clearly set out. There is no question about it.

Mr. COOPER. Mr. President, will the Senator from Maine yield to me?

Mr. MUSKIE. I am glad to yield to the Senator from Kentucky.

Mr. COOPER. If the Senator from Maine will allow me to proceed, I wish to answer the arguments the Senator has made respecting my statement supporting my amendment.

Mr. MUSKIE. I thought the Senator rose to answer a question.

Mr. COOPER. The Senator from Maine stated a few minutes ago that he was about to respond to the propositions I had made in my statement. I desire to answer his argument.

Mr. MUSKIE. I am happy to yield to the Senator from Kentucky on his own time.

Mr. COOPER. Yes. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 3 minutes.

Mr. COOPER. The statement was made that my amendment is a new one, and had not been made until a few minutes ago. It is correct that I reduced in form the amendment I offered in the committee, which spelled out in detail the right of affected parties for review in the circuit court of appeals of any regulation the Secretary might promulgate.

In place of such specific detail I have put this language in my pending amendment:

Except as otherwise specifically provided by this act, hearings and determinations under this act shall be made, and subject to administrative and judicial review, in accordance with the provisions of the Administrative Procedure Act.

This in substance, is exactly what I have been arguing for in committee for 2 years. I have offered the substance of this language—the right of judicial review in hearings and the last time, only yesterday. The distinguished Sentaor from Maine would not accept it. He would not agree to it. The committee would not agree to it and voted it down.

The second response I make is this: The Senator has referred to the additional criteria which my amendment proposes "the practicability and economic feasibility of attaining such standards". The Senator has stated that this language is contained in S. 4 with respect to abatement proceedings. That is an entirely different matter. It is correct that when proposals for abatement are considered and recommendations are made by the hearing board, the question of the practicability and economic feasibility of abatement plans may be considered.

Mr. MUSKIE. Mr. President, will the Senator yield on my time?

Mr. COOPER. I shall yield in a moment. But the criteria I offer goes to the development of the water quality standards. That is entirely separate from their application in our statement proceedings.

Third. My amendment relating to public hearings is not limited to a Governor making a request, but gives the right to any affected party, anyone affected within the terms of the Administrative Procedure Act.

The Senator from Maine argues that the Administrative Procedure Act applies, even without its specific mention in the bill. Even if it is correct that it does apply, without a specific provision in the act saying it is applicable, yet if there is language in the act which contradicts the language of the Administrative Procedure Act, as S. 4 does, of course the language of the bill would supersede the Administrative Procedure Act.

I shall not detain the Senate longer. I have stated my position. I was rather interested to hear the distinguished Senator from Maine say, after 2 years of work on this subject, that the bill does not give any additional authority to the Secretary of Health, Education, and Welfare. I ask, then, what is the purpose of the bill?

I have great respect for the Senator. He is an able debater. That is the great problem I have with him in committee, and on the floor. When we reach a specific point for debate and answer, he raises some other point. This makes matters difficult.

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

Mr. COOPER. I yield

Mr. SALTONSTALL. Is not the Senator from Kentucky trying to make sure that in this vast new power which is being given to the Secretary of Health, Education, and Welfare, the Governor of a State and the States themselves will be assured of an opportunity of a public hearing in court, if necessary?

Mr. COOPER. The right would be given to any affected party

Mr. President, my amendment does not meet all the objections in the bill. I am offering it as a minimum assurance that the parties will have their day in court.

Mr. MUSKIE. Mr. President, I yield myself 2 minutes. I believe I should make this point so that the RECORD will be very clear. I shall not go beyond it, unless I am asked some questions. The amendment of the Senator from Kentucky would change S. 4 in one further important respect, and that is in the procedure which is established in S. 4 for a revision of standards once they have been promulgated.

The Senator from Kentucky would rely wholly upon the provisions of the Administrative Procedure Act for that purpose. The committee felt it important 2 years ago that there be clearly spelled out in the bill an opportunity to test the standards that had been promulgated by the Secretary, and that that test be applied by all the agencies which the Senator is interested in protecting, and the interests that he is interested in protecting.

The provisions set out in S. 4 do this very thing. The day after the Secretary promulgates his standards, the Governor of any State can question them, not only under the Administrative Procedure Act, which is open to any interested party, but also in his own right under the provisions of S. 4, and test them in any way he wishes to test them, and to suggest modifications or outright repeal

There is one other point that should be made. What we are talking about is the establishment of standards, not as a

preliminary action, but as an enforced action. There is a very important distinction. When we are talking about enforcement action, we are talking about something that impinges on someone or has a direct impact.

When we are talking about standards, I have in mind, for example, the possibility of the standards of a pure stream not being defiled by any industrial user.

The PRESIDING OFFICER. The Senator's time has expired

Mr. MUSKIE. I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. MUSKIE. From what basis of fact could a determination be made as to whether the standard required in that kind of situation is practicable or economic or feasible as to some future use, which has not been identified or defined?

When we are talking about established standards, where there is no indicated need for enforcement, we are talking about a situation which would call for the wisdom of Solomon to apply the practicability standard at that point.

Therefore, understandably, the practicability standard is established and clearly established in the law by S. 4 in the enforcement section of the law, where it ought to be, in the place where the people's rights are being affected by the proposed abatement order of the Secretary.

Mr. HOLLAND. Mr. President, will the Senator yield for a few questions?

Mr. MUSKIE. I am happy to yield to the Senator from Florida.

Mr. HOLLAND. Is it correct to say that the fact that a stream is navigable brings it under the proposed act, even though it is an intrastate stream and not an interstate stream?

Mr. MUSKIE. In my judgment, the stream must cross a State boundary to be covered by the provisions of the bill; that is, by the standards section. Under current law, the Secretary is given authority to move into intrastate streams when requested to do so by the Governor of a State.

However, the bill (S. 4) provides no authority for the Secretary to establish standards on any intrastate stream when he is invited in by the Governor. The standards section is clearly limited to interstate streams.

Mr. HOLLAND. Then, on the request of the Governor of a State, having a large intrastate stream which passes various industries and various cities, the Secretary would have no authority whatever under the proposed act to set standards of purity? Is that correct?

Mr. MUSKIE. None whatever under these provisions. He has general authority under the present law to suggest programs. He could use that authority in making recommendations to the Governor of the State.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. MUSKIE. I yield myself 2 additional minutes.

But the Secretary cannot go in in advance on an intrastate stream.

Mr. HOLLAND. In my State, the St. Johns River runs north for approximately 200 miles, to the city of Jacksonville, and then turns east and flows into the Atlantic Ocean. It is a large stream, and navigable for at least 150 miles of its length. The stream passes various cities, such as Sanford, Palatka, Green Cove Springs, and Jacksonville, to name only a few. The stream is now receiving, and probably will in the future continue to receive, the effluence from a mill at a certain point lying between certain of these cities. Assuming that the Governor of the State should ask the Secretary to come in and set standards as to this stream, would the Secretary have the authority to set standards for that stream?

Mr. MUSKIE. Not under this section.

Mr. HOLLAND. Under any section?

Mr. MUSKIE. I should like to read to the Senator the language in the present law bearing upon the Secretary's authority.

Under section 2 of the present law, under the title "Comprehensive Programs for Water Pollution Control," the present act provides:

SEC. 2. (a) The Secretary shall, after careful investigation, and in cooperation with other Federal agencies, with State water pollution control agencies and interstate agencies, and with the municipalities and industries involved, prepare or develop comprehensive programs for eliminating or reducing the pollution of interstate waters and tributaries thereof and improving the sanitary condition of surface and underground waters.

That would give him the authority, as I understand, to recommend programs which might include standards of use. But that is not the kind of authority which would permit him to go on from there and actually promulgate standards that would have the force of law on anyone in that State.

Mr. HOLLAND. There is no provision in the bill that would give the Secretary the right in such a case to prescribe compulsory standards of purity of water in such a stream?

Mr. MUSKIE. I would think not. I have one caveat on that point. Is there any tributary of the stream to which the Senator has referred which crosses the State border?

Mr. HOLLAND. No. The border between the State of Florida and the State of Georgia is itself another river, the St. Marys River, so that streams that would come from the north would begin inside the State of Florida.

Mr. MUSKIE. Then it is my impression that in that situation the only authority the Secretary would have with respect to standards would be the recommending authority in the language of the present law, which I have just read. S. 4 would not expand the authority.

Mr. HOLLAND. If the Governor made a request of the Secretary of the Interior in such a matter, how far could that request go and how far could the Secretary go in fulfilling it?

Mr. MUSKIE. That would be under present law. Under present law the Secretary has instituted enforcement actions of a type which can be brought only when there is an endangerment to health and welfare in, I believe, roughly 30 to 35 instances. I believe that a few of those may have involved intrastate waters and have been brought at the request of the Governor. I think there has been only a handful of those. Other than those, I believe most of the actions taken by the Secretary have involved interstate streams.

With respect to comprehensive programs—the language to which I referred earlier—the Secretary is undertaking river basin studies of the major river basins of the country with a view to development, with the assistance of interstate and intrastate agencies, of programs for the cleanup of the waters. But they are subject, of course, to the cooperative efforts of the States.

Mr. HOLLAND. With reference to the substitute amendment which the Senator has offered, if standards could be imposed by the Secretary in such a case as I have recited, would it clearly give the right to the mayors of the various cities, to the industries that were involved, and to property owners who were involved, to take the contrary positions, and would it give them the right in court to take those positions?

Mr. MUSKIE. As I understand, the Administrative Procedure Act provides only for administrative review of the regulations. Judicial review is provided when enforcement action is undertaken but in the establishment of rules and regulations only administrative review is provided. I am not an authority on the Administrative Procedure Act—except insofar as the sections are relevant.

Mr. HOLLAND. In any event, under the Administrative Procedure Act, if the Secretary should attempt to set standards in such a case as I have recited, could the mayors of the various cities having contradictory rights, and property owners and industries having contrasting rights, take an opposite position and be heard under the Administrative Procedure Act?

Mr. MUSKIE. As I understand that section, they could.

Is the Senator from Kentucky prepared to yield back the remainder of his time?

Mr. COOPER. Mr. President, I yield back the remainder of my time.

Mr. MUSKIE. Mr. President, I yield back the remainder of my time. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

All time having been yielded back, the question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER]. On this question the yeas and nays have ben ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. GRUENING], the Senator from Montana [Mr. METCALF], and the Senator from Florida [Mr. SMATHERS], are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON], and the

Senator from South Dakota [Mr. McGOVERN], are absent because of illness.

I further announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], and the Senator from Connecticut [Mr. RIBICOFF] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING], the Senator from Washington [Mr. MAGNUSON], the Senator from South Dakota [Mr. McGOVERN], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], and the Senator from Florida [Mr. SMATHERS], would each vote "nay."

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Connecticut [Mr. RIBICOFF].

If present and voting, the Senator from Colorado would vote "yea" and the Senator from Connecticut would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Kansas [Mr. CARLSON], the Senator from Idaho [Mr. JORDAN], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

The Senator from Kansas [Mr. PEARSON] and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

The Senator from Delaware [Mr. WILLIAMS] is detained on official business.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Connecticut [Mr. RIBICOFF]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Connecticut would vote "nay."

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from Idaho [Mr. JORDAN]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Idaho would vote "nay."

On this vote, the Senator from Vermont [Mr. PROUTY] is paired with the Senator from Kansas [Mr. PEARSON]. If present and voting, the Senator from Vermont would vote "yea" and the Senator from Kansas would vote "nay."

On this vote, the Senator from South Carolina [Mr. THURMOND] is paired with the Senator from Delaware [Mr. WILLIAMS]. If present and voting, the Senator from South Carolina would vote "yea" and the Senator from Delaware would vote "nay."

The result was announced—yeas 29, nays 54, as follows:

[No. 6 Leg.]

YEAS—29

Aiken	Hickenlooper	Murphy
Bennett	Holland	Robertson
Byrd, Va.	Hruska	Russell
Cooper	Javits	Saltonstall
Cotton	Jordan, N.C.	Simpson
Curtis	Kuchel	Stennis
Dirksen	Lausche	Talmadge
Dominick	McClellan	Tower
Ervin	Morton	Young, N. Dak.
Fannin	Mundt	

NAYS—54

Anderson	Bass	Bible
Bartlett	Bayh	Boggs
Brewster	Hayden	Morse
Burdick	Hill	Muskie
Byrd, W. Va.	Inouye	Nelson
Cannon	Jackson	Neuberger
Case	Kennedy, Mass.	Pastore
Church	Kennedy, N.Y.	Pell
Clark	Long, Mo.	Proxmire
Dodd	Long, La.	Randolph
Douglas	Mansfield	Scott
Ellender	McCarthy	Smith
Fong	McGee	Sparkman
Fulbright	McIntyre	Symington
Gore	McNamara	Tydings
Harris	Miller	Williams, N.J.
Hart	Mondale	Yarborough
Hartke	Montoya	Young, Ohio

NOT VOTING—17

Allott	Magnuson	Prouty
Carlson	McGovern	Ribicoff
Eastland	Metcalf	Smathers
Gruening	Monroney	Thurmond
Johnston	Moss	Williams, Del.
Jordan, Idaho	Pearson	

So Mr. COOPER's amendment was rejected.

Mr. MUSKIE. Mr. President, I move to reconsider the motion by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Have the yeas and nays been ordered on passage of the bill?

The PRESIDING OFFICER. The yeas and nays have not been ordered on passage of the bill.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, as I indicated in the discussion on the Cooper amendment, I offer an amendment. All this amendment would do would be to make all of the authority exercised by the Secretary under S. 4 subject to the Administration Procedure Act. I personally think that it would be subject to it anyway, but to clarify the matter, I offer the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. Between lines 17 and 18 on page 9 it is proposed to insert:

(7) All action taken under this section for the adoption of standards and the promulgation of rules and regulations shall be taken in conformity with provisions of the Administrative Procedure Act.

Mr. MUSKIE. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. GRUENING], the Senator from Montana [Mr. METCALF], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON], and the Senator from South Dakota [Mr. McGOVERN] are absent because of illness.

I further announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Minnesota [Mr. McCARTHY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Georgia [Mr. TALMADGE], and the Senator from New York [Mr. KENNEDY] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Alaska [Mr. GRUENING], the Senator from Washington [Mr. MAGNUSON], the Senator from South Dakota [Mr. McGOVERN], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Florida [Mr. SMATHERS], the Senator from Georgia [Mr. TALMADGE], and the Senator from New York [Mr. KENNEDY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Kansas [Mr. CARLSON], the Senator from Idaho [Mr. JORDAN], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

The Senator from Kansas [Mr. PEARSON] and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

The Senator from Utah [Mr. BENNETT], the Senator from Nebraska [Mr. CURTIS], and the Senator from Delaware [Mr. WILLIAMS] are detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Utah [Mr. BENNETT], the Senator from Kansas [Mr. CARLSON], the Senator from Nebraska [Mr. CURTIS], the Senator from Idaho [Mr. JORDAN], the Senator from Kansas [Mr. PEARSON], the Senator from Vermont [Mr. PROUTY], the Senator from South Carolina [Mr. THURMOND], and the Senator from Delaware [Mr. WILLIAMS] would each vote "yea."

The result was announced—yeas 75, nays 0, as follows:

[No. 7 Leg.]

YEAS—75

Aiken	Gore	Morse
Anderson	Harris	Morton
Bartlett	Hart	Mundt
Bass	Hartke	Murphy
Bayh	Hickenlooper	Muskie
Bible	Hill	Nelson
Boggs	Holland	Neuberger
Brewster	Hruska	Pastore
Burdick	Inouye	Pell
Byrd, Va.	Jackson	Randolph
Byrd, W. Va.	Javits	Robertson
Cannon	Jordan, N.C.	Russell
Case	Kennedy, Mass.	Saltonstall
Church	Kuchel	Scott
Cooper	Lausche	Simpson
Cotton	Long, Mo.	Smith
Dirksen	Long, La.	Sparkman
Dodd	Mansfield	Stennis
Dominick	McClellan	Symington
Douglas	McGee	Tower
Ellender	McIntyre	Tydings
Ervin	McNamara	Williams, N.J.
Fannin	Miller	Yarborough
Fong	Mondale	Young, N. Dak.
Fulbright	Montoya	Young, Ohio

NAYS—0

NOT VOTING—25

Allott	Jordan, Idaho	Prouty
Bennett	Kennedy, N.Y.	Proxmire
Carlson	Magnuson	Ribicoff
Clark	McCarthy	Smathers
Curtis	McGovern	Talmadge
Eastland	Metcalf	Thurmond
Gruening	Monroney	Williams, Del.
Hayden	Moss	
Johnston	Pearson	

So, Mr. MUSKIE's amendment was agreed to.

Mr. LONG of Louisiana. Mr. President, I call up my amendment, which is at the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 5, between lines 10 and 11, to insert the following:

No part of any appropriated funds may be expended pursuant to authorization given by this Act involving any scientific or technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, copyrights, uses, processes, patents, and other developments resulting from that activity will be made freely available to the general public. Nothing contained in this paragraph shall deprive the owner of any background patent relating to any such activity, without his consent, of any right which that owner may have under that patent.

