It is indeed assuring that the United States has thus far led in the first two pioneering steps in the use of nuclear energy in space—the first being the launching of a radioisotope nuclear powered navigation satellite in June of 1961 and the April 3 launch of a nuclear reactor powerplant into orbit.

A lot remains to be done to complete the development and adaptation of nuclear power supplies in space so that we can assure the success of our efforts in space. Our recent pioneering accomplishments give us a good start for our future efforts.

When the Joint Committee reviewed the status of the SNAP-10A project last year, we had the assurance of the technical personnel in charge that, if authorized, the reactor could be successfully flight tested in the spring of 1965. I wish to congratulate both the Government representatives and the representatives of private industry who cooperated in making the project a success—those in the Air Force, the AEC, the Lockheed Corp., and Atomics International.

Mr. ANDERSON. Mr. President, I would like to commend the personnel of Atomics International and the Lockheed Corp., together with those in the Air Force and the Atomic Energy Commission, who were responsible for the development and successful launching and operation of the SNAP-10A nuclear powerplant—the first nuclear reactor in space. I particularly wish to commend my colleague, the senior Senator from Rhode Island, JOHN O. PASTORE, who, last year as chairman of the Joint Committee on Atomic Energy primarily was responsible for getting this project reinstated.

For too many years we in the United States have bemoaned the fact that the U.S.S.R. has taken the lead in some areas of space technology. There are those who give lip service to the administration's announced intentions to be the leader in the exploration of space, yet whose actions do not support these objectives. Mr. President, we remember last year when the Defense Department took the position that there was no immediate requirement for the SNAP-10A project and when the Air Force funds for the flight test were deleted from the Air Force budget.

We recall also how the Bureau of the Budget and the Office of Science and Technology were not willing for the AEC to fund the test flight. We also remember that it was the Congress, on the recommendation of the Joint Committee, that persuaded the executive branch to be more tolerant and insisted that the project not be canceled. At the time we did not know the Russians were also proceeding on a similar project.

In September 1964, at the Conference on the Peaceful Uses of Atomic Energy in Geneva, the U.S.S.R. exhibited for the first time its Romashka nuclear power plant—a ground test of a 500-watt nuclear electrical plant for space application. In its exhibit and accompanying film the Soviet Union asserted its leadership in this field because it had been able to complete preliminary ground tests.

Had it not been for the Joint Committee on Atomic Energy, under the leadership of my good friends and colleagues, Senator JOHN O. PASTORE and Congressman CHET HOLIFIELD, the United States today would not have chalked up this additional accomplishment. Had it not been for their leadership, instead of an American SNAP-10A reactor we, sometime in the not too distant future, would have been confronted with a Romashka-type Soviet nuclear reactor as the first nuclear reactor in space.

As a past chairman and as a member of the Joint Committee for more than 14 years, I have participated with my colleagues in initiating and supporting a number of programs that would not have been carried forward had it not been for our committee. I recall the difficulties we had and the obstacles we had to overcome in forcing the executive branch to move ahead on the hydrogen bomb program and the nuclear submarine program. I recall how a shortsighted decision within the Department of the Army would have terminated the promising development of the food irradiation program of the Quartermasters Corps had it not been for the intervention of the Joint Committee. I also recall that SNAP-3 isotope power source was placed on the shelf for more than 2 years, where it might still be today had not the Joint Committee taken the initiative. Through the efforts of the Joint Committee the United States in 1961 successfully launched the world's first nuclear isotope-powered navigation satellite which, I might add, still is in operation.

These matters show why I congratulate my good friend and colleague on the Joint Committee, the senior Senator from Rhode Island, under whose leadership last year the Joint Committee added to its fine record.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 12 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, April 7, 1965, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 6, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer, using these words from Habakkuk 3: 18: *Yet I will rejoice in the Lord, I will joy in the God of my salvation.*

O Thou God of all grace and mercy, in these days we are acutely aware that there is so much of sorrow and suffering, of torture and terrorism in the world among nations and the members of the human family.

We penitently confess that we cannot understand the meaning and mystery, and the reason for all this brutality and violence.

Grant that we may never be tempted to feel that the spirit of righteousness and good will has completely departed from the heart of humanity and that the future will continue to be tormented by misery and heartaches.

Help us to encourage one another to cultivate the finer virtues and to look upward toward Thee in faith from whom radiates the light and warmth that brings peace and cheer to mankind.

Hear us in Christ's name. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

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

S. 693. An act to amend the Foreign Agents Registration Act of 1938, as amended.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5721. An act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

COMMITTEE ON RULES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SUBCOMMITTEE ON HOUSING OF COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the subcommittee on housing of the Committee on Banking and Currency may sit while the House is in session today during general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

T. W. HOLT & CO.

The Clerk called the bill (H.R. 1218) for the relief of T. W. Holt & Co. and/or Holt Import & Export Co.

There being no objection, the Clerk read the bill, as follows:

H.R. 1218

Be it enacted by the Senate and House of Representatives of the United States of

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

America in Congress assembled, That the Secretary of the Treasury is authorized to pay out of any money in the Treasury not otherwise appropriated to T. W. Holt and Company and/or Holt Import and Export Company, the sum of $8,478.19. The payment of such sum shall be in full satisfaction of the claim of the said T. W. Holt and Company and/or Holt Import and Export Company against the United States for repayment of excessive customs duties erroneously collected by the Bureau of Customs on canned meat imports from Argentina, which were imported by the said T. W. Holt and Company and/or Holt Import and Export Company between December 8, 1948, and July 3, 1950, and on which the customs duties were liquidated between January 9, 1951, and January 6, 1953: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHILDREN OF MRS. ELIZABETH A. DOMBROWSKI

The Clerk called the bill (H.R. 1291) for the relief of the children of Mrs. Elizabeth A. Dombrowski.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

ESTATE OF JOHANNA GRISTEDE, DECEASED

The Clerk called the bill (H.R. 1356) for the relief of the estate of Johanna Gristede, deceased.

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

CWO ELDEN R. COMER

The Clerk called the bill (H.R. 1374) for the relief CWO Elden R. Comer.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

MRS. NATHALIE ILINE

The Clerk called the bill (H.R. 1380) for the relief of Mrs. Nathalie Iline.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

THEODORE ZISSU

The Clerk called the bill (H.R. 1384) for the relief of Theodore Zissu.

There being no objection, the Clerk read the bill, as follows:

H.R. 1384

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 33 of the Trading With the Enemy Act, as amended (50 App. U.S.C. 33), with respect to the filing of claims and the institution of suits for the return of property or any interest therein pursuant to section 9 or 32 of such Act (50 App. U.S.C. 9 or 32), Theodore Zissu, a United States citizen, may within six months after the enactment of this Act file a claim for the return of certain property, namely, his interest as owner of 30 per centum of the stock of Industria Romana Mechanica si Chimica S.A., Bucharest, Rumania, the forge plant property and equipment of which latter corporation was vested by the Office of Alien Property under Vesting Order Numbered 46, effective July 6, 1942, and supplement to Vesting Order Numbered 46, effective May 11, 1943, and which forge plant property and equipment was subsequently sold by said Office of Alien Property; and that claim shall be considered on its merits in accordance with the remaining provisions of that Act. If no such return is made within a period of sixty days after the filing of such claim, the said Theodore Zissu shall be entitled, within one year of the expiration of such period, to institute suit pursuant to section 9 of said Act (50 App. U.S.C. 9) for the return of such property.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. HELEN VESELENAK

The Clerk called the bill (H.R. 1475) for the relief of Mrs. Helen Veselenak.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

MAJ. KENNETH F. COYKENDALL, U.S. ARMY

The Clerk called the bill (H.R. 1487) for the relief of Maj. Kenneth F. Coykendall, U.S. Army.

There being no objection, the Clerk read the bill, as follows:

H.R. 1487

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Major Kenneth F. Coykendall, United States Army, is hereby relieved of all liability for repayment to the United States of the amount of $752.38 representing overpayments of active duty pay as a member of the United States Army in the years 1949 through 1962, which he received as a result of erroneous credit of service for longevity pay purposes.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to the said Major Kenneth F. Coykendall, the sum of any amount received or withheld from him on account of the payments referred to in the first section of this bill.

No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. GERTRUDE RESKIN

The Clerk called the bill (H.R. 2155) for the relief of Mrs. Gertrude Reskin.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

ROBERT L. YATES AND OTHERS

The Clerk called the bill (H.R. 2299) for the relief of Robert L. Yates and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the employees or former employees of the Department of Defense in the Messenger Service Branch, Brookley Air Force Base, Alabama, named in this section are respectively relieved of liability to the United States for certain overpayments of salary made to them as a result of administrative error during the period from May 29, 1960, through December 2, 1961. The net amounts of such overpayments (exclusive of payroll deductions for civil service retirement and Government service life insurance) were as follows:

Robert L. Yates, $675.07;
Edmond E. Skidmore, $796.86;
Prester L. Simmons, $676.75;
Sidney Sawyer, $675.07;
Joe Davis, Junior, $764.83;
Eugene C. Fortune, Junior, $677.45;
Ludy Anderson, $678.77;
James F. Copeland, $675.07;
Clarence A. Baker, $659.49; and
Samuel G. Crawford, $271.63.

In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for any amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each person named in the first section, an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the claim of the United States for refund of the amount specified in the first section: *Provided,* That no part of the amount appropriated in this Act for the payment of any one claim shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person

violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SHIRLEY SHAPIRO

The Clerk called the bill (H.R. 2681) for the relief of Shirley Shapiro.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

OUTLET STORES, INC.

The Clerk called the bill (H.R. 2924) for the relief of Outlet Stores, Inc.

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

BRYCE A. SMITH

The Clerk called the bill (H.R. 3075) for the relief of Bryce A. Smith.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

ESTATE OF BART BRISCOE EDGAR, DECEASED

The Clerk called the bill (H.R. 3076) for the relief of the estate of Bart Briscoe Edgar, deceased.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

CWO EDWARD E. KREISS

The Clerk called the bill (H.R. 3634) for the relief of CWO Edward E. Kreiss.

There being no objection, the Clerk read the bill, as follows:

H.R. 3634

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Chief Warrant Officer Edward E. Kreiss, United States Navy, retired, is relieved of any liability under the Act of July 31, 1894 (5 U.S.C. 62), to pay to the United States all amounts received by him as a civilian employee of the Department of the Army from May 1, 1959, through December 14, 1962. In audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this Act.

With the following committee amendment.

On page 1, following line 11, insert:

"SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Chief Warrant Officer Edward E. Kreiss an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section and, notwithstanding the provisions of the Act of July 31, 1894 (5 U.S.C. 62), said amount shall include any compensation due him for the period December 1, 1962, through December 14, 1962, and lump-sum leave payments based upon the period of civilian employment referred to in this Act.

"SEC. 3. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT O. OVERTON, MARJORIE C. OVERTON, AND SALLY EITEL

The Clerk called the bill (H.R. 3638) for the relief of Robert O. Overton, Marjorie C. Overton, and Sally Eitel.

There being no objection, the clerk read the bill, as follows:

H.R. 3638

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 is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, (1) to Robert O. Overton, the sum of $1,500; (2) to Marjorie C. Overton, the sum of $5,000; and (3) to Sally Eitel, the sum of $10,000, in full satisfaction of their claims against the United States arising out of an incident occurring on December 25, 1946, in Indianapolis, Indiana, involving a vehicle of the Army Air Corps for which suit may not be instituted under the tort claims procedure as provided in title 28, United States Code: *Provided,* That no part of the amount appropriated in this Act for the payment of any one claim in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUSSELL D. HARRIS

The Clerk called the bill (H.R. 3685) for the relief of Russell D. Harris.

There being no objection, the Clerk read the bill, as follows:

H.R. 3685

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding laches or any statute of limitations, jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Russell D. Harris, of Phoenixville, Pennsylvania, for retired pay under the Act of April 3, 1939 (53 Stat. 557; 10 U.S.C. 3687), or any other applicable law, and the said court is further authorized to determine whether the said Russell D. Harris was, at the time he was relieved from active duty in August of 1943, permanently incapacitated for active service and whether any such incapacity was the result of an incident of service as a commissioned officer in the United States Air Force incurred in the line of duty and not due to his own misconduct.

With the following committee amendment:

On page 2, line 3, after "States" insert "Army."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES MAROWITZ

The Clerk called the bill (H.R. 1445) for the relief of Charles Marowitz.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

McKOY-HELGERSON CO.

The Clerk called the bill (H.R. 3137) for the relief of McKoy-Helgerson Co.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

STAIMAN BROS.-SIMON WRECKING CO.

The Clerk called the bill (H.R. 2166) for the relief of Staiman Bros.-Simon Wrecking Co.

There being no objection, the Clerk read the bill, as follows:

H.R. 2166

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That jurisdiction is hereby conferred on the United States Court of Claims to hear, determine, and render judgment upon the claim of Staiman Brothers-Simon Wrecking Company against the United States for such losses arising out of disposal numbered 2 PRD-313A, dated June 30, 1960, as are determined to be due in law and equity because of the difficulty of adequate inspection prior to bid, and because of negligence and mistake by the Government in providing inadequate and erroneous information with the invitation to bid as to sizes, quantity, and character of the property.

SEC. 2. Suit upon the claim referred to in the first section of this Act may be instituted at any time within six months from the date of the enactment of this Act and all

defenses of the United States based upon provisions in the invitation to bid and contract regarding warranty as to quantity, size, and character of the pipe and barring claims based upon errors or omissions in the description of the property are hereby waived: *Provided*, That nothing in the Act shall be construed as an admission of liability on the part of the United States, and recovery, if any, shall be limited to such actual losses, not including unrealized profit.

With the following committee amendments:

On page 1, line 10, after the word "of" insert "alleged".

On page 1, line 10, after the word "providing" insert "allegedly".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COL. PORTER F. SHELDON, U.S. AIR FORCE

The Clerk called the bill (H.R. 4026) for the relief of Lt. Col. Porter F. Sheldon, U.S. Air Force.

There being no objection, the Clerk read the bill, as follows:

H.R. 4026

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 is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lieutenant Colonel Porter F. Sheldon, 9047A, United States Air Force, Langley Air Force Base, Virginia, the sum of $1,727.00 in full satisfaction of his claim against the United States for reimbursement in addition to the amount he received under section 2732 of title 10, United States Code, for household goods and personal effects damaged or destroyed aboard the Waterman Line steamship DeSota, carrier under Government contract, which was involved in an accident in the harbor at Antwerp, Belgium, on January 16, 1963. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT J. BEAS

The Clerk called the bill (H.R. 4443) for the relief of Robert J. Beas.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

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

There was no objection.

CONVEY LAND TO HEIRS OF ADAM JONES, CREEK INDIAN

The Clerk called the bill (H.R. 70) to provide for the conveyance of approximately 80 acres of land to the heirs of Adam Jones, Creek Indian not enrolled.

There being no objection, the Clerk read the bill, as follows:

H.R. 70

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 is authorized and directed to convey in fee simple all of the right, title, and interest of the United States and of the Creek Tribe of Indians of Oklahoma in and to land described as the south half northwest quarter section 5, township 10 north, range 15 east, Indian meridian, Oklahoma, containing 80 acres, more or less, to the heirs of Adam Jones, Creek Indian not enrolled, in the proportions as determined by the county court of McIntosh County, Oklahoma, case numbered 5375, as follows:

Hattie Jones (wife), an undivided one-third interest; and Bobby R. Jones (son), Tommy Leon Jones (son), Carrie Lee Jones (daughter), Adam Jones, Junior (son), and Marietta Elciea Jones (granddaughter), each an undivided two-fifteenths interest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 65]

Andrews, Glenn	Holland	Roosevelt
Ashley	Jennings	Springer
Berry	Jones, Ala.	Sweeney
Bonner	McCulloch	Teague, Tex.
Buchanan	Mailliard	Thompson, Tex.
Celler	Miller	Toll
Derwinski	Morrison	Tunney
Green, Oreg.	Powell	Wright
	Redlin	

The SPEAKER. On this rollcall, 408 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SOUTH AMERICAN REGIONAL MEETING AT LIMA, PERU, OF INTERNATIONAL ROAD FEDERATION

Mr. YOUNG. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution, House Resolution 273, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 273

Resolved, That, notwithstanding the provisions of H. Res. 141, Eighty-ninth Congress, the Committee on Public Works is hereby authorized to send five of its members and two staff assistants to Lima, Peru, to attend the South American regional meeting of the International Road Federation from May 14, 1965, to May 24, 1965, inclusive.

Notwithstanding section 1754 of title 22, United States Code, or any other provisions of law, local currencies owned by the United States shall be made available to the committee and employees engaged in carrying out their official duties under section 190(d) of title 2, United States Code: *Provided*, (1) That no member or employee of said committee shall receive or expend local currencies or appropriated funds for subsistence in an amount in excess of the maximum per diem rates approved for oversea travel as set forth in the Standardized Government Travel Regulations, as revised and amended by the Bureau of the Budget; (2) that no member or employee of said committee shall receive or expend an amount for transportation in excess of actual transportation costs; (3) no appropriated funds shall be expended for the purpose of defraying expenses of members of said committee or its employees in any country where counterpart funds are available for this purpose.

That each member or employee of said committee shall make to the chairman of said committee an itemized report showing the number of days visited in each country whose local currencies were spent, the amount of per diem furnished, and the cost of transportation if furnished by public carrier, or if such transportation is furnished by an agency of the United States Government, the identification of the agency. All such individual reports shall be filed by the chairman with the Committee on House Administration and shall be open to public inspection.

The SPEAKER. The Chair recognizes the gentleman from Texas [Mr. YOUNG].

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

Mr. YOUNG. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman know whether there are any counterpart funds in Peru?

Mr. YOUNG. The Member from Texas will yield to the chairman of the Appropriations Committee.

Mr. MAHON. I believe other Members might speak as well, but there are no counterpart funds, as such, in Peru. However, there are funds which can be used for expenses of congressional travel, even though they are not technically counterpart funds.

Mr. GROSS. I was only hoping that this would not be in conflict with the injunction that tourism must stop, in the use of American dollars, until the deficit in the international balance of payments has been corrected. I hope this does not run afoul of that.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price sup-

port provisions of the Agricultural Act of 1949 as amended, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? The Chair hears none and appoints the following conferees: Messers. COOLEY, MCMILLAN, ABBITT, STUBBLEFIELD, DAGUE, and LATTA.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1965

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7091) making supplemental appropriations for the fiscal year ending June 30, 1965, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Ohio [Mr. Bow], and myself.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7091, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Texas [Mr. MAHON] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. Bow] will be recognized for 30 minutes.

Mr. MAHON. Mr. Chairman, earlier in the session we had a supplemental appropriation bill, which provided $1.6 billion for the Commodity Credit Corporation.

This is a second supplemental appropriation bill for this session, and I trust it will be the last such bill until just prior to the end of the session when there may be a few items which will require attention; at least there usually are.

SUMMARY TOTALS OF THE BILL

The total amount in the bill is $2,125,833,083—a very considerable sum of money. The budget requests totaled $2,226,456,933, which means that we have suggested cuts aggregating $100,623,850.

Under the 5-minute rule we can discuss any items which may be of special interest to individual Members. For that reason we agreed on more limited general debate. Under the 5-minute rule we can entertain any questions and amendments with respect to the bill.

This bill is divided, as Members will note from the bill and from the report, into four titles.

In title I there is about $1,178 million included, which is what we might call, for the sake of a better term, the regular or ordinary supplementals. The precise figures, of course, are set out in the report; I am using approximate amounts.

Title II deals with funds, amounting to some $344 million, to give substance to the Appalachia program which passed Congress fairly recently. Some of us voted for it and some of us voted against it, but the Congress has spoken, and in response the Committee is recommending appropriations of $344 million for the implementation of that program. We made cuts of about $18 million in the budget requests. The authorization bill carried total authorizations of about $1.1 billion; the $344 million is just the first installment.

Title III deals solely with increased salary costs. Last year, we passed salary increase bills for the various branches of the Government, civil and military. The agencies of the Government were importuned to try to absorb these salary increases within the appropriations already made, insofar as possible, and some of the agencies did quite well in that respect. Overall, 42 percent of the military pay cost increase is being absorbed. About 35 percent of the executive branch general civilian pay increase was absorbed. So, generally speaking, I would say a fairly good job has been done in absorbing these additional costs brought about as a result of the actions of Congress in the last session. We have in the bill before us about $580 million to help cover the pay increases, the unabsorbed portions. Pages 54 and 55 of the report elucidate the situation on pay increases.

In title IV, we have what we have in nearly every supplemental bill, namely, the customary claims and judgments fund. In this case we provide about $23 million.

That is the summary situation on the figures.

MAJOR CLASSES OF ITEMS

Another and perhaps more instructive way to see the general makeup and dimensions of the bill is to look at it by major classes of items. About 29 percent of the bill, or some $609.3 million, is for pay raise costs.

In the Appalachia program there is about $344.3 million, or about 16 percent of the bill. For other new legislation, such as the Inter-American Bank Development Bank, there is a total of $338.6 million, or 15 percent of the bill. These three categories—all for new legislation—total $1,292.2 million, or about 60 percent of the total.

In mandatory type payments, such as public assistance grants, which has to be funded, we have about $452.5 million in the bill, or about 21 percent of the total.

Then we have had a series of emergencies and we have in the bill $87 million plus for these emergencies. This all adds up to 85 percent of the money in the bill.

The Small Business Administration came in for $100 million additional loan funds and we recommend that in its entirety.

Considering all of these items, 90 percent of the bill is for purposes such as I have just described.

Category	Approximate amounts in bill (millions)	Percent of bill total
(a) New legislation:		
Pay raise acts	$609.3	29
Appalachia	344.3	16
Other new legislation (including $250,000,000 Inter-American Development Bank	338.6	15
Total	1,292.2	60
(b) Mandatory-type payments (public assistance grants, mostly)	452.5	21
(c) Disaster emergencies	87.6	4
Total, these 3 classes	1,832.3	85
SBA loan funds	100.0	5
Total, above items	1,932.3	90

RESTORATIONS OF REDUCTIONS

It is sometimes said that Congress tries to present a good image to the country on its economy mindedness by making cuts and slashes in the budget during the session and then when the new Congress meets the following year, it proceeds indiscriminately to appropriate the funds which were reduced in the previous year. But that cannot accurately be said of this bill. However, it is accurate to say that we are restoring in this bill cuts previously made amounting to about $300 million, a relatively small sum when you consider the whole $100 billion-plus budget involving countless separate items.

In virtually every session—as far back as I can recall—there are a handful of supplementals representing restoration of reductions made in the previous session. This year is no exception in that connection but the number of instances is infinitesimal—only six, to be exact.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I am glad to yield to my friend from Iowa.

Mr. GROSS. So, once again we come right around the circle and find that some of the cuts last year were just as fictional as they could be. Here we are today with a deficiency appropriation bill to take up the slack of the cuts that were made last year.

Mr. MAHON. My friend is partially correct. Out of the hundreds of cuts that we made, as a Congress, in appropriation bills last year—hundreds of cuts here and there in various items in the appropriation bills—we are providing in this bill to make restorations in only six instances. I think that is not too bad. A couple of the sums are rather large; for example, grants for public assistance, $200 million. Last year we cut public assistance too deeply; we should not have cut it at all as it now appears—from hindsight. But there is not much we can do in the appropriation bill to regulate the obligations under this program. There were reasons behind the cuts, but hindsight says we cut too deeply and we are having to restore; not only a restoration, but additional funds as well in the

case of public assistance. But it is correct that we do suggest some restorations. As I say, there is generally some of this in every session.

Mr. GROSS. I think we are all pretty well aware that last year was an election year.

Mr. MAHON. We are aware that last year was an election year, but we are by no means restoring all of the cuts that we did make. And if we do not try to make cuts, if we do not seek to achieve economy, we will never achieve it. And if we make only six restorations out of the hundreds of cuts that we made, all those that might possibly have been requested, it would seem that we are doing reasonably well. And as I said, this generally happens to a limited extent, election year or not.

INCREASES FOR PAY RAISE COSTS

Mr. GROSS. If the committee operates on this basis there is not very much economy. I am now referring to cutting funds. I would like to ask the gentleman about the increased pay costs. Yesterday it was repeatedly stated that one of the reasons for the size of that bill was that they had to take care of increased pay costs. When are we going to run out of that argument so far as appropriation bills are concerned?

Mr. MAHON. The pending bill applies only to the current fiscal year which ends June 30 insofar as pay act costs are concerned. The bill we had yesterday applied to the next fiscal year which begins on July 1 and goes for another year. So it is true that, other things being equal, the bill for next year will in many cases be higher than the bill for last year because of the pay cost factor.

Mr. GROSS. I suppose by the time this argument could conceivably be ended there will be another pay increase so that the Committee on Appropriations will be in here saying that the size of this bill is due in substantial part to the cost of the pay increase.

Mr. MAHON. Some of us voted for the pay increase; some did not. I did not vote for the pay increase. But the law of the land must be followed, the majority have spoken, and the employees and the military personnel must be paid.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I am glad to yield to the gentleman.

Mr. CRAMER. I would like to ask a couple of questions relating to the Appalachian Regional Development Commission appropriation, partially because of the testimony we had before the Public Works Committee relating to what the needs for the balance of this fiscal year would be and the needs for the next fiscal year.

Mr. MAHON. I am going to ask the gentleman from Texas [Mr. THOMAS], the chairman of the subcommittee that handled the item, to respond to the gentleman's inquiry.

Mr. CRAMER. If the gentleman will yield, I understand in the testimony we had before the Public Works Committee relating to Appalachia it was to the effect that substantial funds would not be needed.

Mr. THOMAS. The gentleman is correct.

Mr. CRAMER. Substantial funds would not be needed for the balance of this fiscal year, and that approximately the figure, plus what you cut, around $10 million, was about what they contemplated would be needed mostly for fiscal year 1966, meaning starting July 1 of this year and going to July 1 of next year. But I see that the Committee on Appropriations is proposing including that entire figure in this supplemental appropriation rather than in the 1966 appropriation bill.

I would like to ask the reason, if there is any, for that approach.

Mr. THOMAS. The gentleman is correct in what he says. It is subject to a point of order. It carries funds beyond fiscal year 1965. The total authorization for administrative costs of the Appalachian Regional Commission is $2.4 million and we appropriated about $800,000. They have not spent that. They wanted to let this remain available through 1966 in order to take care of the big Commission—the 11 Governors—and the professional staff.

Mr. CRAMER. I cannot hear the gentleman from Texas.

Mr. THOMAS. This was to take care of the Commission composed of the 11 Governors and the Federal Cochairman. It goes beyond this year and that part of it is subject to a point of order.

Mr. CRAMER. That is, relating to the administrative expenses?

Mr. THOMAS. That is right.

Mr. CRAMER. Would the gentleman discuss the item relating for instance to to the supplemental grants-in-aid under section 214 in that the authorization provided for $90 million for the entire 2-year period?

Mr. THOMAS. May I request the gentleman from New York [Mr. ROONEY] to respond to the gentleman's question?

Mr. MAHON. I yield to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY of New York. Mr. Chairman, would the distinguished gentleman from Florida kindly inform me as to the page to which he is referring?

Mr. CRAMER. Page 45 of the committee report where there is discussed supplemental grants-in-aid, Appalachian Regional Development, title II. Provision is made for the sum of $45 million, and the total sum authorized in the bill for a 2-year period is only $90 million. This is April and we have April, May, and June—3 months—and you are providing 50 percent of the 2-year authorization for a 3-month period.

Mr. ROONEY of New York. I do not know how to answer the distinguished gentleman from Florida other than to say that the administration seems to be moving quite fast on this Appalachian program and they want the people of that area to benefit as promptly as possible. They want to obligate a good part of this money before this coming June 30. This not only applies to the $45 million to which the gentleman from Florida has directed our attention, but also to the $200 million for the Bureau of Public Roads and the $2.5 million recommended in the bill for grants for local development districts and for research and administration.

Mr. CRAMER. I appreciate that, and that was to be my next question. But, is it contemplated, then—let me ask it this way—that relating to the $45 million figure, that is grants-in-aid—that is the little APW, accelerated public works program—the public roads development, the $200 million, is it contemplated that there will be a substantial figure included in the appropriation bill for fiscal year 1966 for those 2 items?

Mr. ROONEY of New York. No.

Mr. CRAMER. That is precisely the point that I wanted to make.

What is being done here, I will ask the gentleman if it is not true, is that you are providing all of the money needed for the 3 months left this fiscal year and all the money for fiscal year 1966 in this supplemental so that it will not appear in the 1966 appropriation bill?

Mr. ROONEY of New York. This is so they can immediately get started. A great deal of the money contained in these items is in connection with construction work and they cannot proceed with that sort of program unless they have the funds in hand.

This would cover a 15-month period beginning with the passage of the bill, in this fiscal year and the entire next fiscal year—in each of these 3 instances in which the Congress overwhelmingly voted authorizations. For instance, in the Bureau of Public Roads the committee recommended the sum of $200 million. There is presently an authorization for expenditures of $840 million over a period of 5 years.

Mr. CRAMER. Over a 5-year period.

Mr. ROONEY of New York. Over a 5-year period, yes. There are some plans but we cannot itemize all of them.

Mr. CRAMER. The testimony we had before our committee was to the effect that for the balance of this fiscal year inconsequential sums would be needed, but in fiscal 1966 they contemplated they would need around $100 million for the highway program. Now we come up with a proposal to finance through this supplemental another $200 million amount rather than including the largest portion of it in the 1966 budget.

Mr. ROONEY of New York. We gave this request the same attention that we give to regular items in the 1966 budget. We held hearings on this supplemental, and the regular 1966 bill at the same time. The only answer I can make to the gentleman is that it is to get started on this Appalachian operation which the Congress so overwhelmingly voted.

Mr. CRAMER. In addition to that, may I ask a question further? I am not criticizing the fact that the program is in effect. The Congress voted it. I am calling attention to the fact instead of putting the money in the 1966 appropriation bill where it belongs, it is being put in the supplemental bill to cover all of 1966.

Mr. ROONEY of New York. It covers a period of a couple of extra months when it can be done in a sensible way, so there will be proper plans and wise expenditure of the funds.

Mr. CRAMER. The obvious reason is that this appropriation bill in 1966 will not properly reflect the expenditures in 1966, if we go back to the supplemental for 1965.

Mr. ROONEY of New York. This is on an obligation basis rather than an expenditure basis.

Mr. CRAMER. The gentleman from Florida does not feel that makes a substantial improvement.

Mr. ROONEY of New York. And it would not mean very much in the President's overall budget.

Mr. CRAMER. The sum of $322 million, which I understood in the presentation to our committee was part of the 1966 request, would be used in 1966.

Mr. ROONEY of New York. We are talking about $200 million plus $45 million, which is a total of $245 million.

Mr. CRAMER. It says that a total of $344 million is recommended for the various agencies involved for obligation to June 30, 1966.

Mr. MAHON. Let me say to the gentleman that the Congress approved the Appalachia program. The administration brought it here in one package covering the balance of this fiscal year, which is limited, and for continuation over to the next fiscal year. If there is anything wrong with this I cannot see it. This makes it crystal clear to Congress and to the country that in this 15-month period we are providing some $344 million. Why break it down, what good would that do? Here it is out on the table. It is a matter of saying "here is a program, and here are the funds." I do not get the gentleman's point at all.

Mr. JONAS. The only point the gentleman from Florida is trying to make, and I think the distinguished Chairman of the Appropriations Committee will agree is that this has been an arbitrary decision on the part of the Director of the Bureau of the Budget, with the concurrence of the President, of course, to put this money back in 1965 so as to reduce the 1966 budget. He said that the Administration has discretionary power over whether to charge it to the 1965 budget or to the 1966 budget.

I submit they exercised that discretion by putting this money back in 1965 and that makes 1966 look better than it would have if part of the funds had been charged to 1966. If we just admit that we will get along.

Mr. MAHON. There is nothing to admit. This is as plain as anything can be, that here is a package for this program of $344 million, some of it to be obligated in 1965 and some in 1966. A decision had to be made to make it one package, to keep better account of it. The appropriation for the fiscal year 1966 will be less. It will be more for the current fiscal year. Everybody knows that. The thing that will affect the spending is not when it is appropriated but the rate of expenditure.

Mr. JONAS. Nothing is under the table. It is all open and aboveboard. But you cannot get around the fact that this is new money and is not expected to be obligated in 1965. The normal thing would be to put it in in 1966.

Mr. MAHON. We did not want to slow it down. It seems more orderly to do it this way. There have been numerous occasions where appropriations have been made to cover slightly in excess of 1 year.

In May of 1954 we did it for longer than a 12-month period. In 1955, we did it again. In 1956 and 1957, we did it again. There is a record of this kind of proceeding. I will include more details in substantiation from a memorandum which I hold in my hand. So there is nothing improper here. Here is the full appropriation, in one package, money. Let us take a look at it. If we are for it, we vote for it. If we are against it, we vote against it. In elaboration, I include a memorandum of precedents for appropriation availability beyond 1 year—14 to 16 months:

MEMORANDUM

We have the so-called continuing appropriations for construction of public works and purchase of materials requiring long leadtime, but I am not referring to that type—I am referring to what might otherwise be an annual item.

It seems sensible and timesaving to provide availability for 14, 15, 16 months in one bill rather than splitting the program into two shorter time periods and thereby necessitating going through the same thing twice within a matter of a very few weeks.

As examples, let me cite a few cases in recent years where this type of appropriation has been made:

The Third Supplemental Appropriation Act of 1954, approved May 11, 1954, contained an appropriation of $15 million to combat wind erosion, in the agricultural conservation program and provided that such amount be made available through December 31, 1955—approximately 20 months. The same bill also contained an appropriation of $55 million for school construction which was to remain available to April 1, 1955—10 months beyond the close of the fiscal year for which the appropriation bill primarily provided.

The Second Supplemental Appropriation Act of 1955, approved April 22, 1955, provided an appropriation of $200,000 for the Washington Regional Mass Transportation Survey and authorized that amount to remain available through June 30, 1956—14 months availability.

The Supplemental Appropriation Act of 1957, approved on June 21, 1957, provided $15 million for emergency conservation work and extending the availability of such amount through June 30, 1958. The same bill also carried funds for the entombment of the unknown American soldiers of World War II and permitted this amount to be available through June 30, 1958.

The Second Supplemental Appropriation Act of 1959, approved May 20, 1959, appropriated $500,000 for the Third Pan American Games and authorized the funds to remain available through June 30, 1960—a little over 13 months from the actual signing of the law.

The Second Supplemental Appropriation Act of 1961, approved September 8, 1960, carried funds for the 18th decennial census and provided that they remain available through December 31, 1962—27 months from the date of enactment.

The Third Supplemental Appropriation Act of 1961, approved on March 31, 1961, appropriated $500 million for the Federal unemployment compensation account and provided that it remain available through September 30, 1962.

The Deficiency Appropriation Act, 1964, approved June 9, 1964, provided funds for Alaska earthquake damage and carried language making them available through June 30, 1965.

The regular annual appropriation bill for Departments of Labor and Health, Education, and Welfare for the fiscal year 1965 was reported by the House Committee on Appropriations on April 10, 1964, and carried funds for the initiation of certain programs in the Manpower Development and Training area and provided that the amount in the bill was to cover a period of approximately 15 months. House Report No. 1316 of the 88th Congress on page 4 says: "The committee has simply attempted to be realistic in assessing the capacity of the program during the next 15 months."

It seems to me that there is ample precedent for this sort of thing and it seems sensible that we follow such precedents in this case at this time.

Mr. ROONEY of New York. Mr. Chairman, will the distinguished gentleman yield?

Mr. MAHON. I yield.

Mr. ROONEY of New York. In connection with what the chairman of the committee says, the bulk of this money is for roadbuilding construction. The weather has a good bit to do with it, too. The better way to do it in this instance is by appropriating $200 million at this time.

Mr. CRAMER. The Bureau of Public Roads testified before our committee that in the first 12 months they could not use over $90 million in order to accomplish the objectives of the bill, but under the proposal you have here, we find for 3 months of this fiscal year $200 million. I am saying this program should be properly appropriated for. I say what the gentleman from North Carolina had to say, that to put money for the 15-month period in a supplemental rather than putting it in 1966 where it belongs is not proper procedure.

May I ask a question? On page 42—

Mr. MAHON. Of the bill or the report?

Mr. CRAMER. Of the report, pertaining to the Appalachian regional development, the next to the last paragraph.

The appropriations recommended for the Soil Conservation Service, Agricultural Stabilization and Conservation Service, and the Farmers Home Administration in the amount of $23,150,000.

The point I am asking about relates to the authorization itself. The bill under section 203 of the Appalachian Commission Act authorizes for land conservation, erosion control, and so forth, a total for the 2-year period of not to exceed $17 million. Will the committee indicate on what basis it included a sum in excess of that authorization in the appropriation request?

Mr. MAHON. In working on this bill, the subcommittees that normally handle the work relating to an agency did the work and the gentleman from Mississippi [Mr. WHITTEN] who conducted the hearings on this item is best informed about it. Perhaps he might discuss this briefly in general debate, but he may wish to do so at greater length when we are under the 5-minute rule.

Mr. WHITTEN. May I say to the gentleman from Florida, only $7 million of the total that you are reading is included in that limitation in the Appalachia bill.

Mr. CRAMER. Would the gentleman indicate what the balance is?

Mr. WHITTEN. The balance has to do with Farmers Home Administration loans, the Soil Conservation Service and the watershed programs that are not subject to the limitation. But as to the limitation that the gentleman mentioned, we scaled that down to $7 million.

Mr. CRAMER. I thank the gentleman.

Mr. MAHON. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Texas has consumed 27 minutes.

The Chair recognizes the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Chairman, I yield myself 5 minutes and now yield to the gentleman from Pennsylvania [Mr. SAYLOR] for the purpose of asking a question.

Mr. SAYLOR. I would like to ask a direct question, Mr. Chairman, of the gentleman from Texas [Mr. THOMAS] regarding the language that appears on page 8 regarding the veterans' reopened insurance fund. It is very evident from the language that you are announcing here that there is such a thing as as veterans' special term insurance. This is completely contrary to the act that was passed last year because in establishing the record, we made sure that there is no such thing as term insurance under the reopened veterans' insurance. I would like to know why we are going to transfer amounts from a fund which does not exist.

Mr. THOMAS. Would the gentleman from Pennsylvania be kind enough to read the language he refers to.

Mr. SAYLOR. On page 8, line 19, there is this language:

> That such amounts of the "Veterans special term insurance fund" as may hereafter be determined by the Administrator of Veterans' Affairs to be in excess of the actuarial liabilities of that fund, including contingency reserves, shall be available for transfer to the "Veterans reopened insurance fund".

Mr. THOMAS. All that that language does, I say to my distinguished friend, the gentleman from Pennsylvania, is to allow those funds—and you are not appropriating new funds by that language—but as I say this is to transfer excess funds to carry out the purpose of the new veterans' insurance act. It is the language of the Bureau of the Budget. There is no new money added here. It is a sincere and bona fide attempt to carry out exactly the purpose and intent of the language approved and passed by the Congress.

Mr. SAYLOR. But it is legislation on an appropriation bill; is it not?

Mr. THOMAS. I think you are right. It is a transfer of funds.

Mr. BOW. Mr. Chairman, this is a large bill. It involves a great deal of money. I am not completely satisfied that it represents any compromise. I think further cuts could have been made and should have been made. I join with some of my colleagues on this side of the aisle and in looking at the large amounts that should have been in the 1966 budget—since we are appropriating here for 15 months—I do not think this is really in the spirit of a deficiency or a supplemental appropriation. But it has been done and we are going along with it.

Mr. Chairman, I think as we take this up item by item, Members who are more familiar with the bill will discuss them. I may want to say something further as to certain items under the 5-minute rule, but do not intend at this time to take any further time in debate on this bill.

Mr. Chairman, I yield 5 minutes to the gentlewoman from Washington [Mrs. MAY].

Mrs. MAY. Mr. Chairman, I wish to congratulate my colleagues on the Committee on Appropriations for their recognition of the responsibility of the Federal Government in their attention to the need for additional funds for various Federal agencies to assist the people of the Pacific Northwest in recovering from the disastrous floods of last December and January.

I have closely examined the committee recommendations as contained in H.R. 7091, the second supplemental appropriations bill before us today, and I feel that generally speaking the Committee has given the problem of the flood damage in Washington, Oregon, and California its most sympathetic attention so that the Federal agencies will have funds adequate to carry on their responsibilities.

Sections of my State of Washington were severely damaged as a result of the winter floods this year and I am sure the people of the State of Washington, as a result of passage of today's appropriations bill will be highly appreciative of this action. While it may not be possible for the Pacific Northwest to fully recover from the floods for some time to come, the assistance being made available through Federal, State, and local governments should be of immeasurable benefit in speeding this recovery.

Additionally I wish to compliment the committee on recommending the appropriation of $600,000 to permit an immediate start on construction of the lower Granite project on the Snake River in the State of Washington. An immediate start on lower Granite lock and dam should enable completion of the dam and powerplant by 1971 to prevent a potential power shortage in the Pacific Northwest and help meet the Bonneville Power Administration requirements at that time.

Mr. BOW. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. LAIRD].

LAIRD AMENDMENT ON MILK

Mr. LAIRD. Mr. Chairman, I take this time to explain the purpose of the milk amendment which was placed in the bill in the full committee meeting.

Mr. Chairman, the purpose of this amendment is to extend for 5 months—through fiscal year 1965—the authority of the Secretary of Agriculture to make indemnity payments to eligible dairy farmers whose milk has been condemned for containing pesticide residues.

The enabling legislation for this program expired on January 31, 1965. The appropriation for fiscal year 1965, however, contained $8.8 million to finance the program. By January 31, 1965, only 250 payments totaling $300,000 had been made.

Therefore a number of eligible dairy farmers are the victims of an unusual situation where funds have been authorized for a program that has expired.

A number of bills, by Representatives QUIE, HORTON, WHALLEY, MATHIAS, SICKLES, and ABBITT, are pending in the House Education and Labor Committee. These bills would extend the authorized time for the program through June 30, 1967.

However, the delay in consideration of these bills will work an undue hardship on dairy farmers now facing sever economic loss.

In brief, a remedy is only a remedy if it is prompt.

This amendment would extend the legislative authority for the programs through fiscal 1965 and thereby make available the balance of the $8.8 million which has already been appropriated to correct this situation.

My amendment further carries out the amendment which I offered last year. It would appropriate no new money, but would take the funds from the poverty appropriation, which was made to the poverty administration. It seems to me that this is a far better use of the poverty funds than some of the uses that have been made of the funds. This is a poverty-prevention program.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from North Carolina.

Mr. JONAS. How far would the amendment of the gentleman from Wisconsin extend the time limit?

Mr. LAIRD. It would extend the time limit from January 31 to July 1, 1965. This is a supplemental appropriation bill, and it did not seem to me proper to extend the time beyond June 30 or the start of the next fiscal year.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Mississippi, the chairman of the Appropriations Subcommittee dealing with agriculture.

Mr. WHITTEN. Those of us who work with this subject matter are in accord with the gentleman from Wisconsin. He has properly described the situation. I believe it is a good proposal.

Mr. LAIRD. I thank the gentleman from Mississippi.

Mr. BOW. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. DON H. CLAUSEN.]

Mr. DON H. CLAUSEN. Mr. Chairman, I take this time to commend and to thank the Appropriations Committee for all the consideration given to the flood problems of my particular congressional district. I know the committee receives many requests. I just wanted the committee to know that I am most apprecative of the time the individual members have given to me, personally, as we brought the many problems of the flood stricken area to their attention. We are still in the recovery and rehabilitation process and will be for some time to come. In closing, I

sincerely hope a similar disaster never strikes your own congressional districts.

Mr. BOW. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I would like to inquire about the $1,858,000 to be made available to the Peace Corps.

From reading the hearings I got the impression, according to the statement of the gentleman from Louisiana [Mr. PASSMAN], who quoted a statement by the Director of the Peace Corps, Mr. Shriver, that there were going to be stringent controls placed upon the administration of the organization. I am unable to understand why they are here for nearly $2 million in this bill.

I wonder if someone could help me out on how the administrative funds in the Peace Corps have been expended.

Mr. PASSMAN. It is not an easy job to defend this item. I should like to call the attention of the gentleman to the fact that the increased cost of the Pay Act of 1964 represents $658,000 of the funds Mr. Shriver is requesting that we transfer from other unobligated funds to the administrative expense of the Peace Corps.

Mr. GROSS. But did they not spend at an exceptional rate in the first few months of the fiscal year?

Mr. PASSMAN. It is true that almost from the beginning of this fiscal year the Peace Corps started spending out of the administrative expense fund at a rate that would prevent them from living within the limitation imposed by the Congress in the regular bill. Nevertheless, Mr. Shriver claims that these additional funds for administrative expense are necessary.

Mr. GROSS. Your subcommittee was assured, was it not, they would cut back on travel expense for one thing, and is it not a fact that a substantial amount of this money is to take care of increased travel expenses?

Mr. PASSMAN. May I say to the gentleman that it is most difficult to defend this item especially against the testimony given by these people last year. My feeble attempt to justify this would have to be limited to stating that there is a request to change the language so as to authorize the transfer of $1,858,000 within the 1965 Peace Corps appropriation to finance increased administrative and programs-support costs. Honesty is always in order. Certainly they assured us they would cut back on travel and other expenses, but evidently they did not make good on that promise.

Mr. GROSS. We had the issue of transferring funds before the House yesterday. I am talking about the attempt to write into the appropriation bill yesterday a provision for the transferability of funds. I said yesterday and I repeat today that I think the agencies and departments of the Government ought to live within the funds that they request for specific purposes unless some emergency develops.

Mr. PASSMAN. Will the gentleman yield further?

Mr. GROSS. Yes. I yield to the gentleman.

Mr. PASSMAN. May I say to the gentleman there is some defense for a request for the transfer of $658,000 to meet the mandatory salary increases called for by the Pay Act of last year. Although I certainly agree that this agency should live within the limitation placed at its own suggestion last year because the committee gave them every dime they asked for for administrative expenses.

Mr. GROSS. Now I want to get at something else.

Mr. PASSMAN. Of course, it is indeed difficult to defend Mr. Shriver's request. I hope the gentleman will not press me too far because if he should, then I would have to say that the Peace Corps is not my creature. But, if we are going to have these children or Peace Corps men scattered all over the world, doubtless some of them will become ill, and doctors will be needed to treat them.

Mr. GROSS. I want to ask another question. Can anyone tell me whether there are funds in this bill to man the automatic elevators in the New House Office Building? Has that money already been made available? I would like to know whether the House is now going to put elevator operators on fully automatic elevators where all you have to do is stick your finger on a button to get where you want to go.

Is it now proposed to compound the felony of extravagance in that building by putting elevator operators on fully automatic elevators?

Mr. MAHON. Mr. Chairman, the gentleman made reference to a transfer of funds a moment ago.

Mr. GROSS. Yes.

Mr. MAHON. There was a limitation in the Peace Corps providing so much for administrative funds. We provide here that that limitation shall be lifted to the extent indicated on those administrative funds. That is not like transferring from one appropriation to another.

Now with respect to the elevator operators, I share the gentleman's hope that we will not have individual elevator operators on these new elevators in the Rayburn Office Building and here in the Capitol except perhaps for a few weeks until they get better adjusted. The elevators are not yet too well adjusted. New elevators always require some degree of adjustment. I understand that there is no plan made for elevator operators, although I cannot speak for the leadership of the House on that.

Mr. GROSS. I fail to find anything wrong with the adjustment of the elevators now.

Mr. MAHON. They are just about in shape, I think, but they do not operate with complete perfection, as I believe the gentleman knows.

Mr. GROSS. No, I do not agree with that.

Mr. MAHON. These people have been used temporarily in order to help get over this transition period.

Mr. GROSS. I understand they have operators on the other side of the House Chamber on those elevators. I am talking now about the 30 or 40 elevators over in the new building.

Mr. MAHON. Where we have no elevator operators at this time?

Mr. GROSS. And where we ought not to have elevator operators at any time.

Mr. MAHON. I agree with the gentleman. I do not think we ought to have operators over there except for a very brief period to see that the elevators are working well.

Mr. GROSS. If there were any such brief period, that brief period has passed.

Mr. MAHON. Yes.

Mr. GROSS. I am glad the gentleman agrees that operators are not needed on fully automatic elevators. I hope that if money has already been appropriated for this purpose that the Appropriations Committee will do what it can to see that it is not expended.

Mr. BOW. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. ROBISON. Mr. Chairman, I intend to support this bill although I am still not convinced that the bill should include moneys, on a 15-month basis, to permit the Corps of Engineers to charge any acceleration of their current program in the so-called Appalachia region to fiscal 1965.

As will appear from the hearings—page 58 of part 2—the only specific authorization for Corps of Engineers activity contained in the recently enacted Appalachian Act, was for it to conduct a comprehensive water resources study for Appalachia at a cost of not to exceed $5 million.

I have no objection to the allowance of the requested $1.7 million—which is contained in H.R. 7901—to permit the corps to commence that study, even though this sum is to cover a 15-month period. It is important to Appalachia for this study to be commenced as soon as possible, and there is no need for our Public Works Subcommittee to give further study to this specifically authorized project.

However, H.R. 7091 also contains almost $15.8 million to permit the corps, also on a 15-month basis, to accelerate certain existing projects of civil works in Appalachia, and to commence work on certain others in the same region. Aside from the question of whether or not this is sound appropriation policy, despite the precedents for so doing, it seems to me the corps request here should have been treated in the same manner as was the request for air pollution and water supply and water pollution control money that was disallowed by another subcommittee, as will appear from page 48 of the report, in order to consider such needs in connection with the regular requests by the Departments of Labor and of Health, Education, and Labor for fiscal 1966 itself.

A similar delay here would not have been detrimental to Appalachia in view of the fact that our subcommittee is already at work on the corps regular 1966 budget requests. We could also have assured ourselves, as I am not yet assured, that the corps can in this fashion, accelerate its regular programs and specific projects in Appalachia without delay or

detriment to its programs and projects in other areas of the Nation.

Mr. BOW. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Chairman, I just want to take a moment of this time, if I may, to direct these remarks to the very able and fair-minded chairman of the Subcommittee on Appropriations for the District of Columbia. I did mention in the full committee, the gentleman will recall, that I felt concerned about the money included in this bill for some additional square feet of space for the site of the Central Library of the District of Columbia. I have not felt any softening of my attitude in that regard. So I wanted to take this moment to serve notice on the gentleman from Kentucky that I do propose at the proper time to offer an amendment to strike that amount from the bill.

Mr. BOW. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I want to call attention to this one big item of $407.9 million for grants to the States for public assistance. I think it is very appropriate to point up this item since we are about to take up the medicare bill later this week. May I refer you to the hearings on this item before our Health, Education, and Welfare Subcommittee and the specific remarks of our distinguished chairman, the gentleman from Rhode Lsland [Mr. FOGARTY]. He expressed some concern when he said—and this is Mr. FOGARTY speaking:

> Because of the 1962 amendments that were supposed to reduce dependency, and because of the expansion of the vocational rehabilitation program, the manpower development and training program, the antipoverty program, and all of these other programs, we are appropriating large sums for, that are supposed to get people off of public assistance, we thought this program should start costing a little less. Last year Congress cut the request $200 million.

Dr. Winston, in testifying before the subcommittee, stated:

> Of the $407.9 million, $155.9 million represents an underestimate on the part of the Department.

He went on to say that this was due to an underestimation of the action of the States in the field of medical assistance for the aged. The Department also underestimated the amount for the program of Aid to Dependent Children—ADC.

So, here, Mr. Chairman, we have an item in the supplemental bill of over $400 million for additional grants-in-aid to the States for public assistance. This added to the $2.78 billion previously appropriated for this fiscal year brings the total figure to $3.187 billion. And still the figure continues to rise.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am glad to yield to the gentleman from Massachusetts.

Mr. CONTE. The Secretary of Agriculture proposed to close the research center located in Philadelphia which has been concentrating its efforts on the study of maple sirup. This research center, which does not cost very much money, $2,000, has been very helpful to the farmers in my district in helping them to produce the finest maple sirup in the country, something to sweeten up the country a little bit.

I wonder what the bill carries for that center?

Mr. MICHEL. The gentleman's good work and representations to the committee are well known. We appreciate the testimony which he has given to us.

I am happy to advise the gentleman that there is enough money previously appropriated to take care of and to continue these research activities. As a matter of fact, in the report the committee recommends utilization research, of benefit to the maple sirup industry which returns about $10 million annually to some 10,000 producers, should be continued by some competent research agency, Federal, State, or private.

I assure the gentleman again that there are sufficient funds already appropriated to carry on that vital research.

Mr. CONTE. I thank the gentleman and I take this opportunity to commend the chairman of the committee and the distinguished ranking minority member on this side for this fine work.

Mr. BOW. Mr. Chairman, I yield myself 1 minute in order to raise a question with the gentleman from Massachusetts [Mr. CONTE].

The gentleman from Massachusetts made some statement here that I do not think he can back up. I feel that it should be corrected. He said that Massachusetts makes the best maple sirup in the United States. I question that and challenge him at any time to a contest. We will bring some maple sirup down from Ohio and I believe we can prove to the gentleman from Massachusetts that they do need a little research in Massachusetts in order to improve their maple sirup to bring it up to the standard of Ohio maple sirup.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Massachusetts. I will have to yield to the gentleman since I have referred to him unkindly.

Mr. CONTE. Mr. Chairman, I do not want this colloquy to get all gummed up, but we certainly accept the challenge.

Mr. LAIRD. Mr. Chairman, will the gentleman from Ohio yield to me?

Mr. BOW. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I would like to state that we already have Wisconsin maple sirup right here in the Capitol.

Mr. BOW. I have been wondering what has been the matter with that maple sirup, and I would also suggest—some change be made to the excellent product of Ohio.

Mr. LAIRD. If the gentleman will yield further, it is about time that they brought some from Ohio and Massachusetts. I have been furnishing it too long.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say I am glad that this controversy has arisen and in case you gentlemen need some judges, there are some real fine ones on this side of the aisle.

Mr. BOW. I thank the gentleman from Mississippi.

I yield 5 minutes to the gentleman from Georgia [Mr. CALLAWAY].

Mr. CALLAWAY. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CALLAWAY. Mr. Chairman, I am pleased to announce to the House an act of the Georgia State Senate in tribute to Joe Bartlett.

Upon becoming a Member of Congress, one of the first men I meet was Joe Bartlett, reading clerk of the House of Representatives. I was immediately impressed with Mr. Bartlett's courtesy and willingness to help. Especially impressive is his knowledge of the House of Representatives and the Capitol, and his readiness to share this knowledge with me, with my family, and with visitors.

For a number of years Joe Bartlett has had a particular interest in American junior chambers of commerce, giving his time and efforts to many Jaycee groups. Each year Jaycees from all the Georgia clubs come to Washington for an intensive 2 days of briefings and instruction in Federal affairs, and each year Joe Bartlett has participated in their program.

Following their Washington seminar last spring, President James B. Haralson, of the Glenwood Jaycees, invited Joe to come to Georgia to be a judge in the 1964 Miss Atlanta Pageant.

This past February over 100 young Georgians came to Washington to attend the annual seminar. At their final meeting in the House Ways and Means Committee room, State President T. Malone Sharpe, presented to Joe Bartlett, and to his helpmate, "Jinny," the Jaycee President's Award for Outstanding Service.

Now, Mr. Chairman, I am happy to say that Joe Bartlett has been further honored by a resolution of the Georgia State Senate.

The author of this resolution, Senator James P. Wesberry, Jr., served as a page in the U.S. House of Representatives some 15 years ago. His father, Dr. James P. Wesberry, Sr., a prominent Atlanta clergyman, has offered the opening prayer for the Congress on several occasions. They are both very enthusiastic admirers of Joe Bartlett.

This resolution is as follows:

S. RES. 72

> A resolution of the Georgia State Senate commending Joe Bartlett; and for other purposes
>
> Whereas Joe Bartlett is presently senior reading cleark of the U.S. House of Representatives; and
>
> Whereas this outstanding and distinguished young man has for many years been active in civic, political, and military affairs of this Nation; and
>
> Whereas Mr. Bartlett became in 1953 the youngest person ever to hold the position of reading clerk of the U.S. House of Representatives, and has the unique privilege of

regularly being heard in both Chambers of Congress; and

Whereas Mr. Bartlett has been of particularly outstanding service to the members of the Georgia Junior Chamber of Commerce, having appeared for the past 4 years on the program of the annual seminar on Federal affairs conducted by the Georgia Jaycees, giving his own time and talent during nonworking hours to assist the young men of Georgia in becoming more familiar with the history and operations of the Congress of the United States: Now, therefore, be it

Resolved by the Senate of the State of Georgia, That the Honorable Joe Bartlett, Reading Clerk, U.S. House of Representatives, is hereby commended and recognized for his many outstanding contributions to members of the Georgia Junior Chamber of Commerce: Be it further

Resolved, That the secretary of the senate is hereby authorized and instructed to furnish an appropriate copy of this resolution to the senator from the 37th Senatorial District to be presented to the Honorable Joe Bartlett.

PETER ZACH GEER,
President of the Senate.
GEORGE D. STEWART,
Secretary of the Senate.

It is fitting that the Georgia State Senate has honored Joe Bartlett in this manner, and I am happy to add my own personal commendations to this great American.

Mr. CALLAWAY. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. GERALD R. FORD] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. GERALD R. FORD. Mr. Chairman, it was my privilege to present to Joe Bartlett the certified copy of the resolution adopted by the Senate of the State of Georgia commending our reading clerk for his special service to the young men in the Georgia Junior Chamber of Commerce. This well deserved recognition came as a complete surprise to Joe who has always been willing to give of his time and talents in the promotion of a better understanding of the operation of our Government.

Joe's superb performance as a reading clerk in the House of Representatives is known to us all. All of us are also pleased to know that among his extracurricular activities he shares his knowledge and experience with others in an effort to develop a constructive interest in politics and government.

The special commendation which he received from the senate of the State of Georgia was a gracious tribute to Joe Bartlett and to the House of Representatives which he serves. All of us are proud of the work that Joe does within this Chamber and without. We commend him for extending his influence for good not only in Georgia but wherever he goes.

Mr. CALLAWAY. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. MARTIN] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Chairman, I am happy to join with my colleague from Georgia in paying deserved tribute to my friend, Joe Bartlett, our reading clerk.

I have known Joe for a long time—in fact, since he came here 24 years ago as a House page, at the tender age of 14. That was in the months just before Pearl Harbor.

Joe graduated from our page school, and joined the Marine Corps in World War II. When he returned from service in 1945, there was a vacancy in the position of chief page. Many thought Joe was too young for the job—only 19—but I appointed him anyway.

When the Korean war came along, Joe served again in the Marine Corps. And again he returned, there was a vacancy for which he was qualified—this time as reading clerk.

There were some 20 applicants for the job, and Joe was among them. I named a committee of three to interview the applicants, and to make a recommendation. The committee favored Joe, but they were afraid he was too young for the job.

But that was the only criticism I heard, so I appointed him to the job. He has been doing a fine job as our reading clerk ever since.

Now at the age of 38, I understand he is too old to be a member of the junior chamber of commerce, the organization which has honored him, but he is still a youngster to those of us who know him and appreciate him here on Capitol Hill.

I know that our friend, Joe Bartlett, has many more years of useful public service ahead of him. I want to join with my colleague from Georgia in congratulating Joe on this deserved new honor, and to wish him well for the future.

Mr. CALLAWAY. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. BROWN] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, those of us from Ohio are all pleased with the report just given us by our colleague, Representative CALLAWAY, of Georgia, in which he calls attention to a resolution adopted by unanimous vote of the Georgia State Senate on March 2, 1965, praising our senior reading clerk of the House of Representatives, Joe Bartlett, and commending him for his services to the Georgia Junior Chamber of Commerce and other civic organizations.

It has been my pleasure to know Joe since he was a good-looking, but shy, young boy who came out of the mountains of West Virginia to serve as a page in the Republican cloakroom of the House. I have watched Joe develop throughout the years. We were proud of him when he left the House to serve his country in World War II, and again during the Korean war.

In 1953, Joe was chosen as reading clerk of the House, the youngest man to ever serve in that position. Both in 1960 and in 1964 it was my pleasure to move his unanimous selection to the position of chief reading clerk of the Republican National Conventions of those years. As a result of his outstanding platform service in those conventions, he became known nationally.

But even before I knew Joe, I knew his father-in-law, the late former Congressman and U.S. Senator from Ohio, George Bender, and Mrs. Bender, and I have known his pretty little wife, Jinny, from the time of her birth. I have helped her eat many doughnuts made by her mother, the best doughnut baker to be found anywhere outside of the Seventh Ohio Congressional District.

So I join in congratulating Joe, his wife, and their wonderful little family upon the honor that has come to him from the great State of Georgia.

Mr. CALLAWAY. Mr. Chairman, I ask unanimous consent that the gentleman from West Virginia [Mr. MOORE] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MOORE. Mr. Chairman, the people of Clarksburg, Harrison County, W. Va., are going to be mighty proud and pleased about this long-overdue recognition of the good works of Joe Bartlett.

Joe is a native son of West Virginia. He was born in Clarksburg, W. Va., and attended grammar school there. While attending Morgan Elementary School, he was selected to represent West Virginia at a school safety patrol convention in Washington. While in the Nation's Capital, he was singled out as "America's Typical Schoolboy Patrolman."

While he did not realize it at the time, this honor indirectly led to West Virginia's losing a good citizen and this House of Representatives gaining an extremely able officer.

As the result of his selection at the schoolboy patrol convention, Joe was given a 30-day appointment as a page, which evolved into a 24-year career of service to the U.S. House of Representatives

Joe's parents, Mr. and Mrs. F. Dorsey Bartlett, live on a farm south of Clarksburg. Recently they celebrated their golden wedding anniversary, and now they have time to sit back and contemplate with justifiable pride the many achievements of their five daughters and four sons. It will be a great satisfaction to them, I know, to learn of this fine tribute to their sixth born. And no one could be prouder at this most memorable occasion than Joe's lovely wife, "Jinny," daughter of the late George Bender, former U.S. Senator from the State of Ohio.

First and foremost, I congratulate Mr. and Mrs. Bartlett. I certainly congratulate Joe. But in so doing, do we not honor ourselves for his distinguished service to this House?

Mr. CALLAWAY. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. DAGUE]

may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DAGUE. Mr. Chairman, it is a distinct privilege to associate myself with my distinguished colleague from Georgia in bringing to the attention of this House the signal honor that has been conferred upon our senior reading clerk, Joe Bartlett, by the Georgia State Senate.

Joe Bartlett is an unusual person who combines tact and courtesty with the fulfillment of the unusually exacting duties of his important office. In addition to being exceedingly knowledgeable in regard to pending legislation and House procedures, he has also become an authority on the history and traditions associated with the Capitol, and has developed a veritable storehouse of anecdotes associated with this House.

The resolution adopted by the Georgia Senate explores his extensive contributions in the field of civic and Federal affairs and serves to reveal the many-faceted personality of this dedicated public servant. The military side of his life, however, is what brought me into closer association with Joe since I have the same pride that he is always willing to display; namely, in our service in the U.S. Marine Corps.

Former marines around the Capitol know Joe as the founder and guiding light of the Congressional Marine's Club, an organization composed of people on the Hill who have worn the Marine uniform and who are joined together in holding high the torch of their devotion to the corps.

A private, first class, at the close of World War II, Joe was later commissioned from the ranks of the Reserve, and recalled to active duty in 1951. He presently holds the rank of major and continues his deep concern in matters having to do with our national security. His official records as a Marine reservist include the personal commendations of each of the past five Commandants of the Marine Corps—a unique distinction not enjoyed by many members of the corps, regardless of rank or grade.

All I have listed have been a few of the visible accomplishments of this versatile American. What I must not try to explore, because of the limitation of time, are those personal attributes that have endeared Joe to all who know him. A real gentleman, a courteous official, but withal a warm-hearted counselor, he remains one whom it is a great privilege to claim as a friend. Verily, in honoring Joe Bartlett, our Georgia compatriots have honored this House and each one of us in turn.

Mr. MINSHALL. Mr. Chairman, I heartily concur in the statement made by the distinguished gentleman from Georgia in bringing this well-earned tribute from the senate of his State to the attention of the House.

As you know, Joe Bartlett, our reading clerk, is both my constituent and my longtime friend. He and his lovely wife, "Jinny," make their home in Chagrin Falls, Ohio, in the 23d District which I serve. Announcement of this tribute will bring much joy to Chagrin.

"Jinny" is the daughter of the late Senator George H. Bender and Mrs. Edna Bender, of Chagrin Falls. She was the Ohio princess in the 1951 Cherry Blossom Festival, and Joe, recalled to active duty with the Marine Corps, was assigned to be her escort. Love also blossomed and they were married. They now have two pretty little princesses, Linda Lou and Laura Lee.

Joe and his family always have been active in civic and community affairs. But service to the Members of the House of Representatives has been Joe's paramount devotion for nearly 24 years.

All of us, and many more, have been the grateful recipients of his help, his courtesy, his tireless efforts to serve this House and his Nation.

I am pleased to have this opportunity to express my admiration for our friend, Joe Bartlett.

Mr. BOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. McDADE].

Mr. McDADE. Mr. Chairman, I wish to express my gratitude at this time to the chairman of the subcommittee, the gentleman from Indiana, and to the members of the subcommittee, for agreeing to leave in this supplemental appropriation bill the full total of $11,800,000 to fight the problems of mine subsidence, mine caving, and underground mine fires. I particularly appreciate the action of the committee in not cutting this figure by $4,400,000. As I indicated to my colleagues, this $11,800,000 is essential to the welfare of a large number of Americans.