Whenever any information, copyright, use, process, patent, or development resulting from any such research or development activity conducted in whole or in part with appropriated funds expended under authorization of this Act is withheld or disposed of by any person, organization, or agency in contravention of the provisions of the preceding paragraph, the Attorney General shall institute, upon his own motion or upon request made by any person having knowledge of pertinent facts, an action for the enforcement of the provisions of the preceding paragraph in the district court of the United States for any judicial district in which any defendant resides, is found, or has a place of business. Such court shall have jurisdiction to hear and determine such action, and to enter therein such orders and decrees as it shall determine to be required to carry into effect fully the provisions of the preceding paragraph. Process of the district court for any judicial district in any action instituted under this paragraph may be served in any other judicial district of the United States by the United States Marshal thereof. Whenever it appears to the court in which any such action is pending that other parties should be brought before the court in such action, the court may cause such other parties to be summoned from any judicial district of the United States.

Mr. LONG of Louisiana. Mr. President, S. 4 authorizes the expenditure of public funds for research and development to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes.

The research to be financed by these funds is intended to benefit the public to the greatest possible extent. It is natural, therefore, that the results of the research should be available to those whom the research is intended to benefit in the first place: The United States, the individual States, the general public, and the populations of many areas where water pollution problems are now serious or are expected to be serious in the future. The proposed amendment is an assurance and mandate that the intent and purpose of this legislation will be carried out.

This amendment is similar to the provision unanimously approved by the Senate for the Coal Research and Development Act, the Helium Gas Act, the saline water bill, the disarmament bill, the mass transit bill, and the water resources bill. An additional provision has been added, however, to assure that the Government in any action for the vindication of its rights will not be denied adequate relief because of procedural obstacles.

What we are talking about is that when the Government makes $20 million available in grants to States and municipalities for them to do research, those people are not going to give away private patent rights with the Government's money, with the result that the private contractor would then be in a position to deny every other municipality in America, including the one that signed the contract, the benefit of the Government's $20 million in research money.

What has been happening to this research money is so bad that the men who signed the contract should be in jail.

I have before me a publication of the General Accounting Office showing, on page 6, that the Department of Defense awarded a contract to one of the biggest corporations in America, receiving many millions of dollars of Federal money, and taking out private patents which put them in a position to deny everyone the benefit of the Government's own research money. The Government is supposed to be licensed so that it can license someone to work in behalf of research for the Government, or on national defense.

Although these people are supposed to be permitted private patents to their own advantage, they seek a patent monopoly and they do not even tell the Government what they are developing.

At the time of the review, for example, we found that LMSC—which is the Lockheed Co.—had refused to discuss information on 58 subjects of interest to the Government. That was done under a contract which requires disclosure. Lockheed would not disclose information to the Government on 340 other subject inventions which had been delayed from 6 to 46 months—as long as 4 years after the inventions were reported to the contractor, or by the employee inventors.

Imagine that. We give those people $12 billion for research. What do they do? They will not even tell the Government what it will get for the $12 billion.

Suppose they are trying to build a missile to shoot down an attack vessel. We would need to know what those people have discovered with our own money. We cannot find out. They will not tell the Government.

Director Webb is signing the contracts—in my judgment, in violation of the law. If they have the power to get away with this, such administrators violate the law in this giveaway.

We must put it expressly into law that this research will be for the benefit of 180 million Americans, when it is made with Government money. Otherwise, we shall not be able to protect the Government's money.

I am happy to say that the distinguished Senator from New Mexico [Mr. ANDERSON] put amendments into the saline water research bill to see to it that the Government's rights in these discoveries would be for the benefit of all the people in America. Great headway is being made. If we find a way to convert salt water into fresh water it will be done for the benefit of everyone in America and the world.

We will not have some robber baron getting the benefit of the Government's money, but it will be for the benefit of 180 million people, done with the benefit of their tax money.

This amendment should be in the bill, just as it was in the saline water research bill. It should be included in this bill, just as it was in the bill on coal research, and in the bill which was passed on helium, which was in charge of the Senator from New Mexico.

In my judgment, this is one of the serious faults in Government where it raises the point: Are these tax moneys to be spent for the benefit of the public in general, or are they to be spent for private gain?

In my judgment, taxing the American people for the private gain of an individual is corrupt and should be prevented.

I know that the Senator in charge of the bill does not want that to happen. The best way to see that it does not happen is to take the provision which is patterned after all the provisions adopted previously in other bills to which Senators have agreed.

It is essential that this money be spent on research, and not be given away to some private individual at the expense of the public interest.

I believe that the Senator from Maine is willing to accept the amendment. I hope very much that he will fight for it, in the event that we have some difficulty persuading the House to take it.

Mr. MUSKIE. In response to the statement made by the Senator from Louisiana, the amendment was not considered at the committee hearings, so we did not have an opportunity to study it. Nevertheless, the fact is that the pattern has been established, in some instances, particularly with respect to the saline water research bill, and I am willing to accept the amendment and take it to conference, subject to such questions and discussions as we may have on the floor.

Mr. AIKEN. I should like to ask some questions. To what extent was this amendment considered in the committee?

Mr. MUSKIE. As I have just stated, Senator, it was not considered at all.

Mr. AIKEN. No witnesses at all were heard on the bill?

Mr. MUSKIE. No witnesses were heard.

Mr. AIKEN. Is it important?

Mr. MUSKIE. It is important.

Mr. AIKEN. Then why was it not considered in committee, if it had been considered in other committees at other times? Why was it not considered in committee at this time? Is not this

amendment more important than the Cooper amendment to which the Senator from Maine has taken strong exception?

Mr. MUSKIE. It is of the utmost importance, as the Senator from Louisiana has stated so eloquently.

Mr. AIKEN. But it comes in at the last minute. The Senator from Louisiana spoke of the robber barons. He spoke with reference to the oil companies, the uranium companies, and the helium companies. It seems to me ridiculous to vigorously oppose an amendment such as the one offered by the Senator from Kentucky on the ground that it duplicates the provisions in the Administrative Procedure Act, and yet accept the far-reaching amendment offered by the Senator from Louisiana. It is nonsense. It is ridiculous. We wonder who is back of it?

Mr. MUSKIE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. MUSKIE. The Senator is implying that I am speaking for someone who is hidden in the mists of obscurity. I am doing no such thing. So far as the Senator from Kentucky is concerned, I was not opposing his amendment vigorously. He was opposing my bill vigorously, and I was undertaking to defend it against the allegations which he made as to its merit. That is all. I did not pillory the Senator from Kentucky, did not intend to do so, and do not intend to do so. What I did, in the case of the Senator from Kentucky, has no relevance to this question. I have indicated my attitude. The Senator can disagree with it or not. I see no reason for him to question my motivation concerning it. I stated that there was no hearing held on this point.

Mr. AIKEN. I do not question the Senator's motivation.

Mr. MUSKIE. I stated, in addition to that question, that there has been a pattern of some sort set in this respect in research programs sponsored with the Government's money, and that I was willing to accept the amendment and take it to conference for such consideration as the conference wished to make. I am not an advocate of the amendment. I could not be, because I have no basis for it.

Mr. AIKEN. The Senator from Maine is willing to accept the amendment offered by the Senator from Louisiana on almost the same basis that he was willing to reject the amendment offered by the Senator from Kentucky, on the ground that there is already provision for it, and that the precedent is established. I merely ask, what is the reason for bringing it in at this time when it was not proposed before the committee, and no one had been notified that the bill was coming up? I suspect that I will support the amendment. I am pretty sure that I would support the amendment offered by the Senator from Louisiana if it were offered on its own merits, but I will admit I am not happy about the manner in which it is being brought up at this time.

I am not an advocate of the oil companies, the helium companies, or the uranium companies. I believe that the amendment is probably a good one, but it should be offered in its own right and not sprung upon the Congress or the Senate without any previous consideration being given to it.

Mr. LONG of Louisiana. Mr. President, several years ago I conducted hearings on the subject and informed the Senate that any time a bill came before the Senate which would provide for research, I proposed to raise this issue: Is this research going to be for the benefit of 180 million Americans, or for the benefit of one private corporation?

If we are going to tax the American people for the private gain of some company or a single individual, I propose to raise that issue.

Now we are about to authorize a research program. In 1947, 17 years ago, the Senator from Vermont [Mr. AIKEN] was a sponsor of an amendment along exactly the same principles I am for, on all Government research. He was fighting to defend the public interest in exactly the same way I see it.

An amendment was proposed in the National Science Foundation Act concerning this research, in order to protect the Government.

I salute the Senator from Vermont for having acted in the national interest in this fashion.

I raised this same issue on the coal research bill, and on the urban transit bill. I raised the same issue on the disarmament bill, and I am not in a position to know what these requests are going to accomplish.

Whenever a research bill is brought before the Senate the junior Senator from Louisiana can be expected to offer such an amendment and to raise the question whether the research will be for the benefit of the 180 million people of the country who pay for it, or whether it will be used exclusively for the benefit of private groups.

Something has been said about oil companies. I am not embarrassed to be called an oil Senator. Anyone who wishes to do so can call me an oil or gas Senator. I will continue to look after the interests of the State of Louisiana, just as I expect every other Senator to look after the interests of his own State. The oil industry does its own research. It has never asked the Government to finance its research. It has never come to Washington to ask for money with which to conduct its research. If it ever does come I will offer my amendment to any bill of that kind that may be proposed. No one has any right to use Government money for his own advantage.

Who proposes to defend this practice? The Lockheed Corp. has been holding out on the Goevrnment for 4 years on discoveries it has made with Government money. Who wants to defend a practice like that? Who wants to justify it? That research was paid for by taxpayer money.

Senators know that today we do not have a missile that can shoot down a Russian missile aimed at the United States. The reason could well be that important technical and scientific information has been withheld. The Lockheed Corp. will not tell us what it has found out in its research financed with tax money. They will not tell us what they have discovered with that money. If they can get away with this in dealing with the Federal Government, they can do this in dealing with the individual States.

The only way to stop this thing is to spell it out in the law by stating that they cannot get away with this sort of thing. What I propose has been done before. We did it in the Atomic Energy Act. It has created no problem in connection with that act. Frankly, Mr. President, if we look in the areas where the Government research has been in the public interest, with no private patents granted, we find that those are the areas in which we are ahead. In atomic energy, we are ahead. That research is available to everyone. No one can hold out on the results of research in that field.

In the field of agriculture we have had a research program without private patents. In that field we are far ahead of the Russians. They cannot possibly catch up with us, even with our help. That is how far ahead we are in areas where we did it in the public domain.

Whenever we let certain individuals keep research results for as long as 4 years and have private patents, we cannot keep up with the Russians.

Here it is proposed to go on with a new research program which can allow someone to use his power with a Governor to see to it that Federal money is used for his private advantage, instead of in the public interest.

The Senate has acted on this issue time and time again during the past 2 years. Its answer has been consistent. Its answer today should be consistent also.

We are dealing with a new research program that is proposed to be established. The States will handle Federal money. If they discover something worthwhile, it should be available to every citizen in the country. The public should be given the benefit of its tax money.

I hope my good friend from Vermont will support the amendment, because he sponsored a similar amendment 17 years ago.

Mr. AIKEN. Mr. President, I have no doubt that I would support the proposal of the majority whip if it were properly offered. I object to the manner in which it is proposed and the manner in which it is brought before the Senate. We hear a great deal about precedents. I realize that there are many precedents. We have found some of them to be useful. However, most of our precedents have been established after mature thought and consideration.

What I am trying to do now is to ask that the Senate not establish the precedent of ramming major legislation down the throat of the Senate without previous notice or consideration. That is all I am asking.

I do not believe this is the place for this sort of amendment. No notice was given. The amendment was not printed. Let us not establish another precedent under which anyone in authority can

ram major legislation down our throats without notice and without consideration.

Mr. PASTORE. Mr. President, I shall support the amendment of the Senator from Louisiana. The amendment is very simple. All that the amendment provides is that when taxpayers' money is used in research, anything that is discovered belongs to all the people. It is as simple as that. I cannot understand that we would be setting a precedent that should alarm anyone. It is a simple amendment.

What the Senator from Louisiana is doing is saying that where taxpayers' money is used in a research project the result that is discovered belongs to all the people because all the people gave money to the discoverer in order to have the opportunity to make the discovery. That is how simple the issue is.

I do not see why anyone should be alarmed about any precedent being established. I shall wholeheartedly support the amendment, in good conscience.

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

Mr. PASTORE. I yield.

Mr. AIKEN. I am not opposing the principle set forth by the Senator from Louisiana. I am opposing the method by which it is being put forth. I object to anyone in official standing or even the whole party across the aisle ramming major legislation down the throats of Senators without previous notice or consideration. That is all I am saying.

Mr. PASTORE. We do it every time. We do it all the time.

Mr. AIKEN. It should not be done. I know it is done, but it should not be done.

Mr. PASTORE. It is done every time.

Mr. AIKEN. I know, but it should not be done.

Mr. PASTORE. It is no novel idea to bring up an amendment unexpectedly and by surprise. That is how a Senator can get his name on the front page.

Mr. MILLER. Mr. President, the Senator from Rhode Island has said that this is a very simple amendment. That is the difficulty with the amendment. It is too simple. It is not just a matter of whether or not we take taxpayers' money and turn it over to a private contractor to be used entirely for research purposes and the contractor does not spend any of his own money. We have no problems with that kind of situation. At least, I do not have any difficulty with it. It is not as simple as that. In some cases a contractor would receive $100,000 from the Federal Government and he would put up another $100,000, or perhaps $200,000, $300,000, or $400,000.

Are the Senators from Rhode Island and Louisiana willing to say, because the Federal Government put up $100,000 and the private contractor put up $300,000, that it is fair that the whole result should go to the Federal Government?

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

Mr. MILLER. I shall yield in a moment. Are they willing to say that all of the benefit should go to the Federal Government? Last year there was a hearing before the Joint Economic Committee. The distinguished Senator from Illinois will recall that this very problem was raised and discussed at length by some of the witnesses. It was indicated that there were difficult problems in the allocation with respect to the results of research.

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

Mr. MILLER. In some cases a 50–50 division might be fair. In other cases an allocation of 100 percent to the Federal Government might be fair. In some cases it might be fair to give one-third, while in other cases it might be fair to give two-thirds. The problem is not as simple as that. That is the difficulty I have with the amendment of the Senator from Louisiana.

Mr. LONG of Louisiana. Does the Senator from Iowa know how the administrators use their discretion? Wherever administrators have had discretion, they have given it all away.

Mr. MILLER. I would not want to apologize for what the administrators did in these matters. The Senator from Iowa and the Senator from Louisiana probably could get together on a fair and equitable allocation where it was indicated. The difficulty with the Senator's amendment is that, merely because $1 of Federal money goes into some research project, the entire result would have to go to the Federal Government. I do not believe that is fair.

All of this is raising an increasingly serious problem. The Joint Economic Committee went into this subject last year.

Mr. LONG of Louisiana. The amendment states in effect: "If you have some background that you have obtained, we will protect your use of it." The provisions of the amendment are contained in the Agricultural Act, in the Atomic Energy Act, in the Tennessee Valley Authority Act, and in a great many other acts. Everyone who has been affected by it likes it very much. Those in Government who have had experience with it say that people come to them and put pressure on them. They may be people who have made large political contributions. They come and ask the administrators to give away the Government's rights. The Government can say, "No; we cannot do that."

That is how interested parties look at it. They do not want that type of discretion because there is so much in it for some contractors. The discretion would be used to give it all away. I make that statement because when administrators have had the discretion they have given it away. A proposal was made that before patent rights could be given away, a study should be made to determine the value of the right and knowledge of what would be given away.

Do Senators know what administrators would do? They would give away the results of research no matter what the right would consist of, for that is what has happened when discretion has been given to them. If the Senate wishes to give the administrators discretion, we might as well give it all away and be done with it.

Mr. MILLER. The Senator has said, "I have not read the proposal," and then he refers to background patent protection. I am not talking about background patent protection. I am talking about patent developments that may grow out of specific research, the background patents to the contrary notwithstanding. We are not talking about the same problem. If the Senator wishes to refer to the background patents, all I am saying is that if the amendment offered by the Senator from Louisiana—and, incidentally, I think it would be most beneficial if all Senators had a copy to look at—had provided that instead of all of the benefits going to the Federal Government, language something like "the Federal Government's fair and equitable share in the information, copyrights, uses, processes, patents, and other developments resulting from that activity will be preserved," then I think we would have a fair and equitable amendment.

So far as uniformity with respect to other laws is concerned, I grant that the proposal is in line. But that does not mean that those provisions are right. Last year we had hearings before the Joint Economic Committee which indicated that serious problems were arising because of these other uniform provisions.

The Senator from Louisiana, I believe, could make a contribution if he would modify his amendment and let the House of Representatives look it over to see whether or not the proposal might be a step in the right direction in getting away from these harsh results. I believe it would be an improvement to do so, and I would support an amendment with that modification in it, because I think it would be an improvement. But I do not think that we ought to take a meat-ax approach to everything that happens as a result of research.

Mr. LONG of Louisiana. Mr. President, my friends on the other side of the aisle start by saying that the amendment ought to be studied, and that such a proposal should not be brought before the Senate as a surprise.

I point out that the procedure proposed has been adopted by Congress with relation to every research bill that has been passed during the past 4 years. We have done it repeatedly. It is identically the same language, so far as the requirements in the contracts are concerned, that we have voted for time and time again.

It is the suggestion of the Senator from Iowa that is on trial. That is the one that has not been tried. No one knows what his suggestion would do. We all know how my proposal would work.

Atomic Energy Commission contracts include a requirement that the result of research be available generally. Admiral Rickover has said that there has never been a problem. He has said he has too many contractors to do research for him. He has said that the difficulty is that he does not have enough contracts to go around.