This present effort to solve the problems created by mine subsidences, mine caves, and mine fires is vital, not only to the people in my congressional district, but also to all those Americans who live in that part of our Nation where there has been a substantial coal industry.

As I have indicated in the record, the full thrust of this program can save millions of dollars for the countless Americans in these regions who are presently threatened with the loss of their homes. I stated to the subcommittee, as you may note in the hearings on this appropriation, there are perhaps no problems in the country more critical in nature, more deadly in result, and perhaps least understood than the problems which result from mine subsidences and underground mine fires beneath built-up areas in certain sections of Pennsylvania.

Of the amount requested in this appropriation bill an estimated $3,900,000 will be used to seal and fill voids in abandoned mine workings. These projects will include Wilkes-Barre No. 1 and No. 2 projects in Luzerne County; Scranton City No. 1 and No. 2 as well as the Pine Brook project in Lackawanna County and the Coaldale project in Schuylkill County.

Projects to control underground mine fires estimating $3,500,000 will be undertaken at Laurel Run in Luzerne County; Centralia in Columbia County; Shenandoah in Schuylkill County; Hickory Swamp in Northumberland County; Fairhaven Road and Buena Vista in Allegheny County; and Rostraver Township in Westmoreland County.

I believe that my colleagues on the committee exercised wisdom in deciding against cutting the appropriation by $4,400,000, and I wish them to know that they have the thanks of all the people who live not just in the 10th congressional district but those who live in other areas of Pennsylvania where these problems are critical.

Mr. BOW. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, I should like to associate myself with the remarks that have been made about our very popular reading clerk, Joe Bartlett. Joe's work with the junior chamber has been outstanding. He is earnest, honest, able—a fine young American.

Mr. MAHON. Mr. Chairman, I yield the remaining time on this side to the gentleman from Connecticut [Mr. GIAIMO].

Mr. GIAIMO. Mr. Chairman, I rise in support of this legislation, and at the same time would like to express my concern at the action which we are taking here in not appropriating $942,000 for the Civil Aeronautics Board for the continuation of the subsidy on helicopters. If this money is not appropriated, and it will not be under this bill, it means that the funds which we are not appropriating in the budget of last year will terminate probably in the month of April. It means that for the remainder of this fiscal year there will be no subsidy payments to three companies which are presently operating, the New York Airways, Chicago Airways, and Los Angeles Airways.

We are reaching the peak of the operation of helicopters and approaching the point where they will be on a self-paying basis. I am informed that by 1970 this will happen.

There is also a serious question of law involved as to whether or not there is an obligation on the part of the Government to make these subsidy payments as long as the present law is in existence. There is a question as to whether or not these companies, in the absence of payments, can come into the Court of Claims and demand payment from the United States.

I think we should concern ourselves with this problem, and study it carefully. Whatever action may be taken in the other body, insofar as these supplemental appropriations are concerned, at that time I would hope that the House in its wisdom will see fit to go along in restoring these funds.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

CAPITAL OUTLAY

For an additional amount for "Capital outlay," $971,000, to remain available until expended.

AMENDMENT OFFERED BY MR. DAVIS OF WISCONSIN

Mr. DAVIS of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Wisconsin: On page 3, strike out lines 19, 20, and 21.

Mr. DAVIS of Wisconsin. Mr. Chairman, the purpose of this amendment is to delete from the bill an item of $971,000, the purpose of which is to purchase 22,000 square feet of additional land at the corner of 9th and G Streets in the District of Columbia for additional land for the site of the new central library.

The appropriation for the new fiscal year will include $800,000 for the planning of this building. The site was originally chosen based upon some recommendations of Booz, Allen, & Hamilton, who set out the criteria for this library site. They recommended that the site be 50,000 square feet. The actual complete site would have 76,000 square feet, and including that which is included in this appropriation, based upon the appropriation which the Congress made last year of about $2.5 million, the District authorities did proceed and procured 54,000 square feet. Then they ran out of money. But you will note that the District already has procured more land than the original consultants, Booz, Allen, & Hamilton had recommended as being necessary for the site of the central library. So what we are talking about here today is approximately $1 million to provide 70 additional parking sites in a very expensive area of downtown Washington.

First of all, we are not only spending this additional money to provide for the parking sites but we are taking some land of high assessments off the tax roll of the District of Columbia.

It probably will be said that actually we are not providing this money, that this money is all going to come from money already in the hands of the District of Columbia. I submit that this is fallacious reasoning because, as we are all painfully aware, we are called upon to use the funds provided by the taxpayers of this country, and the entire country, each year to supplement the funds that are raised within the District of Columbia, in order to keep the site of our National Government operating.

So I submit, Mr. Chairman, that we ought not, either through a false sense of ease or through the feeling that we ought to have additional parking spaces, appropriate almost $1 million to provide this number of additional parking spaces.

The building itself with the funds that will be normally required will include, or can easily include from 80 to 85 parking sites without spending an additional million dollars for that purpose. In fact, I think it is fair to say that the District officials had reconciled themselves to the smaller site that met the original criteria that had been set forth, and there was no request before this committee up until the time of our subcommittee hearings for any additional money for this purpose at all. It was something that came in as a kind of afterthought when the climate appeared to be such as to make it appear that the Appropriations Committee would look with favor upon this additional amount of money.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Iowa.

Mr. GROSS. I read with interest in the hearings the questioning by the gentleman from Wisconsin who is presently addressing the House. The gentleman tried to ascertain how this parking lot would be available to those who used the library rather than becoming a public parking lot. I submit, in reading the hearings, there is no answer to the gentleman's question of how it could be held for use by those who patronize this new library.

I support the gentleman's amendment.

Mr. DAVIS of Wisconsin. At the time the original interrogation took place on that point, I would say to the gentleman from Iowa, it was obvious that there had not been any real thinking done on this problem at all—and it is a real problem because it is right in the downtown shopping area of the Nation's Capital and I do not think we have any obligation and I do not think we have any right to be spending public funds in order to provide a more convenient parking area for those who will be in the downtown shopping centers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the present library in the District of Columbia is located at Eighth and K Streets NW. This library is obsolete and has been obsolete for about 20 years. For the last few years, the Subcommittee on Appropriations for the District of Columbia has carefully studied the request made each year by the librarian and by the Commissioners for funds for a new public library. The present library was constructed in the year 1903 with Carnegie funds.

The District needs a new central library.

For the fiscal year 1965, a request was made again for funds for a site for a new central library. Our subcommittee and the Congress approved the amount of $2,351,000 to buy land at Ninth and G Streets for a new public library for the District of Columbia. The amount contained in this supplemental bill of $971,000 is District of Columbia funds, and is the amount necessary to buy the balance of the land to be used for the library. Every dime of this money is to be funded by the District of Columbia and no part of same is Federal money. The amount that was approved for the entire site in the 1965 budget was not sufficient to buy the necessary land for this building.

Here in the District of Columbia we have, I think, one of the best library systems and one of the best librarians in the United States. This is their money, and the people want to build a new library to take the place of a library that was built 62 years ago. As much as I dislike finding myself in disagreement with my able friend, the gentleman from Wisconsin [Mr. DAVIS], a member of the subcommittee, I say to you frankly that he is wrong, and this amendment should be defeated.

In addition to the $971,000 involved in this amendment, all of the balance of the funds contained in this supplemental bill for the District of Columbia will be funded by the District out of District funds. This site was carefully selected by a library board composed of outstanding citizens in our Capital City. This additional land is necessary for parking facilities and will then place the city in a position where an adequate building may be constructed.

The amount we appropriated in the fiscal year 1965, $2,351,000, was not ample to buy all the land necessary, and the $971,000 should now be approved.

I say frankly that it would be a mistake, and serious mistake, to build a building on a site with less land than is necessary. We will not build a central library every year in the District. Why not proceed correctly and do this job right? This library will have to last for a great many years.

It is true that during the hearings my good friend from Wisconsin inquired of some of the witnesses concerning parking facilities. That was the only question raised. There was no question of the money or the amount involved, but there was a question about furnishing parking facilities to some people who might be down at one of the stores making a purchase.

This is what was said to the witness:

Mr. DAVIS. I think the only basic question I have, Mr. Peterson, is how we can assure that we are providing a necessary parking facility for library users or library staff, and aren't just providing a convenient parking place for the downtown shoppers in the Washington area.

During the hearings the distinguished gentleman from Wisconsin was very much concerned about parking facilities. At no time did he mention the fact that the District of Columbia was spending its own money to build its own library.

If a person, who goes to a store, through mistake parks on this parking lot for a few minutes, it still will not hurt anything and should not stop this library. We can furnish guards if necessary.

I believe the people in the District of Columbia are entitled to this new library. For a period of several years this request was carefully studied and now is the time to act. We carefully considered it, and we thought it just and proper to approve it. We stand by our recommendation.

Mr. Chairman, this amendment should be defeated.

Mr. BOW. Mr. Chairman, I move to strike the requisite number of words.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to my friend from Wisconsin.

Mr. DAVIS of Wisconsin. I appreciate this opportunity to make a few additional comments.

I am quite certain that when the distinguished subcommittee chairman made the statement I was wrong, he was referring to my judgment and not with respect to any of the facts which were submitted, because I believe the record will bear out that the statements I made are buttressed by the facts.

I do not want my colleagues to become confused that the issue here is

whether we are going to have a new library for the District of Columbia, because that is not the issue at all. It is conceded that we are going to have this new library. It is conceded we are going to have it at a site at Ninth and G. It is conceded we already have acquired the land for the new library—in fact, more land than the Booz, Allen and Hamilton people designated as being necessary for the site of this library.

What we have gotten down to is whether we should spend nearly $1 million for 70 outside parking spaces and take valuable land off the tax rolls of the District of Columbia.

We may argue here, in semantics, that this is money which belongs to the District of Columbia because we are not increasing the Federal contribution, but the fact remains that we do subsidize the operation of the District of Columbia through funds taken out of the general treasury. We have done so not only last year or this year but every year. So it is not quite right to say that this is all money of the District of Columbia.

They have the money because we, last year, provided about $37.5 million to add to the money raised within the District of Columbia.

I submit, rather than taking this valuable land off the tax rolls, that the plans for which there are $800,000 appropriated in the 1966 appropriation bill may very well be used to provide, if this is necessary, for additional in-building parking spaces which will perform the same function without taking 22,000 square feet of valuable land off the tax rolls. I think that is basically what is involved here. So it is our money that is being talked about. It is not a question of depriving the citizens of the District of Columbia of any single library facility whatsoever. I think it is a question of judgment as to whether we ought to take this land off the tax rolls forever and deprive the District of Columbia of future sources of revenue it obviously so badly needs because of the requests that come to this Congress every year.

Thank you for giving me this time.

Mr. BOW. Mr. Chairman, it seems to me if this is a matter of 70 parking spaces, this money could be better used in other areas, such as in the schools or other parts of the District of Columbia. I support the amendment of the gentleman from Wisconsin [Mr. DAVIS].

Mr. WHITTEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask the gentleman from Kentucky, the chairman of the subcommittee, as to how a library might be located in this area of Washington if you did not have parking spaces. It has been my observation around here that most anything of value is tied to the availability it has to people who want to use it. I would be very happy to yield to the gentleman from Kentucky to explain as to what is involved as far as making the library usable.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield, I would like to say to my distinguished friend from Mississippi it would be a serious mistake to build a new central library with inadequate parking facilities. It would simply mean that those who go to use the library would have to park their cars at the curb. This additional space of 22,000 square feet, which will cost $971,000, will guarantee that those who use the new library will have a place to park their vehicles and go in and use their library in the manner in which it should be used. I say to you it would be a serious mistake to build a library building and not have a place to park cars.

Mr. Chairman, I know all down through the years here in the District of Columbia we have had parking lot controversies going on throughout the city. Why let this stop our central library? This is property owned by the taxpayers of the city of Washington, and this is their money. Our Capital City and the taxpayers here are entitled to this new central library.

Mr. GROSS. Mr. Chairman, I move to strike out the necessary number of words.

Mr. Chairman, the gentleman says that the parking lot is necessary because otherwise patrons of the library would be forced to park at the curb and use parking meters. How is it expected to control the parking lot? It is within reasonable proximity of the department stores. The gentleman from Kentucky asked: What if a few shoppers do park their cars there for a few minutes? Well, a few shoppers could park for a few minutes, then employees of the department stores could park their cars by the hour. Those promoting this project had no solution for the problem when they appeared before the committee. How is it proposed to handle this parking lot to serve library patrons?

Mr. NATCHER. Will the gentleman yield to me?

Mr. GROSS. I yield to the gentleman from Kentucky.

Mr. NATCHER. I will say to my distinguished friend that if it becomes necessary, we will have a guard posted to see that those who drive in on the lot are going to use the library. Then you say we will have one more employee, and I say if this becomes necessary, I for one, will vote for a guard or guards. If one car owned by someone going to a store parks on this lot, once a week, then why stop the library project just because one violator drives on this lot.

Mr. GROSS. The point is simply this: if 70 cars are to be parked in this area costing $1 million, and the library operates from 9 or 10 o'clock in the morning until 9 or 10 o'clock at night, then it will require shifts of guards and run up the costs.

Mr. NATCHER. I would like to say to the gentleman, if it requires one guard or two guards, I for one would be in favor of building a new central library, and employing the guards.

Mr. JOELSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if ever I have been convinced of the need for home rule in the District of Columbia it is this afternoon. Here we are, Members of the House of Representatives of the United States, arguing about where somebody who is going to a library is going to park his car, whether he is going to put a nickel or a dime in a meter, or whether or not we are going to have to have an extra guard to see that somebody does not get into a parking lot. I think the Congress of the United States of America has more important work to do. I think this is a prime example of the folly of denying home rule to the District of Columbia.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. DAVIS of Wisconsin) there were—ayes 33, noes 73.

So the amendment was rejected.

The Clerk read as follows:

Page 4, line 16:

"PEACE CORPS

"During the current fiscal year an additional amount of $1,858,000 shall be available within the appropriation for 'Peace Corps' for administrative and program support costs."

Mr. GROSS. Mr. Chairman, I make the point of order against the language on page 4, beginning in line 16 through line 20, that it is legislation on an appropriation bill and not within the legislative scope of this bill.

Mr. PASSMAN. Mr. Chairman, if the gentleman insists on his point of order, I concede the point of order.

The CHAIRMAN. The gentleman concedes the point of order; the Chair sustains the point of order.

The Clerk read as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

For an additional amount for "Disaster relief", $25,000,000, to remain available until expended: *Provided*, That not to exceed 3 per centum of the foregoing amount shall be available for administrative expenses.

Mr. RIVERS of Alaska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and members of the committee, I have sought this time to call attention to an issue vital to all of us, vital because it concerns the full faith and integrity of this great legislative body. To adequately present this matter it is necessary to give you a brief account of the background.

Just a little over 1 year ago—on March 27, 1964—Alaska suffered the worst earthquake to ever strike the North American continent. The intensity of the shock measured 8.7 on the Richter scale. Over 30,000 square miles of south-central Alaska was in the direct shock area. This area has over 60 percent of the State's total population and produces over 55 percent of the State's total gross product and revenues. Never before has such a high proportion of a State's area of economic activity been so severely damaged by a natural disaster.

The Congress, with unprecedented speed, approved in one day an appropriation of $50 million to permit the Office of Emergency Planning to assist during the emergency period to minimize loss of life and property and subsequently to assist in the repair of public facilities.

President Johnson, immediately following this disaster, established the Federal Reconstruction and Development Planning Commission for Alaska and appointed a distinguished Member of the U.S. Senate, the Honorable CLINTON P. ANDERSON, as its chairman, to plan and coordinate the Federal effort in reconstruction of Alaska. The Governor of Alaska, William A. Egan, simultaneously established the Alaska Reconstruction Commission to plan and coordinate the State's efforts with the Federal Commission. These actions, both Federal and State, proved to be sound foundation measures underlying Alaska's recovery, which is still in progress. Studies in depth were made, and estimated losses of over one-fourth of a billion dollars were identified. This situation was rather staggering when weighed in the light of the fact that Alaska's population of only 250,000 was still in the transitional stage of assuming the many functions which the Federal Government performed prior to statehood in 1959. Thus it was decided that unprecedented legislation and other actions would be required by both the Federal and State Governments. First was Federal legislation authorizing grants to the State of not more than $23.5 million to enable the State and local governments to carry on their normal functions by covering revenue shortfalls and extraordinary operating expenses caused by the earthquake and resultant seismic waves. The first act of the Alaska Legislature was to authorize issuance of up to $50 million in State disaster bonds.

Then after several months of intensive investigation and study by the Federal and State reconstruction commissions, and congressional hearings, Public Law 88–451, cited as the "1964 Amendments to the Alaska Omnibus Act," was approved on August 19, 1964. These amendments, in recognition of the magnitude of the disaster, were designed to assist the recovery of Alaska, and restore damaged Alaskans to the role of taxpayers instead of only tax users. Many of the provisions of this act were unprecedented and recognized as such at the time of passage of Public Law 88–451.

One of the unprecedented items in this legislation was the amendment to section 57 of the Alaska Omnibus Act which provides for allocation of $5½ million of Federal funds for the retirement or adjustment of mortgages on homes which suffered earthquake damage above 60 percent to total destruction, except that the mortgagor must absorb at least $1,000 of the mortgage balance, and receive no indemnification of his aggregate payments, or equity, in the damaged or destroyed property; he, the mortgagor, to absorb that part of the loss. Other restrictions are to the effect that this procedure shall apply only on one to four family homes, no payment as to a single property to exceed $30,000. This legislation further requires 50–50 matching by the State of Alaska to carry out this mortgage retirement program, and provides that the State is to administer same in accordance with a plan to be submitted by the State and approved by the President.

These are the terms of the offer made by this Congress to the State of Alaska, and these are the conditions precedent to the binding of the Federal Government to the bargain. Now let me say that all of the conditions have been met. On call of Governor Egan, the Alaska Legislature convened in special session on August 31, 1964, and proceeded to authorize State participation in this mortgage retirement and adjustment program and appropriated $5.5 million in general obligation bond proceeds for the State to carry out its part of the program. Following this special session much study and work was spent by State officials in devising an appropriate and workable plan which would be adequate to meet with the approval of the President for carrying out the program. The last Congress adjourned before the plan was completed and approved, but early this year the plan was completed and approved, but early this year the plan was submitted, and was approved, and the President did get this needed item of $5.5 million into the budget, so the Federal Government may carry out its part of the bargain.

Now, apparently, a very regrettable misunderstanding has arisen. The Subcommittee on Appropriations for Independent Offices, under the chairmanship of our beloved colleague, the gentleman from Texas [Mr. THOMAS], has found that there is no precedent for such relief to individuals, and that therefore "the committee has disallowed this item even though it is sympathetic to the plight of the individuals involved." My dear colleagues, this must be a misunderstanding, because last August the Congress made the policy decision involved when it adopted Public Law 88–451 at which time it fully knew it was blazing a new trail in regard to disasters and human values. In deleting this item for $5.5 million, the subcommittee must have overlooked the fact that the State had moved ahead during a period of months to meet the conditions precedent prescribed by this Congress, and that the State had met those conditions in reliance upon the offer made by this Congress, and that the 370 homeowners affected had relied upon the integrity of this Congress with many of them proceeding to finance and arrange for rebuilding this spring after the State had complied with all the conditions prescribed by this Congress and thereby sealed the bargain. The disallowance of this item must have been based upon a lack of knowledge of the facts and surrounding circumstances as I have narrated them, because I just do not believe that the committee would willfully advocate a breach of promise or embrace a standard of action and morality below that required under law of our citizens in the course of the pursuit of their contractual relationships. I am sure that the Members of this Congress including the members of the subcommittee want the citizens of this great democracy of ours to be able to believe in and have full faith and confidence in the integrity of this Congress and our Federal Government. I believe that even those in this great legislative body who think that the Congress made a bad bargain in adopting the Alaska mortgage retirement program last August, would, upon careful consideration, decide to back up the full faith and credit and honor of this Congress and the United States of America.

Mr. Chairman and Members, I submit this statement, without mincing words and from the bottom of my heart, I do this at this time without offering the appropriate amendment, in order to allow time for adequate consideration of this matter on the part of all of us, and with the hope and prayer that when this bill has gone through the other body and comes back to this House for final passage the referenced $5.5 million will have been restored, and the public reliance upon our good faith and integrity emphatically sustained.

Mr. PUCINSKI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is a source of great disappointment to many people in Chicago that the committee denied an additional $942,000 which had been requested by the Civil Aeronautics Board to assist in the orderly development of helicopter service in Chicago, New York, Los Angeles, and in other parts of the country. It is our hope that the other body will restore this money.

The other body has held extensive hearings on this subject and while I do not intend to offer an amendment at this time in deference to the committee, it is our hope that the additional amount will be added by the other body and that our conferees, if this bill goes to conference, will not insist on withdrawing this additional amount from the bill.

The orderly development of helicopter service in these large urban areas is of extreme importance. We in Chicago are desperately trying to reactivate Midway Airfield.

The only way we can do that is to have good transportation between Midway and O'Hare Field, which today stands as the world's busiest airfield. Right now one of the best rapid links between Midway and O'Hare are the helicopters. It is true; we have been helping these helicopters over the years, and this is in the highest tradition of our country whenever a new form of transportation is developed.

The airlines of this country, for instance, had received substantial assistance in their early years from the Federal Government. We are now spending more than $50 billion of Federal funds for a national highway system. We have assisted with Federal help in developing many other forms of transportation until these systems got on their feet and were able to meet their needs. It is for this reason we should give the Civil Aeronautics Board the money it needs. The Board has made a very reasonable request, the CAB realizes that sooner or later the helicopter will have to stand on its own two feet. I think we can agree on that. The Civil Aeronautics Board has requested these additional funds be continued for the next 5 years in order to give the Federal Government an opportunity for an orderly phaseout of this program and let the helicopter service find other ways of sustaining itself.

Some have suggested that perhaps the major airlines may want to help these helicopter services continue their operations. I believe we can all agree on one thing: Those of us who travel a great deal know of the difficulty that we encounter in many of the major cities between the airport, particularly now with development of jet airports substantially away from the city, and the center of the city. Therefore, it is ironic that as the need for helicopter service increases in these areas, the Congress is pruning away at their very sustenance.

It is my hope the other body will restore this additional amount the CAB has requested. I renew my request that the conferees not press too hard in trying to remove it from the appropriation bill of the other body, if indeed the other body should approve the additional funds.

Mr. CHARLES H. WILSON. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from California.

Mr. CHARLES H. WILSON. Mr. Chairman, I should like to associate myself with the remarks of the gentleman for Illinois [Mr. PUCINSKI].

Mr. Chairman, I am distressed with the action of the Appropriations Committee in eliminating the supplemental request of the Civil Aeronautics Board for $942,000 for helicopter subsidy for the balance of the current year.

The great Los Angeles International Airport, the third busiest air terminal in the world, is located in my district, and it is here that Los Angeles Airways, the pioneer scheduled helicopter airline in the world, is based.

If the action of the committee becomes final, the jobs of between 300 and 400 people in the immediate area of the Los Angeles International Airport are in serious jeopardy. Los Angeles Airways employs over 200 people, the majority of whom live in my district. In addition, a substantial number of employees of other companies who perform various aircraft supply services for Los Angeles Airways would also be affected.

It has taken 20 years to build this organization up to its present peak of service and technical competence so that it literally represents a national resource in the complex art of rotary-wing operations. It could not operate at the present time without the subsidy which the Board has found necessary. Therefore, discontinuance of the subsidy at this time would mean that the Los Angeles area would be without helicopter air service at a time when our surface transportation problems are daily becoming more acute.

This helicopter carrier performs a vital air feeder service between the airport and 14 other points in southern California.

Over 200,000 passengers and millions of pounds of mail and cargo were transported on this system in 1964. If this service were to disappear, many communities would be totally deprived of direct air service, and mail and cargo services would be substantially delayed.

The Civil Aeronautics Board has found, after careful study, that Los Angeles Airways and other subsidized helicopter operators should be able to attain self-sufficiency by the year 1970. Pursuant to the Board's program, the carriers have filed petitions for permanent authority on a subsidy-elimination basis over a 5-year period.

Los Angeles Airways and the other operators have been making constant improvements in their operating efficiency. In recent years, for example, Los Angeles Airways has experienced dramatic traffic growth, and seat-mile costs have declined with the introduction of turbine-powered helicopters.

In the Los Angeles metropolitan area, distances are great and surface transportation is time consuming, difficult, and sometimes unavailable. Air service which might in other parts of the country be performed by local service airlines is performed by Los Angeles Airways. I feel our air service needs are just as great as those of other areas of the country, and the position of the CAB seems reasonable.

This valuable operation has been developed without the expenditure of very large sums of Federal money. I think it would be most unfortunate to deny the funds at a time when the CAB has found self-sufficient operations to be a reasonable prospect. What is more, our unchallenged international leadership in this field will be jeopardized.

I hope, therefore, that if the other body restores the necessary funds, our conferees will go along for continuation of this very vital service in California.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Illinois.

Mr. MICHEL. I commend my colleague for bringing this to the attention of the House at this time. I concur wholeheartedly in what the gentleman says. This helicopter service in large metropolitan centers is a must for the present and who would deny that it will not be even more required in the future.

The Federal Government has an obligation in my opinion to encourage this kind of service as we did for many years with the trunk airlines and are still doing for the local feeder airlines. These large metropolitan air terminals serve the Nation as a whole and of course Chicago's O'Hare Field is practically the hub for the Nation in this respect. I believe we have to give these helicopter services ample time to find out the most efficient way to operate their service. The machines themselves are very costly and I for one have no qualms about our subsidizing their cost so long as it points the way to progress and eventually leads to self-sustaining helicopter service in the future and I believe we will see that day within a relatively few years.

Mr. PUCINSKI. I thank the gentleman.

Mr. UTT. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from California.

Mr. UTT. I wish to associate myself with the remarks of the gentleman from Illinois. At Disneyland I believe we have the heaviest helicopter service in the country. It has taken a long time to build that service up. I use it regularly to go to Los Angeles and the area around Los Angeles. If it were destroyed, it would take a great deal of money to bring it back again. I congratulate the gentleman on bringing this to our attention.

Mr. MATSUNAGA. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. DYAL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. DYAL. Mr. Chairman, I am going to support this bill but I am greatly disappointed in the denial of supplemental appropriations for helicopter service for southern California. It has taken almost 20 years to develop, construct, and make fully efficient this transport facility consisting of expert personnel, heliports, related ground facilities, and the aircraft itself. There is no way to suspend Los Angeles Airways operation without total destruction of the service, abandonment of facilities and the resulting loss of stockholder and Government investment.

This program has been tremendously helpful to the Ballistic Systems Division of the Air Force and related aerospace operations in southern California.

Aircraft are mortgaged under guaranteed loans from the Government and these loans have some 6 years to run. The honorable solution is to give an opportunity for a subsidy cutoff to Los Angeles Airways on a 5-year declining basis, and Los Angeles Airways history of declining cost fully supports this proposal. This is a CAB proposal.

Community long-term participation in heliport transportation includes 5-, 10-, 15-, and 20-year heliport leases in which our southern California cities and the operator have made major investments. Cities depend on the helicopter as a primary means of air transportation and these communities include Los Angeles, Anaheim, Newport Beach, Whittier, Pomona, San Bernardino, Glendale, Burbank, Riverside, and Downey.

In my own area the population served is more than that of Seattle, Wash., and the neighboring congressional districts south have a population similar to that of Oklahoma City and west in the Pomona Valley area is similar to that of Newark, N.J. These and many other areas would be eliminated from this service.

This is one of the major tax paying sources of the country and it will now be deprived of the air service which the CAB has said is required.

If Los Angeles Airways operations is discontinued what arrangements will be made for air service to communities which will then be deprived of direct passenger, airmail, and aircargo service? What equivalent service can we look forward to between these fast growing communities and the Los Angeles International Airport? Discontinuance of this service may cost many millions more for I can assure you some type of service will be required and if we revive helicopter service in California back to its present

state the cost will be many times that which has been required to start it.

I commend the expertise of the Civil Aeronautics Board on this highly technical topic and commend their report to the House.

Mr. MILLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to pose a question to the chairman of the subcommittee on the subject that has just been raised by some of the other gentlemen. I should like to remind him that the San Francisco-Oakland area is now being served by nonsubsidized helicopter carrier. This carrier has recently purchased some of the most modern equipment. It is going further than that. It is going into the ground effects machine field being the first company in the United States to use Hovercraft. They had to get them from England under a special permit approved by DOD. This is nonsubsidized operations. The operators do need financial assistance as do other helicopter operators. I find no fault with what you are doing, but I should like the record to show that in the event subsidies are reestablished, the San Francisco-Oakland area is entitled to such a subsidy along with other carriers.

Mr. THOMAS. I do not see how the request of the distinguished gentleman from California can be denied. It is a common, even-handed treatment.

The Clerk read as follows:

VETERANS REOPENED INSURANCE FUND

All premiums and collections on insurance issued pursuant to section 725 of title 38, United States Code, shall be credited to the "Veterans reopened insurance fund", established pursuant to that section, and all payments on such insurance and on any total disability provision attached thereto shall be made from that fund, notwithstanding any provisions of that section: *Provided*, That for actuarial and accounting purposes, the assets and liabilities (including liability for repayment of advances hereinafter authorized, and adjustment of premiums) attributable to each insured group established under said section 725, shall be separately determined: *Provided further*, That such amounts of the "Veterans special term insurance fund" as may hereafter be determined by the Administrator of Veterans' Affairs to be in excess of the actuarial liabilities of that fund, including contingency reserves, shall be available for transfer to the "Veterans reopened insurance fund" as needed to provide initial capital: *Provided further*, That any amounts so transferred shall be repaid to the Treasury, and shall bear interest payable to the Treasury at rates established in accordance with section 725(d)(1) of title 38, United States Code.

Mr. SAYLOR. Mr. Chairman, I make a point of order against the language on page 8, line 7 to line 22 inclusive and on page 9, line 1 to line 6 inclusive as being legislation on an appropriation bill and not within the scope of the original language authorizing the reopening of veterans' insurance.

Mr. Chairman, the point of order which I have just made against the legislation on this appropriation bill has a very interesting history.

The Committee on Veterans' Affairs has consistently held hearings on the question of reopening National Service Life Insurance to the World War II and Korean group of veterans. Our committee has always considered the question on its merits and until the last Congress had voted in the Subcommittee on Insurance, under the chairmanship of three chairmen—Hon. John E. Rankin, Hon. Edith Nourse Rogers, and Hon. OLIN E. TEAGUE—to deny this reopening proposal. In the 88th Congress it was finally added as a nongermane rider in the other body to a non-service-connected pension bill. Certain high officials of the Veterans' Administration connived in this effort and brought forth a proposal which was presented to the conferees at the 11th hour. A proposal, I might add, which was very poorly worked out and which was only made workable to its present degree by the strong stand taken on the part of the House conferees.

The present Deputy Administrator of the Veterans' Administration and his associates, who must primarily bear the responsibility for this action, were instructed at that time as to the keen and continuing interest of the Committee on Veterans' Affairs in this subject and particularly in the interest of the members of this committee who made up the conferees of what was finally enacted as Public Law 88-664.

Early in this session, February 17, 1965, to be precise, the Subcommittee on Insurance held a hearing on this entire question of reopening and no request was made to the subcommittee or the full committee, as far as I know, for any language along the lines presented today. The Veterans' Administration witness was given every opportunity to testify fully. The then Chief Benefits Director and now Deputy Administrator, Mr. C. F. Brickfield, stated, and I quote from page 51 of the hearings, "The financing of this reopening will be made through a revolving fund to be established in the Treasury. The initial working capital will be obtained by making a loan from the Treasury which will be repaid with interest as premium and other income becomes available." There was no mention made of any transfer from any trust fund or revolving fund nor any indication given to the Committee on Veterans' Affairs or the Subcommittee on Insurance that any such authority was needed or would be sought.

I can only draw the conclusion, Mr. Chairman, that the officials in the Veterans' Administration who have charge of this program and who are well acquainted with the continuing interest of the Committee on Veterans' Affairs in this insurance program have decided for reasons best known to themselves to ignore the committee and endeavor to have this matter approved without reference to our legislative committee. This is highly irregular procedure to say the least, despite what the end result may be. It seems fair to say Mr. Brickfield and his associates desire to endeavor to flout the known interest of the Committee on Veterans' Affairs in this program. I for one do not intend to stand idly by while such procedure takes place.

Mr. THOMAS. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from Texas.

Mr. THOMAS. Mr. Chairman, I hope my distinguished friend will not insist upon the point of order. We all know of his deep interest in the veterans. The gentleman is outstanding not only in that field but in many other fields. His point of order is good if he insists on it. This is a transfer of funds. This is not an appropriation. Just be sure of your ground, that you are not going to come back to the Appropriations Committee 30 or 60 or 90 days from now and say "We have no funds." I do hope my distinguished friend will not insist on his point of order. It really serves no useful purpose.

Mr. SAYLOR. Mr. Chairman, I must insist on the point of order.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. SAYLOR] makes a point of order against the language on page 8, beginning at line 7 down through and including the language on page 9, line 6.

The Chair understands the gentleman from Texas [Mr. THOMAS] concedes the point of order.

The Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

DEPARTMENT OF COMMERCE

Bureau of the Census

Registration and Voting Statistics

For expenses necessary for the collection, compilation, and publication of statistics on registration and voting, in such geographic areas as may be recommended by the Commission on Civil Rights, as authorized by section 801 of the Civil Rights Act of 1964 (78 Stat. 266), $7,500,000, to remain available until December 31, 1966.

Mr. SIKES. Mr. Chairman, I make a point of order against the language on page 21, lines 2 through 9, and ask to be heard on the point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, the language in this section goes beyond the period of time set forth in the bill H.R. 7091. The preamble of this bill states that it is a bill making supplemental appropriations for the fiscal year ending June 30, 1965. The language on lines 2 through 9, page 21, proposes to have the funds, $7.5 million, remain available until December 31, 1966. There is no such authority in the basic law.

The CHAIRMAN. Does the gentleman from New York desire to be heard?

Mr. ROONEY of New York. Mr. Chairman, the proposed appropriation of $7.5 million contained in the bill for the Bureau of the Census is for the purpose of a registration and voting statistics survey covering the States of Alabama, Louisiana, and Mississippi, to provide a count of all persons of voting age and a determination of the following information for each such person: "(1) citizenship, (2) residence, (3) years of school completed, (4) race and color, (5) whether registered to vote in Federal elections, (6) whether voted in the most recent statewide primary election and general election in which Members of the U.S. House of Representatives were nominated or elected."

As appears at page 161 of the printed hearings on this pending bill, the following questions were asked and the following answers given concerning this requested $7.5 million appropriation:

Mr. ROONEY. What is the legal authority for this proposed activity of the Department of Commerce?

Mr. ECKLER. Title VIII of the Civil Rights Act indicates that the Secretary of Commerce shall promptly conduct a survey to compile registration and voting statistics in such geographic areas as may be recommended by the Commission on Civil Rights.

I believe we have included a full text of title VIII, section 801, in the material which was put into the record.

Mr. ROONEY. Where do you get the authority for the unlimited availability?

Mr. IMHOFF. We have no specific authority for that, Mr. Chairman.

In view of this, the gentleman from New York is reluctantly constrained to concede that the gentleman's point of order is well taken.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Florida makes a point of order against the language on page 21, lines 2 through 9.

The purpose of the bill is to make supplemental appropriations for the fiscal year ending June 30, 1965. The language on page 21, line 9, is "to remain available until December 31, 1966", which goes beyond the purpose of the bill.

The point of order is sustained.

Mr. SIKES. Mr. Chairman, the matter of an appropriation of $7.5 million has, under the action just concluded, been disposed of for the time being. However, there is but little doubt that we will have this item back before us after the Senate has concluded its action on the second supplemental appropriation bill. At that time the House will indeed be confronted with its moment of truth. Regrettably, it has been true in the past few years that almost anything can get approval in Congress if it has attached to it the name of civil rights. I believe that is true in this case. Yet I do not think for a moment that this item could get past the front door of the Capitol other than with the blessing of civil rights.

Let us look at what is proposed. The Chairman of the Civil Rights Commission wants a registration and voting statistical survey covering the States of Alabama, Louisiana, and Mississippi. He wants to provide a count of all persons of voting age with specific information on race and color and whether that person voted in the most recent statewide primary and general election. Apparently, this is considered a necessary preliminary to the takeover in those States by the Federal Government under the proposed universal voting law.

Amazingly, witnesses from the Department of Commerce under which this appropriation would be expended have stated that they have authorization only to spend $850,000. But they state further that all of that money could not actually be spent during the remainder of fiscal 1965. They would expect to spend $554,000 and to obligate the amount remaining of the $850,000 which could legally be appropriated for the agency. The ends to which some Federal agencies will go in an effort to spend money unnecessarily are beyond all comprehension. That is why I raised a point of order against the language of the bill which would have appropriated $7,500,000 from the Treasury for this useless expense.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Rural Community Development Service

Salaries and Expenses

For an additional amount for "Salaries and expenses", $35,000, to remain available until June 30, 1966;

Bureau of Public Roads

Appalachian Development Highway System

For necessary expenses for construction of an Appalachian Development Highway System, including local access roads, as authorized by the Appalachian Regional Development Act of 1965, $200,000,000, to remain available until expended;

Mr. GROSS. Mr. Chairman, I move to strike out the necessary number of words.

Mr. Chairman, in reading the hearings there was considerable discussion of the $200 million to be made available for the building of roads in the Appalachia program. Is there anyone here as of this time who can tell us where these roads are to be located? During the hearings there was no information whatever as to the nature of the roads or where they would be located. Do I understand we are here today asked to vote $200 million without any regard to what kind of roads and the location?

Mr. ROONEY of New York. Mr. Chairman, will the distinguished gentleman yield?

Mr. GROSS. I gladly yield to my friend, the gentleman from New York.

Mr. ROONEY of New York. These roads are to be located in the counties in the States which make up the Appalachia region. I must regretfully say to the gentleman from Iowa that I cannot give him any further information than that because there must be agreements made with the States and their highway commissions to start this 2,300-odd-mile highway system plus 1,000 miles of local access roads. The committee sought to find out exactly where the roads were to be built, but until the locations are agreed upon both by the Bureau of Public Roads and the States and the amount of matching has been agreed upon, they could not tell us exactly where these roads will be located.

Mr. GROSS. I must say to the gentleman that it is with real regret I learn here today that the great Committee on Appropriations is now appropriating $200 million in this bill—which is not alfalfa where I come from—$200 million in this bill without knowing how and where the money will be spent except that it will be spent in a few counties somewhere and in some region of the United States.

Mr. ROONEY of New York. Will the gentleman yield further?

Mr. GROSS. I yield to the gentleman.

Mr. ROONEY of New York. I assure the distinguished gentleman from Iowa that $200 million is a lot of money along the Brooklyn waterfront, also. However, here we have the Congress, the House and the Senate, authorizing $840 million for this Appalachia highway program over a period of 5 years. This is the start of that program. If we do not do it now, it will catch up with us. So we held hearings on the matter and obtained as much information as we could. That holds true with regard to the regular appropriations of the Bureau of Pulic Roads under the regular highway program. The action of the Committee on Appropriations in connection with the regular highway program is merely the signing of a check in the amount of the bill presented to us, because the Bureau of Public Roads has contractual authority and has previously agreed with the States as to the amount of the cost of construction and the places where the roads are to be built.

Mr. GROSS. Perhaps I should not be surprised because Congress is also guilty of giving money to foreign countries to build roads which start somewhere and end nowhere, as in the case of one U.S. financied highway which ended on a mountainside in a foreign country. Maybe I should not be surprised at all that even here we are spending $200 million without knowing what State the money will be spent in or even what county it is going into.

Mr. ROONEY of New York. Mr. Chairman, will the distinguished gentleman yield further?

Mr. GROSS. Surely.

Mr. ROONEY of New York. I should like to advise the distinguished gentleman that I am more in accord with his views than perhaps he suspects. I do not like and have never liked this way of handling the taxpayers' money. I think they should first come to the Committee on Appropriations and tell us exactly where and how much.

This is not the situation with regard to the regular public highways program. That is all done before they get to the Committee on Appropriations.

Mr. GROSS. Mr. Chairman, I humbly suggest that perhaps some of these programs might be slowed down just enough so that at least a few Members of the Congress could be informed as to where and how much. I am glad to note the concern of the gentleman from New York.

Mr. ROONEY of New York. Mr. Chairman, I should say to my distinguished friend that I do not know the wisdom of that, because here we have a program where we know that we are going to spend $840 million and the $200 million is anteing up part of the money to start it.

The CHAIRMAN. The Clerk will read.

Mr. MAHON. Mr. Chairman, in view of the fact that the portion of the bill now being read has to do simply with pay increases that have been provided the various agencies as heretofore explained, I ask unanimous consent that the bill be considered as read up to and through page 58, and subject to amendment.

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

Mr. HALL. Reserving the right to object, I should like to ask the Chairman concerning line 19, page 34, which includes salaries of $79,000 for the Supreme Court of the United States. Can the gentleman assure us that this is just the increase in pay voted last year but does not include any additional salaries, which were proposed and defeated under suspension on the floor of the House in the past few weeks?

Mr. MAHON. The gentleman is correct. This does not include anything other than the general pay increases heretofore authorized.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HALL. I yield.

Mr. GROSS. What is this item of $400 for an automobile for the Chief Justice?

Mr. MAHON. That is an increase in pay for the chauffeur, I believe.

Mr. GROSS. The language in the bill is misleading for it says, "Automobile for the Chief Justice, $400."

Mr. MAHON. No; the chauffeur received a pay raise, as provided by Congress.

Mr. HALL. Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. PELLY. Mr. Chairman, a day or two ago the "Tax Foundation's Tax Review" reached our desks. This publication contains an excellent article by a distinguished Member of the other body, the Senator from Oklahoma [Mr. MONRONEY] on "Modernizing the Congress."

This article lists various proposals that have been made in recent years to strengthen the fiscal control procedures of the Congress. In the list is one to limit the use of supplemental and deficiency appropriation bills to purely emergency needs.

Mr. Chairman, I want to express my strong support for that particular suggestion. It seems to me the practice of backdating or postdating appropriations is misleading and the Congress and appropriation committees should establish firm rules in this regard so that expenditures can be identified by their proper fiscal year.

Mr. ULLMAN. Mr. Chairman, I support this measure, H.R. 7091. There are several items in this supplemental appropriation bill that are vital to the recovery of Oregon and other areas of the Pacific Northwest from the unprecedented damage brought about by the recent flood disaster.

First, $10 million is being requested for the program of emergency conservation practices under the Agricultural Stabilization and Conservation Service. At the time of the Northwest floods, this emergency conservation fund was virtually depleted from responses to 10 earlier natural disasters throughout the country in fiscal year 1965. Latest estimates indicate that Oregon farmers and ranchers have suffered damage exceeding $75 million, of which $16 million is eligible under the program. In Oregon alone, applications for participating funds are expected to reach $11 million. I am greatly concerned that funds be made available as soon as possible to assist in this most vital conservation work.

The request for $25 million for the President's disaster relief fund is also most important to my area. These funds are desperately needed to carry out authorized Federal disaster relief programs of road rehabilitation, water control facility repair, debris removal, and other necessary work.

I also heartily endorse the committee's recommendations for appropriations to the Department of Interior, the U.S. Forest Service, and the Department of Health, Education, and Welfare. These funds are needed for programs of great concern to all of us who are interested in our Nation's natural resources and human needs. In these budget requests also there are items of great importance to the flooded areas of the Pacific Northwest. These include funds in the amount of $9 million for rehabilitation of roads and trails on lands administered by the Bureau of Land Management, both the public domain and the O. & C. grant lands. The Geological Survey needs $550,000 for replacement of stream gages. The bill also provides for $2,910,000 for the Bureau of Indian Affairs for the replacement of destroyed Indian homes, repair of irrigation structures and other facilities, and for road construction. The Public Health Service is recommended to receive $500,000 for Indian sanitation facilities. Facilities of the Bureau of Commercial Fisheries in the flood area require $1,125,000 for repair or replacement, and $517,000 is marked for similar use by the Bureau of Sport Fisheries and Wildlife.

Committee has recommended $6,200,000 for repair of facilities of the U.S. Forest Service in the flood areas, and $2 million for rehabilitation of forest roads and trails. These funds are of the utmost importance to the economic recovery of the region, since access to public lands and forests is essential to the life of the Pacific Northwest.

Mr. Chairman, the items I have just cited encompass the needs of Federal agencies to repair, restore and rehabilitate vital facilities damaged or destroyed by the flood disaster, and I urge the support of my colleagues for these appropriations.

In another area, Mr. Chairman, I am pleased to note that the Appropriations Committee has recommended that new studies be undertaken by the Corps of Engineers on the Smith River in California, the Klamath River in California and Oregon, and the John Day River in Oregon. The report of the committee recommends that these studies be financed from available funds of the Corps of Engineers.

I am particularly concerned that the study proposed for the John Day River be initiated at the earliest possible time. This valley was virtually devastated by two successive inundations in December and January. The Corps of Engineers has indicated that it needs authority to expend $5,000 in the remaining months of the present fiscal year, and I strongly urge that the record be made clear as to the intent of Congress in this matter.

These studies are of the utmost importance to the Northwest. Preliminary postflood reports sent me by both the Corps of Engineers and the Bureau of Reclamation show example after example where water control works more than paid for themselves in preventing downstream damage. If water regulatory facilities had been built on the three rivers just mentioned millions of dollars of damages and much human suffering would have been prevented. These studies must be undertaken at once.

In conclusion, Mr. Chairman, this bill, H.R. 7091, represents a tremendous effort on the part of the Appropriations Committee. May I offer my thanks to the chairman, the gentleman from Texas [Mr. MAHON], and all the members of the committee for a job well done.

Mr. MOORE. Mr. Chairman, I am more than pleased and gratified that the bill, H.R. 7091, before us today includes several projects which are of particular interest to the First Congressional District of West Virginia. Particularly, I commend the House Appropriations Committee for including within this deficiency appropriation bill $200,000 to begin preconstruction planning for the Burnsville Reservoir and Dam. This project has long been justified, in my opinion, by reason of the fact that there are frequent minor floods and periodic major floods in the Little Kanawha River Basin which also contribute materially to the floods on the Ohio River. The flood damages to be prevented by construction of the Burnsville Dam are about equally divided between the Little Kanawha River Basin and the Ohio River Basin. The project, in addition to its flood control features, will provide benefits for recreation, water quality improvement, and area redevelopment.

Also, I commend the committee for including $790,000 to further develop the potential of the recently constructed Sutton Reservoir. These funds will be used to develop additional access roads, sanitary facilities, parking facilities, and acquisition of additional land areas.

Without question, Mr. Chairman, each of these projects will further speed the development of south central West Virginia with respect to Glenville and Grantsville and many other smaller communities, provide peace of mind to these people which they have not had in many years because of the severe flooding conditions of the little Kanawha River. Also the additions to be made to the Sutton Dam are certainly applauded. In both respects, the recreation potential provided by these expenditures of funds in large measure will tend to help these areas meet the challenges that are ahead.

In addition to the above-named projects, this appropriation bill contains approximately $248 million for the Appalachian regional development program. Most significant of these funds is the $200 million which are available to the Bureau of Public Roads for the Appalachian development highway system. The remainder provides $45 million for

supplemental grants-in-aid, and an additional $3 million to local development districts for research and demonstration projects all of which is a first step in getting this program underway. I am hopeful that the approval of these funds will permit all the eligible States to begin to plan so that the areas involved might begin to receive some immediate benefit from the Appalachian Regional Development Act of 1965.

I am happy to have urged the inclusion of these projects to various members of the House Appropriations Committee, and I shall support this legislation and commend it to my colleagues for their favorable consideration.

Mr. MULTER. Mr. Chairman, I rise to express my disappointment with the manner in which subsidies for the helicopter service are being handled.

I support the program of the Civil Aeronautics Board for elimination of helicopter subsidy in 1970 and declining subsidy payments in the interim period. Under the Board's program the three carriers would receive a total of $11.4 million between January 1, 1966 and July 31, 1970. The average annual cost per carrier is less than the cost of 1 mile of highway constructed under the Federal highways program.

Without this limited subsidy support all of the knowledge, experience, and skill obtained in 43 years of collective operations may well be lost.

For instance, New York Airways is making substantial progress in its determination to become subsidy free. Only last month the Federal Aviation Agency gave approval to a new instrument flight device that has been developed over a period of 14 years specifically for use in the field of vertical flight.

Likewise, New York Airways is on the verge of commencing service from the world's first carefully conceived large city center building top heliport on the roof of the Pan Am Building in the Grand Central area of New York. The plans for this facility were commenced more than 4 years ago. It is expected to be in operation this summer.

New York Airways is a nationwide service, 46 percent of its passengers residing in cities and towns outside the metropolitan area. New York passengers to such cities as Pittsburgh, Detroit, and Cleveland spend more time on the ground than in the air. Even on a trip from Atlanta to New York surface time accounts for 44 percent of the total journey time. Its commercial revenues have increased 55 percent in the last 2 years alone. Cost per passenger mile decreased 28 percent in the same period. Its subsidy per passenger mile has decreased 38 percent in the last 2 years.

New York Airways is working with Boeing on a large tandem rotor helicopter capable of carrying 40 to 45 passengers at a cruising speed of 175 to 200 miles per hour. This machine, when it is in operation, will mean that New York and Washington will be linked city center to city center in an hour's flying time.

The total dollar amount of additional subsidy required for the final 4½ years of subsidized operations by the three certificated helicopter carriers is $11.4 million. The annual amount averages about $2½ million per year or 3 percent of the $82 million requested for all airline subsidies for the next fiscal year. I urge that this service be continued.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7091) making supplemental appropriations for the fiscal year ending June 30, 1965, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. MAHON. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the "ayes" appeared to have it.

Mr. HALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 348, nays 62, answered "present" 1, not voting 22, as follows:

[Roll No. 66]

YEAS—348

Abbitt
Adams
Addabbo
Albert
Anderson, Ill.
Anderson, Tenn.
Andrews, George W.
Andrews, N. Dak.
Annunzio
Ashbrook
Ashmore
Aspinall
Ayres
Bandstra
Baring
Barrett
Bates
Battin
Beckworth
Belcher
Bell
Bennett
Betts
Bingham
Blatnik
Boggs
Boland
Bolling
Bow
Brademas
Brock
Brooks
Broomfield
Brown, Calif.
Broyhill, Va.
Burke
Burleson
Burton, Calif.
Burton, Utah
Byrne, Pa.
Cabell
Cahill
Callan
Callaway
Cameron
Carey
Carter
Casey
Cederberg
Chelf
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Clevenger
Cohelan
Conable
Conte
Conyers
Cooley
Corbett
Corman
Craley
Culver
Cunningham
Curtin
Daddario
Daniels
Davis, Ga.
de la Garza
Delaney
Dent
Denton
Diggs
Dingell
Dole
Donohue
Dorn
Dow
Dowdy
Downing
Dulski
Duncan, Oreg.
Duncan, Tenn.
Dwyer
Dyal
Edmondson
Edwards, Calif.
Ellsworth
Evans, Colo.
Everett
Evins, Tenn.
Fallon
Farbstein
Farnsley
Farnum
Fascell
Feighan
Fino
Fisher
Flood
Flynt
Fogarty
Foley
Ford, Gerald R.
Ford, William D.
Fountain
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Gallagher
Garmatz
Gettys
Giaimo
Gibbons
Gilbert
Gilligan
Gonzalez
Goodell
Grabowski
Gray
Green, Oreg.
Green, Pa.
Greigg
Grider
Griffin
Griffiths
Gubser
Hagan, Ga.
Hagen, Calif.
Halpern
Hamilton
Hanley
Hansen, Idaho
Hansen, Iowa
Hansen, Wash.
Hardy
Harris
Harsha
Harvey, Mich.
Hathaway
Hawkins
Hays
Hébert
Hechler
Helstoski
Henderson
Herlong
Hicks
Holifield
Horton
Hosmer
Howard
Hull
Hungate
Huot
Ichord
Irwin
Jacobs
Jarman
Joelson
Johnson, Calif.
Johnson, Okla.
Johnson, Pa.
Karsten
Karth
Kastenmeier
Kee
Keith
Kelly
Keogh
King, Calif.
King, Utah
Kirwan
Kluczynski
Kornegay
Krebs
Kunkel
Landrum
Langen
Leggett
Lindsay
Lipscomb
Long, Md.
Love
McCarthy
McDade
McDowell
McEwen
McFall
McGrath
McMillan
McVicker
Macdonald
MacGregor
Machen
Mackay
Mackie
Madden
Mahon
Marsh
Martin, Mass.
Martin, Nebr.
Mathias
Matsunaga
Matthews
May
Meeds
Miller
Mills
Minish
Mink
Mize
Moeller
Monagan
Moore
Moorhead
Morgan
Morris
Morse
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nedzi
Nelsen
Nix
O'Brien
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen, Mont.
Olson, Minn.
O'Neill, Mass.
Ottinger
Passman
Patman
Patten
Pelly
Perkins
Philbin
Pickle
Pike
Pirnie
Poage
Poff
Pool
Powell
Price
Pucinski
Purcell
Quie
Quillen
Race
Randall
Redlin
Reid, N.Y.
Reifel
Reinecke
Reuss
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Ronan
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
Satterfield
St Germain
St. Onge
Saylor
Scheuer
Schisler
Schmidhauser
Schneebeli
Schweiker
Scott
Secrest
Selden
Senner
Shipley
Shriver
Sickles
Sikes
Sisk
Slack
Smith, Iowa
Stafford
Staggers
Stalbaum
Stanton
Steed
Stephens
Stratton
Stubblefield
Sullivan
Talcott
Taylor
Teague, Calif.
Tenzer
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Todd
Trimble
Tupper
Tuten
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Vivian
Walker, N. Mex.
Watkins
Weltner
Whalley
White, Idaho
White, Tex.
Whitener
Whitten
Widnall
Willis
Wilson, Bob
Wilson, Charles H.
Wolff
Wright
Wyatt
Yates
Young
Zablocki

NAYS—62

Abernethy
Adair
Andrews, Glenn
Arends
Bolton
Bray
Brown, Ohio
Broyhill, N.C.
Buchanan
Byrnes, Wis.
Chamberlain
Collier
Colmer
Cramer
Curtis
Dague
Davis, Wis.
Devine
Dickinson
Edwards, Ala.
Erlenborn
Findley
Gathings
Gross
Grover
Gurney
Haley
Hall
Harvey, Ind.
Hutchinson
Jonas
Jones, Mo.
King, N.Y.
Laird
Latta
Lennon
Long, La.
McClory
McCulloch
Martin, Ala.
Michel
Minshall
Morton
Mosher
O'Neal, Ga.
Reid, Ill.
Rhodes, Ariz.
Roncalio
Roudebush
Rumsfeld
Skubitz
Smith, Calif.
Smith, N.Y.
Smith, Va.
Thomson, Wis.
Tuck
Utt
Waggonner
Walker, Miss.
Williams
Wydler
Younger

ANSWERED "PRESENT"—1

Pepper

NOT VOTING—22

Ashley	Hanna	Springer
Baldwin	Holland	Sweeney
Berry	Jennings	Teague, Tex.
Bonner	Jones, Ala.	Toll
Celler	Mailliard	Tunney
Dawson	Morrison	Watts
Derwinski	Resnick	
Halleck	Roosevelt	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Toll with Mr. Springer.
Mr. Jennings with Mr. Derwinski.
Mr. Tunney with Mr. Mailliard.
Mr. Bonner with Mr. Berry.
Mr. Jones of Alabama with Mr. Sweeney.
Mr. Holland with Mr. Watts.
Mr. Roosevelt with Mr. Resnick.
Mr. Celler with Mr. Halleck.
Mr. Teague of Texas with Mr. Ashley.
Mr. Morrison with Mr. Hanna.

Mrs. BOLTON and Messrs. BROWN of Ohio, ABERNETHY, ADAIR, McCULLOCH, HUTCHINSON, KING of New York, and JONES of Missouri changed their votes from "yea" to "nay."

Mr. DUNCAN of Tennessee changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. LANDRUM). Is there objection to the request of the gentleman from Texas?

There was no objection.

CAMPAIGN MEDAL AND RIBBON FOR AMERICAN FORCES SERVING IN VIETNAM

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I find that a campaign medal and ribbon have not been authorized for American forces serving in that troubled and faraway part of the world—Vietnam. This is a small token, but an important token of the appreciation that the American nation feels for those who wear our uniform and who daily are risking their lives to help the Vietnamese stem the creeping malignancy of communism. I trust that speedy action will be taken by the Department of the Army to authorize a medal and ribbon for service in that area.

The need for this recognition is no less than it was for our fighting men who served in Korea and in World War II. For those who are involved, the sacrifice is just as great and the risks, because of the vicious ways in which communism fights, may be even greater. If this recognition is not speedily forthcoming, I shall offer legislation to authorize it. I note there is pending legislation to allow certain members of the Armed Forces to accept and wear decorations of certain foreign nations, including South Vietnam. I think a ribbon and a medal from our own Government are more in order.

Mr. Speaker, those who serve under our flag in Vietnam are making an essential contribution to the dignity of man. This proposal to honor them is little enough, but it is recognition of the fact that the American Government and the American people appreciate their contribution to the preservation of democracy.

H.R. 2776—REPEAL OF NATIONAL ORIGINS IMMIGRATION QUOTA SYSTEM

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

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

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, Members of the Congress, I appreciate the opportunity to express my views concerning the urgent need to reform and improve our national immigration laws.

I come before you as an avowed advocate of the pending administration bill, which I have cosponsored by introducing H.R. 2776.

The subject of immigration and the laws regulating immigration is very close to my heart. My parents came to this country as immigrants 85 years ago. Many of my friends and close associates and thousands of my constituents are immigrants or children of immigrants.

So the hopes, problems, and frustrations of the people who have come to this country seeking a better life are all familiar to me. And the dreams of those who yearn to follow their family and neighbors to America are of special concern to me.

My experience with these matters has left me firmly convinced that the existing system for determining whom we shall welcome to our shores is unjust and unworkable. When, 40 years ago, Congress adopted the national origins quota system, it was in effect declaring that immigrants from one country are preferred to immigrants from another. The clear implication is that the quality of a human being is dependent upon his place of birth.

To my mind, no more obnoxious, racist idea has ever been incorporated into the statute books of the United States. The inevitable result is a system which practices the most vicious kind of discrimination. Out of an annual overall immigration quota of 156,700. The United Kingdom, Germany, and the Scandanavian countries are allotted nearly two-thirds of the places. Greece, Italy, and Poland, on the other hand, account for less than one-tenth of all quota immigrants. As a result, some countries have waiting lists of qualified applicants that will take years to process while others use only a small portion of their annual quota. Our present immigration policy has been designed with a view to exclude certain types or groups of people.

No one can argue with the concept that Congress must regulate the flow of immigration so as to protect the Nation's economy, health, and morals. We certainly do have a responsibility to set rigorous standards that will deny entry to persons who would not make desirable citizens. But, the qualities we seek have nothing to do with national origin.

Under the present law, however, Americans of southern and eastern European extraction are told that more of their kind are neither wanted nor needed. Their contributions to this country's development and their just claims to equal treatment under the law are ignored.

It seems strange to me that at a time when the Congress is taking vigorous action to insure that no American will be denied their full privilege of citizenship because of race, we still maintain an immigration policy which relegates millions of other Americans to second-class citizenship because of national origin.

The paradox is heightened by the almost universally agreed upon fact that the national origin quota system has not worked in practice. Aside from being unjust and discriminatory, it fails to come to grips with the realities of the modern world.

Time and again, Congress has been forced to compensate for the inadequacies of the present system by passing special immigration laws. In recent years, over 60,000 quota spots have been going unused annually. At the same time, increasing numbers of special nonquota immigrants have been admitted so that our total annual immigration is running nearly twice what the quota system is supposed to allow. Of this total only about a third has actually been controlled by the quota system. All of which clearly demonstrates the urgent need for a thorough overhaul of the whole system.

There are a variety of other ways in which the present immigration system works to the detriment of our national interest. While serving as director of the Illinois Department of Labor, I had firsthand experience in dealing with problems of labor shortages and manpower recruitment, and I can emphatically state that our present immigration policies aggravate these problems.

A recent editorial in the Chicago Sun-Times pointed out that in the Chicago area alone there are critical labor shortages of hand tailors, furniture refinishers, and cabinetmakers. Elsewhere in the country, there are insufficient numbers of diemakers, glassblowers, machinists, chemists, teachers, medical personnel, and many other important occupational categories.

The case of Dr. Gustavo Bounous comes to mind in this connection. A highly skilled medical doctor from Italy, Dr. Bounous came to America hoping to settle here. After a short stay in Indianapolis, his temporary visa expired and he was forced to move to Canada. Just last month, Dr. Bounous was awarded Canada's top national medical award for

his work in helping to discover the mystery of how shock from bleeding can cause death. Here is a man whose great skills we turned away from our doors. This example could be multiplied endlessly, and I submit that America cannot afford this kind of brain drain.

Labor shortages could be rectified by bringing thousands of skilled workers to America from among the masses of people crying for admission. Yet they are prevented from adding their talent to our economy and we are prevented from enjoying the benefits of their skills by our bigoted method of immigrant selection.

If we need an immigration policy more suited to our modern manpower needs, we also need one that will better serve our Nation's foreign policy goals. Secretary of State Rusk's testimony on this point was very persuasive. Just within the last year, no less than a dozen foreign ministers among our friends and allies have personally complained to him about America's immigration policy.

Their grievance had nothing to do with the numbers of immigrants we admit. Indeed, we have one of the most generous policies in that respect of any nation in the world. Rather, it concerned the insulting, discriminatory features of our quota system. No other law on our books is as damaging to our national image abroad.

Surely a more rational basis for regulating immigration than our present confused and irrational system can be found. I believe that it has been found and that it is embodied in the administration bill.

By replacing national origin quotas with a quota reserve pool, that is assigned on a first-come, first-served basis, the bill puts all prospective immigrants on an equal footing to allow them a fair field and an honest race. The provisions facilitating the reunion of separated families show the concern for human factors that must underlie public policy in any civilized society. The priorities accorded immigrants with certain levels of skill, training, and education directly serve our own national interest. In sum, the bill substitutes order and justice for confusion and discrimination in a major area of our national law.

I can think of no more fitting step toward the truly Great Society than passage of this bill, and I urge the adoption of this vital legislation.

BRACERO LABOR FOR SUGARBEET INDUSTRY

Mr. RONCALIO. 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 pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. RONCALIO. Mr. Speaker, today I received a communication from a Mr. Bruce Newkirk, superintendent of the Holly Sugar Corp., at Worland, Wyo., strongly protesting the action of the Secretary of Labor and indicating the disappointment of all management of the beet sugar industry to the attitude of the Secretary of Labor regarding bracero labor for the Wyoming sugarbeet industry. I quote from Mr. Newkirk's communication:

> We feel the entire sugar industry in Wyoming is at stake in this matter and we feel that the Secretary is taking a very dim attitude and is ill-informed.
>
> If California and the Southern States are in trouble with their perishable crops with their enormous labor pool, what can we expect in sparsely populated Wyoming. Domestic labor just is not available in this area of the type necessary for this kind of work.
>
> We are jeopardizing our second largest industry in Wyoming to satisfy theorists. Our people at Worland have been ahead of some areas in mechanization of field equipment, but we know we have not perfected this to the point of elimination of hand labor entirely.
>
> Even our union people at the plants are agreed we are creating an impossible situation in elimination of the bracero program at this time.
>
> In a period of a few years the transition may be complete to the point that braceros may no longer be needed, but the time is definitely not now and we are headed for terrible and serious trouble without braceros help.

Mr. Speaker, I put these remarks to the attention of my colleagues in the hope that the Secretary of Labor will relent an attitude which may spell ruin to the sugarbeet industry of the State of Wyoming. It is quite possible that the beets will be topped and loaded this fall without braceros labor but there will be no product to top and to load unless the braceros labor is available for work in the fields this spring in the State of Wyoming.

VOTING RIGHTS

Mr. McCLORY. 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 pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McCLORY. Mr. Speaker, I am introducing today a bill on the subject of voting rights which I hope will receive the careful attention of the House Judiciary Committee as well as the Members of this House.

The bill which I am presenting will apply throughout the 50 States. In other words, where discrimination is practiced with regard to race or color in depriving eligible citizens of the right to vote, or where coercion or intimidation is exercised in order to prevent a citizen from registering or voting, this new legislation would be applicable. In addition, the bill would provide penalties for any person who makes false representations or engages in illegal voting and would penalize as well any who pay or offer to pay or who accept payment for registering or voting.

It is offensive to the American people for any qualified person to be deprived of the right to register or to vote. It is likewise reprehensible to corrupt the sanctity of the ballot by purchasing the votes of any citizens under threat of denial of public assistance or with promises of pecuniary benefits, including benefits from Federal appropriations.

The bill which I have introduced is patterned after that of my Republican colleagues of the House, the distinguished gentleman from Michigan [Mr. FORD], minority leader of the House, and the gentleman from Ohio [Mr. McCULLOCH], ranking minority member on the House Judiciary Committee upon which I serve.

The penalty provisions to which I have made reference are in addition to those found in the measure offered by these gentlemen.

In addition, I would like to point out that the measure which I have presented retains the authority of States to administer minimum literacy tests in which a sixth-grade education represents a conclusive presumption of literacy. A requirement is, of course, that a literacy test should be administered without discrimination on account of race or color.