Parallel work is being done on salt water conversion. That activity is almost identical with what we would attempt to do under the bill. We are trying to clean up water. The same problem in water control is involved. There

has been no problems, however, with respect to the provision which I have proposed. It works fine.

The type of provision proposed, word for word, in the controlling section is identical with what has been the law for 50 years. If we insert similar language into the bill now before the Senate, we know how it will work. If we did it the way the Senator from Iowa has proposed, no one knows how it would work. If we inserted a provision permitting discretion, let us face it: We might as well give the results of the research away.

Let us include a provision that we know has worked in the past.

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

Mr. LONG of Louisiana. I yield.

Mr. MILLER. I am not saying that my proposal is perfect. But I do think that it is pretty difficult to refute the point that the Federal Government is entitled only to its fair and equitable share, and to nothing more and nothing less.

The difficulty with the Senator's amendment is that he is proposing that the Government be entitled to everything. He falls back on the fact that a similar uniform provision appears in some other acts. But that does not make it right.

I am sorry that the proposal was not before the subcommittee for hearings. The subcommittee did a very fine job on what it had to work with. The bill is most complex. I would regret to see the bill go back for further hearings with respect to the Senator's amendment.

But what I would like to suggest is that the Senator either modify his amendment or be content to file it as a bill and let the bill before the Senate stand on its own two feet. Let us get it going. I am sure that the Senator could see to it that proper action would be taken on this bill. Let us do a job in this area for once.

I think the amendment needs study. I believe it needs hearings. I think it needs action, too, because the uniform provisions to which the Senator has referred have caused a considerable amount of difficulty.

If we say that administrators have abused their discretion and therefore we will not give them any discretion, I do not know how we are ever going to move. Great discretion is given to administrators. We have to respose a certain amount of confidence in their discretion, regardless of who the administrators may be. I believe it would be proper to give them discretion in cases such as the one we are now considering; and if there are abuses, we shall clean them up, too.

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

Mr. LONG of Louisiana. I yield to the Senator from Rhode Island.

Mr. PASTORE. Is the Senator from Rhode Island correct in assuming that the money which will be devoted to research projects under the bill would be all public money?

Mr. MUSKIE. That is what we have in mind.

Mr. PASTORE. No private moneys would be involved?

Mr. MUSKIE. It is conceivable that we might find some situation in which some person has put his private money into a project, although that is not likely. But in the past we have had research programs in which a contractor would do the research——

Mr. PASTORE. How would it be conceivable that an individual would put his own private money into such a project?

Mr. MUSKIE. It is conceivable that private money would be involved. For example, with relation to the program involving the separation of storm and sanitary sewers, it is conceivable that some private organization might be interested in contributing a solution, a technique, or a formula, and would be willing to put up some of its money and some of its efforts provided it got some assistance from Federal, State, or local governments. In that event some private funds would be involved. I agree that it is not likely that it would be involved.

Mr. LONG of Louisiana. There is one slight difference between the proposal and existing law in other areas. Most of the statutes to which reference has been made that prevent the giveaway of patent rights provide that the information shall be freely and fully available. At the request of some departments the word "fully" has been omitted, so that a distinction could be made between the ideas that some people had already developed with their own private money and that which they might develop with the Government's money. So if a contractor should desire a Government contract, he could come in and say, "This is what we know now. This is what we have done. We would like to protect our rights with respect to what we have developed."

But what will be done with Government money will be freely available to everyone in the country. I do not think we would desire much more flexibility than that. Otherwise we would get into the prospect of doing something of the kind that we have discussed, in which an administrator signs away the Government's rights entirely. That being the case, we have that much flexibility and do not want any more.

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

Mr. LONG of Louisiana. I yield.

Mr. HRUSKA. I have suggested to the Senator from Rhode Island that he consider the language in the second paragraph of the amendment. It would be helpful to us if we had printed texts. The language states:

> Whenever any information, copyright, use, process, patent, or development resulting from any such research or development activity conducted in whole or in part with appropriated funds.

That means that if there is $100,000 spent by the researcher and $100,000 by the Government, the whole amount would have to be mandatorily disclosed to everyone—to the public—regardless of the contribution of the private researcher, regardless of security considerations, or anything else. That is the plain language contained in the first paragraph of the amendment.

Mr. LONG of Louisiana. Mr. President, the Senator has not read the rest of that section. If there is any question about who has the rights stated, the Attorney General can go into court. The reason for that section is so that, for example, he can subpena someone in New Jersey to come to Louisiana, if need be, in order to testify to what he knows about a situation. Otherwise, difficulty in subpenaing witnesses might be encountered. The controlling section is the one prior to the section to which the Senator referred. That section would put teeth into the provision. There might be witnesses in New Jersey, Illinois, California, or other States. The provision would give the Attorney General the right to go into court and determine who possesses the rights, so that the Attorney General could subpena a witness to come from, let us say, New Jersey to Louisiana in order to testify.

The procedural provisions are modeled after section 5 of the Sherman Act and section 15 of the Clayton Act. So the Attorney General, in trying to handle antitrust matters—and this is parallel to that situation—can send his witnesses from one place to another to testify to the facts. That is all that is sought to be done.

Mr. HRUSKA. Is any consideration given, in the first paragraph of the amendment, to matters which would enter the security field? Many research contracts are executed in the research field and might involve security. Is there some safeguard?

Mr. LONG of Louisiana. We are talking about water pollution. Can the Senator from Nebraska tell me what security item is involved in water pollution? What is there about cleaning up water that is secret?

Mr. HRUSKA. I do not know.

Mr. LONG of Louisiana. I have seen the old red herring dragged out on many occasions. But when Senators talk about cleaning up sewers, I do not see what that has to do with the national defense, except that cleaning up the water enables people to be healthier; and I do not know what is wrong with letting the Russians know about that.

Incidentally, the Russians invented a sleep machine. By putting electrodes over the eyes, a person can go to sleep. It might be useful when one has experienced a frustrating session in the U.S. Senate. I am told that 2 hours of sleep under that machine is the equivalent of as much as 6 hours of natural sleep. The Russians obtained a patent on it, but did not raise a security question. So what is secret about how we clean up sewers? That is absolutely beyond me.

Mr. ERVIN. Mr. President, will the Senator from Louisiana yield for a question?

Mr. LONG of Louisiana. I yield.

Mr. ERVIN. Paragraph (3) starting on page 2 of the committee report, asserts that the bill authorizes among other things:

> Research and development grants in the amount of 50 percent of the estimated reasonable cost of projects which will demonstrate new or improved methods of controlling the discharge into any waters of untreated or inadequately treated sewage or

other wastes from sewers which carry storm water or both storm water and sewage or other waste. Authorize appropriations of $20 million for the fiscal year ending June 30, 1965, and for each of the next 3 succeeding fiscal years for the purpose of making demonstration grants. A grant for any single project shall not exceed 5 percent of the total amount authorized for any 1 fiscal year.

If that is a correct analysis of the provisions of the bill, the bill contemplates that local governmental subdivisions and others will contribute at least 50 percent of the money for all the research projects in this area. Despite the great veneration the Senator from North Carolina has for his leader, the Senator from Louisiana, the Senator from North Carolina cannot conceive that it is fair to expect local subdivisions of government and others to put up at least 50 percent of the cost of research projects and then allow the exclusive rights to the patents on them to be given to the Federal Government, which puts up only 50 percent or less.

Mr. LONG of Louisiana. This section does not say anything about "50 percent." I do not see anything about "50 percent" in this section. I am seeking to amend section 6.

Mr. ERVIN. Does not the Senator's amendment apply to the entire bill?

Mr. LONG of Louisiana. Let us look at the other side of the picture. Suppose a grant were given to Podunk, La., to conduct research, and that Podunk put up some money. Suppose it signed a contract that provided that when the contractor conducted research, he would be entitled to a private patent. Then suppose the contractor developed something good. He has the privilege of saying, "I found it. I found it first with your money." He would get the benefit of the law that would deny the Government the benefit for 17 years. He could say, "It is a fine thing, but I am not going to let anyone use it because I have the patent rights on it." He would have the right to license anybody to use it, if he wanted to.

Does not the Senator from North Carolina have some qualms about allowing $20 million of Government money to be used and not permitting the public the use of the benefits?

Mr. ERVIN. The purpose of the bill is to encourage local subdivisions of government, and even private individuals and private industry interested in ridding our waters of pollution, to participate in the program to the extent of putting up at least 50 percent of the cost of research projects. In my judgment, the proposal of the Senator from Louisiana would discourage local subdivisions of government and private individuals and private industry from participating in the program if we say they will have to put up at least 50 percent, while the Federal Government would take all the benefits from the research.

Furthermore, there are many people with brains who have spent many years of study and research in the purification of water and the elimination of pollution from the streams of this country. The Senator's amendment would discourage those people from contributing their brains to research projects in this field, if there is written upon our law books a statute that the Federal Government would take the benefit of not only the part of the research funds put up by the Federal Government and private individuals and private industry, but also the benefit of the brains of those people. Merely because the Federal Government contributes a portion of the cost, the amendment clearly contemplates that the Federal Government will take everything, so far as any discovery is concerned.

I favor the principle that the Senator is seeking to implement with his proposal, but I believe what has been said emphasizes the fact that this question ought to be dealt with by the Subcommittee on Patents of the Committee on the Judiciary in connection with an overall bill, where all possible arguments can be weighed according to their worth and value and where all interested officials and communities and individuals can be heard.

While I would support the Senator's amendment if it were restricted to instances where the Federal Government puts up all the money, I am unwilling to have the Federal Government require other States, municipalities, private individuals, and private industry to put up at least 50 percent of the money for research and then allow the Federal Government to take as its exclusive possession everything that is discovered.

The Senator's proposal ought not to be offered as an amendment to this bill, but ought to be considered by the appropriate committee, so that a general policy might be adopted. If the Senator's amendment comes to a vote as an amendment to this bill without any committee consideration, I shall have to vote against the amendment. The Senator's idea is a good one, but it ought to be carefully considered, and all objections should be weighed.

I thank the Senator from Louisiana.

Mr. LONG of Louisiana. I went before a subcommittee. I do not know whether I went before the proper subcommittee, but I went before some subcommittee of the Committee on the Judiciary 3 years ago—in 1961. I went to great efforts to explain my proposal, but nothing happened. That being the case, I felt that the committee would not report the bill. I decided that if it would not report the bill, I would offer an amendment on the floor of the Senate. That is what I have been doing for the past 3 years. If any Senator does not know by now how to get a committee to consider a research proposal, he ought to offer an amendment on the floor of the Senate.

Repeatedly, the managers of bills have offered to take my amendments and support them, and do what they could with them. That is what the manager of this bill has offered to do in this instance.

If the Senator from North Carolina wishes to invoke the procedure of a yea-and-nay vote, that is all right; we will then see how the Senate stands.

My proposal does not seek to have the Federal Government take anything away from anybody. It merely provides that if the Federal Government contributes $20 million, whether a city or a State contributes anything or not, the benefits should all be freely available to every city, State, and municipality, so that they can all have the benefit of the $20 million to eliminate sewage pollution.

If a different procedure is followed, we shall be opening up the prospect of what I have just described. The General Accounting Office or some other agency will discover something that has been done improperly.

In the field of atomic energy, for 4 years that great man, Admiral Rickover, has been saying that the plan I am proposing has been working, and working well. It offers no problem or difficulty. The only trouble is that there are not enough contracts.

Mr. President, I read now from a committee print of the Small Business Committee's Subcommittee on Monopoly, of which I am chairman. This print is the text of a conference on Federal patent policies at which Admiral Rickover testified in 1960. He told me at that time:

> We have had no difficulty in the Atomic Energy Commission getting contractors, large and small, to do research and development work. In fact, many of them are constantly urging us to give them such work. Further, a number of companies have built their own facilities, with their own money. Many businesses want Government research and development work in order to develop a strong position. They now wish to extend this to the atomic energy and the space fields.

So, you can see, Mr. President, as I have stated before, where the Government retains patent rights for the benefit of all the public, there is no lack of contractors wishing to do the research. Instead, there is just a lack of contracts to go around to all of the contractors.

I am not saying that there is not someone who might not wish to conduct Government-financed research. That may well be. I salute anyone who does private research. But if such people want Government money, they ought to make the benefits of their research available to the United States.

I challenge anyone to show me where any information has been withheld, where any chicanery has been involved under the procedure I propose. Admiral Rickover told us on one occasion that the time lawyers take in preparing patent applications means that from the time one discovers something until the time he applies for a patent averages 4 years before a patent application can be filed.

This is information which the public needs for its own benefit, but some individual may be fooling around with papers to tie up the patent, so that no one can get the benefit except the private company.

On the other hand, if we say that the Government shall have the patent rights when the Government pays for the research, the information will circulate much more freely.

Mr. President, I felt that since the manager of the bill offered to take the amendment—which has been done time and time again—if there is going to be any opposition to it, then I suppose we shall have to have a rollcall vote on it, if we cannot agree on a voice vote.

So, I suppose I shall have to suggest the absence of a quorum and ask for the yeas and nays on the amendment.

Mr. JAVITS. Mr. President, will the Senator answer a question before doing that?

Mr. LONG of Louisiana. Yes.

Mr. JAVITS. The Senator stated that the language used was exactly the same as has been used in a number of other laws. I have found an example in the atomic energy law which is relevant to this matter.

Section 152 of the Atomic Energy Act of 1958 reads as follows:

An invention or discovery, useful in the production of utilization of special nuclear material or atomic energy, made or conceived in the course of or under any contract, subcontract, or arrangement entered into with or for the benefit of the Commission, regardless of whether the contract, subcontract, or arrangement involved the expenditure of funds by the Commission, shall be vested in, and be the property of, the Commission, except that the Commission may waive its claim to any such invention or discovery under such circumstances as the Commission may deem appropriate, consistent with the policy of this section.

There are other examples such as the National Aeronautics and Space Administration Act of 1958 and the National Science Foundation Act of 1950.

I know what the Senator said to NASA Administrator Webb. I, too, as Senator LONG did, sat in on the hearings before the Senate Small Business Committee. But, may I say as a lawyer—and Senator ERVIN has spoken as a lawyer—that the trouble with the amendment is that it is an immediate directive to the public domain.

This may sound appealing. But, it could work out very badly because the race would go to the swift rather than to the just.

The question that I put to my colleague, in view of the questions that are raised, is this: Even if a conference committee is to take the measure and try to do what they can do with it, should not the purpose of the Senate be to have such patents and inventions vested in the Secretary, or whatever the operative Government agency is under this particular bill, rather than an immediate dedication to the public domain with some of the dangers which I have just spelled out? The financial involvement of the Government in a particular contract is an extremely important factor in a determination of patent rights under a contract; however, it is not the only factor. Whether the contractor has contributed substantial experience, background, and funds on his own and whether the invention would have been a probable result of his acquired skills, experience, and own funds should also be taken into consideration.

Mr. LONG of Louisiana. Mr. President, it is hard to satisfy all Senators. Senator MILLER just got through agreeing that we ought to have more flexibility in the provision. Now the Senator from New York reads a provision which he apparently seems to like, which is a stricter section.

The amendment that I offer is almost identical to the amendment which I offered on the Coal Research Act, which is the law, the Helium Act, which is the law, the saline water bill, which is the law, the disarmament bill, as passed in the Senate, and the mass transit bill as it was passed in the Senate and sent to the House, and the Water Resources Act.

This is what we have voted on time and time again. The section to which the Senator refers is in the Atomic Energy Act. In that case they do not waive background patents. The reason that the act did not waive background patents is that the Government had all the background, anyway. No one else had any. So we did not waive the background patents. In this instance, we have no problem.

I think we have discussed the amendment sufficiently. I ask for the yeas and nays.

Mr. MILLER. Mr. President, I have an amendment at the desk which is an amendment to the Senator's amendment. I would like to have it read, and perhaps we can discuss it. I would appreciate it if the Senator would see fit to accept it. But I would like to have the amendment stated at this time.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. The amendment of Mr. MILLER reads as follows:

Strike out lines 7 and 8, through the period on line 9, and insert in lieu thereof the following: "That the Federal Government's fair and equitable share in the information, copyrights, uses, processes, patents, and other developments resulting from that activity, will be preserved."

Mr. MILLER. Mr. President, the Senators may note that what this does is to change the language which now states that all information, copyrights, uses, patents, and other developments resulting from that activity will be made freely available to the general public.

Instead of saying "all," I have simply said that the Federal Government's fair and equitable share will be preserved in all of these things. I think it is a much more reasonable approach than the approach which the Senator's amendment uses.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. LONG of Louisiana. Mr. President, nobody under the sun would know what that would mean. For example, suppose a contractor has put up 1 percent of the cost, and the Federal Government and the State government have put up the other 99 percent. It could well be construed, from the Senator's amendment, that that fellow, because he has 1 percent of his own money invested, has the right to deny anyone the right to use it.

As the Senator knows, if I have an interest in a business and the Senator has an interest in the same business, both of us must agree in order that the information may be made available for anyone to use it.

The Senator has no answer to the problem. No one under the sun would know what we are talking about here. If we use the Government's money to do the research, and if this is a Government contract, then the information should be free and available, to be used by everyone.

We have had some of these instances in which discretion was allowed to be used.

I submit that I do not know what that means. If we want that amendment, we may just as well vote against my amendment and be done with it.

Mr. MILLER. Mr. President, there are many provisions in bills which have been passed by this body which have used the phrase, "fair and equitable." The people administering the laws are the ones whose discretion we trust in the matter of determining what is fair and equitable.

I would not be quite as sanguine about this as the Senator from Louisiana.

Who else would do it except the Administrator? But what would happen under this kind of provision is that it would give the Administrator the discretion to sit down and negotiate such things. Certainly, if all of the research funds are going to come from the Federal Government, there will not be any negotiations. It is all going to go to the Federal Government. That is all there is to it. But, if there are very substantial funds to be put up by the private contractor, then this would give discretion to negotiate a fair and equitable share.

I do not know why we should have so much difficulty over this. I think it is a fair amendment. It is certainly infinitely more fair than the one that the Senator has now offered.

I am trying to be helpful. I am not trying to hinder anyone.

Mr. LONG of Louisiana. Mr. President, if the Senator wants to help, he would withdraw his amendment. As far as this Senator is concerned, I would just as soon withdraw my amendment as to have that amendment. We would have happen what happens when an administrator is given discretion. That happened when we gave discretion to the Administrator in the Space Agency. What happened? He just signed a paper saying that it is all given away, without taking a second look. And when we give them discretion, sooner or later they will get an administrator in there who will find it easier to give everything away. I would not be surprised if they do not use pressure on the President to name an administrator who would give it to them.

Nobody has to take Federal money, but if they do take the Federal money, they are told of certain terms and conditions with which they must comply.

When they passed the civil rights bill, against which I voted, they did not say, "Under section 6, because the Federal Government is putting up half of the money, or two-thirds of the money, if you want some of the money, you must integrate one-half or two-thirds, according to the amount of money that is being paid." The bill provides that if the State wants the money, they must comply with certain conditions. No one is going to make us take the Federal money. But, if we do take the Federal money, we must comply, the same as all of the other researchers are made to comply with the law, which states that

the information will be freely available for the use and benefit of 180 million people.

I hope the Senator will withdraw his amendment and vote against my amendment so that his position will be clear.

Mr. MILLER. Mr. President, I shall be willing to withdraw my amendment if the Senator from Louisiana is willing to withdraw his amendment. But, his amendment is what generated the whole controversy. I shall be fair about this. The Senator has a point. But he is going too far. I think that the reference to the Civil Rights Act is not at all analogous. Under the Civil Rights Act, it was determined by Congress that as a matter of public policy, if there is a project that is tainted, then the whole project is tainted. But, this is not the same situation that we are talking about here.

The Senator's amendment is, in effect, saying that because one-tenth or one-third or one-half of the money is put up by the Federal Government, therefore all the results must go to the Federal Government. I do not think that is fair.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. MILLER. I yield

Mr. LONG of Louisiana. Was this amendment prepared by the legislative counsel?

Mr. MILLER. This amendment was prepared by a legislative counsel; namely, myself, here on the floor.

Mr. LONG of Louisiana. But it was not done by the men we employ to do that work. It was not done by the legislative counsel.

Mr. MILLER. How much time did I have to prepare it? I saw this amendment for the first time only 30 minutes ago.

Mr. LONG of Louisiana. Has the Senator discussed his amendment with any of the departments? Has he discussed it with the Department of the Interior?

Mr. MILLER. I have not had any more discussion with them than has the Senator from Louisiana.

Mr. LONG of Louisiana. I have discussed my amendment with those who will have to administer it. The Senator from Iowa offers his amendment when he has not discussed it even with his own legislative counsel and says this is what I would like to have adopted, when he does not know what will be the effect of the amendment. The one I have offered is one that the departments understand. This is the one that every department which would be handling this section of the bill is familiar with. There is a similar section of the law which the departments are complying with now. They advise that this is the way to do it.

The amendment of the Senator from Iowa would do nothing but completely confuse the matter and destroy the whole purpose of the measure, and he offers it on the floor at this time.

If he insists on having it voted on, we can do it, but it is my judgment that when the people of this country spend the money for research, they should have the benefits of it. I think we should vote on that issue one way or the other.

Mr. MILLER. I hope we are not getting ourselves into a position of deciding the merits of an issue on the basis of who drew the amendment or how little time there was or when it was drawn. Let us look at the merits of the proposed legislation. I am not the only one who has drafted amendments. The Senator from Louisiana has. I guess every other Senator has. It would not have been necessary if the Senator from Louisiana's amendment had not suddenly popped up on the floor with no copies available for Senators to read. I am trying to do the best I can under the circumstances. I am not trying to hurt the amendment of the Senator from Louisiana. I am trying to do what is fair. I think my concept of what is fair and the Senator's concept of what is fair do not coincide, but I am sure we are both sincere.

Mr. President, I move the adoption of my amendment to the amendment.

Mr. ERVIN. Mr. President, the objective of the bill is to create a great cooperative effort among the Federal Government and local governments and private industry to clean up the streams of America; and nothing should be put in this bill which has a tendency, or which could possibly have a tendency, to defeat the objective of the bill, which is to create a cooperative effort.

I feel that the amendment offered by the able and distinguished junior Senator from Louisiana would have a tendency to defeat the objective of the bill. The amendment offered by the Senator from Louisiana would properly fit a program in which the Federal Government puts up all the money for research. But it does not fit this particular bill, because under the bill the Federal Government is not to put up more than 50 percent of the money for research. At least 50 percent of it is to be put up by local governments and by private industry or private individuals. To put such an amendment in this bill, without any more consideration than we are able to give to it on the Senate floor and without any more analysis than we are able to make on the Senate floor as to the effect of the amendment on the purpose of this bill, would be a tragic mistake.

We have delayed too long already one of the most important tasks which confront the American people, and that is the removal of pollution from the streams of this country.

Certainly it is not just, it is not fair, for the Congress of the United States to say to the States, to municipalities, to private industry, and to private individuals that the Federal Government is going to take all of the benefits of any discoveries made in the course of carrying out this cooperative program.

I do not know what effect the amendment of the Senator from Louisiana would have on this program, but I think it might possibly have a disastrous effect. Certainly, we should pass the bill in such a form as will enlist the cooperation of the States and local subdivisions of the States and the private individuals and industries who will have to put up at least 50 percent of the cost of the research.

Certainly, it would do no harm to pass the bill in its present form—and it is in excellent shape—and let the amendment offered by the Senator from Louisiana be studied by the appropriate committee to see what its effect might be, and to give all who are interested in this matter an opportunity to be heard by the committee before action such as this is taken. Surely the greatest deliberative body in the world ought not to act on the spur of the moment, without previous committee consideration and without Senators even having copies of the amendment to read with their own eyes for the purpose of making an analysis of it.

The amendment is appropriate in the saline water bill, because there the Federal Government puts up all the money. It would undoubtedly fit some other programs in which the Federal Government puts up all the money. But it is not only drawn for a program which requires at least 50 percent of the money for research projects to be put up by States or local subdivisions of States or private industry or individuals.

Let us not, in a moment of haste and impatience, jeopardize not only the passage of a bill which is very meritorious, but also jeopardize its possible efficacy to perform the task for which it is designed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. MILLER] to the amendment of the Senator from Louisiana [Mr. LONG].

Mr. LONG of Louisiana. Mr. President, the point has been made here that this proposal has been brought up on the floor by whim or caprice or without study. The committee had 2 days to work on the bill. The Interior and Insular Affairs Committee has handled similar bills and studied the same proposal. The Department which already handles such matters is already bound by the same language contained in the amendment. The Senate has voted on this question time and time again. It has voted not to give away to a private contractor the benefits of Federal research money.

The Senator made the point that cities and counties will be contributing money. If my amendment is not adopted, we shall be opening the door to letting a city take Federal money, do the research, find a way to clean up sewage more effectively than at present, and then be able to deny to 180 million people the benefit of that process for 17 long years—deny it to the people who paid for that research with their own money.

Mr. President, it is inconceivable that we would let that happen. I am reminded of Ogden Nash's poem that "Rape is a crime unless you rape the voters a million at a time."

It is proposed to give up the taxpayers' money to a private contractor and permit the contractor to say to a little mayor: "Mr. Mayor, I was your best campaign contributor. I put up half your campaign money. But you have the money around this contract drawn up so that if I discover something, whether it affects the cleaning up of

sewage or anything else, I get the benefit of all of it, I can charge the public a fortune for the 17 years and make a million dollars, and no one can say anything to me regarding the contract."

The Senator from Illinois [Mr. DOUGLAS] has just informed me that Chicago has developed the best method yet devised for cleaning up sewage, and that the city would be "tickled pink" if everyone in America could have the benefit of that method.

If Chicago is willing to do that, to make its discoveries available to the world, why should any other city wish to take Federal money and give it to a private contractor who could deny the public the benefit of it?

Mr. President, I should like to ask for the yeas and nays——

The PRESIDING OFFICER. The question is on the amendment of the Senator from Iowa [Mr. MILLER] to the amendment of the Senator from Louisiana [Mr. LONG]. The amendment to the amendment will be disposed of before the Long amendment is voted on.

The question is on agreeing to the amendment of the Senator from Iowa to the amendment of the Senator from Louisiana.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the amendment offered by the Senator from Louisiana [Mr. LONG].

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ERVIN. Mr. President, I should like to speak for approximately 1 minute.

I believe that one of the analyses referred to in the bill is on page 5, lines 3 to 10 which provides:

> There are hereby authorized to be appropriated for the fiscal year ending June 30, 1965, and for each of the next three succeeding fiscal years, the sum of $20,000,000 per fiscal year for the purpose of making grants under this section. Sums so appropriated shall remain available until expended.

I especially invite the attention of the Senate to this part:

> No grant shall be made for any project in an amount exceeding 5 per centum of the total amount authorized by this section in any one fiscal year.

It will therefore be a small amount of money that the Federal Government will contribute to each project. Yet, we are about to vote on an amendment to discourage other people from participating in a program which would require them to put up the overwhelming bulk of the money for each project.

Mr. MILLER. Mr. President, I do not wish to delay Senators any longer than is necessary, but I understand that the distinguished Senator from Massachusetts [Mr. SALTONSTALL] wishes to say something on this question and that he is expected here momentarily.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. SALTONSTALL. Mr. President, I thank Senators for holding this matter up for a few moments. I shall not now make a speech on the patent bill. I have introduced a bill which is now pending before the Committee on the Judiciary. The Senator from Arkansas [Mr. McCLELLAN] had a bill filed a year ago. The Senator from Arkansas told us that he would give hearings on these bills at the last session, but he was unable to do so because of press of business.

Certainly a patent bill, a law to change the rights of individual patentees, should not be considered without very careful consideration and thoughtful hearings.

At the present time, there is one method used by the Defense Department with relation to the rights of the Government. There is also one method used at NASA, where many patents are pending.

I sincerely hope that no amendment on patents to this bill will be adopted at this time. It should be carefully considered by the Subcommittee on the Judiciary which was appointed last year to study this subject, and will be appointed again.

Mr. MANSFIELD. Mr. President, I hope that the Long amendment will be adopted. It has been adopted many times before. It is a necessary safeguard until the distinguished chairman and his Committee on the Judiciary, the Senator from Arkansas [Mr. McCLELLAN], reports a bill.

I am certain he intends to do this as expeditiously as possible so that this matter can be settled on an overall basis, rather than on a bill-by-bill basis as has been the case up to this time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. LONG]. The yeas and nays have been ordered——

Mr. McCLELLAN. Mr. President, I wish to make one observation. Bills on this subject were before the Senate in the previous year. We have one this year for general revision of the patent law. It is being included along with other important proposed legislation.

In the previous year, of course, as all Senators remember, we found it difficult to hold committee hearings because of the long debate which occurred on the civil rights bill, at which time we were unable to hold hearings.

The bills have been reintroduced this year, and we expect to hold hearings and hope to report some well-recommended legislation.

I cannot give anyone assurance as to what that proposed legislation will be, or as to what the provisions of the bill will contain. This year, however, we hope to hold hearings and to report a bill covering not only this aspect of reforms in the patent laws, but also other important aspects.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. LONG]. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Montana [Mr. METCALF], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON] and the Senator from South Dakota [Mr. McGOVERN] are absent because of illness.

I further announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from New York [Mr. KENNEDY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], and the Senator from Connecticut [Mr. RIBICOFF] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING], the Senator from New York [Mr. KENNEDY], the Senator from South Dakota [Mr. McGOVERN], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Connecticut [Mr. RIBICOFF], and the Senator from Florida [Mr. SMATHERS] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Kansas [Mr. CARLSON], the Senator from Idaho [Mr. JORDAN], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

The Senator from Kansas [Mr. PEARSON] and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

The Senator from Delaware [Mr. WILLIAMS] is detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Kansas [Mr. CARLSON], the Senator from Idaho [Mr. JORDAN], the Senator from Kansas [Mr. PEARSON], the Senator from Vermont [Mr. PROUTY], the Senator from South Carolina [Mr. THURMOND], and the Senator from Delaware [Mr. WILLIAMS] would each vote "nay."

The result was announced—yeas 50, nays 28, as follows:

[No. 8 Leg.]

YEAS—50

Anderson	Hart	Morse
Bartlett	Hartke	Muskie
Bass	Hayden	Nelson
Bayh	Hill	Neuberger
Bible	Inouye	Pastore
Brewster	Jackson	Pell
Burdick	Kennedy, Mass.	Proxmire
Byrd, W. Va.	Lausche	Randolph
Cannon	Long, Mo.	Robertson
Church	Long, La.	Sparkman
Clark	Mansfield	Stennis
Dodd	McCarthy	Symington
Douglas	McGee	Tydings
Ellender	McIntyre	Williams, N.J.
Fong	McNamara	Yarborough
Gore	Mondale	Young, Ohio
Harris	Montoya	

NAYS—28

Aiken	Case	Curtis
Bennett	Cooper	Dirksen
Boggs	Cotton	Dominick

Ervin	Kuchel	Scott
Fannin	McClellan	Simpson
Hickenlooper	Miller	Smith
Holland	Morton	Tower
Hruska	Mundt	Young, N. Dak
Javits	Murphy	
Jordan, N.C.	Saltonstall	

NOT VOTING—22

Allott	Kennedy, N.Y.	Ribicoff
Byrd, Va.	Magnuson	Russell
Carlson	McGovern	Smathers
Eastland	Metcalf	Talmadge
Fulbright	Monroney	Thurmond
Gruening	Moss	Williams, Del.
Johnston	Pearson	
Jordan, Idaho	Prouty	

So the amendment of Mr. LONG of Louisiana was agreed to.

Mr. JAVITS. Mr. President, on behalf of myself and my colleague from New York [Mr. KENNEDY], I send to the desk amendment No. 4, and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that the amendment be not read, but printed in the RECORD.

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

The amendment, ordered to be printed in the RECORD, is as follows:

On page 5, beginning with line 11, strike out all through line 17, and insert in lieu thereof the following:

"SEC. 4. (a) Subsections (b) and (c) of the section of the Federal Water Pollution Control Act herein redesignated as section 8 are amended to read as follows:

"'(b) Federal grants under this section shall be subject to the following limitations: (1) No grant shall be made for any project pursuant to this section unless such project shall have been approved by the appropriate State water pollution control agency or agencies and by the Secretary and unless such project is included in a comprehensive program developed pursuant to this Act; (2) no grant shall be made for any project in an amount exceeding 30 per centum of the estimated reasonable cost thereof as determined by the Secretary: *Provided*, That the grantee agrees to pay the remaining cost: *Provided further*, That in the case of a project which will serve more than one municipality the Secretary shall, on such basis as he determines to be reasonable and equitable, allocate to each municipality to be served by such project its share of the estimated reasonable cost of such project, and shall then apply the limitation provided in this clause (2) to each such share as if it were a separate project to determine the maximum amount of any grant which could be made under this section with respect to each such share; (3) no grant shall be made for any project under this section until the applicant has made provision satisfactory to the Secretary for assuring proper and efficient operation and maintenance of the treatment works after completion of the construction thereof; and (4) no grant shall be made for any project under this section unless such project is in conformity with the State water pollution control plan submitted pursuant to the provisions of section 7 and has been certified by the State water pollution control agency (A) as entitled to priority over other eligible projects on the basis of financial as well as water pollution control needs, or (B) for reimbursement pursuant to subsection (c).

"'(c) In determining the desirability of projects for treatment works and of approving Federal financial aid in connection therewith, consideration shall be given by the Secretary to the public benefits to be derived by the construction and the propriety of Federal aid in such construction, the relation of the ultimate cost of constructing and maintaining the works to the public interest and to the public necessity for the works, and the adequacy of the provisions made or proposed by the applicant for such Federal financial aid for assuring proper and efficient operation and maintenance of the treatment works after completion of the construction thereof. The sums appropriated pursuant to subsection (d) for any fiscal year shall be allotted by the Secretary from time to time, in accordance with regulations, as follows: (1) 50 per centum of such sums in the ratio that the population of each State bears to the population of all the States, and (2) 50 per centum of such sums in the ratio that the urban population of each State bears to the urban population of all the States. Sums allotted to a State under the preceding sentence which are not obligated within six months following the end of the fiscal year for which they were allotted because of a lack of projects which have been approved by the State water pollution control agency under subsection (b)(1) of this section and certified under subsection (b)(4) of this section, shall be reallotted by the Secretary, on such basis as he determines to be reasonable and equitable and in accordance with regulations promulgated by him, to States having projects approved under this section for which grants have not been made because of lack of funds: *Provided, however*, That whenever a State has funds subject to reallocation and the Secretary finds that the need for a project in a community in such State is due in part to any Federal institution or Federal construction activity, he may, prior to such reallocation, make an additional grant with respect to such project which will in his judgment reflect an equitable contribution for the need caused by such Federal institution or activity. Any sum made available to a State by reallotment under the preceding sentence shall be in addition to any funds otherwise allotted to such State under this Act. The allotments of a State under the second and third sentences of this subsection shall be available, in accordance with the provisions of this section, for payments with respect to projects in such State which have been approved under this section, except that in the case of any project constructed in such State after the date of enactment of the Water Quality Act of 1964 which meets the requirements for assistance under this section but was constructed without such assistance, such allotments shall also be available for payments in reimbursement of State or local funds used for such project to the extent that assistance could have been provided under this section if such project had been approved pursuant to this section and funds available. For purposes of this section, population, including urban population, shall be determined on the basis of the latest decennial census for which figures are available, as certified by the Secretary of Commerce.'