The complaints of 25 or more persons alleging discrimination in any county or voting district would require the immediate appointment of Federal examiners to register qualified voters in any area where such discrimination is found to exist.

While the right to appeal to the local Federal court is assured, the measure provides for "provisional" voting to the end that no person shall be deprived of his right to vote while an appeal is pending. In other words, a full and adequate, as well as a convenient resort to the courts, is retained, while at the same time there is protection against delays in voting rights when frivolous or dilatory appeals are filed.

Mr. Speaker, the obligation of the Congress to debate and deliberate upon a great public issue was never greater than on the subject of voting rights for all eligible American citizens. We should provide full and adequate implementation of the 13th, 14th, and 15th amendments to assure all citizens of their equality before the law, the equal protection of the laws, and to guarantee their inherent rights to register and to vote without discrimination, without intimidation, and without coercion.

PROHIBIT TRADE WITH COMMUNIST NORTH VIETNAM

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, today I am joining in cosponsoring with the gentleman from Florida [Mr. ROGERS] legislation designed to halt shipments to or from the United States aboard ships engaged in trade with North Vietnam. I commend him for his work in investigating this problem, and I share his concern for an almost incredible disregard for the lives of American boys in Vietnam and for the American shipping industry which we are today subsidizing at a cost of $350 million per year.

North Vietnam is waging a brutal and relentless war against its neighbors to the south, but yet over 200 ships of so-called allies and neutralist nations have hauled cargoes of food and war material into North Vietnam. We permit those same ships to pick up the profits of our own trade in our own ports.

Figures show that our own merchant marine now carries less than 10 percent of U.S. ocean trade—the least we can do is to deny our cargoes to foreign shippers who help the Communist enemy solve their biggest problem—supplying North Vietnam. Through shipping into Vietcong territory, the Vietnam crisis continues to persist and Americans have been killed in greater numbers by the Communist Vietcong.

I frankly am surprised that the administration and the Department of State have not been more firm in their requests that Britain, Japan, Greece, Lebanon, Italy, West Germany, and other nations involved call a halt to free world sea trade with the Communists now engaged in open aggression in southeast Asia in defiance of their own agreements. Since this has not been done, I see no alternative other than Congress prohibiting cargoes to or from U.S. ports being transported aboard any vessel used in sea trade with Communist North Vietnam, and I urge action as soon as possible in this regard.

PLENTY OF DOMESTICS—OF SORTS

Mr. TALCOTT. 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 pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. TALCOTT. Mr. Speaker, surely there are plenty of domestics—plenty to do all the jobs needed to be done in the United States—in our restaurants, motels, in orchards, and on our farms. And the domestics should have these jobs. And the jobs should pay a fair wage for the work they do.

Unfortunately, today there simply are not enough domestics, in the proper location, capable and willing to do the work, in restaurants and on the vegetable farms.

The efforts to reorganize our society and redistribute our work force is having some tragic and devastating effects on many small towns in rural areas.

The following editorial from the Salinas Californian touches upon one problem which the Department of Labor seems to ignore or intentionally neglect.

The big city police forces cannot control these transients when they stay home. How can anyone expect small towns to cope with these transients when they invade the rural areas? Is it fair to empty the slums into the small towns under the guise of offering employment which they cannot perform?

PLENTY OF DOMESTICS—OF SORTS

Daily it grows more apparent that Secretary of Labor Wirtz should have stayed in his nice insulated office in Washington.

It is obvious that he and his advisers in Washington had prejudged the California farm labor situation and his widely advertised survey was only window dressing.

His monotonous and unharmonious refrain has been "there are plenty of domestics to do the farm labor."

Of sorts, that is.

We have several hundred of them on Salinas skid row, and as the city council learned Monday night, the number of arrests of these transients has nearly doubled in the first 3 months of this year as against the same period last year. The same situation, which has become acute here only in the past few years, exists in Fresno and Stockton.

Salinas police, who have chalked up 2,269 arrests in the first 3 months of the year as against 1,293 for the same period last year, say the end is not in sight. Contrary to previous years when the transient invasion peaked in March, police believe that because of the failure of the Department of Labor to authorize supplemental foreign farm labor the situation will continue to get worse as these unfortunates pour in to fill the labor vacuum. Ostensibly these men are here to work, but usually it's only long enough for the price of a bottle.

Although most of these available domestics are arrested for drunkenness, there has been a sharp increase in the number of petty thefts, and, as the influx continues, there could be an outbreak of more serious crimes. This means an increased drain on public funds and increased taxes for an area already uncertain about the future.

The city council plans to send these figures to Secretary Wirtz, but judging from past performance we doubt if he wants facts.

He demonstrated this by labeling two labor camps filthy although both camps had been inspected and approved as meeting county and State health standards. Some of the alleged filth to which Mr. Wirtz alluded was the discarded wine bottles and debris brought in by available domestics. Braceros generally were clean and orderly.

He compounded his scattergun charges by creating a name for one of the filthy camps which happens to be the same as that of a reputable firm, which has no connection here.

Meantime, while Mr. Wirtz dallies in Washington, refusing to take action on supplemental help, the strawberry crop is ripening and appeals to the public for labor are not getting very far. Growers face heavy losses and the Salinas Valley faces further economic troubles.

JOHN FITZGERALD KENNEDY

Mr. FOGARTY. 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 pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I would like to call the attention of the House to a sermon in memory of the late President John F. Kennedy which was delivered in St. Matthew's Cathedral at a memorial mass on the occasion of the late President's birthday, on May 29, 1964. As one who was present on that occasion, I considered myself privileged when I recently came across a copy of this remarkable discourse. It was delivered by the Most Reverend Philip M. Hannan, vicar general of the archdiocese of Washington, who was a close friend of the President.

Bishop Hannan is well known to many of the Members of the House as the distinguished pastor of St. Patrick's Church and the editor in chief of the Catholic Standard. A native of the Capital, Bishop Hannan is one of the most outstanding members of the American hierarchy of the Roman Catholic Church. I am sure a good number of my colleagues know of his great work as an active leader in the John Carroll Society. Not only is he renowned as the pastor of a notable parish, not only is he an able journalist, but he has proven himself also as a scholar, holding as he does a licentiate in theology from the Gregorian University in Rome and a doctorate in canon law from the Catholic University of America.

Like the late President Kennedy, Bishop Hannan served his country heroically in time of war, for in 1942 he volunteered as a paratroop chaplain and served with the 505th Parachute Regiment of the 82d Airborne Division, where he was affectionaly known as the jumping padre. He continues to have a deep interest in the welfare of the paratroopers and, from time to time, returns to Fort Bragg, N.C., to participate in their military exercises.

As assistant episcopal chairman of the NCWC Immigration Department, he has for the last 5 years done remarkable work in dealing with the problems of those who have come to our country, often as the victims of persecution and tyranny.

Consequently, he has the deepest appreciation of the patriotic and human qualities of the late President, which he describes with such eloquence in this sermon. Seldom have I seen a tribute more perfectly stated or more richly deserved, and I am pleased to be able to bring it to the attention of the honorable Members.

THE MOST REVEREND PHILIP M. HANNAN, D.D., SERMON AT THE MASS FOR PRESIDENT JOHN F. KENNEDY, ST. MATTHEW'S CATHEDRAL, WASHINGTON, D.C., MAY 29, 1964

Today we celebrate the birthday in the Lord of John Fitzgerald Kennedy. The ancient and beautiful phrase, used in the chronicles of the church, is appropriate for this singular occasion. For today, while we still mourn the absence of his vibrant personality among us, as Christians we take deep consolation from the knowledge that this personality, marked with the sign of the Holy Trinity, was destined to enjoy the company of his Creator and Redeemer, there to join the beloved children who awaited that joyful homecoming in Heaven. We rightly celebrate his birthday into this world also his birthday in the Lord. By Christian hope each man sees Christ's resurrection as his own. St. Paul expressed the thought of all when he said, "But if we have died with Christ, we believe that we shall also live together with Christ; for we know that Christ having risen from the dead, dies now no more, death shall no longer have dominion over Him" (Romans vi: 8–9). The Easter Mass, celebrating the victory of Christ, makes Christ's life our life, "When Christ, our life, appears, then you also shall appear with Him in glory" (Colossians iii: 4).

The occasion also invites reflection on the problem of evil. As long as there is freedom of the will there will be evil or the possibility of evil. Without freedom there is no moral world, only a mechanical world. Freedom and evil are intertwined. God permits evil so that good may come from it. St. Paul saw the problem in the sufferings of Christ, the evil inflicted on Him, including His death. He said, "We have not a high priest who cannot have compassion on our infirmities but One tried as we are in all things except sin. Let us therefore draw

near with confidence to the throne of grace, that we may obtain mercy and find grace to help in time of need."

The resurrection of Christ, our redemption, our hope—these are the triumph of good over evil. But possibly the most arresting example, the example closest to our understanding is the figure of the Pieta, Christ's mother receiving His body after the crucifixion. There is immense sorrow but there is also triumph. There is immense agony but there is also immense stature of spirit, of faith, of hope, of certainty of everlasting reunion and joy without end. Perhaps this is why the subject so evoked the genius of Michaelangelo. And it is also the reason why millions are so attracted and comforted by it.

Our faith, confirmed by every miracle since Christ's resurrection, assures us that the human personality lives on in Christ. The good is not interred in our bones; it lives forever in our triumph with Christ. The soul does not languish in a sterile survival after death. It achieves the fullness of its life in union with its Creator and Redeemer—participating in the life of God, knowing us with God's mind, loving us with God's heart, concerned about us with God's concern. Death provides the birthday in the Lord of a full life with Him.

Not only faith, but nature itself, speaks of eternal life. Just as material nature speaks of cycle and transformation, never of extinction, so our spiritual nature, the crown of creation, speaks always of eternal life. Thus the good performed by John F. Kennedy, his aspirations as well as his achievements, live with him and bring their reward.

Although John F. Kennedy abominated any pretense of superior virtue and readily admitted the human frailty to which all mankind is heir, his life presents a panorama of extensive achievements in God's cause: a youth of casually expressed but deeply felt devotion and loyalty to his parents and family; days of military heroism that were only the prelude, for all their greatness, to months of greater but hidden heroism in the hospital, buoyed and encouraged by his wife; the ceaseless quest for and final creation of a unique vocation of public service; his rugged and unrelenting campaign against any form of discrimination which never became tinged with the bitterness it was opposing; his restoration to high estate of the profession of politics by the application of Christian virtue to the work-a-day world of public office; his ennobling of the American family life by his keen interest and delight in his family and the spirit of Christian resignation to the death of some of his children; his strengthening of this country's strong and traditional faith in God by his unpretentious but practical exercise of his religious duties; particularly, his unique contribution to the fruitful system of separation and independence of church and State best typified by his praise of the encyclical of Pope John XIII, Peace on Earth, "As a Catholic I am proud of it, as an American I can learn from it." Probably, the field in which his adventuresome spirit soared the highest was the field of aid and development. Despite the complexities and procedures that inevitably tend to depersonalize any aid program, he conveyed to all his conviction that world problems are still individual human problems. Although his horizon was as wide as humanity, it was particular enough to touch every individual. He gave a new hope to every deprived man in the world and hope is the source of all striving and virtue. Thus he gave a new dimension to the American ideal of freedom and dignity for every soul. He typified the dignity of man in terms that all could read and admire. His dignity was not that of the austere and patronizing benefactor. It was human dignity clothed in its most attractive characteristics, a warm personality, a flashing and genuine smile, an unruly forelock, an amused grin, an undisguised interest in people, an Irish sense of humor. He was today's champion of every man. He was the leader of the free world, but freedom for him had wide and practical applications. He supported a freedom of the spirit that liberates man not only from political restraints but gives him the lever to free himself from the disease and crippling hunger that nullify his political freedom. To the free world he taught a new use of freedom, and to the world that aspired toward freedom he tried to give a meaning and purpose for the use of that freedom.

His greatest service to the cause of virtue was his steady refusal to posture as a person of piety. Posturing was alien to his character. Honors that bordered on such pretensions made him uneasy. In fact, he was dismayed at the honors paid to him when he attended Mass at the ancient Cathedral of St. Stephen in Vienna. Warmed by this experience, he took steps to avoid a recurrence of such honors. He was always manly, and virtue is allied to that as the derivation of the word itself from "vir," meaning man, attests. In this sense, he was the example of the words he spoke at the inauguration, "With a good conscience our only sure reward, with history the final judge of our deeds, let us go forth to lead the land we love, asking His blessing and His help but knowing that here on earth God's work must truly be our own." He can surely expect God's reward for the monumental work he accomplished in His service.

As we believe in the communion of saints let us not only thank and pray for John F. Kennedy's reward. Let us remember that he thinks of us—that we are linked in a union of grace far more effective than any efforts we could make for him when in this world. Tragically, we could not prevent his death. We can affect his life now. By our prayers, by our attendance at mass and reception of holy communion we can prepare to reap the promise of Christ, our Saviour, "He who drinks My blood and eats My flesh shall have life everlasting and I shall raise him up on the last day." We may not see his like on this earth, but with God's help we shall see him, far greater than he was on this earth, in the company of his Saviour.

The words of the preface of the mass which we shall shortly pronounce express best the unlimited hope of those, as John F. Kennedy, who died signed with the sign of the Holy Trinity, "For unto thy faithful O Lord, life is changed not taken away. And this earthly abode being dissolved a worthy habitation is prepared in heaven."

VOTING DISCRIMINATION

Mr. WAGGONNER. 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 pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WAGGONNER. Mr. Speaker, I would like to call to the attention of the Members a clear, concise, and unbiased comment on the voting rights proposal which appeared in the Washington Star on Sunday, April 4, under the title "Voting Discrimination."

The editor has the courage to call a spade a spade and a discriminatory bill a discriminatory bill. It is heartening to those of us who have opposed this legislation from the first day it was presented to the Congress to have the Star on our side. All too often, when one of the southern Members calls attention to ill-conceived, punitive and unconstitutional civil rights legislation, he is branded as a racist and a demogog. It has come dangerously close to the point where Members who know this particular bill is unconstitutional, discriminatory, vindictive and a fraud upon the people, are afraid to say so for fear of reprisals from the extremist groups who demand immediate and uncontested passage of every piece of legislation bearing a civil rights label. This is not an appropriate atmosphere in which any legislation on any subject should be rammed through the Congress.

As the Star editorial points out, and as I stated before the Judiciary Committee on April 1, this measure is reminiscent of the Reconstruction era following the War Between the States. I urge every Member to read this editorial before he casts a vote on this infamous legislation and, with unanimous consent, I insert it here in the RECORD:

VOTING DISCRIMINATION

Our basic objections to the administration's voting rights bill have already been stated. We think there is need for a reasonable literacy test, provided there is no discrimination in its application to would-be voters. The administration's bill, in one aspect, outlaws any and all literacy tests, and is designed to permit total illiterates to vote. The educational voting level is low enough now without enacting a Federal law to push it down even farther.

The second important aspect of this bill imposes its harsh and punitive provisions on any State which has a literacy test, and in which fewer than 50 percent of the residents over 21 are registered or actually voted in the 1964 election.

This bill contains other provisions which are reminiscent of the Reconstruction era following the Civil War. But the two which we have mentioned, taken together, offend one's sense of fairness. If enacted, in its present form, this bill would result in a legislative discrimination as bad or worse than the evil the bill is supposed to remedy.

Let's take the case of Virginia, which is brought under this bill because it requires a literacy test and, though more than 50 percent of its eligibles are registered, fewer than 50 percent voted in 1964.

What is Virginia's literacy test? As spelled out by Senator HARRY BYRD in his recent statement, any person desiring to register must be able, without assistance, to give in writing the following information: His name. The date and place of his birth. His current residence. His occupation. And, if he has voted before, the county and precinct in which he voted. That is all.

Is this a test which opens the door to such obviously discriminatory requirements as being able to interpret to the satisfaction of some ignorant registrar sections of a State constitution? Is it a test which asks too much of a person who wants to vote on the important and complicated issues which face us today? We do not think so. Furthermore, the administration concedes that this is not an unreasonable literacy test, and that there is no evidence that it has been used in Virginia to discriminate against Negroes.

If this is so, why does the bill link a reasonable and nondiscriminatory literacy test to an arbitrary formula with respect to voting or registration percentages?

One explanation is that the statistics on registration are unreliable. But this is said to be true in West Virginia, which is not affected by the bill because it has no literacy test. What nonsense.

In addition to Virginia, the States covered by the bill are Louisiana, Mississippi, Alabama, Georgia, and Alaska. We are puzzled by the inclusion of Alaska, in which Negroes certainly are not discriminated against. There are few if any there. As to the others, we haven't enough information to pass judgment.

But it is our firm belief that this is a discriminatory bill. If its purpose is to protect Negro voting rights, it discriminates in favor of New York, which requires a rather strict literacy test but which has met the voting percentage standards. It also discriminates in the case of Texas, which did not meet the percentage-of-voting standard in 1964, but which does require a literacy test, although it is verbal in character and is called by some other name.

There have been reports that the administration's bill will be changed or modified in some unrevealed aspects. We hope this is true. We also hope that the bill, if modified, will be made applicable to Virginia (in which we have a rather special interest) on the basis of facts rather than fiction. And certainly not on the basis of some arbitrary formula dreamed up by someone who hasn't the faintest idea what the facts are. Or, if he knows, doesn't care.

AMERICAN COUNCIL FOR JUDAISM: WHAT IS IT?—WHO DOES IT REPRESENT?

Mr. MULTER. 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 pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, many of our colleagues, particularly some of the newer Members, have asked questions about the American Council for Judaism.

The best and most complete answer to all inquiries on the subject is found in the factual study of the American Council for Judaism as issued by the New York Board of Rabbis on behalf of its 800 members. The New York Board of Rabbis is the oldest American rabbinic group of which orthodox, conservative, and reform rabbis are members. Their findings are reliable and authoritative.

I will not set forth the entire report but do direct our colleagues' attention to the following statement prefixed thereto, which reads as follows:

1. The New York Board of Rabbis, the largest representative rabbinic body in the world, with a membership of over 800 orthodox, conservative, and reform rabbis, reaffirms the position of the 3 major national rabbinical bodies in America that the American Council for Judaism does not represent any valid interpretation of Judaism. We repudiate its ideology and tactics as inimical and alien to the true spirit of Judaism. While we do not deny the right of that body to speak, we would fail in our elemental duty to truth and to our responsible position as the united voice of religious Jewry if we did not make it clear that the Council for Judaism does not speak in the name of our religious tradition, and that it does not speak for the religious Jewish community.

2. The American Council for Judaism has consistently misrepresented the Jewish people before the bar of public opinion. It has welcomed every opportunity to malign and impugn the integrity of Jewish institutions, organizations and causes; and it has consistently distorted and caricatured the precepts of Judaism which it purports to teach. Worst of all, in the most tragic era of Jewish history, it sought to deny to Jews fleeing Hitler's Europe a haven in Palestine, and undermined and obstructed the lifegiving work of rescue and rehabilitation carried on by the Jewish community.

3. Our factual study released today offers clear proof that the group calling itself the American Council for Judaism is neither American nor Jewish in spirit or in concept. It is revealed to be a political organization consisting, by its own claim, of less than one-half of 1 percent of American Jews which was organized in the first instance for the express purpose of denying the right of refugees fleeing occupied Europe to enter Palestine, at the very moment the Nazis were implementing the "final solution."

4. During the 20 years of its existence the activities of the council have consisted of an assault against the United Jewish Appeal, the major lifesaving instrumentality of the American Jewish community. They have attempted to impugn the patriotism of American Jews who have, together with other Americans, showr concern for the welfare of the people of Israel. They have had as their principal aim the incitement of prejudice against the State of Israel, thus contributing to tension and unrest in the Middle East, a policy we believe to be contrary to the best interest of both America and Israel.

5. Judaism, we believe, has sufficient breadth and depth to embrace varied points of view, but we solemnly declare that there is no room in Jewish life for Jews whose words and deeds would result in the destruction of the State of Israel, in the weakening of Jewish religious commitment, and in incalculable harm to the Jewish people everywhere.

6. We view with contempt the council's tactics of reviving anti-Semitic slanders of "dual loyalties." American Jews who have served their country in peace and in war need not defend themselves against such baseless, vicious charges. As Americans concerned with the survival of democratic values everywhere, we pray for the strengthening and survival of the State of Israel as a stronghold of democracy in the Middle East. It is thus in keeping with the best traditions of America to support Israel, or indeed, any other nation which strengthens the democratic and moral climate of our troubled world.

7. As religious leaders we are dismayed that the council's philosophy is one of complete negation: it would deny the existence of a Jewish people, it rejects traditional Jewish ceremonials, and scoffs at the basic American concept of the right of every citizen to help other peoples struggling for freedom. The council is an organization which claims to be "religious," yet it has no religious commitment. It claims to be "American," yet it misinterprets America as a monolithic structure where all cultural and spiritual variations must be obliterated. It purports to speak for Judaism, yet it is against every best interest of the Jewish community. It has no positive program of its own, but is founded on a platform of negation and hate.

8. The New York Board of Rabbis is confident that the American people will reject with contempt the political machinations of this small band of misguided individuals who suffer from insecurity and tragic self-hatred. Our love of God, our love of America, our religious commitment and the ties of our religious fellowship with Jews throughout the world—all enjoin us to continue our efforts to save oppressed Jews everywhere, and to extend the arm of brotherhood to the people of Israel who are bound to the people of America in a common commitment to the democratic ideals which stem from our Judeo-Christian tradition, upon which both America and Israel are founded.

COINAGE CHANGES NECESSITATED BY THE SHORTAGE OF SILVER

The SPEAKER pro tempore (Mr. LANDRUM). Under previous order of the House, the gentleman from Idaho [Mr. WHITE] is recognized for 60 minutes.

Mr. WHITE of Idaho. Mr. Speaker, the Congress is today in the unfortunate position of waiting for the executive branch to tell us what we should do. For months we have been looking for the Treasury Department's findings and recommendations about the coinage changes necessiated years ago by the shortage of silver. I have addressed the House many times on this question, introduced bills to correct the situation and have sought to counsel with the Treasury Department for an early solution. In all instances, the Department has ignored the constitutional provision that it is the Congress' primary responsibility to provide for the coinage of money. Article I, section 8, is clear:

> The Congress shall have the power to coin money and regulate the value thereof.

The main point of my talk today is to urge the Congress to direct its thinking on the coinage question to the need for market control measures during the 2-year transition period. I fear the Treasury has avoided consideration of the need for, and means of establishing effective controls of silver during the changeover. In order to emphasize the need for this, I would like to cite some examples of the Treasury's faulty handling of the situation so far.

Two years ago we were told that by repealing the Silver Purchase Act, we would provide enough coinage silver for the next 15 to 20 years. Treasury maintained this position at that time, but now says the supply is so short that only 2 or 3 year's supply remains. Questions about the necessity for a review of the need for change in silver content were answered by an assurance that a report would be given to us in February. Two months have slipped by without an answer: In the meantime crash coinage programs are in effect and we are still not sure when we might expect the results of the Treasury's study.

As a Member of Congress interested in the timing and nature of the Department's recommendations, I have been given only excuses for not being kept informed of the progress of the study. However, a syndicated columnist assured her readers that she has definite information about the results of the Treasury's study. Her analysis is so oversimplified and her background facts so erroneous that it is difficult to believe that her sources are very reliable. However, if Miss Porter's articles represent a trial balloon on what Treasury may recommend, it becomes a question of a curious approach to legislative proposals. If Treasury is interested in the people's reaction to debased coinage, poll results released by our colleague, Mr. HUTCHINSON of Michigan on March 8 would be helpful. On page 4402 of the CONGRESSIONAL RECORD, Congressman HUTCHINSON published answers to his question about silver versus nonsilver coins. Only 34 percent of those replying were in favor of the latter alternative.

Another example of the apparent disregard of Congress role in coinage needs is that the Treasury Department has failed to report on bills pertinent to the change of our coin composition.

Finally, I would like to relate a personal experience. After continuous indications of my interest in the need for a speedy and well-considered conclusion of studies related to legislation necessary for a workable solution to the future coinage crisis, I not only have been informed that "it is not in the national interest" to reveal to the House Banking and Currency Committee what the nature of the Treasury's study is, but also have been refused an opportunity to view experimental coins struck during the study—coins, I might add, that I requested to be struck.

Mr. Speaker, I asked that the Treasury Department strike coins with a silver surface and a copper-silver interior. I arranged so that the alloys would be made available to them. I asked them to strike the coins in the present denominations so they could be observed for luster, ring, feel, and the general appearance of the coins.

Mr. Speaker, I have made repeated requests that I be allowed to at least see the coins that I asked them to make. In each instance, as recently as yesterday, I was refused this permission.

Such is the record of the Treasury Department's attitude toward Congress regarding legislation for coin changes.

Despite the vacuum-sealed cast of the Treasury's relation to Congress on the question of metallic composition of future coins, it is my sincere hope that a more openhanded disposition is adopted with regard to the control measures I spoke about earlier. I am sure every Member present would conscientiously confer with our executives about the probable effects of the various methods of conserving silver for our coinage. Last month the Legal and Monetary Affairs Subcommittee of the House Government Operations Committee, under the able chairmanship of Mr. FASCELL, recommended that the "Treasury Department consider the advisability or necessity for legislation to prevent, minimize, or regulate the hoarding of, or speculation in, large quantities of coin, and the export and melting down of coin." The report also recommended that we direct Treasury to limit withdrawals of silver from its stock. Let us explore today some of the reasons for these recommendations and methods of putting them into effect.

It is evident that we must soon legislate a change in the silver content of dimes, quarters, half dollars, and dollars. When we do so, we must also provide the Treasury Department with means to retain its stock of silver, because it must defend its price below the melting point of present coins. Unless adequate and clear authority is given to the Treasury to control the sales of its silver, to prevent the melting, hoarding, and export of our coin and to eradicate incentives to speculate in silver, chaos will reign during the transition to a new coinage, whether the new coin contains silver or not.

Controls must be placed on the sales of silver within the country as well as over exports from the United States. In order to achieve these objectives a variety of tools should be placed into the hands of the Treasury Department. I will discuss some of the methods of accomplishing those ends.

First. End-use certificates: These affidavits on purchase of silver from the Treasury Department's stocks were required in the sales of free silver 5 years ago.

And, for those Members who are not familiar with the Treasury stocks of silver, we have at West Point in the State of New York slightly over 1 billion ounces of silver today. That silver has been used up to this point to back the silver certificates. There are silver certificates in circulation backed by this 1 billion ounces. Silver sales are really called a redemption of silver certificates. If you want some of this silver, you take your silver certificates to the assay office in either New York or San Francisco and demand, as is provided on the note face, that they give you the silver for that certificate.

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

Mr. WHITE of Idaho. I yield to the gentleman from Colorado.

Mr. ASPINALL. It is my understanding that there is in the vaults at this time about one and a half times as much silver as there is in the silver coinage of the United States.

Mr. WHITE of Idaho. I may say to the gentleman from Colorado my impression is that there is about 1.5 billion ounces of silver in circulating coinage, and a little over a billion ounces in the vaults of New York.

Mr. ASPINALL. It is possible at the present time to take a silver certificate any place in the United States and receive a silver dollar in place of that?

Mr. WHITE of Idaho. It is not possible at the present time to receive silver dollars. It is, as I have stated, possible to go to the assay office in New York and San Francisco and receive filings or drippings of silver; seventy-seven one-hundredths of a troy ounce, for the $1 silver certificate issued on them.

Purchases are limited to bona fide users at a level consistent with their industrial needs. By supplying silver under these conditions to domestic consumers, there would be no legitimate market for melted coin, because there would be no economic incentive to acquire silver in that way. The likelihood that another nation could evaporate our Treasury stocks would also be avoided.

No clear authority now exists for the Treasury to reinstitute the requirement for end-use certificates, and for this reason I have provided language in my bill, H.R. 4184, for their reauthorization. Under that bill, there would be no revocation of the promise to redeem silver certificates, because sales of free silver are authorized. Over 5 years' industrial supply of silver is freed under the bill.

Second. Export licenses: It is conceivable that a higher market price would develop outside the United States if Treasury sales are limited to domestic consumers.

I might say that during last year over 50 million ounces of silver were exported to England. There were additional exports to other nations of the world. We are now a net exporter of silver. An incentive would be created to export our coin and silver bullion. By requiring licenses of legitimate exporters, the outflow of melted coin or other clandestinely acquired silver would be limited. Although export licenses may be authorized under the Export Control Act, I think a clear authorization should be made for the Treasury Department to administer such a program.

Third. Prohibition against melting, hoarding, and export of coins: Although the Treasury's stock of silver would be protected by end-use certificates, the nearly 2 billion ounces of silver in outstanding coin could be legitimately reduced to bullion for speculative holding. In order to prevent taking advantage of such a loophole, I think it would be advisable to explicitly prohibit these practices and assign a penalty for their violation.

Some objection has been raised to this proposal on the grounds that it would be unenforcible. I can appreciate the difficulty in drawing workable standards for enforcement, but I believe it is more logical to place coin melters and hoarders outside the law than to allow such practices without a sanction. Obviously, the legal principle of de minimis lex non curat would have to apply in order for such a statute to be reasonable.

Fourth. Elimination of the silver futures market: Increased interest in speculation in silver resulted from the appearance of silver futures on the commodity exchange in 1963. Reference is made to the interesting footnote 6 of Chairman FASCELL's report about tulipomania. It has been suggested that a reenactment of the 50-percent tax on silver bullion transfers be reenacted for this purpose. Although I believe it is extremely necessary to eliminate such speculation, I think a less drastic method should be sought. Perhaps a request from the Secretary of the Treasury would prove effective in this regard.

I might say that for 30 years we have not had a futures market in silver. The industry has gotten along very well without it, and I think it can continue. The silver futures market at the present time is having trouble justifying its own existence.

Fifth. Licensing of purchasers of silver: As an additional precaution to prevent a trade channel for melted coin, it would be advisable to establish a licensing procedure for purchasers of silver similar to that allowed for gold under 12 U.S.C. 95(b) and ordered by President Roosevelt in 1933 at the time he demonetized gold. Since that statute re-

quires a declaration of national emergency by the President, I think separate legislation should be established for silver throughout the duration of the transition period.

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

Mr. WHITE of Idaho. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I want to commend the gentleman for bringing to the attention of the Congress this important subject of the dilemma in which we find ourselves because of the shortage of silver and the impending action which the Treasury may be attempting with regard to our coinage.

I had the privilege of taking part in the coinage shortage matter when I served formerly on the subcommittee on Legal and Monetary Affairs under Chairman FRIEDEL.

I had the privilege of hearing the testimony from the gentleman in the well presented to this committee. I think there are very few of us who realize we are facing a real crisis with regard to our coinage. The gentleman is providing a genuine service in bringing this subject to public attention and to the attention of the Members.

I am confident that some drastic change is going to be made and some action is going to be taken, and it should be taken by the Congress itself. Whether we are going to encounter the necessity of eliminating all silver from our basic coinage is, of course, a question for the Congress itself to pass on.

I have in my district a metallurgical corporation and a number of skilled metallurgists from whom I have been endeavoring to get advice as to what their recommendations might be to me, to the Congress, to the mint, and to the Treasury.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield.

Mr. GERALD R. FORD. Mr. Speaker, I wish to make an announcement. The originally scheduled Republican conference that was to follow adjournment has been moved from the House Chamber to the House Ways and Means Committee room at 3:45, so we would appreciate those of you being present who can be present.

I thank the gentleman.

Mr. McCLORY. I would like to add this. I testified myself before the Legal and Monetary Affairs Committee and recommended to the committee a reduction in the amount of silver in the coinage or a gradual transition which might be taken in order that we would avoid as far as possible the disruption and the disorder which is going to result if silver is eliminated entirely from the coin.

The problems relating to the subject of U.S. coins are complicated and more complex.

The amount of silver available for use in coins is approximately 1,350 million ounces which is available on the market at $1.29 per ounce. In addition, silver from mine production amounts to about 250 million ounces per year. During the year 1963, 421.6 million ounces were employed in industry, the arts and crafts, and for coinage. In view of the fact that the combined consumption of silver is almost double that of the new production, it is quite apparent that the existing treasury supply will be substantially depleted within the next 3 or 4 years. Of course, when the stock of silver held by the Treasury is eliminated, the pegged price of $1.29 per ounce will be governed entirely by the market.

According to my information, as soon as the market price reaches $1.38 per ounce, the value of existing subsidiary silver coins in circulation will be greater when melted down and converted into bullion than as money. Obviously this would result in a substantial removal from circulation of our dimes, quarters and half dollars with a chaotic result beyond our comprehension. Indeed, it is suggested that except for the current Treasury Department policy of pegging the price of silver at $1.29 per ounce, silver would have a current market value today of $1.86 per ounce.

In considering alternative proposals which our Nation faces, it would seem appropriate to consider, first, encouraging increased mining of silver, second, eliminating silver from U.S. coins, and third, reducing the silver content of dimes, quarters, half dollars, and silver dollars.

First. Increased mining of silver: The combined production of silver from mining operations in the United States in 1963 appears to have been only 37 million ounces, with Mexico producing 43 million ounces, Peru 38 million ounces, and Canada 30 million ounces—with a total production estimated by the Bureau of Mines in 1962 at 242.4 million ounces. A 50-percent increase in silver production would seem to represent a monumental undertaking, particularly since our Nation could not directly affect silver production beyond our own borders.

Even if the amount of silver should be doubled or tripled in the United States, the supply would not be adequate to continue the existing silver policy relative to our silver dollar and subsidiary coins.

Second. Elimination of silver from U.S. coins: The elimination of silver from all U.S. coins would seem to pose problems of a most serious nature. The announcement of such a policy would undoubtedly encourage the almost immediate hoarding of all outstanding coins. In addition, I am informed that the effects upon the vending machine industry would be catastrophic—requiring the alteration of much equipment which is now in use—and would pose other difficult problems including the counterfeiting of coins having small intrinsic value.

Public confidence would undoubtedly be influenced by substitution of less valuable materials into U.S. coinage with risks of inflation emanating from this action.

Third. Reducing silver content of coins: While the prospect of reducing the silver content of U.S. coins would pose various other problems, including the probable hoarding of many coins which are now in circulation, it is obvious that at least this step must be taken. In order to avoid an immediate disappearance of silver coins in current circulation, it might be that a transition program of reducing the silver content of dimes, quarters, half dollars, and dollars over a 5-year period might avoid any sudden effects.

Gaging the need for coins in the future and considering the available silver supplies as well as the probable market value of free silver might indicate that an eventual silver content equal to one-half or one-third of that currently employed in silver coins would provide the long-range solution which the committee will be seeking. My information indicates that such solutions would avoid large-scale hoarding during the transitional period and would have little or no effect on the vending machine industry which has been developed in reliance upon a substantial silver content in these coins.

Recommendations: Accordingly, my principal recommendations would be for the gradual reduction of silver in dimes, quarters, half dollars, and silver dollars (if the minting of silver dollars is to be continued). In addition, I would like to see some reasonable steps taken for expanded operations in the mining of silver to the end that an adequate supply for coins as well as for the various industrial and artistic uses may continue to be available.

It is not clear from the statutes—title 31, United States Code, section 821 and the following—whether additional Federal legislation may be required in order to effect the recommendations indicated here. Such authority may already be vested in the President. However, the Congress should define our national policy.

Let me reiterate the significance of the present hearings and the important contribution to the Nation's welfare which can result from constructive and comprehensive recommendations by this House.

Because I am informed reliably, if some sudden action is taken or if some sudden announcement is made, with the possibility of an almost immediate disappearance of all existing coins into the hands of hoarders and others there might occur a great dislocation and a great impairment of the vitality of our entire retail system and our entire merchandising. Therefore, I know that some constructive and some positive and some comprehensive action is needed in order for us to prepare to meet this crisis and to survive that crisis without having serious disruptions. I commend the gentleman for his recommendations and his suggestions made to the House and to the Department of the Treasury.

Mr. WHITE of Idaho. I thank the gentleman from Illinois [Mr. McCLORY], and the committee under the direction of the gentleman from Florida [Mr. FASCELL], for the interest they have

taken in this matter and for the information that they have compiled and put together with respect to the needs during the transition period with reference to the silver coinage problem. I also thank the gentleman for his generous remarks.

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

Mr. WHITE of Idaho. I yield to the gentleman from Colorado.

Mr. ASPINALL. Mr. Speaker, I congratulate the gentleman from Idaho [Mr. WHITE] for obtaining the floor this afternoon to bring to the attention of the Members the situation as it exists and the actions that we may be requested to take because of the critical imbalance that exists at the present time between the supply and demand for silver. The Honorable COMPTON I. WHITE, JR., in the period that he has been a Member of this body, has demonstrated that you do not have to be a veteran to be heard or to assume leadership.

Congressman WHITE not only represents a district in which mining, including the mining of silver, is important, he actively engaged in mining operations before coming to Congress. As a Member of the House of Representatives, he was assigned to the Interior and Insular Affairs and Banking and Currency Committees, which between them have legislative responsibilities for silver from the time that it is explored for and mined to the time that it is minted into coins or otherwise sold by the Treasury Department.

As a so-called freshman in the 88th Congress, our colleague recognized the need for action and, true to the tradition of his distinguished father who represented the 1st Congressional District of Idaho during the 73d through 79th Congresses and in the 81st Congress, alerted the other Members of this body to the need for legislation to meet the crisis that is now upon us while, at the same time, cautioning against legislation that would aggravate rather than alleviate the situation. I am pleased to associate myself in general with the position that Congressman WHITE has taken on the floor today and to assure my colleagues that, as a member of the Interior and Insular Affairs Committee, he has been coordinating closely with his chairman and the ranking members of the committee.

In further support of the position taken by the gentleman from Idaho, I would like to make it clear for the record that I support the principle that we must retain some silver in U.S. coins even though it not be the percentage of silver presently contained in dimes, quarters, and half dollars. The maintenance of an intrinsic value is not only an important psychological factor in maintaining public confidence in our coins, but it has been demonstrated in other countries that the currency system weakens when there are no coins having intrinsic value.

Further, I have confidence that the mining industry will, given the proper incentives, increase its production of new silver. Part of the new production will come through the development of ore bodies that might be uneconomical to develop at the present price of silver.

A week ago yesterday, one of the most knowledgeable mining men in the country, Mr. Simon D. Strauss, vice president of the American Smelting & Refining Co., spoke to the New York Society of Security Analysts and discussed the entire range of problems involved in silver coinage with particular reference, of course, to the situation in which the United States finds itself today and the course of action that we should take. While I do not agree in every particular with Mr. Strauss, nevertheless I feel that he has made an invaluable contribution to this subject.

Under unanimous consent I include the text of Mr. Strauss' remarks at this point in the RECORD and recommend that all Members avail themselves of the opportunity to read this excellent paper:

"COINAGE AND SILVER"—AN ADDRESS BY SIMON D. STRAUSS, VICE PRESIDENT, AMERICAN SMELTING & REFINING CO., AND MEMBER OF THE SILVER COMMITTEE OF THE AMERICAN MINING CONGRESS BEFORE THE NEW YORK SOCIETY OF SECURITY ANALYSTS, NEW YORK CITY, MARCH 29, 1965

The tradition of equal time now seems firmly established on the American scene in matters of public importance. As spokesmen for the silver producers we appreciate the opportunity for equal time given us this afternoon by the Society of Security Analysts to discuss a problem that concerns not only the U.S. Treasury but every citizen—a change in the coinage system must concern everyone.

So much information has been published on silver production and consumption in the last few months that it seems unnecessary to repeat for this sophisticated group facts already well known. Instead of a detailed statistical analysis, we have chosen to display a number of charts that we believe make the position clear. These were originally prepared by the First National City Bank for its March economic letter. Obviously we will be glad to answer questions later on any aspects of the silver position.

Although agreeing that a substantial deficit exists between the supply of new silver and its present use, we feel the 1964 figures greatly overstated the extent of this gap. Last year stocks of silver held by the Treasury decreased 350 million ounces—about 200 million ounces being used for coinage and about 150 million ounces being issued to the public in redemption of silver certificates. At this rate of attrition, the stocks remaining in the Treasury's possession would be completely gone in another 3 years.

Why do we think the gap in silver supply is less than the 350 million ounces indicated by the 1964 experience?

First look at coinage. The average consumption of silver by the U.S. Mint in the years between 1950 and 1962 was about 50 million ounces annually. But in 1964 the mint consumed over 200 million ounces. True a larger supply of coins is required as the population grows, business improves, and reliance on coin-operated devices increases, but certainly that requirement has not quadrupled in the last 3 years.

Several factors coincided to inflate the 1964 demand for silver coins—as distinct from the need for coins. One was the issuance of the Kennedy half dollar. The public regards this beautiful coin as a commemorative medal, not a circulating medium of exchange. A second factor was the widely advertised shortage of coins in making change; this kind of fear feeds on itself, causing widespread withholding of coins despite exhortations to the contrary. A third was probably some hoarding of coins as a means of speculating on a future rise in the price of silver.

Giving proper weight to the country's growth in population and economic activity, a coinage rate of 100 million ounces annually would appear a generous estimate of normal mint requirements for coins of the present silver composition. If the silver content is reduced, then the normal annual requirement would obviously be reduced proportionately.

Industrial consumption in the free world is estimated to have been about 285 million ounces. Something over 50 million ounces was used for coinage outside the United States—making a total requirement of 335 million ounces excluding the U.S. coinage demand. The supplies available consisted of world mine production estimated by us at about 225 million ounces; an indeterminate amount of silver recovered from scrap and the melting of coins issued by countries other than the United States; plus 150 million ounces supplied by the Treasury to the public in exchange for silver certificates. Thus the total amount available to industry and foreign mints appears to have been well in excess of 375 million ounces.

Thus it appears that in 1964 coinage need was overstated by 100 million ounces and industrial need by at least 70 million ounces.

Instead of 350 million ounces, the current deficit in silver appears to be about half that amount. Thus, those who are projecting an early exhaustion of Treasury stocks based on present rate of demand are overlooking the buildup of stocks elsewhere. If some means can be found to bridge the gap in the U.S. coinage demand, much of this silver now being accumulated will come back into the available supply. There is a real distinction between demand and consumption which should not be overlooked.

Nevertheless, the deficit is still formidable. We agree that the present silver content of coins cannot be maintained. But a long-term decision should be made on the basis of sober appraisal of the real position. It should not be unduly influenced by last year's experience, which we do not regard as typical.

The Treasury's decision on a proper coinage alloy must be based on the national interest—what best promotes the economic well-being of the country.

Judged by this standard, the present coinage alloy has been an outstanding success. Only in the United States among the great powers have coins circulated without change in composition since 1792.

In that year, when Alexander Hamilton, the first Secretary of the Treasury, asked the Congress to authorize the minting of subsidiary coins containing 90 percent silver and 10 percent copper, he hit upon a composition that has met all the tests required for satisfactory coinage. Silver coins are attractive, durable, hard to counterfeit, and meet the psychological need of the public for a coin of real value that carries the ring of authenticity.

Unwittingly Hamilton also made possible the development 150 years later of a major new method of distributing goods. The automatic vending industry lowers the cost of putting merchandise in the hands of consumers. Its growth has been accelerated by the fact that the U.S. coin alloy can be tested in a way to minimize the threat of

bogus coins—whether counterfeits, slugs, or foreign coins. Any coin can be tested for size and weight, but only a coin of metals with high electrical conductivity can pass a third test imposed by the coin acceptors used in vending machines.

It is doubtful that Hamilton even knew of the existence of the magic force of electricity, unless Benjamin Franklin happened to tell him about his experiment with kites. Thus the first Secretary of the Treasury could not have foreseen the usefulness of coins with the attributes of high electrical conductivity.

In the history of the Republic there have been only two or three occasions when silver coinage became scarce. One occurred during the administration of Andrew Jackson; a second during the Civil War. In both instances fractional paper currency was circulated as a substitute for silver coins. These notes of low value were held in contempt by the public, as is indicated by the derisive epithet of "shinplasters" by which they became known.

Today, after more than a century and a half of useful service, some people are urging the complete discontinuance of silver coinage. The situation recalls the remarks made by the late Sir Winston Churchill in which he described how, after leading the British people to victory in the Second World War, at the first postwar election he was summarily dismissed from public service.

The reasons given for discontinuing silver coinage are that this metal has unique characteristics which are prized by industrial consumers. The photosensitivity of silver salts makes it an essential for the film industry. Its high electrical conductivity gives it preeminence for contact points, certain limited wiring applications, and other electrical uses. Its high thermal conductivity is responsible for its selection in missile work. Its corrosion resistance causes widespread demand in surgical and dental fields. In combination with zinc or cadmium it functions with unrivaled efficiency, though at high cost, as a storage battery. In numerous alloys it is considered indispensable for brazing and other forms of metal joining. Its noble appearance and the ease with which it can be worked are responsible for its age-old use as tableware, as jewelry, and in the decorative arts generally.

The producers recognize the great utility of silver in all these applications. But it seems only fair to point out that silver also has unique attributes in coinage and to suggest that, if the economic utility of silver is so great, in the long run greater production must be encouraged by incentives. Following this initial presentation members of this panel will discuss some of the problems of increasing silver production. Suffice to say at this point that "we believe production can and will increase substantially and that its slow growth in recent years has been due to economic causes rather than lack of potential resources."

In urging retention of silver in coinage, two particular considerations emerge. We have already referred to the unique suitability of silver coins for the development of the automatic vending industry. It is quite true, of course, that the coin acceptors can be adjusted so that they will test coins only for size and weight and omit the electrical test. In that event coins of stainless steel, of nickel, of columbium, or of any one of numerous other substances that have been suggested could be used in these devices. But the volume of bogus coinage that would also be accepted would rise enormously.

It must be obvious that the more tests a coin device makes in accepting or rejecting coins, the less the likelihood that it will accept a bogus coin. On this ground alone, the vending machine industry is properly concerned over suggestions that a coin system be adopted that would eliminate the electrical test. Since they are experts in this field, we do not propose at this time to elaborate further—we feel that their views have been clearly and explicitly stated.

A coin with silver content, either alloyed with copper or clad on a copper core, will meet the vending industry's requirements. A solid copper coin would do so also, but would not satisfy the public on the grounds of appearance. Copper is too indelibly associated in the public mind with coins of low value such as the penny.

The second consideration—and we believe the paramount one—is the matter of intrinsic value. It is said that confidence in coinage arises not from its intrinsic value, but rather from confidence in the economic and financial structure of the country.

Gentlemen, confidence is a strange and delicate animal. It is not created by telling people they must be confident. It can disappear overnight—see the stock market crash of October 1929 as an outstanding example. Confidence is something that represents the trust and faith of a country's entire population—not just of a few experts in monetary theory. Great empires have fallen when public confidence has been withdrawn; small nations have triumphed over great odds when public confidence in their leaders has been established.

Perhaps we can make clearer what we are trying to say about confidence and coinage if a specific case history is cited. In this instance, the case history is that of France.

France is one of the great industrial countries of the world. Since the outbreak of World War I in 1914 it has had a checkered career; its prestige has waxed and waned; its currency has been subjected to enormous strains despite the wealth of its resources in people and in land.

Prior to World War II the French had abandoned coinage of intrinsic value. During the war the French suffered serious reverses militarily and economically. The French franc, which had been 20 to the dollar before the war broke out, dropped to 500 to the dollar in the postwar period.

When General de Gaulle assumed power at the end of the 1950's, he was determined to rebuild the confidence in the French people. Virtually the first economic measure he invoked was a revaluation of the franc.

He caused to be issued a new franc, equal in value to 100 of the old francs. These two coins illustrate that change. One is a 100-franc cupro-nickel coin minted in 1954. The other is a 1-franc nickel coin minted in 1960 which is exactly the same size as the older 100-franc coin and which today is its full equivalent. The two coins are entirely interchangeable although one carries the legend "100" on its face and the other carries the legend "1" on its face.

General de Gaulle reasoned that confidence in his country's currency could be rebuilt if people were dealing with a basic unit—the new franc—of some substantial value. In terms of U.S. currency both these coins are equivalent at today's rate of exchange to 20 cents.

Now, if silver serves no useful purpose in maintaining confidence in a national currency, there would have been no reason for the French economic authorities to revert to the minting of silver coinage when they revalued the franc. They could very well have issued a 5-franc coin of somewhat larger size than the 1-franc coin, in the same attractive metal that is being currently used for the 1-franc coin.

But, because the French recognize the desirability of rebuilding confidence in their currency, they decided to issue a 5-franc silver coin. This coin, somewhat smaller than our half-dollar, has a value in terms of U.S. currency of approximately $1 and it has a silver content that at today's prices is equivalent to approximately 40 cents.

A Frenchman can obtain a five-franc silver coin in exchange for five 1-franc nickel coins, or he can obtain ten 10-franc silver coins in exchange for one 100-franc paper note. There is little intrinsic value in the 1-franc nickel coin and no intrinsic value in the 100-franc paper note. But the fact that these denominations can be exchanged for coins of intrinsic value lends an aura of confidence to all French currency now in circulation. The Frenchman who has a 5-franc or a 10-franc silver coin has a virtual guarantee that he will not be subject to the drastic loss of purchasing power that he experienced with his currency during World War II.

The fact that this is available to him is enough to instill added confidence in the entire monetary system. Who can say whether or not this country will at some future date face the situation with which the French have had to cope for the last 30 years?

The lesson of history is that when currency of intrinsic value disappears completely from the monetary system of an individual nation, in due course the currency of that nation loses substantially all its value. This was true as far back as the ancient Greek city-states and the Roman Empire; it was true of Germany, Japan and Italy as recently as World War II.

Today, among the major states of the free world, only the British are without currency of intrinsic value in circulation. In 1946 they began replacing silver coins with base-metal coinage. To use a British phrase, it is still "early days" to judge the eventual success of the change.

The U.S. Treasury still holds more than 1 billion ounces of silver bullion. In circulation there is U.S. coinage containing about 2 billion ounces of silver. Some of this has been irretrievably lost; some is held by numismatists and cannot be recaptured. The great bulk of the silver in coinage, however, is part of the floating supply—it cannot be written off. In due course it will be available to be added to the supplies of newly mined silver—either to be minted into new coins of lower content or to meet the needs of industrial consumers. One cannot turn his back on this huge stock of silver and assume that it has forever disappeared from the marketplace.

The suggestion has been made that if the Treasury decides to mint new coins with some silver content much of the present coinage will go into hoarding. Perhaps. But it strikes us that if the public is told that the new coins will contain no silver at all, hoarding will occur on an even larger scale. The Treasury has no way of measuring in advance the public reaction to these two alternatives—nor can any one else be certain. Each individual holding the present coins will make the decision for himself. We fear that some difficult days do lie ahead—regardless of what the decision is.

Under these circumstances the right decision must be the sound long-term decision. And in our view, all the lessons of history favor maintenance of silver in the coinage.

In the last few days there have been renewed reports that the Treasury has already made its decision on coinage. To an outsider this seems doubtful. Different people in the Treasury have, in our opinion, different views as to a desirable solution. And it would seem logical that a final solution would have to

undergo the review of the new Secretary of the Treasury, whose appointment has just been confirmed. This is what the Wall Street Journal reported last Thursday; to us it seems entirely logical.

We are confident that the Treasury can find a formula under which it can design a new coinage alloy that will adequately meet the needs of the Nation, using the silver it still has in reserve plus the silver that in due course will be recaptured from coinage now in circulation.

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

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

Mr. WHITE of Idaho. I yield to the gentleman from California.

Mr. HOSMER. As I understood it, the gentleman is really suggesting that we have some lesser silver content in our coins but retain some silver; is that his objective?

Mr. WHITE of Idaho. I say to you, Mr. HOSMER, that I have taken that position and the legislation I have introduced will have that result. However, what I am speaking about particularly here today is the matter of necessary controls which will be required no matter what change we have in order, to protect the existing coinage during any transition period.

It is my hope that we will have enough silver and enough time to continue our silver coinage. Under my bill there would be a two-thirds reduction in the silver content, or in other words, there would be 33⅓ percent of its present content of silver.

Mr. HOSMER. I have worried a great deal about the protection of the existing coinage from the effects of Gresham's law, too, during this substitute period, whether we are going to reduce the amount of silver or coin without silver. My own view is unlike that of the gentleman from Colorado. The presence of intrinsic value, metal of some kind, actually is not needed because most people look on coins as a matter of convenience rather than as an indication of wealth of some kind. Other countries have changed over to base metals for coinage without any severe shock to the foundations of their national economy or power. That, of course, is a matter of a difference of philosophy between us. But we do have this practical problem whether you reduce the silver content or go to base metal altogether of protecting this coinage that you have existing now and if you do not protect it, it is going to disappear over night and to see that we will not be going to shinplasters or anything else.

I would like to offer an idea that has been rolling around in my mind for some time, and that is that whatever the new coinage, whether it be coinage with reduced silver or of base metal, that something be included in it which we can include in that coin to keep its value exactly with that of the existing silver coinage.

It is a substance that is possessed by the U.S. Government alone. It is possessed in quantity. This substance is depleted uranium. One can take uranium of any percentage depletion of isotope U-235 down to practically zero and put a small quantity in a new coin of a particular percentage depleted uranium and establish a monetary value on that equal to the actual market value of silver, even if we pull off the $1.29 plug. Thereby we would insulate from the action of Gresham's law. We would be able to go through a transition period to new coinage without the disappearance of the existing coinage because the new coinage would turn out to be as valuable as the old coinage so long as there was established a monetary price on depleted uranium, which has already been done in the case of silver; so there no trick or treat about it at all.

Mr. WHITE of Idaho. In one instance the gentleman seems to be saying we should not have an intrinsic value of coinage and in the other instance, he seems to advocate an intrinsic value of coinage.

Mr. HOSMER. I say that only to avoid the application of Gresham's law, the disappearance of silver coins during a transition period from existing coinage to a new coinage, whatever it is. That problem will have to be met, whether we reduce fineness in the new coins or eliminate silver altogether.

Mr. WHITE of Idaho. I am wondering also, if the gentleman's plan were enacted; would we get into the people carrying the coins be radioactive?

Mr. HOSMER. I am glad the gentleman brought that subject up, because the quantity referred to is of depleted uranium. Not only would it have no radioactive effect, but also it would have no toxic effect, as some metals do.

Mr. WHITE of Idaho. I thank the gentleman for his suggestion. I should like to say that at the present time, throughout the world, not all countries are moving to debase coinage. I should like to have the gentleman take a look at the action of the Government of France, which recently issued a new 10-franc piece. The Government of Italy recently retired a 500-lira note and substituted a 500-lira coin which is 835 fine coin.

It would seem to me a discredit to the United States, when the President asked us to keep a 25-percent gold backing behind Federal Reserve notes, to go to buttons for money in the United States.

Mr. HOSMER. The only thing that protects the money is the existing U.S. Treasury offering of silver to all comers at its particular price. As soon as they stop that, the money will disappear.

Today, the Japanese come in and buy U.S. silver and take it back to Japan and mint coinage about 25-percent fine and thereby make a profit that the U.S. Government should be making on it. I do not see how we can let that kind of a situation persist long.

Mr. WHITE of Idaho. I say to the gentleman from California, that is why I am suggesting the controls I have enumerated today.

Mr. HOSMER. I do wish to make certain that the gentleman's reference to the French coin is in the context that whatever they put in those coins is protected by U.S. Treasury silver sales policy, which we have to maintain in order to keep up the value of our own coins. The French are getting a free ride on Uncle Sam. There is nothing wonderful about what they are doing.

Mr. WHITE of Idaho. That is right. That is why I am suggesting the controls I have suggested today.

Mr. BURTON of Utah. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Utah.

Mr. BURTON of Utah. I thank the gentleman from Idaho for the contribution he has made today in reminding Congress of one of its constitutional responsibilities—that is, providing for the coin system—and for reminding us that it is our job to set the value. I hope we will keep that in mind.

I wish to associate myself with the remarks of the gentleman. I agree that within a very short period of time something must be done. We must face up to the problem.

I for one—and I am sure this is true of other Members of this body—appreciate the leadership of the gentleman from Idaho in this field. I thank the gentleman for his remarks.

Mr. WHITE of Idaho. I thank the gentleman from Utah for joining with me.

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

Mr. WHITE of Idaho. I yield to the gentleman from North Carolina.

Mr. KORNEGAY. I wish to commend the gentleman from Idaho for his presentation here today.

I want to say that it certainly appears to me to be a timely discussion. I certainly pose as no expert in the field of silver or coinage, but I do recognize the expertise and leadership which the gentleman from Idaho has exhibited time and time again on the floor of the House in the area of silver. As he knows, I have always followed his leadership because I have confidence in the knowledge which he possesses in this very important area. I want to commend him again for bringing this important situation to the attention of the House.

Mr. WHITE of Idaho. I am very glad that the gentleman joins in the remarks.

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

Mr. WHITE of Idaho. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Mr. Speaker, I, too, wish to commend the gentleman from Idaho for calling this great issue to the attention of the Congress. I will admit to having been given a very liberal education on silver. I do believe that

the proposals of the gentleman in the well ought to be given serious consideration by the administration as well as the Congress.

Mr. WHITE of Idaho. I thank the gentleman from Hawaii for his remarks.

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

Mr. WHITE of Idaho. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I am pleased to recognize my colleague, the gentleman from Idaho and his great ability in this particular field. I am happy to commend him on his presentation and to associate myself with him in his efforts with reference to this very serious matter.

Mr. WHITE of Idaho. I certainly want to thank the gentleman from Wyoming.

Mr. Speaker, in closing, I would like to repeat my hope that the Treasury Department will consult with the Congress before making its recommendations for coin changes and methods of conserving our dwindling supply of silver. I have extended to them a chance in every instance so to do, and I only hope they will do this with me.

BRACERO PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. COHELAN] is recognized for 60 minutes.

Mr. COHELAN. Mr. Speaker, I have asked for this time to discuss, and I hope clarify, several basic facts relating to the importation of foreign agricultural workers. It is, I believe, essential that every interested party thoroughly understand and accept these facts if we are to get on with the vital job of developing and stabilizing an adequate domestic labor force for our great agricultural industry. I know I do not, and I am confident no one else desires to see crops rotting in the fields. I am certain, also, that the responsible people at all levels of government will give the Nation's growers every reasonable and necessary aid to insure the harvesting of this year's crops. But, the growers must make more than a token effort to deal with their own problems. And, in dealing with these difficulties, they, along with their proponents in Congress, as reasonable men, will come to understand the basic facts as they exist today.

THE BRACERO PROGRAM IS DEAD

The initial fact, which is apparent to all who want to see it, is that Public Law 78, the so-called bracero program is dead. This law, enacted for 2 years in 1951 and extended 6 times since, was a temporary wartime emergency measure. That emergency passed long before the law died and there can be no justification, if indeed there ever was justification, for that program or any program which breeds on the poverty in one country to perpetuate and extend similar conditions in our own country.

The 14-year history of this law is a story of poverty, human suffering and exploitation. It is the story of a system that emulates slavery in all its social, economic, and moral wrongs; a system that exists for the sole benefit and enrichment of a very small but powerful segment of our agricultural industry. It is the result of a philosophy which holds that an exclusive few have an inalienable right to cheap, tractable labor, and that this right exceeds all moral or legal considerations.

Over the years, Congress in its wisdom, came to recognize these great moral, social, and economic injustices being perpetrated upon American and foreign workers and saw fit to end this program but not without first giving growers, the users of braceros, clear and ample warning that they must look elsewhere for their labor supply. When Congress, in 1963, extended Public Law 78 1 more year, it did so with the clear and unequivocal warning that this extension was to be the final extension.

Many Congressmen, including some who supported Public Law 78 through its numerous extensions, stated flatly that this was the last time they would petition Congress for an extension of that particular act.

And, the chairman of the Senate Agricultural Committee, Senator ELLENDER, emphasized the warning when he stated:

> It is my belief that by giving this notice in advance, the proponents of this law will be warned that the Senate will not act again on this measure and they (the growers) must begin to look elsewhere for relief.

Public Law 78 is dead. It is dead because Congress determined that this barbaric, feudal practice, the wholesale importation of foreign labor, was not within the scope of American principles.

I have noted, with some concern, the mounting volume of compliments and criticism being directed at the Secretary of Labor, W. Willard Wirtz, for his policy with regard to the mass importation of foreign workers. I think it is important—no, an absolute necessity—to set the record straight in this regard.

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

Mr. COHELAN. I yield to the gentleman.

Mr. RONCALIO. Mr. Speaker, I am listening with concern and with great regard to the statements of the gentleman from California. May I add that I am one of those whose voice has been added in the last month or two with genuine concern of criticism of the Secretary of Labor for taking the role of an advocate instead of going out and finding facts. I am happy to see that since these speeches were made from the well of the House the Secretary did in fact go out to the district referred to by the gentleman to get a firsthand report.

Now, I would only like to say this: I intend to remain in the Chamber and continue listening to the statement of the gentleman and be thus additionally informed. But I hope the gentleman will give us an opportunity to discuss with him—some of us who want not a new law, even though the law is dead, we recognize it is a way that we can continue a practice which we do not happen to feel is quite as barbaric as the gentleman from California says.

I would like to say further that any time you pay a human being salary and wages for work performed, I do not believe it can be called a barbaric situation.

Mr. COHELAN. I thank the gentleman from Wyoming and I appreciate the spirit in which his remarks are made. However, I believe before I conclude my statement we will have covered some of the points which he makes.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. COHELAN. I yield to the distinguished gentleman from California.

Mr. TEAGUE of California. I appreciate the gentleman yielding and I shall try very much not to interrupt the gentleman until he has concluded his statement. But, I would like to make this point.

The gentleman said several times that the bracero program is dead. As of now I think it is. I would also say that the gentleman from California [Mr. COHELAN] can take with great pride almost full credit for having been the chief executioner.

Mr. COHELAN. I thank the gentleman for his remarks, but as he well knows, the defeat or the eventual phasing out of Public Law 78 was something upon which the Congress took action, although, indeed, my attitude and opinions and my advocacy of the elimination of this program are well known to the gentleman for whom I have a very high respect. As long ago as 1959 the gentleman will recall that, standing in the well of this great Chamber, amendments were offered to the bill which would phase out the program. They were offered first for a period of 3 years. Then they were offered for a period of 2 years, but they fell upon deaf ears. Members of the other body did the same thing.

I say to the gentleman from Wyoming [Mr. RONCALIO] and some of the others who have just entered this great body, there is nothing new about this issue. The cries that we hear now about the intensity of the program are cries that we have been hearing over a long period of time. They could have taken these measures a long time ago.

But, Mr. Speaker, what I want to develop today is the point that there are adequate solutions to this problem and that we do not need to be overly concerned, providing certain measures are taken.

Now, Mr. Speaker, let us review the situation. The policy to halt the mass importation of foreign labor, it must be clear, is not that of the Secretary of Labor. This was done by the Congress and the personalities apart, I am sure my good friend from California [Mr. TEAGUE] will agree that the action was taken by this Congress.

We heard Members who voted for the gentleman's request for a year's extension get into this well, one after another, and say they are going along with the

gentleman's request and his colleagues who were supporting the year's extension, but that this was the last time.

Mr. Speaker, the record is replete with that, and in the interest of time, I have avoided detailing this.

So the point is that, we had adequate warning. It has been quite clear that the program is over and that the Congress has taken an express position on this subject. Any such criticism or compliments about the termination of this program, should not, I submit to you gentlemen, be directed to the Secretary of Labor, but to the Congress. For as has been suggested by many growers in many of the areas, if the Secretary of Labor should attempt through administrative action to reinstitute a program of mass importation of foreign labor, he would be doing so in direct opposition to the will of the Congress, as expressed in the actions that we have noted.

And, Mr. Speaker, let me make it very clear at this juncture that Public Law 414 from the Immigration and Nationality Act was not and is not intended as a substitute for Public Law 78. If it is used as such, legislative action will be necessary.

THE CROPS ARE NOT ROTTING—THEY ARE BEING HARVESTED

Now, Mr. Speaker, I want to make this point, because I think it is absolutely vital and it is something that pervades this discussion whenever we get into it.

We hear the crops are rotting in the fields and are not being harvested. This is April 1965. These dire warnings of crops rotting in the fields for want of someone to harvest them so far is nonsense.

The simple fact is that the crops are being harvested and in some cases in advance of last year's harvest. To date, the only reported crop loss by the Department of Agriculture was the result of a freeze January 18. The Citrus Growers Mutual claimed a $4 to $5 million loss, a figure not yet substantiated. And, it is entirely probable that this figure represents the difference between the Department of Agriculture's October 1964 estimate of an 83.6 million box orange crop and the February 1965 revised estimate of 80.6 million boxes. In other words, the claimed crop loss might, in fact, be no loss at all.

Equally significant is that while growers were crying over labor shortages and loss of crops the juice concentrate plants in Florida were working at full capacity—24 hours a day, 7 days a week—and could not have processed additional citrus if available. I have ample newspaper stories to document the point that has been made.

Mr. Speaker, evidence that the crops are being harvested is conclusive. The orange crop in Florida is 44 percent greater this year than it was last. Despite this, 65 percent of this year's crop is already in, compared with only 57 percent a year ago. In terms of total production, there has already been 47,450,000 boxes of oranges harvested for this year compared with 28,668,500 boxes for the like period in 1964.

Nor has there been a crop loss in other States, including California where lettuce and lemons have been and are being picked. As recently as March 15, a State of California in-season report made clear that "market conditions, particularly in lettuce and green onions, have had a depressing effect on the level of employment." This "market condition" is the result of growers controlling production to protect prices.

In mid-February it was reported that growers in California's Imperial Valley had made a gentleman's agreement to harvest lettuce only four days a week in an effort to support prices. At that time a California Employment Service official reported that the "demand for lettuce was good, but because of a marketing agreement, lettuce was harvested only 4 days a week," and that the situation was expected to continue through mid-March, when some of the growers "will have finished cutting."