"(b) Subsection (d) of such section 8 is amended by striking out the colon preceding the word '*Provided*' and all after such colon to the period at the end of such subsection."

Mr. JAVITS. Mr. President, if Senators will give me their attention for a moment, I shall explain the amendment.

Mr. President, my amendment would:

First. Eliminate the existing limitation of $600,000 for a single project or $2.4 million for a joint project involving several communities on grants for construction of waste treatment facilities. It would also authorize an across-the-board Federal contribution of 30 percent of the cost of constructing these facilities.

Second. Eliminate the existing requirement that half of all construction grant funds be used for municipalities of 125,000 people or less.

Third. Establish a more meaningful standard for the allocation of funds for construction of sewage treatment facilities in urban areas of need. The amendment would set up a standard based on the ratio of the urban population in one State to the urban population in all States, replacing the existing criterion based on per capita income. Such a standard would bring about a more equitable distribution of funds to highly populated areas where major water pollution problems exist.

Fourth. Authorize the Federal Government to subsequently reimburse States and municipalities that have spent their own funds for treatment facilities when a Federal construction grant, which has been approved, cannot be immediately allocated because of inadequate Federal funds.

I point out that this proposed new allocation standard is different from the present law, which makes 50 percent available on the basis of population ratio and 50 percent available on the per capita income ratio.

Mr. President, the reason for making these proposals is as follows:

The primary problems in water pollution in the United States are in areas of large concentrations of people. I understand the normal feeling of the Congress with respect to favoring the small places and the places of sparser population. But unfortunately that it not where the major problems reside. As the dangers of pollution exist far more pressingly in centers of population than they do in the less populated areas, it seems most ill advised—and experience has demonstrated it—to require mandatorily in the law, first, a distribution of the funds which does not bear a relation to the concentration of the problem and the need for Federal assistance, and secondly dollar limitations on individual projects which limitations inhibit some of the largest and most meaningful projects that could be undertaken in the United States.

For example, my State of New York is prepared to undertake a $1 billion program, provided that certain limitations are removed, so that the Federal Government may contribute a straight 30 percent share, which in round figures would be approximately $513 million.

Therefore the amendment would be a meaningful contribution to the overall results which this bill, if enacted, could bring about. Yet efforts like New York's and those of many other States are inhibited by the restrictions which are imposed by the dollar limitations incorporated in the existing Federal law, and which prevent these States from shooting at the target, which is where the water is polluted; namely, in heavily populated areas.

A single pollution control project in the city of New York has cost $87.6 million. So we cannot even begin to think about meaningful attacks on the problem within the limitations of the present law.

However we may feel—and, as I have said, I know the normal feeling which generally obtains; some Senators wish to be sure that the smaller communities get their share—the fact is that on this question we would not be hitting at the complete problem.

I support the increase of the dollar limitations in this bill. But more can be done. Governor Rockefeller has pointed out the enormous scale of works which can be undertaken in our State if we are enabled to do it by a law which really directs itself at the fundamental target which is involved.

I realize that the proposal represents a very major and a very important orientation of the impact of the bill. So I have discussed the subject with the distinguished Senator in charge of the bill, and I hope very much that he will give us assurances that the subject will have the kind of detailed and earnest consideration and hearings by his subcommittee, within a very short time, which this matter deserves, now that we have brought the matter so sharply to the attention of the Senate and the country.

Mr. MUSKIE. Mr. President, speaking for myself, and I believe for the other members of the subcommittee on both sides, we have assigned to the problem which the Senator has raised the highest possible priority. We intend to hold hearings during this session, and early enough so that we can get into thorough hearings on the question of the adequacy of the limitation on individual projects, on the allocations to the States, and on the overall authorization. What we are talking about, as I understand the Senator, is not only the question of how the present pie shall be divided, but how can we get a bigger pie to assure that we deal with the whole problem adequately.

The problems include not only those stated by the Senator, toward which I have the utmost sympathy, but also the problems related to the smaller communities in the cost of the projects. For example, sewers are not eligible at all. Many times the cost of sewers is greater than the cost of the sewage treatment plant itself. The whole question of Federal aid in dealing with this problem financially is pertinent. I assure the Senator that I share with him the propriety and urgency that he has, and will press for early meetings. And I believe I am in a position to assure him that we will have such prompt hearings.

Mr. JAVITS. Is there any inhibition—sometimes it is a kind of unwritten rule which is understood—that the pending legislation (S. 4) is the only legislation that there will be in the anti-water-pollution field at the present session? Do we face any such inhibition, or is the committee virtually free to do whatever it, in its best judgment, deems desirable to be done with respect to this important program, notwithstanding the fact that we are now about to enact a set of amendments to the existing water pollution control law?

Mr. MUSKIE. I cannot, of course, speak for the attitude of the other body or even the administration. The Senator understands that. But so far as the committee is concerned, the question is one of the highest priority. When we began hearings on S. 649, the present fiscal authorization was only 2 years old. So we had not had the experience to justify attempting that problem when we began.

The bill (S. 4) is merely a reintroduction of S. 649 in the form that it took.

We are now in the 4th year of that program. I think it is time that we should get into the questions which the Senator has raised. As the Senator knows, we have progressively increased the ceilings from $50,000 in the original bill to $600,000 in the 1961 amendments, and to $1 million in S. 4. Ten percent incentive for metropolitan areas would give an effective ceiling of $1.1 million, and on combined projects, $1.4 million. So I believe we have made a gesture in S. 4 that should give relief.

For example, in New York, the increase of $600,000 to the $1 million limit would have brought 17 of New York's projects up to the 30 percent ceiling if those ceilings had been in effect when application was made for assistance for those projects. So this has a meaningful relationship; but I believe we must open up the whole question and come forth with a meaningful answer. I assure the Senator from New York of my cooperation.

Mr. JAVITS. I thank the Senator from Maine. As it is very clear to me that this is an effective way to resolve the question in terms of getting the most mileage for the problems which our State has, on the basis of these assurances which the Senator from Maine has so graciously given us, I withdraw the amendment.

The VICE PRESIDENT. Does the Senator from New York withdraw his amendment?

Mr. JAVITS. I do.

THE BALANCE-OF-PAYMENTS PROBLEMS

Mr. GORE. Mr. President, for several years, responsible Government officials, Members of Congress, bankers, and business leaders have been concerned about our apparent inability, if not unwillingness, to solve our balance-of-payments problem.

Some have feared that American industry was no longer able to compete in the markets of the world, and have talked and acted as though U.S. commodities had, as it was so often put, "priced themselves out of world markets." This, of course, has always been sheer nonsense, and I, for one, have always said so.

We have continued to have, and still have, a substantial surplus of exports over imports. Indeed, we are the only industrialized nation able to make this boast, if boasting it is.

For reasons of national security, we have continued a foreign-aid program. This necessarily contributes to our balance-of-payments problem. We cannot solely on that account, terminate foreign aid.

Our military commitments around the world have added to our woes. Here, too, good and sufficient reasons exist—or at least are adjudged to exist by those who make policy in this area—for continuing to back our global responsibilities with reasonable military commitments. We can hardly do otherwise so long as the responsibilities are assumed.

Tourist expenditures, also, have added to the outflow of dollars and gold. We have placed restrictions on the amount of duty-free purchases our people can make abroad, but have not felt it in keeping with our philosophy of individual freedom of movement to impose bars to travel abroad.

The area, then, which remains troublesome, and about which we can do something without damage to ourselves or to our friends abroad, is the outflow of private captital.

It had been hoped that 1964 would see a dramatic improvement in the balance of payments. That improvement apparently did not take place to the degree expected. Our deficit was reduced from about $3.3 billion on regular transactions in 1963 to about $2.5 billion in 1964.

But in the troublesome area of private capital flows, there was a serious worsening.

The official figures are not yet published, but from presently available information it would appear that the total outflow of private capital actually increased from some $4.3 billion in 1963 to approximately $6 billion in 1964. And the fourth quarter of 1964 approached disastrous proportions.

Last year the Congress enacted the Interest Equalization Tax Act which was designed to slow down to bearable proportions the outflow of capital. But two large loopholes were purposely left in the act. I refer to the exemption for Canadian transactions and the exemption for bank loans.

I fought hard to close off the loophole for bank loans. I foresaw, as all Senators who gave serious thought to this matter in the light of ordinary human acquisitiveness surely also must have foreseen, that many securities transactions would be shifted to bank loans.

Here again, statistics will bear this out. Although the figures are not yet fully analyzed, I think they will show that long-term loans by banks to foreigners increased from some $585 million in 1963 to over $1 billion in 1964.

To those who felt—and I include Secretary of the Treasury Douglas Dillon—that the banks would "play ball," I must say that human nature has once again prevailed.

The only way to bring the big banks into conformity with the national interest in this regard is to require it by law.

Fortunately, the Congress did last year adopt an amendment to the Interest Equalization Tax Act, which I offered, which vested in the President standby authority to invoke the terms of the act so as to apply them to certain bank loans.

The time has now come—indeed it is long overdue—to invoke this standby authority. Congress granted this authority for use in case it should be needed. I call on the President to do this without further delay.

William Jennings Bryan long ago inveighed against crucifying mankind upon

a cross of gold. I say that we must not sacrifice our entire domestic economy for the benefit of a few international bankers and "hot money" artists, who put personal and corporate gain above the common good.

Mr. President, I hope the President will immediately call into play the provisions of the Interest Equalization Tax Act as it applies to bank loans to foreigners. I understand that such a course of action is now under consideration. I hope so, and I hope the action will be taken quickly.

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

Mr. GORE. I yield to the senior Senator from Illinois.

Mr. DOUGLAS. I serve on the Committee on Finance with the distinguished Senator from Tennessee. I can say that what he has narrated is the absolute truth. He has pointed out the danger that the interest-equalization tax on foreign bonds could be circumvented by short-time loans and long-time loans to banks in foreign countries, which would then make the loans. He stressed this point accurately and fully. He made a magnificent fight for it. I was happy to play a minor part in supporting him. I regret that the proposal was not adopted.

Mr. GORE. It was adopted.

Mr. DOUGLAS. Not as a mandatory feature, but as a standby power. I, too, hope that these powers and responsibilities may be assumed by the administration.

Mr. GORE. I thank my distinguished and able friend for his most generous remarks. I am proud that the Senate foresaw this danger and acted. Fortunately, the House, in conference, was persuaded to agree with the Senate, and the President signed the bill. The act is now available to the United States as a weapon in times of international economic emergency. I believe and hope that it will now be used.

Mr. ROBERTSON. Mr. President, I share the pride expressed by the Senator from Tennessee that we have the largest balance of trade of any nation in the world. I believe that last year it amounted to $6 billion.

Unfortunately, I do not share his conclusions that none of the money that we loaned abroad came back to us and was for our good. How did nations abroad buy $6 billion worth of goods from us more than they sold to us, if we did not lend them any money?

I am glad that the Senator's committee will go into that. The Committee on Banking and Currency will have its hands full with another phase of the balance-of-payments problem. We shall apply what I call an aspirin tablet to sort of ease the pain and take off part of the gold coverage.

The distinguished senior Senator from Illinois [Mr. DOUGLAS] wants to take it all off. But the disease will still be there, because we are sending abroad in foreign aid, military expenditures, and what not, more dollars than we are getting back in goods.

But when the Senator from Tennessee starts his hearings to cut off all of these loans, he will receive testimony from at least one big New York bank that between 80 and 90 percent of those loans to foreigners has come back to us in orders for goods.

We must figure out how much we are going to cut the trade. We cannot have it both ways. We cannot vote a $6 billion surplus in what they are buying from us and then cut off what they are going to buy with.

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

Mr. ROBERTSON. I yield.

Mr. GORE. The Senator may have misunderstood my remarks.

I was not in any sense referring to loans by the Export-Import Bank. I was in no sense referring to that category of loans. I am referring to investment of capital abroad, which is accomplished through commercial bank loans. The problem was thoroughly debated a year ago. Fortunately, Congress acted. I am only asking now that the President invoke the standby authority which Congress has already vested in him to meet the kind of situation that now prevails.

Mr. ROBERTSON. I was referring to the commercial loans, not the loans to the Export-Import Bank. The commercial loans are coming back to us. I know of at least one big bank in New York that claims that a large percentage of those loans has come back to us in orders for goods.

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

Mr. ROBERTSON. I yield.

Mr. GORE. I have not talked with representatives of a big bank in New York. But I do know that the provision which I offered last year, which the Senate agreed to, which Congress adopted, which the President signed into law, and which I now ask him to invoke, provided a specific exemption to export-related loans, so that my distinguished friend has misconstrued the situation.

Mr. ROBERTSON. We cannot settle it tonight. Really, it did not have any urgent place in the discussion of this matter.

Mr. JAVITS subsequently said: Mr. President, I shall be brief. To ask Senators to restrain themselves and then to drop a bomb on the floor and ask them to let it lie because it is too late in the day is asking too much. The Senator has referred to the President and the Secretary of the Treasury immediately invoking the powers of the Gore amendment.

I say the President would be unwise and it would be mischievous on the American economy to do so without at least having hearings by the Finance Committee. This country is a great giant, which sustains the world's economy. Fifty percent of the world's productive capacity is here. When a rope is tied on a giant, he is going to burst out in another direction. If too much pressure is put on him, he will break through and take the roof with him.

I hope the President and the Secretary of the Treasury will stop, look, and listen before they jump on this one.

Mr. CLARK. Mr. President——

Mr. KUCHEL. Mr. President, will the Senator from Pennsylvania yield, so that there may be a third reading of the pending bill, on the way to final passage?

Mr. CLARK. Mr. President, I ask unanimous consent that I may yield for the purpose of third reading, without losing my right to the floor.

WATER QUALITY ACT OF 1965

The Senate resumed the consideration of the bill S. 4, to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishing of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes.

The VICE PRESIDENT. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read a third time.

Mr. CLARK. Mr. President, may I say that the proceedings of the past 20 minutes make it abundantly clear that we need a more rigorous rule of germaneness in this Chamber than at present. Many Senators are sitting around, waiting to go home. I have already missed two airplanes, and I am about to miss a third plane. The entire matter that has been under discussion has had nothing to do with the bill.

I would like to ask the Senator from Maine a question which is pertinent to the bill.

Mr. MUSKIE. I should be glad to answer it.

Mr. CLARK. The Senator knows that one of the witnesses who appeared before the committee was Mr. James Wright, executive director of the Delaware River Basin Commission. Mr. Wright requested the committee to insert a provision in the bill to make it clear that the Secretary of Health, Education, and Welfare was not authorized to promulgate standards applicable within a river basin which is under the jurisdiction of a Federal-interstate agency created by a compact to which the United States is a signatory party and vested with the authority to set and enforce water quality standards for such basin.

The proposed amendment appears on page 90 of the hearings. Mr. Wright gave four rather cogent reasons as to why that amendment should be adopted. The committee, in its wisdom, declined to adopt that amendment. However, in the report—and it appears on page 10—the statement is made:

> Where the Congress has established multi-State compacts such as the Delaware River Basin compact with authority to establish standards of water quality it is not the intent of the committee that the Secretary's authority supplant that of the compact commission. Rather the authority in this measure to set standards should be held in reserve, for use only if the commission fails in its responsibilities.

I ask the Senator from Maine whether it is not clear, and can we not make it

clear as a matter of legislative history, that the Interstate-Federal Delaware River Basin Commission, created pursuant to an interstate compact, in which the four States of New York, New Jersey, Pennsylvania, and Delaware joined, is free under this act, as it was before, to move ahead with all the authority given it by the interstate compact, to set its own standards?

Mr. MUSKIE. The Senator is correct.

Mr. CLARK. May I ask also whether the only way in which the bill would affect that authority would be if, in the opinion of the Secretary of Health, Education, and Welfare, the Delaware River Basin Commission was derelict in its duties in setting standards, then the Secretary of Health, Education, and Welfare could, under this bill, move in and set his own standards?

Mr. MUSKIE. The Senator is correct.

Mr. CLARK. Mr. President, the Delaware River Basin Commission serves the Department of the Interior of the Federal Government. I wonder whether the Senator would take any exception to my comment that it would be an unusual case in which the Secretary of Health, Education, and Welfare would intervene to supersede the Secretary of the Interior, representing the Federal Government, or an interstate commission, unless the State members of that commission had gone against the strong desires of the Secretary of the Interior?

Mr. MUSKIE. I think it is a fair comment. I think it would be useful also for me to say that throughout S. 4, as in the Federal Water Pollution Control Act, there is a clear intention that primary responsibility for dealing with the problem shall rest at the State and local level, and that the purpose of the bill is to provide incentive, proper safeguards, and protection, and to stimulate action in this field, so that agencies, like the Chesapeake Bay Agency, are clearly vested with the primary and fixed responsibility of exercising initiative in this field.

Mr. CLARK. Mr. President, there is no intention to have the Federal Government, acting through the Secretary of Health, Education, and Welfare, supersede the existing State and Federal agency, created by Congress.

Mr. MUSKIE. No.

THE BALANCE-OF-PAYMENTS PROBLEM

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

Mr. CLARK. I yield. I have the floor, but I think the Senator from Tennessee wants to take exception to what I said.

Mr. GORE. Mr. President, since the distinguished senior Senator from Pennsylvania himself spoke out of context in the current debate, by making reference to Senate rules by way of leveling a criticism at the senior Senator from Tennessee, I do ask him to yield very briefly.

It so happens that the senior Senator from Tennessee thinks there are few problems which face the country and Congress that are of greater importance than the balance of payments and the outflow of capital. In the fourth quarter of 1964 it reached dangerous proportions, if not disastrous proportions.

I believe that it is as much a duty of a Senator to call the attention of the Senate to this problem as it is for the senior Senator from Pennsylvania to catch a plane to some place at 5:30.

I suggest to the Senator that when the time has come that a Senator cannot use 5 minutes to call attention to a problem as serious as the balance-of-payments problem, which threatens our very position in international economics and the well-being of our domestic economy, without having one of his friends level a barb at him, then I say it is time for the Senator who so deports himself to catch his plane or train.

WATER QUALITY ACT OF 1965

The Senate resumed the consideration of the bill S. 4, to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishing of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes.

Mr. CLARK. Mr. President, in view of the fact that I know practically every Member of the Senate desires to vote and go home, I yield the floor.

The VICE PRESIDENT. The Senator from Ohio is recognized.

Mr. LAUSCHE. Mr. President, I want to pose a question of the Senator from Maine, concerning the thoughts expressed by the Senator from Pennsylvania.

I am sure the Senators from West Virginia and Virginia and all the States in the Ohio River sanitation compact are interested in what the answer of the Senator from Maine will be to my question. The signatories to the Ohio River sanitation compact are all of the States in the Ohio River Basin. The U.S. Government is also a signatory. That sanitation compact has done an extraordinary job in eliminating pollution in the basin.

Following the thought expressed by the Senator from Pennsylvania, my question is, Will the Ohio Valley sanitation compact be permitted to go forward with the elimination of the problem that is involved in the bill pending before the Senate without interruption from the Secretary of Health, Education, and Welfare except when the compact signatories fail to perform their duty?

Mr. MUSKIE. That is my understanding.

Mr. LAUSCHE. And is the answer of the Senator from Maine to my question identical with the answer given to the Senator from Pennsylvania?

Mr. MUSKIE. The only reservation I make is that I do not know the charter of the Ohio River Basin compact, but if the situation is the same, the answer is the same.

Mr. LAUSCHE. I assume, considering the States involved, the purpose is the same—to create an agency dealing with waters that cross State lines. It is that individual States having no jurisdiction over the waters that are beyond the State lines may create a regional compact.

Mr. MUSKIE. Yes.

Mr. HRUSKA. Mr. President, the Department of Health of the State of Nebraska sent me a copy of a letter dated January 20, 1965, addressed to the Honorable EDMUND S. MUSKIE, chairman of the Special Subcommittee on Air and Water Pollution, and signed by Dr. E. A. Rogers, director of health, in which it is stated that the board is unanimously opposed to S. 4.

I ask unanimous consent that the letter be inserted at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HRUSKA. Mr. President, it is my intention to vote against this bill, not only for the reasons expressed so well in the letter, but also because of the fact that the Cooper amendment was rejected by the Senate, which is highly essential to a meaningful and wise bill.

STATE OF NEBRASKA,
DEPARTMENT OF HEALTH,
Lincoln, Nebr., January 20, 1965.

HON. EDMUND S. MUSKIE,
Chairman, Special Subcommittee on Air and Water Pollution, U.S. Senate, Washington, D.C.

DEAR SENATOR MUSKIE: Information has been submitted to us that you and several of your associates have introduced a water pollution bill identified as S. 4, similar to the bill S. 649 of the last Congress.

The water pollution control program in Nebraska is proceeding at a favorable rate, and is meeting current conditions to the satisfaction of both water users and those persons who are abating pollution by the construction of waste water treating plants to serve municipal and industrial wastes. At the present time there are approximately 30 sewer outlets that are discharging into Nebraska waters without treatment, and we have assurance from the municipal officials of these communities that they will attempt to meet our target date of July 1, 1966, at which time all wastes will be treated.

At the same time we have enjoyed a pleasant relationship with industry in the treatment of their wastes to such degree that no major source of industrial waste is now being discharged without treatment.

We are, therefore, fearful of any changes to the Federal Water Pollution Control Act that will change the program that is so well known to Nebraska citizens, and that is progressing in a satisfactory manner.

We are especially concerned over the creation of a Federal Water Pollution Control Administration which will administer comprehensive programs, interstate cooperation and uniform laws, enforcement measures, and pollution from Federal installations. We realize that these are all important sections of the Water Pollution Control Act, but we are of the opinion that the progress that we have made in the last several years is justification for maintaining the current program, and that any changes will, of course, create new methods of administration, a loss of communication between the various municipalities, industries, and State and Federal regulatory agencies, and even set up different means of procedures, all of which will tend to delay the ultimate goal of stream pollution abatement.

The Nebraska Water Pollution Control Council has adopted water quality standards, a copy of which is enclosed. These

standards are being used continuously, are accepted, and, again, we are fearful that if Federal water quality standards are set up which might be inconsistent with our State standards, a delay during debate and explanation will ensue.

The Nebraska State Board of Health, at its January 18 meeting, considered the new water pollution bill and is of the opinion that the operations of Public Law 660, with its amendments, has been a great benefit to Nebraska citizens in the various details of administration, especially the Federal grants to municipalities.

The board is unanimously opposed to the creation of a new Federal Water Pollution Control Administration, and the preparation and adoption of regulations on standards of water quality, interstate streams, or portions thereof.

Yours truly,

E. A. ROGERS, M.D., M.P.H.,
Director of Health,
Secretary to the Board.

Mr. ROBERTSON. Mr. President, no Member of this body is more interested in clear water, either from the standpoint of health or recreation, than is the Senator from Virginia. No one has been more active in that field. Over 40 years ago I organized an anti-water-pollution commission to try to clean up the streams in the State, but I think this effort should be controlled by the States. I supported the Ohio Valley Compact, but that was under our control. I have supported research. I would gladly vote for the bill if it provided for research and for advice of Federal officials, but I would not want them to be able to put a small town out of "business" because it had a papermill located there or because they were not satisfied with what they were doing. If we had adopted the Tower amendment, Federal officials could give research and advice, but the final action would be for the States, and I would have voted for the bill. But I am not voting to put Virginia under direct Federal control.

Mr. DODD. Mr. President, I am delighted by the speed with which the Senate Public Works Committee has acted in reporting S. 4, the water pollution control bill.

The Senate passed essentially this same measure in 1963 by a vote of 69 to 11, but the bill died in the House when Congress adjourned last October.

Since water pollution is of increasing rather than diminishing national concern, I hope that we will now see prompt action by both Houses in rising to meet this problem head on.

No nation has ever risen to prominence, ever built a complex agricultural and industrial economy, or ever adequately fed its people without a plentiful supply of water. Indeed, wars have even been fought over this most precious of our natural resources.

Our country has been generously endowed with great rivers, lakes, streams, harbors, and a plentiful rainfall. Yet today we are faced with a serious crisis in regard to our water supply.

The problem itself is essentially a simple one: while our water supply remains basically constant, our needs and demands are increasing very rapidly year by year. It is estimated that in the near future our daily industrial, domestic, and other needs will exceed the greatest amount of water we can ever hope to make available through modern engineering and technology. This necessarily means that we must be able to use each gallon of water more than once. The present efforts to develop an effective and efficient means of desalinating sea water also point to the fact that in the future we must be able to turn to an additional source of supply.

While this constructive work is underway, the supply of water on which we now rely has become subject to many varied and serious forms of pollution. Municipal and industrial organic wastes, pesticides and toxic chemicals, infectious agents, sediments, and radioactive pollution are being discharged into our waterways. These contaminants reduce the quality of our water, making it often unsuitable for reuse, and create a nuisance and a menace to health.

We now recognize water pollution as a serious national problem and have instituted programs of prevention and control. The 1956 Water Pollution Control Act and the 1961 amendments have given important impetus to action by all levels of government, and to cooperation between communities, States, and the Federal Government to combat pollution.

Nonetheless, in looking at our waterways across the country, it is evident that our efforts have not kept pace with the growing pollution problem.

One does not have to venture far here in Washintgon to find visible evidence of this. The beautiful Potomac River, winding through some of the most scenic countryside in the Nation, presents one of our most shameful and serious examples of this problem.

My own State of Connecticut has scenic lakes and rivers which are an integral and necessary part of our industrial complex. But here too we are plagued by pollution problems, even though programs of prevention and control have been established and in operation for some time.

Many people write to me about this, and I often see similar pleas in letters to the editors of our many newspapers—"Please do something to help clean up our rivers and streams and stop this shameful waste."

Pollution affects industry, urban and rural residential areas, sports and recreation areas, and the health and beauty of the Nation. It is imperative that greater steps be taken to expand the existing pollution control program and to prevent further contamination.

There are these three main aspects of pollution control which must be given serious nationwide attention. We need, first, more funds for the construction of new waste treatment facilities and the modernization of old systems; second, more intensive research into the effective treatment of new contaminants, those undesirable byproducts of our continuing technical progress; and, third, more effective administration and application of enforcement programs to control pollution.

This bill now before us would create a Federal Water Pollution Control Administration in the Department of Health, Education, and Welfare, thus providing a broader base and a national scope to the pollution control program.

It would increase the Federal grants for research and development of new sewage treatment facilities, and increase the construction grants to individuals and municipal areas. These additional funds would provide the necessary stimulus for more intensive efforts by businesses, individuals, and State and local governments in coping with the problem.

The bill would also provide procedures for establishing quality standards for interstate waters, and would authorize certain abatement action when the shellfish industry suffers economic injury due to water pollution.

The water pollution problem, in the last analysis, must be dealt with locally. But it is evident that the seriousness of the situation and the size and expense of the project ahead demand national attention. The Federal Government must expand its efforts, must bear a greater portion of the costs than before, and must be in a position to coordinate all of the work and research in this area.

This bill before us today is one of the most important and far reaching water pollution proposals ever considered by Congress.

I hope and expect that it will receive overwhelming approval by the Senate, and that through greater authority for the Federal Government to set and enforce standards, through increased grants and assistance, and through continued and improved local, State, and Federal cooperation we will be able to combat more successfully water pollution and assure this country an ample supply of clean water for the future.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HICKENLOOPER (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished Senator from Massachusetts [Mr. KENNEDY]. If he were present and voting he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from Montana [Mr. METCALF], the Senator from Florida [Mr. SMATHERS], the Senator from Georgia [Mr. TALMADGE], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON], and the Senator from South Dakota [Mr. MCGOVERN], are absent because of illness.

I further announce that Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from New York [Mr. KENNEDY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah

[Mr. Moss], and the Senator from Connecticut [Mr. RIBICOFF], are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Washington [Mr. MAGNUSON], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Montana [Mr. METCALF], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. Moss], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Georgia [Mr. TALMADGE] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Kansas [Mr. CARLSON], the Senator from Idaho [Mr. JORDAN], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

The Senator from Kansas [Mr. PEARSON] and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

The Senator from Delaware [Mr. WILLIAMS] is detained on official business. If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Kansas [Mr. CARLSON], the Senator from Idaho [Mr. JORDAN], the Senator from Kansas [Mr. PEARSON], the Senator from Vermont [Mr. PROUTY], the Senator from South Carolina [Mr. THURMOND], and the Senator from Delaware [Mr. WILLIAMS] would each vote "yea."

The result was announced—yeas 68, nays 8, as follows:

[No. 9 Leg.]

YEAS—68

Aiken	Gore	Montoya
Anderson	Harris	Morse
Bartlett	Hart	Morton
Bass	Hartke	Mundt
Bayh	Hill	Murphy
Bible	Holland	Muskie
Boggs	Inouye	Nelson
Brewster	Jackson	Neuberger
Burdick	Javits	Pastore
Byrd, W. Va.	Jordan, N.C.	Pell
Cannon	Kennedy, N.Y.	Proxmire
Case	Kuchel	Randolph
Church	Lausche	Saltonstall
Clark	Long, Mo.	Scott
Cotton	Long, La.	Smith
Dirksen	Mansfield	Sparkman
Dodd	McCarthy	Symington
Dominick	McClellan	Tydings
Douglas	McGee	Williams, N.J.
Ellender	McIntyre	Yarborough
Ervin	McNamara	Young, N. Dak.
Fannin	Miller	Young, Ohio
Fong	Mondale	

NAYS—8

Bennett	Hruska	Stennis
Cooper	Robertson	Tower
Curtis	Simpson	

NOT VOTING—24

Allott	Johnston	Pearson
Byrd, Va.	Jordan, Idaho	Prouty
Carlson	Kennedy, Mass.	Ribicoff
Eastland	Magnuson	Russell
Fulbright	McGovern	Smathers
Gruening	Metcalf	Talmadge
Hayden	Monroney	Thurmond
Hickenlooper	Moss	Williams, Del.

So the bill (S. 4) was passed.

Mr. MUSKIE. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

Mr. MUSKIE. Mr. President, I ask unanimous consent that S. 4 as passed by the Senate be printed.

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

TRIBUTE TO SENATOR MUSKIE

Mr. MORSE subsequently said: Mr. President, I wish to express my appreciation and thanks to the Senator from Maine [Mr. MUSKIE] for the very able leadership he provided in the handling and the passage of the Water Quality Act of 1965.

APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 7, S. 3.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments.

Mr. MANSFIELD. I assure the Senate that no votes will be taken on this bill tonight.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to inquire of the majority leader as to the schedule for tomorrow, and the schedule for Monday and Tuesday, if possible.

Mr. MANSFIELD. After consulting with as many Senators as we could, the leadership wishes to inform the Senate that the business tomorrow will be the Appalachia bill. We hope later this evening, and very shortly, to take up S. 408, in which the Senators from Alaska and New Jersey are interested.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 11 o'clock tomorrow morning.

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

WAIVER OF RULE XII

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the provision of rule XII, providing for a quorum call prior to the propounding of a unanimous-consent request be waived.

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

UNANIMOUS-CONSENT AGREEMENT FOR VOTE ON PASSAGE OF S. 3, APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on final passage of S. 3, the Appalachia bill, be taken at 3 p.m. on Monday next.

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

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That the Senate vote on final passage of the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region, at 3 p.m. on Monday, February 1, 1965.

Mr. LAUSCHE. Mr. President, I shall wish to have at least 1 hour on the Appalachia bill in the presentation of an amendment.

Mr. MANSFIELD. Without question the Senator will have that time.

Mr. LAUSCHE. I wish to be assured that I shall have that time provided for me even thought the unanimous consent has been entered.

Mr. MANSFIELD. I say without qualification that the distinguished Senator from Ohio will have an hour or longer tomorrow, if he wishes.

Mr. LAUSCHE. I thank the majority leader.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, after we have disposed of the Appalachia bill, it is our intention to bring up the Coffee Agreement.

Furthermore, shortly thereafter we will bring up the nomination of Mr. Driver to be Administrator of the Veterans' Administration.

I assume also that next week some of the money resolutions for committees will be reported by the Committee on Rules and Administration.

The distinguished senior Senator from Louisiana [Mr. ELLENDER] will receive ample notice. I am sure that the Senate will debate these resolutions at some length.

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished majority leader with respect to amendments that may be offered on Friday, and whether votes on those amendments can be put over until Monday.

Mr. MANSFIELD. We will give that every consideration, if a rollcall vote is demanded.

Mr. HRUSKA. Mr. President, I have an amendment which will take a minimum of an hour to consider. I should like to reserve time on the same basis that was extended to the Senator from Ohio [Mr. LAUSCHE].

Mr. MANSFIELD. I hope the Senator will offer it tomorrow, so that we may get going on it.

Mr. HRUSKA. I have offered it today, and it will be ready for debate tomorrow. I am talking about the time for a vote on it.

Mr. MANSFIELD. I appreciate that.

Mr. COTTON. Mr. President, the Senator from New Hampshire is a little disturbed. He recognizes, of course, the position in which the majority leader finds himself and the problems he must handle. He is always accommodating. However, he leaves us in the air a little because he has indicated that consideration will be given to votes on amendments. We could easily have half a dozen votes on amendments late tomorrow. While he has been very considerate in putting over until Monday the vote on the passage of the bill, I am wondering if he can give us a little more indication of his feelings about votes on amendments.

Mr. MANSFIELD. There is no reason why the Senate cannot vote on amendments tomorrow, and we will do our best to do so. However, if any Senator feels he is being inconvenienced by having a vote tomorrow, we shall try to arrive at an agreement to vote at a time certain on Monday.

Mr. COTTON. The Senator from New Hampshire does not wish to put his own convenience ahead of the convenience of the Senate, but ordinarily at this time in the session it is safe to make speaking engagements for Saturday.

Mr. MANSFIELD. It is.