AMERICANS ARE AVAILABLE—THEY WILL DO THE WORK

In mid-March there were about 24,000 more American workers employed in agriculture than at the same time last year. The total number of Americans employed in agriculture at the middle of March was 290,400.

In California, about 8,000 more domestic workers were employed than at the same period in 1964 and Florida showed an increase of more than 7,000 in domestic workers for the like period a year ago.

There have been times this year when as many as 3,500 foreign workers already in Florida have been put on a standby and did not work because there was no work for them.

Mr. Speaker, these and other facts, I contend, clearly prove that Americans can and will do the work, given the opportunity, adequate pay and decent living and working conditions.

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

Mr. COHELAN. I yield to the gentleman from California.

Mr. MOSS. I think it important that in arriving at the totals of Americans engaged in agricultural employment the gentleman should consider the number of foreign agricultural workers who are on the green program. I wonder if the gentleman can tell me of those there are in California engaged in agriculture in this season of 1964, and how many there were engaged in similar pursuits in 1964 and the years subsequent thereto?

These are pertinent facts to this discussion.

Mr. COHELAN. I think the gentleman asks a fair question in respect to the current figures. I do not have them available but I will be glad to supply them for the RECORD. I do have and expect to supply in the RECORD figures for 1964 which are specific and complete.

Mr. MOSS. Would not the gentleman say that the number of these green-card workers or the probable number classified as part of this increase of domestics should be known if we are meeting this labor need purely from domestic sources?

Mr. COHELAN. There has always been a very active traffic in this kind of labor in our State. I would presume that activity continues. The gentleman's question is a fair one, and I am sure we should deal with it in terms of statistics. I think we can get that for the RECORD.

Mr. Speaker, in response to the request of the gentleman from California [Mr. Moss], I have been advised by the Department of Labor that during the period extending from July 1, 1964, through March 24, 1965, the Secretary of Labor certified 387 requests for immigration from Mexico to work in agriculture in this country. I think this is an important figure to have, as the gentleman has suggested, and I think it is further and significant information that the need for farm labor is being met by American workers.

Mr. Speaker, in further response to the request for information made by the gentleman from California [Mr. Moss], I would like to provide additional data regarding the green-card workers in agriculture.

First, and this I believe is a very basic point, the green-card worker is now and always has been, for the purposes of employment statistics, counted as a domestic worker. Once a work record is established, he is entitled to unemployment compensation or whatever other benefits his type of work provides workers who are American citizens. As a result, the green-card worker is not counted separately and is considered available domestic labor.

Since July 1, 1963, every Mexican applying for a permanent visa to work in the United States has been required to prove that he has a bona fide job offer. The Department of Labor, through its affiliated State employment security agencies, must then check to insure that a labor shortage actually exists in that job classification and that the employment of this worker will not adversely affect U.S. workers similarly employed. On the basis of its findings, the Labor Department may either approve or disapprove admission.

As I reported earlier, between July 1, 1964, and March 24, 1965, there were only 387 Mexicans approved for agriculture work. This compared with 2,099 during the previous fiscal year.

The following chart shows the type of requests and the number approved from July 1, 1963, through March 24 of this year:

Type of request	July 1, 1963, to June 30, 1964	July 1, 1964, to Mar. 24, 1965
Total requests	17,461	20,373
Total approved	4,174	2,832
Nonagriculture requests	8,232	12,430
Nonagriculture approved	2,075	2,447
Agriculture requests	9,229	7,942
Agriculture approvals	2,099	387

Of the 2,099 agriculture approvals in fiscal year 1964, 1,738 were approved in the Dallas, Tex., office. Similarly, from July 1, 1964 to March 24, 1965, 328 of the 387 were approved in the Dallas office.

Furthermore, I have been advised by the U.S. Immigration Service, that the number of green-card workers commuting to the United States on a daily basis to work in agriculture is "negligible."

Mr. Speaker, when we consider the fact that the number of American workers employed in agriculture has increased by more than 23,000 over the figure of a year ago, and when we relate this figure to the very small number of green-card approvals during the last year, it is hard to escape the conclusion that Americans are willing to do farm labor and that more are doing it than ever before.

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

Mr. COHELAN. I yield to the gentleman from California.

Mr. HANNA. I should like to refer back to the gentleman's remarks in terms of what was behind the action of the House. If I understood it correctly, the action of the House was an adoption of the Missouri plan in the sense of the Missouri slogan, "Show me."

I think it was the consensus of the House that we would never determine whether or not domestic laborers could do the work which was being done by the foreign laborers unless we did away with the bracero program, which many of us felt would return us to a good utilization of domestic labor.

At all times, if I recall correctly, there was in the forefront of the consideration and certainly in the forefront of my mind, that a high criterion of a showing of need was still a possibility of entry into the green card worker field in the 414 program. I am not saying to the gentleman that we have demonstrated what our need actually is, but I am sure the gentleman is not saying now that the Missouri plan has definitely shown that we have no need whatsoever for foreign labor. Is that correct?

Mr. COHELAN. I thank the gentleman for his remarks. As he knows, I admire him greatly and respect his interpretation. Indeed, I would be compelled to say that is the interpretation of many of our colleagues who are very interested in this problem in California, and who have an intense concern with this because of the character and nature of their districts.

My view of it is somewhat broader, although it does not completely exclude the possibility of the gentleman's interpretation. I feel primarily that the gentleman is quite correct in assuming what we are facing here is a question of labor supply price in a free American labor market. As the gentleman will recall from going through the debates and the discussions on this issue, we have in this country a great mass of human beings who are available for seasonal labor; who are by far and away the lowest paid people in our society; who are denied the protections of social insurance, unemployment insurance, and compensation insurance; whose average income is low; and who are the most helpless creatures we have in our entire society. In this particular area of work potential we even deny them their labor market.

I, for one, would feel it is high time we define that labor market and try to meet the requirements through the existing labor supply and through meeting the kinds of conditions that will shape up and hold an adequate labor force.

The gentleman knows, and I hate to keep picking on my own State because all of our colleagues from California know that our State is perhaps the most advanced State in the Union in its treatment of migratory labor. At this time it adds little to the discussion to go into detailed criticism of other areas in the country.

This is one of the ironies of the situation, and I am well aware of it. But I say to the gentleman, in California where we do have, and are having, an increasingly diminishing requirement for labor, the very interesting and significant fact is that those growers who have undertaken to provide decent housing and decent conditions, and the minimum requirement for labor in our State—and I could cite some of our great packing concerns that are involved in this—have not hired a foreign worker for many, many years. The gentleman knows this to be true. So my approach to this problem, in reviewing the entire situation, would certainly include the gentleman's interpretation as well as my own.

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

Mr. COHELAN. I am glad to yield to the gentleman.

Mr. HANNA. I would just like to say to the gentleman, I hope that he counts this Representative as one who has a deep concern for the plight of these workers to whom he has referred.

But I would hope the gentleman agrees with me that those of us who have districts that are involved in agriculture in the State of California are appropriately concerned when the department of labor of the State of California comes with a report, as the gentleman knows they have come forward with such a report, that there will actually be shortages in certain specialized crops within certain sections of the State of California. I think the gentleman would agree that we are right to entertain some concern here, and the gentleman will agree further that we do not know what the facts are until the season has passed.

Mr. COHELAN. The gentleman will recall that at the outset I made this remark, and I want to underscore it. And I speak today in a tone of conciliation and of trying to get the hard facts out on the table: to get this thing aired and ventilated. As I said at the beginning of my remarks, "I am certain also that the responsible people at all levels of government will give the Nation's growers every reasonable and necessary aid to insure the harvesting of this year's crops."

At this point, Mr. Speaker, I ask my colleagues to permit me to proceed with my statement since there are Members on the other side of the question who have not had a chance to speak.

At the peak employment season last year there were 1,236,500 Americans employed in agriculture throughout the United States. That is nearly twice the total number of foreign and domestic workers employed in either March, April, or May of last year.

I would like to insert at this point in the RECORD, charts showing the increase in domestic workers so far this year in various States:

Number of domestic and foreign seasonal farmworkers, United States, by month, 1963 and 1964

[In thousands]

	Domestic	Foreign
1963		
January	245.9	33.8
February	229.8	30.3
March	252.2	31.5
April	314.5	37.8
May	687.5	52.9
June	1,000.5	77.9
July	1,074.7	58.
August	962.9	71.2
September	1,024.8	105.5
October	959.9	97.9
November	437.9	54.0
December	278.4	41.1
1964		
January	249.3	29.4
February	248.8	26.5
March	267.3	26.7
April	342.5	38.0
May	696.1	51.9
June	998.7	69.9
July	1,236.5	54.4
August	1,050.2	68.7
September	968.3	92.8
October	944.5	80.8
November	517.9	53.6
December	312.1	40.3
1965		
January	279.8	15.9
February	278.8	14.4
March (Mar. 15)	290.4	16.4

Source: Bureau of Labor Statistics, Monthly Report on the Labor Force.

Employment on crops of major labor shortage,[1] California, by month, 1964 and 1965

TOMATOES

[In thousands]

	Domestic	Foreign
1964		
January	0.4	0.2
February	0	0
March	0	0
April	1.0	0
May	2.6	1.0
June	1.8	1.3
July	6.5	3.3
August	5.8	11.2
September	6.3	38.1
October	4.6	26.6
November	1.7	1.6
December	1.0	1.1
1965		
January	.8	0
February	.4	0
March	.4	0

ASPARAGUS

1964		
January	0	0
February	0	0
March	1.8	0
April	4.5	3.5
May	4.3	3.7
June	1.4	4.2
July	0	0
August	0	0
September	0	0
October	0	0
November	0	0
December	0	0
1965		
January	0	0
February	.5	0
March	2.4	0

See footnote at end of table.

Employment on crops of major labor shortage,[1] California, by month, 1964 and 1965—Continued

LETTUCE [2 3]

[In thousands]

	Domestic	Foreign
1964		
January	1.4	2.0
February	1.2	1.8
March	2.2	1.5
April	2.0	2.0
May	1.8	3.3
June	1.7	4.2
July	1.8	3.7
August	1.6	3.5
September	.7	4.7
October	1.4	6.4
November	.7	3.9
December	.9	2.3
1965		
January	2.4	.1
February	2.0	0
March	2.8	0

CELERY [3]

1964		
January	0.8	0.6
February	.9	.5
March	1.0	.5
April	.5	.6
May	.4	.6
June	.4	.8
July	.3	.4
August	.3	.5
September	.4	1.2
October	.6	1.5
November	.5	2.1
December	.6	1.5
1965		
January	.9	.3
February	1.3	0
March	1.4	0

STRAWBERRIES [3]

1964		
January	0.3	0
February	0	0
March	.4	.6
April	2.1	2.8
May	2.9	8.5
June	2.1	10.4
July	2.0	6.3
August	1.2	4.5
September	.7	3.7
October	.4	2.3
November	.5	0
December	.1	0
1965		
January	.1	0
February	.4	0
March	.1	0

GRAPES

1964		
January	16.7	0.2
February	11.0	0
March	1.4	0
April	.1	0
May	5.4	.2
June	7.3	.4
July	3.0	.9
August	12.5	0
September	51.2	1.2
October	32.6	2.5
November	3.4	.1
December	6.2	0
1965		
January	18.1	0
February	14.8	0
March	3.2	0

MELONS

1964		
January	0	0
February	.2	.2
March	.6	.4
April	.8	0
May	2.4	.1
June	3.2	.2
July	1.1	3.2
August	1.2	2.9
September	.5	1.6

Employment on crops of major labor shortage,[1] California, by month, 1964 and 1965—Continued

MELONS—continued

[In thousands]

	Domestic	Foreign
1964		
October	0	0
November	0	0
December	0	0
1965		
January	0	0
February	0	0
March	1.0	0

LEMONS

1964		
January	0.6	2.8
February	1.1	3.4
March	1.0	3.8
April	1.1	4.6
May	.8	4.5
June	.6	3.6
July	.5	2.1
August	.3	.9
September	.3	1.0
October	.3	1.1
November	.2	.9
December	.4	2.0
1965		
January	1.5	0
February	3.6	0
March	4.1	.6

ORANGES

1964		
January	4.2	0.4
February	3.6	1.0
March	3.3	1.2
April	2.6	1.2
May	3.8	1.2
June	.7	2.2
July	.8	3.0
August	.6	3.1
September	.6	2.7
October	.3	1.5
November	0	0
December	0	0
1965		
January	5.7	0
February	5.5	0
March	5.4	0

DATES

1964		
January	(4)	0.3
February	(4)	.2
March	(4)	.3
April	(4)	.3
May	(4)	.3
June	(4)	.2
July	(4)	0
August	(4)	.2
September	(4)	0
October	(4)	.4
November	(4)	.5
December	(4)	.4
1965		
January	0.1	(4)
February	.1	0
March	.1	0

COTTON

1964		
January	4.8	0
February	.7	0
March	0	0
April	0	0
May	11.6	0.6
June	10.6	1.1
July	3.7	.5
August	.9	.1
September	0	0
October	10.8	0
November	10.7	.1
December	7.4	0
1965		
January	3.4	0
February	0	0
March	0	0

Employment on crops of major labor shortage,[1] California, by month, 1964 and 1965—Continued

SUGARBEETS

[In thousands]

	Domestic	Foreign
1964		
January	0.3	0.7
February	.7	.6
March	3.3	.4
April	6.3	.8
May	4.5	1.4
June	1.6	2.0
July	2.1	2.5
August	1.4	.9
September	.8	0
October	1.3	2.1
November	2.4	2.6
December	1.2	1.0
1965		
January	0	0
February	1.3	0
March	3.2	0

[1] As indicated by substantial foreign-worker employment in 1964.

[2] Most foreign workers used in lettuce harvest and preharvest activities in 1964 were employed in the desert and the central coast areas. In the former, foreign-worker lettuce employment was between 1,000 and 2,000 throughout the 1st quarter, before trailing off in April. The fall season in that area began in September and foreign-worker employment in lettuce reached a peak of 3,200 on Oct. 31. Foreign workers were used in central coast lettuce activities from March to November, foreign employment reaching a peak of 5,200 in May. A few hundred foreign workers were used in lettuce activities in the San Joaquin Valley in October and November and somewhat more than 100 foreign lettuce workers were employed in the south coast from April to June.

[3] All employment figures for individual crops are as of midmonth. In the narrative discussion of the agricultural labor situation in California, employment figures relate to annual peak employment in the crop, which may not coincide with a midmonth.

[4] Less than 50 workers.

Number of domestic and foreign seasonal farmworkers, Florida, by month, 1963–65

[In thousands]

	Domestic	Foreign
1963		
January	53.5	14.3
February	59.7	13.5
March	67.0	12.9
April	60.6	10.6
May	57.1	5.3
June	32.4	2.7
July	38.9	1.1
August	24.9	1.0
September	28.3	1.3
October	34.3	2.6
November	44.0	9.7
December	49.7	11.8
1964		
January	54.2	12.3
February	58.1	11.2
March	59.7	10.4
April	57.9	8.8
May	54.2	6.8
June	36.1	2.6
July	36.0	.8
August	19.2	.6
September	22.2	.9
October	31.6	1.6
November	47.6	10.3
December	60.5	14.0
1965		
January	69.5	14.1
February	70.7	----------
March	66.9	9.1

Number of domestic and foreign seasonal farmworkers, California, by month, 1963–65

[In thousands]

	Domestic	Foreign
1963		
January	86.3	11.3
February	66.6	11.2
March	59.4	12.3
April	66.4	16.4
May	107.1	29.7
June	128.1	39.3
July	120.6	34.4
August	122.9	34.4
September	157.6	54.0
October	120.6	65.1

Number of domestic and foreign seasonal farmworkers, California, by month 1963–65—Continued

[In thousands]

	Domestic	Foreign
1963		
November	72.8	19.2
December	78.1	12.2
1964		
January	87.6	10.3
February	74.5	10.6
March	65.2	11.2
April	78.0	19.0
May	120.4	29.8
June	127.8	37.8
July	122.6	33.9
August	124.6	36.7
September	161.2	63.9
October	124.4	51.5
November	69.9	19.0
December	80.7	12.7
1965		
January	89.3	.9
February	83.0	0
March	73.2	.6

Estimated number of unemployed workers and rate of unemployment, California, by month, 1964 and 1965

[In thousands]

Month	1964		1965	
	Number	Percent	Number	Percent
January	469	6.8	519	5.9
February	499	7.3		
March	458	6.6		
April	394	5.7		
May	400	5.7		
June	448	6.3		
July	415	5.9		
August	403	5.6		
September	366	5.1		
October	355	5.0		
November	434	6.1		
December	423	5.9		

Number of domestic and foreign seasonal farmworkers, Arizona, by month, 1963–65

[In thousands]

	Domestic	Foreign
1963		
January	12.0	3.5
February	12.1	3.2
March	11.6	3.6
April	13.8	6.4
May	14.4	5.1
June	14.8	6.2
July	12.5	1.1
August	10.8	.6
September	11.6	2.2
October	14.3	6.0
November	14.9	8.1
December	17.3	5.6
1964		
January	14.2	3.1
February	12.3	2.3
March	12.2	2.8
April	13.5	6.4
May	15.4	4.6
June	17.2	4.8
July	13.9	1.0
August	11.4	.5
September	10.5	2.2
October	14.0	4.5
November	16.5	7.2
December	18.2	5.5
1965		
January	16.0	0
February	15.5	0
March	15.0	0

Acreage and production of major crops, Arizona, 1963–65

ACREAGE

	1963	1964	1965
Lettuce [1]	18,900	17,900	
Cantaloups [2]	17,500	19,700	

Acreage and production of major crops, Arizona, 1963–65—Continued

PRODUCTION

[In thousands]

	1963	1964	1965
Lettuce (1,000 cwt.)	2,930	2,506	
Cantaloups (1,000 cwt.)	2,249	1,970	

[1] Late fall crops.
[2] Spring crops.

GROWER COOPERATION LACKING

Mr. Speaker, there are many indications that a large number of growers have not and are not making a sincere effort to recruit and keep domestic workers. We find story after story in the newspapers emphasizing the lack of grower cooperation in efforts to recruit an adequate domestic labor force. The simple facts seem to be that growers do not want American workers.

Business Week magazine recently quoted the Reverend John Simmon charging some California growers with "systematically sabotaging the campaign, harassing new workers, whittling down new minimum wages, and using other devices to create the illusion of the inadequacy and incompetence of the American farm labor force."

I would like to cite one example showing the bad faith of many growers. It is the report of two men, Gonzalo Miguel Guerra and Ellsworth L. Garrett, who were recruited in Texas to work the citrus groves around Santa Barbara, Calif.

Both men, along with 21 others, had been informed of the great opportunities in Santa Barbara through a recruiting campaign conducted throughout the Rio Grande Valley by the Texas Labor Agency. Apparently, a beautiful picture was painted of citrus work in Santa Barbara. The men were told that workers were averaging $24 to $30 per day, and some even better. They were to be guaranteed $1.25 a hour and 50 cents per box for all over 20 boxes of lemons picked in an 8-hour day. They were told that no experience was needed.

These men arrived in Santa Barbara the 17th of March. They were taken from the bus which had brought them from Texas, handed a bed roll, and told they would be going to work the next day. But, before they could go to work, they would have to take a physical examination.

Now this physical examination is standard practice in California and is required by the insurance carriers to protect them against false claims resulting from previous injuries. And, in lemons, workers must also be checked for colorblindness. Importantly, however, these men from Texas, brought more than 2,000 miles from their homes, were not told of the physical examination before leaving nor was the reason ever explained.

Fortunately, none of the men failed to pass the physical. I do not know what would have happened to them had they failed.

The men were put to work in lemon groves, which they say were well picked over. At the end of 40 hours, some of the men were fired for failure to achieve the required quota of 20 boxes per day. In Texas, no one was told about a quota after 40 hours. At this time, most of the men working out of the camp were averaging 16 to 19 boxes per day. There were several there with experience in lemon picking but only two were averaging the 20-box quota.

The two men mentioned earlier were finally let go after 48 hours because they failed to make the quota. And they were let go with $1.24 net pay for 48 hours work, in a strange town, 2,000 miles from home.

Growers using these kind of tactics certainly cannot be accused of cooperation or interest in seeing that Americans are available to fill our farm jobs.

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

Mr. COHELAN. I am glad to yield.

Mr. MOSS. I believe growers using those kinds of tactics are engaging in reprehensible practices and there is not a Member of Congress who would stand up to defend them. They are entitled to every bit of contempt we can have for them.

The gentleman is not contending, however, that they are typical of the growers in California?

Mr. COHELAN. I am indeed not saying so, but I say to the gentleman that they are all too common and that in those areas where this is happening we are having our difficulties.

One of my purposes in taking this special order this afternoon is to bring this out and to urge anyone in the industry throughout the United States who is adopting or using those practices to abandon them.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. COHELAN. I am glad to yield.

Mr. TEAGUE of California. I certainly would join in urging any farmer and all farmers to refrain from and to avoid any improper practices. As the gentleman who comes from Sacramento so well stated, with scores of thousands of farmers these things are going to happen once in a while, just like once in a while a clergyman does not do the right thing—or a college professor, or a union official, or even a Member of Congress.

I will not take more time now. I will take a special order later, to offer statistics which I believe are completely at variance with the statistics being presented by the gentleman.

Mr. COHELAN. Notwithstanding the fact that the gentleman and I are known to disagree on this subject, I deeply appreciate the observation he has made and I sincerely believe he means it. I would think the evidence may show there are more such persons who may be active in the industry than the gentleman would like to believe. In any event, this is not, unfortunately, an isolated instance.

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

Mr. COHELAN. I am glad to yield.

Mr. ROYBAL. It should be noted that the Council of California Growers put out a newsletter dated March 29, 1965, entitled "Impressions: The Secretary of

Labor and the Black Sheep." The newsletter noted:

The facts are that once again responsible California agriculture has been clobbered by the black sheep * * * by the "chicken neck profiteers" * * * by the operators of filthy, disgraceful, farm labor camps * * * by growers who, incredibly enough, did not have toilet facilities in their fields.

This indicates to me that the Council of California Growers admits that within its ranks there are individuals who do practice the procedures outlined by my colleague from California.

Mr. Speaker, I ask unanimous consent to have the entire newsletter printed in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The newsletter is as follows:

IMPRESSIONS: THE SECRETARY OF LABOR AND THE "BLACK SHEEP"

This newsletter is written on the basis of our experiences and observations gained while traveling with U.S. Labor Secretary Willard Wirtz during his whirlwind tour of California. A tour, we might add, that consisted of 20-hour days by a man who appeared genuinely interested in getting all of the facts he could. Facts which he needs to have in order to make the very important decisions he must make. And to get agriculture to understand what he considers the very important facts that we in agriculture must understand.

Speaking very frankly, as indeed we must, if Secretary Wirtz decides to allow supplementary workers to come into California under Public Law 414, it will be because he really understands the problems faced by responsible growers, processors, suppliers, and others during this critical transitional period. It will not be that all the things he saw served to convince him that all California growers are really doing everything they can to fully utilize and maintain a qualified domestic labor force.

And the tragic thing is that this impression was created not so much by growers as by farm labor contractors, by "professional" camp operators including some county-operated facilities, and by others. Unfortunately there were some growers who did contribute to this overall impression. Not many, but enough. And their housing facilities, their lack of compliance with field sanitary facilities, etc., were so bad that—as is always the case—the entire industry got clobbered by the actions of these irresponsible segments.

Mr. Wirtz, the people of this country—and responsible California agriculture—believe that growers must play the game fair and square. And this means providing the type of decent farm labor camp facilities and decent field conditions that will help attract and hold domestic workers. Then if these things are done and still a legitimate shortage exists, then the case will have been honestly and fairly proven.

But as we said, this was not the overall impression which the Secretary gained. Nor was it the impression the members of his staff and press retinue gained. Nor was it the impression that the general public gained.

And this is tragic. For a great many individual growers, Farm Labor Association managers and their staffs—allied industry leaders and key officials from the Teamsters Union—and of course, your council worked their hearts out to bring together with Mr. Wirtz and his party the people and the facts which could accurately and honestly enable him to better understand the many ramifications of our growing crisis.

As was evidenced by the Secretary's extreme interest and request for immediate followup conferences with him in Washington, a much greater understanding of the issues by all concerned came from these discussions. But the overall impression gained by the Secretary, and by the public, was not good. And how much this impression will affect his final decisions can only be guessed at. And we don't like to guess.

We deal in facts. And the facts are that once again responsible California agriculture has been clobbered by the black sheep, by the "chicken neck profiteers," by the operators of filthy, disgraceful, farm labor camps, by growers who, incredibly enough, did not have toilet facilities in their fields.

And, we must add, we are going to continue to get clobbered unless we do something about it. And fast.

To begin with, it is obvious to responsible agriculture—as it is to the public and to the Secretary of Labor—that the type of things contributing to this adverse impression cannot be condoned.

Let's first go on record there.

Then on to the next step. If we, the individual farmer, fall into the category of the minority who would find it "inconvenient" for the Secretary of Labor, or a local or national TV camera to come into the housing facilities we operate, then we'd better start cleaning up. And now.

If we don't operate our own housing—as most of us don't, but do finance it through our farm labor association—then let's make certain that these association-provided housing and feeding facilities fall into the category that we'd be proud to see on national television.

And if we employ the services of a farm labor contractor, then let's make absolutely certain that that farm labor contractor isn't providing the type of housing, feeding facilities, and the like that Secretary Wirtz described as "making me ashamed that anything like this exists in this country." And let us hasten to say that we visited those facilities too. And there was no exaggeration by Mr. Wirtz on this—or any of the other points he made along these lines.

The same applies to those of us who live in areas where our local housing authorities operate facilities right out of the "Grapes of Wrath" era. Facilities such as the Linnel Farm Labor Center or the Cutler facilities, also a county housing authority operation. As you may have read in your local newspaper this is the place where "walking away from the communal lavatory in the center of a circle of ramshackle two- and three-room buildings overrun with barefoot children," Secretary Wirtz shuddered and said, "Did you see that?—God."

As employers, as the people for whom the farmworkers of this country really work, we can't pass the buck on to the farm labor contractor or anyone else. We may employ him to help us recruit, house, and train labor. But the ultimate responsibility for the workers is ours. And the buck stops here.

Most growers in this State already know this. Responsible members of this industry make certain that their labor contractor provides decent facilities and the like before they hire that contractor. And keep on that contractor and/or work with their local association to see that decent conditions are maintained both in the camps and in the fields.

But obviously some don't. And since all of us are hurt—and hurt badly—by the actions of those that don't, it should be obvious that it's up to us collectively and individually to see that the type of things that do exist that are wrong—are made right.

Mr. TEAGUE of California. Mr. Speaker, I think there is no question about it, if the gentleman will yield briefly. I think it is a fine thing that the Council of California Growers recognized this situation and are trying to clean it up. Since Santa Barbara was mentioned a few moments ago and it is in my district, it is my understanding that Secretary Wirtz, who spent a little time there a few weeks ago, found absolutely nothing to complain about in the labor camps in and around Santa Barbara and throughout my district. As a matter of fact, he was very complimentary about them.

Mr. COHELAN. I thank the gentleman for his contribution.

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

Mr. COHELAN. I yield to the gentleman from Hawaii [Mr. MATSUNAGA].

Mr. MATSUNAGA. Mr. Speaker, I wish to commend the gentleman from California for taking this time to inform the Congress on a very vital issue which is still facing the Congress, although we thought we had this resolved a year ago. If the gentleman from California [Mr. COHELAN] is the chief executioner, I was happy to have been one of his followers, and I would say also that he was the chief executioner of an evil which needed to be executed.

Mr. Speaker, the last Congress took a major step toward dismantling legislation left over from past emergencies when it voted to extend the Mexican farm labor program only to the end of December 1964 and then to terminate it. There is a move now among well-intioned Members of this House to revive this program, and I rise to question its wisdom.

I come from a State which has had many years of experience with the problem of bringing in cheap labor from abroad to work on its farms. The State of Hawaii learned long ago that eventually it would have to rely on local labor, adequately paid and decently treated, to fill its needs.

Today the plantation fieldworker in Hawaii earns $24.10 a day, including fringe benefits. Contract labor is a thing of the past. Workers from Japan and the Philippines pass through Honolulu on their way to work on farms in California, but not on our plantations in Hawaii. We have sufficient labor, permanently resident in our State, to do our farmwork.

The administration now has a program underway to end poverty in America. Many Americans are poverty stricken because they cannot work or are unable to find work. But there are many who do work and still hover on poverty because they are paid such low wages.

I have heard it said about some of the unemployed in California that they will not do stoop labor on the fruit and vegetable farms of that great State. It is said that because they can get enough money to live on from relief they will not work. Therefore, we hear, we must revive the program for importing Mexican labor or run the risk of seeing crops rot in the fields.

I wonder, Mr. Speaker, if it is worse for crops to rot in the fields or for men to starve in our cities. On whom does it reflect, when we say a man will receive more on relief than he can earn cutting

lettuce or picking cherries? Does it reflect on the man on relief or on the farmer who pays wages which will provide less than relief allowances? Should you cut relief allowances or raise wages?

The farms of California are no less rich and the farmers of California are no less able than the farms and farmers of Hawaii. Indeed, in all the world there are nowhere to be found farms like those of California. A substantial part of the fruits, vegetables, and other farm products on the tables of all America come from these fields and orchards. Hawaii in particular has been greatly dependent on California for its rice and fresh produce.

I cannot believe that the farmers of California cannot continue to operate without imported labor. What they are faced with now are withdrawal pains—the pangs of adjustment from an easy noncompetitive labor source to a competitive one.

I wonder how many realize that Public Law 78, which we are again being asked to revive, was public law of the 82d Congress, passed in 1951. This law was something left over from the Korean war emergency—and of doubtful necessity even then.

It has expired now. We have buried it, and it should stay buried. The governmental landscape is littered with lingering relics of past programs—still in operation years after the need has ceased.

In ending Public Law 78 we ended a subsidy—a subsidy at the expense of the poorest in America. We had been holding down the wages of American farmworkers by requiring them to compete with imported foreign workers. Now we have said to the farmer, "No more cheap foreign labor. The saving of American men and their families from idleness and poverty takes priority over the saving of your crops at their expense."

In short, Mr. Speaker, we are taking away the subsidy of cheap labor and throwing the farmer into the free, competitive market for American labor. It seems incongruous for many of our farmers, especially our fruit and vegetable farmers, who so long have denounced Government interference in the economy and have boasted that they sought no subsidy from the Government, to have to depend on a special treaty with Mexico to obtain cheap labor. This is a subsidy, Mr. Speaker, a subsidy paid for not by our taxpayers, not by the farmers, but by the American farmworkers who have paid for it now in low wages and in unemployment. Now the subsidy is gone—and American farmers must seek American workers to fill American farm jobs once filled by lowly paid Mexican labor.

The labor is there to find. Unemployment in America is over 3½ million. You do not need to bring workers from the interior of Mexico to work in our fields and orchards. They are plentiful in our American cities and towns and rural slums, looking and waiting for work.

The workers will come, Mr. Speaker, if they are paid enough. They will come if they are treated well, fed well, housed well. They will come if they are offered some continuity of employment, some hope for the future.

Let me say to the American farmers who seek a revival of Public Law 78: You will need to compete with other employment opportunities. You will need to offer a better hope for the future than remaining on relief. You will need to pay men and women enough to support themselves and their families. You will find it necessary to raise wages. This, of course, is the hard way, but it can be done. We did it in Hawaii. We did it through union organization and collective bargaining. But we did it.

The other States can follow our example. Indeed, Mr. Speaker, the other States will follow our example if we do not again open our borders to the competition of the Mexican bracero or the influx of farmworkers from other low-wage areas. American workers using machines will replace Mexican hand labor. Jobs for Americans at American wages will replace jobs for Mexicans at Mexican wages.

In the long run, as our Hawaiian plantation owners found, well-paid, skilled labor is the cheapest. We are helping not only our American workers but our American farmers when we keep the border closed against a renewal of Public Law 78.

Poverty will never be ended in America while wages are kept to levels where a man cannot earn over $3,000 a year. For full-time employment this requires a rate of $1.50 an hour. For part-time work or seasonal employment, which is the case on most farms, more than $1.50 an hour must be paid. If wages which provide for a decent living are offered, the fields and orchards will be filled with men seeking to work.

Let me say, Mr. Speaker, that if the farmers of America will first offer $1.75 an hour and guarantee year-round work and can still show that they cannot get sufficient labor, it is then that we ought to consider revival of Public Law 78; but not until then.

Mr. COHELAN. Mr. Speaker, I thank the gentleman from Hawaii for his contribution.