Mr. COTTON. My colleague from New Hampshire [Mr. McINTYRE] and I have an engagement to address the New Hampshire Bar Association at noon on Saturday. To do so we must leave late in the afternoon tomorrow. I should not like to be caught and lose votes on my amendment, particularly in view of the fact that I have received information that one of those amendments will concern the interests of New England.

Mr. MANSFIELD. We will do our best to see that the Senator from New Hampshire is not caught, and we wish him and his colleague well in their speeches before the New Hampshire Bar Association.

Mr. COTTON. I thank the distinguished majority leader.

ADELA INVESTMENT CO.

Mr. JAVITS. Mr. President, I wish to call the attention of the Senate to the Adela Investment Co., which was launched in 1962 by the Economic Committee of the NATO Parliamentarians' Conference, of which I have been chairman for many years, and with the great aid of the then Senator, now Vice President HUBERT HUMPHREY.

The company held its first board of directors meeting in Paris on September 30, 1964, selected its officers, and announced that more than $16 million has already been subscribed. Today, Adela's capital subscriptions have risen to $31 million, with $13 million subscribed by U.S. firms, $3 million each by Canadian and Spanish firms, $2.5 million by Swedish corporations, and $2.1 million by Swiss companies, with lesser subscriptions by corporations and banks from 12 other nations. Adela's 54-member corporations today include companies from Belgium, Denmark, Finland, West Germany, Italy, Japan, Luxembourg, the Netherlands, Norway, Spain, Sweden, Switzerland, Britain, Canada, and the United States.

At its January 22 meeting in Brussels representatives of firms associated with the Adela effort met to organize an international program of private financial and technical assistance for Latin America. The company already received more than 50 requests for investment or technical cooperation. One investment, totaling $500,000 in a Colombian steel plant, has already been approved.

The significance of the Adela Investment Co. stems from the fact that it is the first major effort of leading elements of private business and banking in Europe, the United States, and Latin America, to come to the aid of the private enterprise system in a vitally important underdeveloped area of the world, Latin America. It signals a partnership between private enterprise of the industrially developed and the underdeveloped world which, I am convinced, holds within itself, the key to success of the free world.

I ask unanimous consent that the report on its meeting in Brussels, as published in the New York Times, be made a part of my remarks.

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

[From the New York Times, Jan. 23, 1965]

PRIVATE AID GROUP MAPS LATIN LOANS: BUSINESS LEADERS MEET IN BRUSSELS TO PLAN GLOBAL INVESTMENT PROGRAM

(By Edward T. O'Toole)

BRUSSELS, January 22.—Leading industrialists and bankers of the non-Communist world met here today to organize an international program of private financial and technical assistance for Latin America.

Representatives of 121 bluechip corporations in North America, Western Europe and Japan began a 2-day review of more than 50 requests for financial assistance that have been submitted by Latin-American enterprises since last September.

The aid requests cover proposed projects that will require hundreds of millions of dollars in new investment capital.

Last fall, the business and financial communities of most major industrialized nations joined forces to create a new private investment group known as Adela. The name is an acronym for the Atlantic Community Development Group for Latin America. The group's goal is to promote the flow of private investment capital into Latin America.

CONCERNS FROM 15 NATIONS

Business and banks from 15 nations were represented at today's meeting here at the head offices of Petrofina, the big Belgian petroleum company.

Besides Belgian corporations, Adela's 54 members include companies in Denmark, Finland, West Germany, Italy, Japan Luxembourg, the Netherlands, Norway, Spain, Sweden, Switzerland, Britain, Canada, and the United States.

The list of Adela members reads like a "Who's Who" of world business. Total assets of the members exceed $200 billion.

To date, Adela's capital subscriptions total $31.15 million. The authorized initial capitalization is $40 million. Capital contributions at present are limited to a maximum of $500,000 and a minimum of $100,000 for each member.

PROVISIONS FOR EXPANSION

Provision was made in Adela's corporate charter for expanding the initial capitalization as the circumstances might dictate. Adela, whose administrative offices are in Zurich, Switzerland, and Lima, Peru, was incorporated as the Adela Investment Co. in Luxembourg last September 24.

The chairman of the new private investment company is Marcus Wallenberg, vice chairman of the Stockholms Enskilda Bank of Sweden. Vice chairman is Howard C. Petersen, president of the Fidelity-Philadelphia Trust Co. Both were elected today to the executive committee.

Fourteen additional members of the executive committee also were elected. United States committee members include:

Emilio G. Collado, a vice president of the Standard Oil Co. (New Jersey); William Blackie, president of the Caterpillar Tractor Co.; David M. Kennedy, representing the Continental International Finance Corp., overseas investing subsidiary of the Continental Illinois National Bank & Trust Co. of Chicago, of which he is chairman, and George S. Moore, of the First National City Overseas Investment Corp., the foreign investment arm of the First National City Bank of New York.

Capital subscriptions from the United States total $13.25 million, which is the biggest national subscription. Spanish and Canadian companies are next with $3 million in subscriptions from each, followed by Swedish corporations with $2.5 million and Swiss corporations with $2.1 million.

Mr. Moore, who is president of the First National City Bank, during a breakfast interview this morning said that Adela already had approved a $500,000 participation in a new $10 million steel plant in Colombia.

He indicated that many more participations will be approved now that Adela has been officially organized.

"While we are prepared to put Adela funds into any worthwhile Latin American enterprise," Mr. Moore said, "an equally important result should be the stimulative effect each Adela investment will have on Latin American investment capital."

He added that Adela would cooperate with Latin American entrepreneurs and with national and international industrial, banking, and financial institutions in projects that promised to be useful and significant for the economic development of Latin American countries.

Mr. Moore commented, "Of course, Adela investments will be business investments, not charitable gifts. Therefore, we will tend to favor those countries where the investment climate is hospitable and where there is reasonable stability."

He said potential Adela investments were now being considered in Brazil, Chile, Colombia, Peru, Mexico, and several other Latin American nations.

Basic to the Adela investment philosophy is the goal that local capital complement any investment made by the group.

Mr. JAVITS. Mr. President, we have every reason to be proud of the initiative, and welcome the assistance which our friends abroad are prepared to give American private enterprise in connection with the acceleration of the objectives of the Alliance for Progress.

A STUDY OF METHODS TO PROVIDE FINANCIAL ASSISTANCE TO VICTIMS OF FUTURE FLOOD DISASTERS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 3, the Appalachia bill, be temporarily laid aside, and that the Senate proceed to the consideration of Calendar 4, S. 408.

The PRESIDING OFFICER (Mr. BASS in the chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 408) to authorize a study of methods of helping to provide financial assistance to victims of future flood disasters.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Banking and Currency with amendments.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Ratchford, one of his secretaries.

SUCCESSION TO THE PRESIDENCY AND VICE PRESIDENCY, AND PRESIDENTIAL INABILITY—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was referred to the Committee on the Judiciary:

To the Congress of the United States:

In 1787, Benjamin Franklin remarked near the conclusion of the Constitutional Convention at Philadelphia, "It astonishes me, sir, to find this system approaching so near to perfection as it does."

One hundred and seventy-eight years later the relevance of that Constitution of 1789 to our society of 1965 is remarkable. Yet it is truly astonishing that, over this span, we have neither perfected the provisions for orderly continuity in the Executive direction of our system nor, as yet, paid the price our continuing inaction so clearly invites and so recklessly risks.

I refer, of course, to three conspicuous and long-recognized defects in the Constitution relating to the office of the Presidency:

1. The lack of a constitutional provision assuring the orderly discharge of the powers and duties of the President—Commander in Chief—in the event of the disability or incapacity of the incumbent.

2. The lack of a constitutional provision assuring continuity in the office of the Vice President, an office which itself is provided within our system for the primary purpose of assuring continuity.

3. The lack of a constitutional provision assuring that the votes of electors in the electoral college shall without question reflect the expressed will of the people in the actual election of their President and Vice President.

Over the years, as I have noted, we have escaped the michief these obvious omissions invite and permit. Our escape has been more the result of providence than of any prudence on our part. For it is not necessary to conjure the nightmare of nuclear holocaust or other national catastrophe to identify these omissions as chasms of chaos into which normal human frailties might plunge us at any time.

On at least two occasions in our history, and perhaps others, American Presidents—James Garfield and Woodrow Wilson—have for prolonged periods been rendered incapable of discharging their Presidential duties. On 16 occasions in our 36 administrations, the office of Vice President has been vacant—and over the two perilous decades since the end of the Second World War, that vital office has been vacant the equivalent of 1 year out of 4. Finally, over recent years, complex but concerted campaigns have been openly undertaken—fortunately without success, as yet—to subvert the electoral college so that it would register not the will of the people of individual States but, rather, the wishes of the electors themselves.

The potential of paralysis implicit in these conditions constitutes an indefensible folly for our responsible society in these times. Commonsense impels, duty requires us to act—and to act now—without further delay.

Action is in the tradition of our forebears: Since adoption of the Bill of Rights—the first 10 amendments to our Constitution—9 of the 14 subsequent amendments have related directly either to the offices of the Presidency and Vice-Presidency or to assuring the responsiveness of our voting processes to the will of the people. As long ago as 1804 and as recently as 1964, Americans have amended their Constitution in striving for its greater perfection in these most sensitive and critical areas.

I believe it is the strong and overriding will of the people today that we should act now to eliminate these unhappy possibilities inherent in our system as it now exists. Likewise, I believe it is the consensus of an overwhelming majority of the Congress—without thought of partisanship—that effective action be taken promptly. I am, accordingly, addressing this communication to both Houses to ask that this prevailing will be translated into action which would permit the people, through the process of constitutional amendment, to overcome these omissions so clearly evident in our system.

I. PRESIDENTIAL INABILITY

Our Constitution clearly prescribes the order of procedure for assuring continuity in the office of the Presidency in the event of the death of the incumbent. These provisions have met their tragic tests successfully. Our system, unlike many others, has never experienced the catastrophe of disputed succession or the chaos of uncertain command.

Our stability is, nonetheless, more superficial than sure. While we are prepared for the possibility of a President's death, we are all but defenseless against the probability of a President's incapacity by injury, illness, senility, or other affliction. A nation bearing the responsibilities we are privileged to bear for our own security—and the security of the free world—cannot justify the appalling gamble of entrusting its security to the immobilized hands or uncomprehending mind of a Commander in Chief unable to command.

On September 29, 1964, the Senate passed Senate Joint Resolution 139, proposing a constitutional amendment to deal with this perplexing question of Presidential disability—as well as the question, which I shall discuss below, of filling vacancies in the office of Vice President. The same measure has been introduced in this Congress as Senate Joint Resolution 1 and House Joint Resolution 1. The provisions of these measures have been carefully considered and are the product of many of our finest constitutional and legal minds. Believing, as I do, that Senate Joint Resolution 1 and House Joint Resolution 1 would responsibly meet the pressing need I have outlined, I urge the Congress to approve them forthwith for submission to ratification by the States.

II. VACANCY IN THE OFFICE OF THE VICE PRESIDENT

Indelible personal experience has impressed upon me the indisputable logic and imperative necessity of assuring that the second office of our system shall, like the first office, be at all times occupied by an incumbent who is able and who is ready to assume the powers and duties of the Chief Executive and Commander in Chief.

In our history, to this point, the office of the Presidency has never devolved below the first clearly prescribed step of constitutional succession. In moments of need, there has always been a Vice President, yet Vice Presidents are no less mortal than Presidents. Seven men have died in the office and one has resigned—in addition to the eight who left the office vacant to succeed to the Presidency.

We recognized long ago the necessity of assuring automatic succession in the absence of a Vice President. Various statutes have been enacted at various times prescribing orders of succession from among either the presiding officers of the Houses of Congress or the heads of executive departments who, together comprise the traditional Cabinet of the President. In these times, such orders of succession are no substitute for an office of succession.

Since the last order of succession was prescribed by the Congress in 1947, the office of the Vice-Presidency has undergone the most significant transformation and enlargement of duties in its history.

Presidents Truman, Eisenhower, and Kennedy have successively expanded the role of the Vice President, even as I expect to do in this administration.

Once only an appendage, the office of Vice President is an integral part of the chain of command and its occupancy on a full-time basis is imperative.

For this reason, I most strongly endorse the objective of both Senate Joint Resolution 1 and House Joint Resolution 1 in providing that whenever there is a vacancy in the office of Vice President, provision shall exist for that office to be filled with a person qualified to succeed to the Presidency.

III. REFORM OF THE ELECTORAL COLLEGE SYSTEM

We believe that the people should elect their President and Vice President. One of the earliest amendments to our Constitution was submitted and ratified in

response to the unhappy experience of an electoral college stalemate which jeopardized this principle. Today there lurks in the electoral college system the ever-present possibility that electors may substitute their own will for the will of the people. I believe that possibility should be foreclosed.

Our present system of computing and awarding electoral votes by States is an essential counterpart of our Federal system and the provisions of our Constitution which recognize and maintain our Nation as a union of States. It supports the two party system which has served our Nation well. I believe this system should be retained. But it is imperative that the electoral votes of a State be cast for those persons who receive the greatest number of votes for President and Vice President—and for no one else.

At the same time, I believe we should eliminate the omission in our present system which leaves the continuity of the offices of President and Vice President unprotected if the persons receiving a majority of the electoral votes for either or both of these offices should die after the election in November and before the inauguration of the President.

Electors are now legally free to choose the President without regard to the outcome of the election. I believe that if the President-elect dies under these circumstances, our laws should provide that the Vice-President-elect should become President when the new term begins. Conversely, if death should come to the Vice-President-elect during this interim, I believe the President-elect should, upon taking office, be required to follow the procedures otherwise prescribed for filling the unexpired term of the Vice President. If both should die or become unable to serve in this interim, I believe the Congress should be made responsible for providing the method of selecting officials for both positions. I am transmitting herewith a draft amendment to the Constitution to resolve these problems.

Favorable action by the Congress on the measures here recommended will, I believe, assure the orderly continuity in the Presidency that is imperative to the success and stability of our system. Action on these measures now will allay future anxiety among our own people—and among the peoples of the world—in the event senseless tragedy or unforeseeable disability should strike again at either or both of the principal offices of our constitutional system. If we act now, without undue delay, we shall have moved closer to achieving perfection of the great constitutional document on which the strength and success of our system have rested for nearly two centuries.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 28, 1965.*

COMMENTS ON THE MESSAGE

Mr. BAYH. Mr. President, I should like to call the attention of the Senate to the very pointed message which we have just received from the President of the United States, in which he very capably, as is typical of him, points out the great need of dealing with problems which have existed in this country for almost two centuries so far as continuity in the executive arm of our Government is concerned.

He dealt with three major areas: First, the area which has been frequently discussed on the floor of the Senate—the area of Presidential inability; second, the need to provide some continuity in the office of Vice President; third, the need to deal with the whole area of electoral college reform, and to deal with the problem which would be presented if the President or the Vice President died after being elected and prior to being sworn into office.

I should like particularly to call to Senators' attention the strong support which the President of the United States gave to Senate Joint Resolution 1, which is cosponsored by 75 of my colleagues, on which we are holding hearings tomorrow, and which I hope can be quickly sent to the floor of the Senate and acted upon again as it was in the last session, when it was passed 65 to 0. I hope that we can get similar action by the House and then start the rather long journey of getting three-fourths of our State legislatures to ratify the amendment.

It is my hope that Senators will join me in their concern for the third part of the message dealing with the electoral college and the eventualities in case of the death of the President or Vice President after their having been elected and prior to their being sworn into office, and that they will be as cooperative as they have been in dealing wtih the first two parts. For that reason I shall ask them to join in the effort which I hope we can start in the next day or two.

STUDY OF METHODS TO PROVIDE FINANCIAL ASSISTANCE TO VICTIMS OF FUTURE FLOOD DISASTERS

The Senate resumed consideration of the bill (S. 408) to authorize a study of methods of helping to provide financial assistance to victims of future flood disasters.

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that the names of the Senator from Wyoming [Mr. McGEE], the Senator from Michigan [Mr. HART], the Senator from New York [Mr. JAVITS], and the Senator from Rhode Island [Mr. PELL] be added as cosponsors of the bill.

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

Mr. WILLIAMS of New Jersey. Those sponsors bring to a total of 26 the number of Senators who have cosponsored the proposed insurance study authorization, a bill that has been thoroughly considered on two prior occasions by the Senate and passed unanimously on both occasions.

The bill would authorize the Housing and Home Finance Agency to conduct a study of providing adequate insurance protection for the victims of flood and other natural disasters. As my colleagues well know, at this time there are no practical means available to private citizens for obtaining insurance against flood and water damage. The Congress has long recognized the necessity of filling this gap. In 1956, the Federal Flood Insurance Act established a program of Federal flood insurance in the HHFA. However, no funds were appropriated to carry out the purposes of the act, and since 1957 it has remained a dead letter.

Subsequently, the Senate twice passed bills similar to S. 408, calling for an HHFA study of various means of flood insurance. Neither bill was acted on by the House of Representatives.

Events of the past few years have only served to emphasize the need for this type of study, which would lead ultimately to an adequate and effective insurance program. In March of 1962, the east coast was severely battered by a winter gale, which caused millions of dollars of damage to public and private property. A little or none of this damage was covered by insurance. And 1964 was a year of severe hardship for citizens in many States. In March Alaska was ravaged by a violent earthquake which cost losses which have been estimated to run as high as half a billion dollars. Almost none of this staggering loss was covered by insurance. And the floods which swept across the Western States this fall caused nearly $600 million in uninsured damage. The need is clear. Some form of insurance can and must be found against this type of loss.

Federal emergency programs and small business disaster loans simply cannot do the task unaided. I am confident that the study authorized by this bill will produce an effective means of providing the needed insurance.

In committee, one significant change was made in this year's bill. The language of the bill was expanded to authorize the study of providing insurance not only against flood and water damage, but damage caused by other natural disasters. The specific intention of the committee was that the HHFA develop ways of insuring against earthquake losses. This language was added at the request of the Senators from Alaska [Mr. BARTLETT and Mr. GRUENING] and the Senator from Washington [Mr. JACKSON], who support this measure and have been most helpful in its preparation. It is my understanding that the earthquake study will require 3 years to complete. The bill as written would require that the HHFA submit a report not later than 9 months after its enactment. The Senator from Alaska [Mr. BARTLETT] will offer an amendment to allow a longer period of time for the submission of the earthquake study, and I am hopeful that the Senate will accept this useful amendment.

During committee deliberations, the Senator from Utah [Mr. BENNETT] suggested that the Administrator of the HHFA appoint an advisory committee, composed of representatives of the insurance industry and other interested parties to assist in developing means of insurance. In its report the committee has endorsed this most helpful suggestion, and it is my understanding that the Administrator would establish such a committee.

Mr. President, the importance of this study is demonstrated by the fact that

26 of my colleagues joined me in sponsoring this bill. It is my hope that speedy passage by the Senate will prompt equally swift action by the House. Surely, this study should be underway before this year, which will inevitably bring damaging floods and storms, is out.

Mr. BARTLETT. Mr. President, I should like to offer an amendment.

The PRESIDING OFFICER. The Chair would like to dispose of the committee amendments prior to the offer of the amendment by the Senator from Alaska. The first committee amendment will be stated.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc, and that the bill as thus amended be considered as new text.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the committee amendments were agreed to, as follows:

On page 1, line 6, after the word "flood", to insert "and other natural"; in line 7, after the word "Federal", to strike out "flood" and insert "disaster"; on page 2, line 9, after the word "of", to strike out "flood"; in line 15, after the word "initiating", to strike out "a flood"; and, in the same line, after the word "insurance", to strike out "program" and insert "programs"; so as to make the bill read:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Housing and Home Finance Administrator shall undertake an immediate study of alternative programs which could be established to help provide financial assistance to those suffering property losses in flood and other natural disasters, including alternative methods of Federal disaster insurance, as well as the existing flood insurance program, and shall report his findings and recommendations to the President for submission to the Congress not later than nine months after the enactment of this Act or the appropriation of funds for this study, whichever is later. The report shall include, among other things, an indication of the feasibility of each program studied, an estimate of its cost to the Federal Government and to property owners on the basis of reasonable assumptions, and the legal authority for State financial participation. With respect to each method of insurance considered, the report shall include an indication of the schedule of estimated rates adequate to pay all claims for probable losses over a reasonable period of years, the feasibility of Federal flood plain zoning for the purpose of selecting areas which may be excluded from insurance coverage, and the feasibility of initiating insurance programs on an experimental basis in designated pilot areas. There is hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act."

Mr. BARTLETT. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Alaska will be stated.

The LEGISLATIVE CLERK. On page 2, line 4, it is proposed to add the following:

Provided, however, That the findings and recommendations on earthquake insurance shall be reported to the President for submission to the Congress not later than three years after the enactment of this Act or the appropriation of funds for this study, whichever is later.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska. The amendment was agreed to.

Mr. YARBOROUGH. Mr. President, I congratulate the junior Senator from New Jersey in his efforts to breathe life into the Federal flood insurance law. I am happy to be a cosponsor of the bill with him.

In 1956 the Congress passed a law which would authorize Federal action to furnish flood insurance against damage from rising waters. That bill was enacted under the leadership of the senior Senator from Massachusetts [Mr. SALTONSTALL] and the then junior Senator from Massachusetts, the late John F. Kennedy. We have been unable, in any of the three succeeding Congresses, to implement that law. There have been objections by the Budget Bureau.

I have had conferences with representatives of four departments of the Government. They thought that the proposal was too difficult to apply. I thought it should be easier to apply than fire insurance, because it would merely involve a question of contour lines. It was said that the insurance would vary depending on the number of feet above sea level, or the grade of the river valleys where there is a probability of floods. Anyway, we have never been able to get funds from the Congress to implement the law.

Since we have tried unsuccessfully, the best approach now is that sponsored by the distinguished junior Senator from New Jersey [Mr. WILLIAMS].

There is no insurance of the type discussed available in America now through public or private companies to insure against flood loss caused solely by rising waters from natural causes.

A person may obtain insurance for tornado damage. It is foolish to say that it is feasible to insure against damage done by rising wind but not by rising waters. It is a great deal easier to estimate where there might be damage from rising waters than where there might be damage from rising winds. The chances are 99 to 1 that damage from rising waters will be in some river valley, below some dam, on some lake, ocean, gulf or bay shore. It is easier to estimate.

Mr. President, we should have such insurance in America. I predict that once the proposed study is made and we have some public insurance to spark the program, it will be like hail insurance. We could never get private insurance companies to write hail insurance in this country until during the Roosevelt years in the 1930's public hail insurance was authorized. As soon as private companies saw that such insurance was feasible, they practically took over the field of hail insurance.

I predict that the situation will be the same with relation to rising water insurance. It will be like hail and fire insurance. Once there is public action to guide private companies into action, they will take over the field. They are too timid to do it now.

It has long been a matter of surprise to my constituents, looking for help and assistance after one of the hurricanes that sometimes ravages our coast, to learn that there is a law on the books that purports to establish a Federal flood insurance program. This law was passed in 1956 under the leadership of the senior Senator from Massachusetts [Mr. SALTONSTALL] and the then junior Senator from Massachusetts John F. Kennedy. However, no funds were appropriated by Congress to implement it, and the then administration ceased any effort to effectuate the law. No insurance against property damage loss caused solely by rising waters from natural causes is now available in America.

I have made several personal efforts to interest the Housing and Home Finance Agency in making an effort to begin this program. I regret that the Agency has not seen fit to exercise some initiative and leadership in getting this program started. A person may obtain insurance from tornado damage now. It is foolish to say that it is feasible to insure against damage done by rising wind, but not from rising waters.

Since this law was passed in 1956, many thousands of my constituents have suffered losses from floods uncompensated for by any existing plan of private insurance. Here is an area where the field of leadership is clearly in the hands of the Federal Government; here is a possibility for showing the feasibility of insurance coverage such as was done in hail insurance. I urge passage of this bill, and assure the Senator from New Jersey that I shall support every effort to put this program into full operation.

Mr. KUCHEL. Mr. President, I hope that the Senate will speedily pass the proposed legislation and send it to the House of Representatives.

As the Senate knows, a large area of my State has been almost continuously inundated by ravaging floods during the last many weeks and months, accumulating a frightful toll of life and wreaking damage in the hundreds of millions of dollars.

Several weeks ago, with my western colleagues representing States where flood damage has occurred, I wrote to the President of the United States requesting that a study be made in the executive branch of the possibility of a Natural Disaster Act which, were it passed, would permit the executive branch to accelerate the assistance that might be available under Federal law where acts of God took place and damage resulted.

I remember when the tragedy of the great earthquake overcame the State of the two beloved Senators from Alaska [Mr. BARTLETT and Mr. GRUENING]. No legislation was on the statute books under which appropriate assistance by the people of the United States might immediately have been given; and thus the legislative process, with all its slowness and difficulties, had to be used in order to pass legislation to provide appropriate assistance to the people of Alaska.

By the same token, on a long-range basis, where great floods take place in

any section of the country, it is difficult to bring maximum assistance in good time to the people who are damaged. I believe the Senator from New Jersey has presented to us an excellent piece of proposed legislation, one which will provide for an appropriate study by the Housing and Home Finance Administrator of the question of insurance, which never has been studied as thoroughly as it might be.

Under these circumstances, I am delighted to be in the Senate at a time when the Senator's bill is being considered and will unquestionably pass. For all these reasons, I join him and other Senators who have joined him in sponsoring this kind of legislation.

The PRESIDING OFFICER (Mr. BASS in the chair). If there is no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 408) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. BARTLETT. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. WILLIAMS of New Jersey. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended, so as to read: "A bill to authorize a study of methods of helping to provide financial assistance to victims of future natural disasters."

EXTENSION OF TIME FOR FILING OF REPORT BY SPECIAL COMMITTEE ON AGING

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that the time for the filing of a report by the Special Committee on Aging be extended from January 31, 1965, to March 15, 1965.

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

APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Chair lays before the Senate the pending business.

The Senate resumed the consideration of the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move that the Senate adjourn, under the order previously entered, until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 11 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, January 29, 1965, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate January 28, 1965:

ATTORNEY GENERAL AND DEPUTY ATTORNEY GENERAL

The following-named persons to the positions indicated:

Nicholas deB. Katzenbach, of Illinois, to be Attorney General.

Ramsey Clark, of Texas, to be Deputy Attorney General.

EXTENSIONS OF REMARKS

Hydrographic and Oceanographic Surveys in the Caribbean

EXTENSION OF REMARKS

OF

HON. SANTIAGO POLANCO-ABREU

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 28, 1965

Mr. POLANCO-ABREU. Mr. Speaker, I am informed by the Coast and Geodetic Survey, of the U.S. Department of Commerce, that an oceanographic venture will be conducted by the ocean survey ship *Explorer*, of the Coast and Geodetic Survey, during a 4-month period commencing February 2, 1965.

The scheduled activities of the *Explorer* and the description of its mission, I think, will be of interest to all the Members and to the public in general, tend to dispel any fears that the United States is not alert to the great rewards which will flow from a knowledge of the sea. The *Explorer* is an example of our efforts to forge ahead in this important field of science.

An abbreviated form of the information I have received follows:

The ocean survey ship *Explorer*, of the Coast and Geodetic Survey, U.S. Department of Commerce, will sail next week from Norfolk, Va., to conduct extensive hydrographic and oceanographic surveys in the Caribbean on a voyage which is expected to last for 4 months.

The *Explorer* will weigh anchor on February 2 for its 3,000-mile round trip from the Coast and Geodetic Survey's Atlantic ships base. Five to ten days later it will arrive in San Juan and will work in the vicinity of Cape San Juan on the east coast of Puerto Rico, Vieques Sound, San Juan Harbor, and possibly Charlotte Amalie Harbor in St. Thomas, V.I.

It is a 1,900-ton, 220-foot vessel, commanded by Comdr. Marvin T. Paulson, of Hatton, N. Dak. It will be carrying a complement of 15 officers and 73 crew.

The surveys to be undertaken by the *Explorer* are a part of a program commenced in 1962 to revise nautical charts for the Puerto Rico-Virgin Islands area. Present charts are based on surveys in the early part of the century. Since then, currents, waves, and storms have shifted shallow areas, eroded the coastline, built up coral reefs, and altered the configuration of the ocean bottom.

The ship will conduct hydrographic surveys and will map the ocean bottom in offshore areas where the water is deep enough to permit safe navigation. In the shallow, inshore areas, launches will be employed to locate coral reefs and shipwrecks, and to determine the configuration of the ocean bottom.

The area to be surveyed is approximately 50 square miles.

Water depth will be measured with a fathometer, a device which transmits sound impulses to the ocean floor and converts the time it takes the impulse to return to the ship into a water depth. To locate the horizontal position of the *Explorer* relative to land, the ship will employ electronic and visual control. An electronic positioning system will be used in offshore areas. In shallow, inshore areas, markers will be established on land as reference points with the aid of triangulation and aerial photography. Aerial photographs will also be used to determine the position of charted features, such as emerging rocks, prominent landmarks, and the shoreline.

A 29-day survey will be made by the *Explorer* at the entrance to San Juan Harbor. In this period, the moon will make a full orbit around the earth, thereby causing a full cycle of spring and neap tides.

Four-day surveys of the current will be made, first, southeast of Ramos Island; second, San Juan Harbor; and third, Vieques Sound between Point Saldado and Point Este.

Many different forms of tides characterize the ocean waters in the Caribbean. To study these tidal characteristics, portable tide gages will be placed at different localities, including Playa de Fajardo, Ensenada Honda, Iota Mulas, and Punta Este on the Island of Vieques. These gages measure rise and fall of the tides.

On its way to Puerto Rico, the *Explorer* will study the profile of the ocean bottom to determine the location of undersea mountains, valleys, depressions, and other features.

After completing its work in the Puerto Rico-Virgin Islands area, the *Explorer*, en route home, will make samples at 14 separate locations to determine at various depths the temperature, salinity and oxygen content of the sea water. To oceanographers, these are the "fingerprints" of the various water masses that comprise the sea. Knowledge of the temperature and salinity makes it possible to determine the origin of the water. The dissolved oxygen

content tells researchers the biological life to be found in that part of the ocean.

En route home to Norfolk, the *Explorer* will parallel Puerto Rico's northern shoreline, turn north at Tortuga Island, continue through Caico Passage between Mayaguana Island and the Caico Islands, and then north to Norfolk, which it should reach in late May or early June.

Paul H. Rutherford—American as Business and Baseball

EXTENSION OF REMARKS

OF

HON. FRANK J. HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 28, 1965

Mr. HORTON. Mr. Speaker, it is an honor for me to join his many friends and colleagues in paying well-deserved tribute to my constituent, Paul Rutherford, as he retires from his present job on the last day of this month. But knowing Paul Rutherford as well as I do, I am confident that retirement for Paul really means commencement—commencement to start doing some of the many things he has always wanted to do and at last has time to do.

For truly Paul Rutherford has been a busy man all his life. He has earned every step on the long road to the position of one of America's leading industrial managers by dint of hard work, persistence and dedication to duty.

Already as a boy he had to help his mother, who was widowed when he was only 6, in making ends meet. He sold newspapers at a downtown street corner in Pomona, Calif., and had a paper route in the evening besides. While in high school, he struggled through a summer job with a plumbing company, working from 2 in the afternoon till midnight, 7 days a week for $30 a month. All the time Paul was looking ahead. He went on to college, working his way through the Massachusetts Institute of Technology, from which he graduated in 1922 as an electrical engineer.

Four years later he joined General Motors, the company to which he has devoted his working days for nearly 40 years. He started out in GM's Dayton Engineering Laboratories Division. By 1936 he was chief engineer and in 1940 he became plant manager in Dayton. Two years later, in 1942, he was in Detroit on General Motors personnel staff. While there, he handled GM wage dispute cases which went before the War Labor Board and other work on job and wage classifications. After the end of the war, in 1946, he spent about a year as special assistant to the vice president in charge of the Dayton household appliance group. The following year he came to Rochester, where he has been associated with GM's Delco Appliance Division ever since, for a year as assistant general manager and beginning on August 1, 1948, as general manager. He has held this position for 17 years and thus has served as a general manager in the General Motors organization longer than any other GM general manager at the present time. This is a record of which he may be justly proud and for which I join in saluting him.

Perhaps as much as any man, Paul Rutherford brought about home air conditioning as an accepted goal for the American family. He persuaded builders and developers throughout our Nation that cooling a home was no longer a rich man's luxury.

Most men would be more than content to have just this career to look back upon. But Paul Rutherford has been far more than a successful American businessman. He has a deep social conscience. He has concerned himself with parolees in industry. He has been a leader in the movement to bring about greater acceptance of ex-convicts as workers in American factories. As he has said:

> At Delco we have hired a goodly number of parolees. Most of them have done a good job for us. * * * When a man has paid his debt he deserves an opportunity to show that he really is rehabilitated.

He has worked for the victims of multiple sclerosis.

He is vitally concerned with sound community growth and development.

He has a keen interest in the education of young Americans.

Perhaps most of all he has been a lifelong fan of that most American of all sports—baseball. At one time his interest in this and other sports was so strong that he wanted to become a sportswriter. He has a knowledge of big league baseball as few if any do who are not players on the diamond. He has never lost his devotion to the game. I trust that now he will be able to really enjoy the sport season after season as he has not been able to do fully for many a busy year.

So I congratulate Paul Rutherford on his outstanding service to American industry and to the healthier and more comfortable American home. At the same time, I want to wish him well in the years that lie ahead, years that will continue to be rewarding to a man who has always had a broad sweep of interests and sympathies, a man who is characteristic of the best that is American today.

SENATE

FRIDAY, JANUARY 29, 1965

The Senate met at 11 o'clock a.m., and was called to order by the Vice President.

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

Eternal Spirit, our spirit's home, again we seek Thy comfort and strength. Grant us, we beseech Thee, a vision of Thy righteous will, that we may be stripped of pride, and made humble and penitent.

Confront us now, we pray, with Thy light on our ways, with some shining ray of Thy guidance piercing our darkness; and grant us at the beginning of this day a transforming experience of Thy grace that will leave us contrite, forgiven, and cleansed.

The world is full of the clamor of the violent, the boasting of those who have not Thee in awe, and the agony of fettered peoples. We would be valiant in a day when the hearts of many turn to water.

Renew our valor, that as undefeated souls we may sustain the shocks of life, master its handicaps, and, at last, make even the wrath of men serve Thee.

We ask it in the name of the One who illumined life and conquered death. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, January 28, 1965, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Jones, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Post Office and Civil Service.

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

LIMITATION OF DEBATE DURING THE MORNING HOUR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements during the morning hour be limited to 3 minutes.

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

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Constitutional Amendments of the Committee on the Judiciary and the Subcommittee on Education of the Committee on Labor and Public Welfare were authorized to meet during the session of the Senate today.