Mr. Speaker, we were discussing a case. I want to pursue this a little further and I want to suggest to you that this is not an isolated instance. It is a pattern that emerges whenever you talk with people who have an intimate knowledge of agricultural work through the country. I think these same growers we have referred to—I will say as an aside, the proverbial bad guys, because not all growers are bad guys—who permit and support such conditions cry that there is a shortage of domestic workers and Americans will not do the work. The problem, I suggest to these people, is not a shortage of workers; it is a shortage of pay. It is a shortage of adequate housing and it is a shortage of decent working conditions. This need not be the case.

There are growers, although I suspect they are still in the vast minority, who recognize the importance of providing clean, livable housing and adequate facilities. These growers are not using foreign labor and have no problem, or very little, in finding agricultural workers.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. COHELAN. I yield to my colleague from California.

Mr. TEAGUE of California. Does the gentleman not realize that as desirable as this might appear of providing housing, if a man, say, who grows tomatoes on a few acres, needs 60 or 100 extra, supplemental harvest hands for 3 or 4 or 5 days out of the year, he cannot afford to supply those 60 or 70 or 100 workers with houses for the men and their families? It would cost a million dollars.

Mr. COHELAN. What is the gentleman suggesting, then? How is he going to get his labor?

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

Mr. COHELAN. I yield to the gentleman from California.

Mr. MOSS. Mr. Speaker, it seems to me that this problem is so much more complex than my very good friend [Mr. COHELAN] is making it seem, because prices in industry rely to a very large extent upon the lower end of the work force. We recognize the need to house these people in public housing projects, projects where we have substantially subsidized the housing, but you cannot take every 40-acre tract and build housing on the land to accommodate the workers. It is going to take far more than just leaving it to the individual grower.

The large corporate farmer, the one you have mentioned, some of the large packinghouses, have the resources for the continuing demands to permit them to undertake projects on the scale necessary.

But the great majority of the people that I represent are farming less than 40 acres and are not in a position to undertake that type of program.

Mr. COHELAN. May I say to the gentleman from California [Mr. Moss] and to the gentleman from California [Mr. TEAGUE] that that being so, I feel that the same kind of ingenuity which these operators used in connection with the marketing of their crops and in the use of marketing cooperatives is that which can be employed to provide the basic requirements to get and to hold a working force.

Mr. MOSS. The gentleman is saying that industry is responsible for the public housing in our cities?

Mr. COHELAN. I will say to the gentleman that in the State of California, as he very well knows, our Governor has recently received funds from the Office of Economic Opportunity which are designed to encourage and to develop the proper kind of housing for the very type farm operators about which the gentleman is talking.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. COHELAN. I yield to the gentleman from California.

Mr. EDWARDS of California. I thank the gentleman for yielding.

In accordance with what the gentleman was just saying, in southern Santa Clara County, pursuant to the program, the Economic Opportunities Act, the farmers have gotten together and they are in the midst of planning for some very suitable and comfortable migrant housing for agricultural workers of which

the Federal Government under the Economic Opportunity Act will pay 90 cents on the dollar and the other 10 cents will be put up by the community and by the growers and the farmers in that particular area.

Mr. COHELAN. I thank the gentleman from California for his comment.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield further just briefly?

Mr. COHELAN. I yield to the gentleman from California.

Mr. TEAGUE of California. I guess the fruit and vegetable farmers are finally getting in on the subsidy. For all of these years the fruit and vegetable farmers have not been subsidized to any material extent in any way, but I suppose this will now amount to a subsidy for them.

Mr. COHELAN. Except to the extent that they were able to get off-the-shelf labor from out of the country.

One such example is 33-year-old Leonard White, production manager and part owner of Flavor Pict Cooperative near Boynton Beach, Fla. Mr. White employs 600 to 700 Negroes, Puerto Ricans, and Texans of American-Mexican ancestry to harvest his tomato and corn crops. Mr. White, whose philosophy is, and I quote:

> Try to put up a good product, but not at the expense of poverty, misery and suffering of my workers.

This gentleman provides meals at $1.30 per day, free housing and many other benefits. He also developed an incentive wage plan that encourages workers to stay the full season and rewards those who do.

Mr. White recently told a Florida newsman:

> Sure, I could exploit these people and make a million like some farmers and then give a lot of money to charity and ease my conscience and get a lot of publicity, but that is not my way. I have found it takes a satisfied person to produce well and a happy worker is better in the long run.

No grower who has made an honest effort to recruit and keep American workers is going to suffer for lack of labor to harvest his crop.

It is entirely possible that limited use of foreign workers will be permitted this year during the peak harvest season, but I emphasize again, limited—and I warn those who may misinterpret these words that it will not happen in the same proportion in any future year. The growers have had more than a year to plan for this, to clean up their camps and improve their working conditions.

Everyone who is reasonable at all realizes that it takes time. But we also realize that unless preparation is made and work started these changes will never come about. Good farm management dictates prompt recognition of labor market conditions and immediate and appropriate steps taken to insure that workmen are available to harvest the crops. Failure to recognize these facts could readily cause economic disaster for some growers.

These are the conditions of a free economic society and each grower has a right to determine his own economic future. It is only fair to warn, however, that those growers who refuse to enter into the free labor market are making unnecessary problems for themselves.

The Department of Labor is committed to use all of its resources to insure an adequate labor supply for those growers who themselves engage in efforts to recruit domestic workers. Growers have a free choice in determining their economic future. The decision is up to them.

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

Mr. COHELAN. I yield to the gentleman from New York.

Mr. ROSENTHAL. Mr. Speaker, there is another argument that the proponents of the use of foreign farm labor use that I would like to call attention to and one of the many inconsistencies in the growers' strange pattern of logic. For some time now the Florida citrus growers have engaged in a campaign to convince the Secretary of Labor that the very existence of their industry depends on labor imported from the British West Indies. They firmly contend that without this cheap, tractable labor, which cannot leave their jobs on threat of expulsion from the United States, it is impossible for growers to operate. They argue that to pay American workers enough to attract them would drive retail prices to impossible heights.

Interestingly enough, the industry takes exactly the opposite position concerning the importation of citrus fruits and products. With equal vigor, and I am sure, conviction, the Florida citrus industry has been waging a campaign with the U.S. Tariff Commission and Trade Information Committee urging that citrus be removed from the list of commodities subject to trade negotiations and tariff reductions. It is entirely possible that if they lost this battle, the housewife would realize a substantial savings in her citrus purchases.

Apparently the logical inconsistency of arguing for imported labor and against imported citrus does not get through to the grower. In the view of a citrus grower it is apparently wrong for U.S. oranges to compete in the market place with foreign oranges but a necessity for U.S. workers to compete for jobs with foreign workers, willing to work for wages and under conditions far below anything considered substandard in this country.

It is not my objective to criticize the stand of the citrus growers before the Tariff Commission, since, it is entirely possible that I would support their view. Rather, I wish to emphasize that the same standards and principles that apply to the importation of citrus products, should be applied to the importation of foreign labor.

I have heard frequent claims that wages sufficient to attract American workers would price these same citrus growers out of the market. For a moment, let us look at just what the field labor cost is per unit. Grapefruit, sold at retail for 8 to 10 cents apiece has a field labor cost of 0.2 to 0.4 cents apiece. Thus, if the grower were to double his field labor cost for grapefruit, it should not increase the cost to the housewife.

With oranges, selling at retail for 50 to 72 cents a dozen, the field labor cost is 1 to 2 cents a dozen. In like manner, to double the field labor cost of oranges should not increase the housewife's cost by more than 4 cents per dozen.

Examples of per unit retail costs and field labor costs per unit of selected farm products

Commodity	Retail price	Field labor cost per unit
Lettuce	23 cents a head	1 to 1½ cents a head.
Celery	15½ cents a pound	0.3 to 0.5 cents a pound.
Lemons	24 cents a pound	0.6 to 1 cent a pound.
Dates	49 cents a pound	1 cent a pound.
Radishes	10 cents a bunch	1 cent a bunch.
Oranges	50 to 72 cents a dozen.	1 to 2 cents a dozen.
Grapefruit	8 and 10 cents apiece.	0.2 to 0.4 cent apiece.

Source: Farm Labor Bureau, U.S. Department of Labor.

I would suggest, Mr. Speaker that the fiction and the myth that to pay a living wage to American workers would result in a skyrocketing of prices to the consumer is obvious. That is not the case, and I hope in the future this argument will not be used, because it is one without any validity whatsoever.

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

Mr. COHELAN. I yield to the gentleman from California.

Mr. McFALL. I wish to commend the gentleman for his statement, and particularly the last couple of paragraphs in which he makes a statement concerning the ability of labor to apply throughout the country. I am interested in California, as is my colleague, and they should comply in good faith with the regulations.

The regulations the gentleman is talking about, the regulations which have been promulgated by the Secretary of Labor that I am refering to, are regulations promulgated on December 17 of last year in which the Secretary sets down very strict conditions under which supplemental labor supply would be available to those who complied with them under section 414 of the Immigration and Naturalization Act.

If the gentleman will permit me, I should like at this time to commend the Secretary of Labor, Willard Wirtz, for the tremendous job he is doing in a very difficult situation. I know he has not quite finished with the job. I hope that in a very short time he will have announcements available to us concerning this program and his lengthy investigation in California of the conditions that we have in that State. I do not know what sort of determination he is going to make, but I feel that it will be an honest and a fair one. I know that he is doing an exceptionally good job under trying circumstances.

I should also like to call to the attention of the Members some language in the report on this second supplemental appropriations bill which passed the House today, and which came out of the

committee of which the gentleman and I have the honor to be members. It said:

The bill includes $560,000, the full amount requested in order to establish an expanded program for recruitment and better utilization of domestic farm labor. The committee is convinced that this is an absolute necessity if a critical situation is to be avoided as a result of loss of foreign agricultural labor due to the expiration of the Mexican farm labor program and the tightening of regulations relating to importation of other foreign labor. The committee agrees that foreign labor should not be imported if there is capable domestic labor available to do the job. However, the timely availability of labor for the harvesting of perishable agricultural products is essential. Lack of it can mean bankruptcy for individual farmers and shortages and higher prices for consumers. Timely availability of labor under current circumstances cannot be assured with the domestic farm labor programs we have had in the past. The committee strongly urges that this matter be given high priority by the Secretary and all in the Department of Labor with responsibilities in this area.

I wish also to commend our Governor, Governor Brown, for the work he has done in this field, and the administration for establishing over $3 million in the antipoverty program which will provide labor standards, rest stops, and other accommodations for the labor force in California. I would hope that with the increased wages which have been brought about by the Secretary through regulation and with strict compliance on the part of the farmers in California, we will have an increased use of domestic labor.

I hope also that regulations will be promulgated shortly indicating that there will be a supplemental supply of labor, assuming that there is a good and fair compliance by agriculture in the State of California with that regulation. I have advised the farmers in my district that they should comply in good faith. I believe that they are. I feel if they do comply, then the supplemental supply of labor will be available to them.

Mr. COHELAN. I thank the gentleman for his remarks. I know how concerned he is with the problem. I am especially pleased that he has interpreted my remarks correctly.

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

Mr. COHELAN. I yield to the gentleman from Minnesota.

Mr. FRASER. I thank the gentleman from California for yielding to me. I also want to add my compliments and express my gratitude for the work the gentleman from California has done today in calling attention to the facts—the real facts that govern the problem with which the Secretary of Labor is wrestling at the present time. I think we are all proud of the work of the Secretary of Labor. I know this is a time of transition and of adjustment.

Speaking as one who represents an urban district, I think I can say with some confidence that consumers are prepared to pay for these slight increases in those cases that were so well described by the gentleman from New York, if that should be necessary in order to provide reasonable working conditions so that an adequate supply of labor can be procured from domestic sources.

But on this question of the supply of labor, Mr. Speaker, I should like to make clear that not all of the representations that have been made seem to reflect the true facts.

Mr. Speaker, I would like to call attention to a newspaper article that appeared recently in the St. Petersburg, Fla., Times. The story was written by Peter Kramer, a Harvard-educated newsman who lived and worked in the Florida citrus groves for a week. His tour of duty was at a time when Florida citrus growers were crying the loudest about their labor shortage. Mr. Kramer noted in his article that:

From the published outcries of the large farmers and their representatives in Washington about the shortage of labor, I expected to find work easily. To my surprise, I could get only a part-time job at the Pioneer Growers Cooperative packinghouse.

Told to report to work at 3 p.m. the next day, I complied but was kept waiting until 4 p.m. For 3 hours—at the rate of $1.25 an hour—I unloaded crates of vegetables from trucks. At 7 p.m. I was told I was no longer needed, to come back at 4 p.m. the next day—Saturday. On arrival Saturday I was told there was no work, to come back Monday. No apology was made for wasting my time. It seemed not to matter.

When I asked the foreman about the lack of work, he said, "This cold weather's hurt us. There ain't enough work except for the guys that's been here regular. We've had to cut back."

This does not impress me as a situation where a labor shortage exists. In fact, it would suggest very strongly that there is a surplus of labor.

Mr. Speaker, I ask permission that this article be printed in its entirety at this point in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The article referred to is as follows:

MIGRANT WORKER SERIES—I

(By Peter Kramer)

"I was better off back in 1938 than I now. They was only payin' 10 to 15 cents an hour then, but meat only cost 5 cents a pound, so at least you could eat it a couple of times a week. But not now."

The elderly, almost blind Negro sprawled on the steps of a rickety house in the laborers' quarters of a Bean City farm.

Two equally venerable companions—tattered patriarchs of their tiny community—sat beside him, enjoying brief interludes of sunshine during the cloudy, wind whipped afternoon. Around the trio, ragged children and half naked infants played in the dust amid ruins of cars and discarded tires. Strewn garbage lined the row of shabby huts. The blind man, acting as spokesman for the aged trio, went on bitterly:

"We's retired but we ain't got nothin' to show for a life of work. And our young people ain't makin' nothin' neither. It takes a top dog—specially if you's Negro—to get $1.25 an hour at them packinghouses. Only the top few get that. If you can drive a tractor you can make $77 a week—for a 10-hour day, 6 days a week.

"Worst is if you're just out in the fields picking. Take a plain celery cutter now. He gets $9.50 a day or he's paid by piecework. He can't do better than average $50 a week in a good week. And that's for 10 hours, too, with a half hour for lunch. By the time you leave the house and get home again it's 12 hours—6 a.m. to 6 p.m. That's a hard way to make a buck.

"On top of that, if you're black, you sure get the worst jobs and lowest pay, but they don't lower the prices none for you in the stores. You got to pay the same as everybody else.

"Seems like the Government ought to do something, ought to send someone down here to investigate. Otherwise we ain't gonna get nothin'. Trouble is, them people in Washington don't know what's really going on down here. So when them big shots scream about how they ain't got enough workers and how we's lazy and won't work like them offshore workers, how can the Government tell if it's the truth or not? Shoot, there ain't even enough work for the people that's here now. All that noise in Washington about them offshore workers is just so they can get more people than they need and keep pay low.

"Even when them Congressmen do come down here they only talk to the bosses and meet in big hotels. They don't come way out here and see places like this. Sure they pass laws. But it's making them stick that counts."

Rising, the old man beckoned me to follow and shuffled across the dirt road to his home—"a real slum house." He showed me the two dank, dark rooms where he, his wife and seven children lived on $65 a week, provided by a combination of social security, State, and county welfare aid and his aged wife's slim earnings of about $25 a week from agricultural work.

Fumbling about he produced a sheet of paper from the State Welfare Department, informing him his aid was being reduced because it was estimated the average agricultural worker could earn $6 a day and work 20 days a month.

"How can I buy books, clothes, and lunches for my kids so they can go to school and make better lives?" he asked plaintively.

Back outside, two strapping young men stood idly beside the wreck of a truck. They said they were idle because they were truck drivers for a local farmer, making $10 a day for as many hours but could only get work 2 or 3 days a week.

During the week I lived and worked as an agricultural laborer in and around Belle Glade, I heard the same story in varying forms over and over again from my fellow workers. Told always with a mixture of bitterness, resentment, and resignation, it boiled down to low wages for long hours of strenuous work, correspondingly high food and housing costs, irregular employment, lack of job security, and a consequent feeling of being forgotten, voiceless outcasts from organized society.

Negroes seemed worse off than whites with Latins—mainly Texas Mexicans and Puerto Ricans—somewhere in between.

In the Osceola migrant worker camp, run by the Belle Glade Housing Authority, where living conditions were better and less costly than elsewhere, a 67-year-old white woman, her face lined wtih resignation, told a tale similar to that of the old Negro's.

"When I came here in 1944," the north Florida native said in an almost toneless voice, "we was gettin' 50 cents an hour, but housing, one-room, sheet-tin shacks without water or bathroom, only cost $1.75 a week and you could work for part of it. Food was a lot cheaper, too. And it seemed you could always put away a little something.

"Now we pay $4.50 a week rent for them tin shelters. They's the same houses we was paying $1 for 20 years ago except they's older and in worse shape. They boil in the heat and freeze in the cold because there ain't no insulation. And if you lock them up tight in winter to keep warm, the warm air inside turns to water on the cold roof and they sweat on you all night. For food, we have

to do a lot with pinto beans. Funny how prices always keep ahead of wages."

The woman said she couldn't live on her social security alone and had to work sorting radishes for Sam Senter Farms, Inc. She said she was paid 85 cents an hour and could get work only 4 days a week, "some days for 2 hours, some for 14."

Pointing up job insecurity, the woman told of two Negro employees who were fired for taking Christmas Day off—without pay—against instructions. "And they was two of his best and oldest workers, too," she noted.

My own experiences confirmed the bleak reality that lies at the center of the vegetable worker's persecution complex.

Applying for a job through the Florida State Employment Service in Belle Glade, I was worried my name might be known due to my stories on Florida's citrus pickers that had run in the Times the same week. I could have spared myself the concern.

Farmlabor placement man C. A. Brinks, Jr., never asked my name on the two occasions I saw him. He simply asked if I could drive a truck. When I said "no" and that I wanted to do agricultural labor he gave me a list of three packinghouses—since whites rarely do or are accepted for fieldwork—and the names of the people to see at two of them.

From the published outcries of the large farmers and their representatives in Washington about the shortage of labor I expected to find work easily. To my surprise, I could get only a part-time job at Pioneer Growers Cooperative packinghouse.

Told to report to work at 3 p.m. the next day, I complied but was kept waiting until 4 p.m. For 3 hours—at the rate of $1.25 an hour—I unloaded crates of vegetables from trucks. At 7 p.m. I was told I was no longer needed, to come back at 4 p.m. the next day—Saturday. On arrival Saturday I was told there was no work, to come back Monday. No apology was made for wasting my time. It seemed not to matter.

When I asked the foreman about the lack of work he said, "This cold weather's hurt us. There ain't enough work except for the guys that's been here regular. We've had to cut back."

Back at the Florida State Employment Service office, I asked Brinks if there wasn't something else I could do. He shook his head. "The freeze we had in mid-January really killed things here," he said. "We've sort of got to grow a whole new crop." He said there was no point in going over to the east coast or Immokalee because "things are probably even worse there. When the work's going, this is the center." He offered no suggestion as to how I might stay alive until the work "got going."

I sought a room at a large, rundown rooming house known as Rutledge's in Chosen, near the Pioneer packinghouse, but was told there was nothing available. The landlady added if anything opened up I could have a sleeping room with a bed but no water, bathroom or even a dresser for $10.30 a week.

At Mrs. Hill's shabby camp, run by the mother-in-law of Belle Glade Police Chief Charles Goodlett, I was told a tumbledown, furnished shack, without bathroom, would cost $15 a week. Garbage littered the camp, beside which ran a stagnant, reeking canal, covered with green scum and swarming mosquitoes.

I finally took a $3-a-night room at Fears Hotel in Belle Glade, for which I paid daily. On my last day, Mrs. Fears told me her books showed I owed 2 days' rent. We argued until I indignantly produced receipts I'd had the foresight to request. She apologized, saying she wasn't trying to cheat me and didn't run "a place like that."

I did not doubt Mrs. Fears' honesty, but the incident shook me.

For I could not help wondering, had I not had the receipts—which few agricultural workers would have requested—would Mrs. Fears have believed her records or me?

And had the police been called, whom would they have believed? An elderly, respected citizen, or a shabby migrant worker like me, without money, home, property or rights?

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. COHELAN. I yield to the gentleman.

Mr. TEAGUE of California. I think it should be pointed out, if I understood the gentleman correctly, that he was talking about packinghouse labor. Braceros are not allowed to be used in packinghouses but only in the fields. So the situation the gentleman cites in Florida would not, it seems to me, be pertinent to our problem with reference to harvest labor in the fields.

Mr. FRASER. I thank the gentleman for his comments. I think the problems here that are described are peculiar perhaps to the situation in Florida and not so much the problem in the State of California. But the fact that there apparently was a surplus of labor is the point that is significant here.

Mr. TEAGUE of California. It might well be that there was a surplus of packinghouse labor but there are a lot of people who will do packinghouse labor but will not do field labor and I feel that should be pointed out.

Mr. FRASER. I am one of those who subscribes very much to the free enterprise concept but when there is a surplus of labor and we know there are a million unemployed Americans today, it seems to me that when we cannot get a person to do a particular kind of work, the problem is that we are not paying that person enough. That is the simple fact and that has been the fact in terms of all the problems that this country has when we seek to employ people to do a particular kind of work.

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

Mr. COHELAN. I yield to the gentleman from California.

Mr. DYAL. Mr. Speaker, I appreciate the gentleman yielding to me so that I may compliment the citrus growers in my own district for their efforts in the last years to retrain workers and to bring their prices and the payments they have made to workers up in order that they can move into this situation in an adequate way.

I feel also that I should compliment the Secretary who took time out of his busy day to talk to our grape growers and to listen to their problems.

I am one of those who feels definitely that the bracero program is all through—it is done.

I appreciate the remarks of the gentleman on this side, and I would like to associate myself however with the remarks of the gentleman from California [Mr. McFALL]. I feel we must be continually reassured when the crops are at their peak that then we are certain we will have adequate help to take care of the crops.

Mr. COHELAN. I thank the gentleman for his contribution. I think that the record we have made here this afternoon speaks quite adequately for itself.

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. THOMPSON] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, for a great number of years many of us from the so-called industrial States of the Northeast have conscientiously given our support to various types of legislation designed to aid the farmer. We have recognized that such things as price supports for farm products are not sectional or partisan issues but rather of national importance. The economic viability of the American farmer is of immediate concern to every American, and I think none here would dispute this.

But while we have exhibited such concern over the years for the welfare of the farmer, I am afraid that for the most part we have sadly neglected another vital aspect of the problem—and that is the welfare of the farmworker. And I refer especially to the migrant farmworker.

By allowing Public Law 78 to terminate, this body has indicated its awareness of some of the deficiencies among our American migrant farmworkers, but it has neglected to follow through with positive programs to improve the lot of what amounts to a sizable segment of our national work force.

In years past the plight of the migrant farm laborer would be briefly uncovered by a documentary television program such as "Harvest of Shame," or by occasional newspaper or magazine articles. The national conscience would be briefly pricked at the realization that the average migrant farmworker earns less than $900 a year, that he has almost none of the protections guaranteed other workers, that he is specifically excluded from minimum wage and overtime regulations, that he has no Federal protection of the right to organize and bargain collectively. Our national conscience would be pricked at these and other shameful facts, but little would be done about it.

Today, however, for the first time in many years, we are at the crossroads in our migrant farm labor problems. The expiration of Public Law 78 and termination of the use of offshore labor has resulted in wide attention being focused on the domestic farmworker. His capabilities, his willingness, his dependability, and above all, his plight, is being discussed, debated, and written about throughout the country, as well as here in the Halls of Congress. But it is primarily here in the Halls of Congress that the problem can be greatly alleviated.

There are bills pending before both Houses at the present time aimed at bettering the migrant's lot—bills on daycare, child labor, sanitation, and so forth. We have finally passed a law dealing with crew leader registration. But this is not enough. These American farmworkers deserve the legislative benefits of our

national conscience every bit as much as do our industrial workers.

We have proved our concern for the farmer down through the years. The welfare of the domestic farm laborer is no less urgent. He is an American citizen. He has a family. He is a consumer. He has the right to expect the opportunity to share in our national affluence.

As I said, we are at the crossroads of this problem. The problem has been illuminated and dramatized by the recent visit of Secretary of Labor Wirtz to California where he found deplorable conditions and a blazing need for improvement. Now it is largely in our hands as to which road to take. As for myself, I favor the road leading to a stable, reliable, healthy farmwork force with a positive stake in the Nation's agricultural future.

I believe we can take that road by enacting legislation which will grant to the farmworker those benefits already enjoyed by the rest of the work force—minimum wage, proper housing, education and health facilities, the right to organize and bargain collectively—in short, the rights of full citizenship.

For the farmer, the grower, this is good business as well as good citizenship. The old maxim of value given for value received is no less true here than elsewhere.

I believe we have every right to expect the rest of the country to advocate these needed improvements just as they have a right to expect our continued support of the farmer.

As the welfare of the farmer is a national not a partisan issue, so is the welfare of the farmworker.

I hope this body will act on this pressing matter, and act now.

Mr. EDWARDS of California. Mr. Speaker, Public Law 78 was enacted in 1951. The Korean war had created a temporary male labor shortage and it was necessary to import Mexican workers for seasonal agricultural labor. This shortage does not exist today. On the contrary, the State of California, which in previous years has used 63,000 Mexican nationals in our plantings and harvest, suffers from a pool of unemployed of more than 400,000.

I represent the easterly half of Santa Clara County, one of the fastest growing and most prosperous counties in the United States. Yet, in January of this year, the rate of unemployment in Santa Clara County was 8.3 percent as opposed to a national average hovering around 5 percent.

Amongst the families who have settled in Santa Clara County are large groups of people whose customary means of earning a living is in agriculture as farm laborers. The majority of these families are of Mexican-American descent. Santa Clara County is second only to the County of Los Angeles in the number of Mexican-American residents. The third is Alameda County, of which I represent the southerly one-half. Although exact figures are not available, the best estimates are that the Spanish-speaking population of the metropolitan San Jose area is from 75,000 to 100,000, of which perhaps 20,000 are farmworkers. They are fine people. I am proud to be their representative in Congress and an important part of my job is to protect their interests.

The bracero program of the importation of foreign agricultural workers continued even after the labor shortage of the Korean war no longer existed, and increasing damage was done to residents who normally earn their living as agricultural workers. The rate of unemployment of agricultural workers in my counties runs as high as 20 percent. Twenty-three percent of the welfare cases of Santa Clara County are of Mexican-American origin.

The Congress refused to extend the bracero program past December 31, 1964, and there is no doubt that the termination created serious problems for the 3 percent of the American farmers who have become accustomed for 14 years to having the Federal Government arrange for the periodic importation of low-cost Mexican labor. The Department of Labor of the United States and California authorities are energetically cooperating with the farmers in efforts to develop a satisfactory domestic labor force. The program has been successful as of this date and there is no evidence of serious crop loss because of the unavailability of satisfactory labor. The domestic workers are available. There is no shortage of manpower in our country to do this work. The difficulty is that the farming industry has not been exposed to the forces of a free labor market for 14 years and, therefore, has not developed wages and working conditions sufficient to attract an ample labor supply.

Today, agricultural workers are amongst the lowest paid and poorest sheltered workers in the Nation. They receive few of the benefits enjoyed by labor as a whole. Most live under pitifully degrading conditions. More than 80 percent of farmworker families live in dwellings which violate standards of health, safety, and comfort. Nearly 65 percent of the dwellings occupied by fieldworkers are dilapidated or deteriorated. Pit privies still serve 33 percent of the dwellings occupied by general fieldworkers. Thirty percent of the dwellings have no bathing facilities and 25 percent lack even a kitchen sink or running water.

Our job is not to extend Public Law 78 or to permit the importation of foreign workers under any other law. Our job is to make the fullest and most effective use of our domestic labor supply. To do this we need to reappraise farm wages, health and retirement plans, housing and all the other areas that concern working men and women.

No doubt a good part of agricultural work is difficult and unpleasant. But this is not the whole picture. The rest of the picture is that wages for this work have been less than that paid for other kinds of work which are just as objectionable. We have had increasing complaints against the importation of these hundreds and thousands of foreign laborers, being paid wage rates as low as 60 cents an hour, while more than 4 million American men and women are unemployed.

It is ridiculous to say that American agricultural workers will not do stoop labor. Domestic farm laborers will perform stoop labor, but not for stoop wages and indecent living conditions.

Mr. Speaker, the experiment of offering wages and benefits for farm labor which would be comparable to those available in industry has never been tried. But it is the clear intention of Congress that the farmers can never again expect Government authorization for the mass import of cutrate foreign labor to harvest American crops.

It is up to the farmers of America, assisted by the Government and labor organizations, to seek in good faith the development of an efficient, dependable, and permanent program to develop a dependable domestic force.

GENERAL LEAVE

Mr. COHELAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this subject.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

CROPLAND RESTORATION PROGRAM OF 1965

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. HALL] is recognized for 60 minutes.

Mr. HALL. Mr. Speaker, I have today introduced a bill which can well be called the Soil Restoration Act or the cropland restoration program of 1965. This is a bill which I have disseminated among many members of the House Committee on Agriculture, and even in the other body, but today's edition is revised, especially on page 8.

It is not presumptuous, after 15 to 18 months of work and research, for a Member from a rural area and who is privileged to represent those engaged in farming to submit such a bill, even though he may not be on that esteemed Agriculture Committee.

As a member of the Armed Services Committee, I realize fourfold that armies travel on their stomachs and that we must maintain our basic economy from our God-given resources in this Nation, if we are to continue to be successful in business, industry, defense, or any area which involves consumption of food and fiber stuffs.

There obviously is confusion about the handling of the farm problem in these days in the executive branch and the Department of Agriculture. Certainly, yesterday's Presidential message on the subject, and even the state of the Union message, indicated only a continuation of the same problems.

There is little agreement among the various farm organizations, and farmers continue to leave their homes. Therefore, I say it is propitious, if we have a solution, that it be advanced toward the solving of the farm problem.

The general purpose of this bill is so that the Secretary of Agriculture, in determining the price to be paid to the farmer for soil restoration, will always consider the supply of each commodity. When a surplus threatens, the price offered for a soil restoration crop will be higher, thus making it more profitable for the farmer to utilize a second market, or a restoration market, if you please. When shortage threatens, the price offered for soil restoration would be lower, thus providing an incentive for the farmer to shift from the soil restoration market directly back to the commodity market.

In fact, the Secretary of Agriculture could, contrary to the present practices of subsidizing those who turn farms into the conservation reserve or wasteland, let them grow up with winged elm or cedar or buck brush, and they could not be then put back into production for a long time. This would actually be declaring a privilege of restoring the soil in this program that I am presenting.

Under this program the farmer himself will have four options, which Members will note involve the consumer.

First. He can accept the Government offer for a soil restoration crop to be plowed under, thus enriching the soil for future generations, as well as nitrogenizing it, and other requisites.

Second. He can reject the offer at the time that the estimate is made per dry ton of cover crop and go ahead and produce on the commodity market.

Third. He can ignore the Government offer and after producing his "mother crop" grow a second crop in that same season.

Fourth. Finally, he may well elect to reject the first option and plow under, and then farm improved land, including pastures, not only this year but in future years; or he may do the selfsame each year.

I wish to state specifically, before getting into the body of this talk, that the cost, contrary to what some have estimated about the general farm bill, will be less than at present or less than under the bill the Farm Bureau has submitted, because at present we are considering that it will go into effect in 1966 and will be offset by the cost of the price support program and surplus storage being reduced.

This will easily eliminate the cost of surplus storage or production. Second, it could be blended into part of the administration program which advocates a long-term 40-million acre conservation reserve, because on the basis of samplings taken the length and breadth of this country, over $60 million will be placed in this cropland under the existing program on a voluntary basis, because it becomes profitable to the farmer. At the same time it is well worthwhile for the consumer.

Finally, this bill is not back door spending since the Committee on Appropriations has to appropriate funds under section 107(c) annually.

Mr. Speaker, I would like to present today an analysis and suggested solution to the farm problem of the United States. It is based on the last two chapters of a book written by E. M. Poirot, of Golden City, Mo., entitled "Our Margin of Life."

"Gene" Poirot is a member of the Southwest Missouri Farm Advisory Council, whose advice I have often sought for guidance and comments on farm issues.

I hope the House Committee on Agriculture will invite him to appear and to explain in detail the mechanics and the genesis of the solution I am suggesting for consideration by the Congress. The Kansas City Star, in reviewing his book last year, called it the best book on conservation in the last decade. But "Our Margin of Life" is much more than merely a book on conservation, as the two major farm editors in southwest Missouri will attest. It is, in my humble opinion, the most appealing and the most practical answer to our farm problem yet presented, and I believe it offers a basis for unified action, on which all major political parties and farm organizations can agree, along with the producers and consumers of farm products. I am offering it in bill form today and hope the House will take the time to give it the analysis and study required to make an informed judgment.

It would appear to me that we now have no "consensus" on the farm problem or laws thereunto, but most people agree there is too great a variation between income to the producer and his increasing costs as a consumer.

To solve this problem we must upgrade the producer's income, while at the same time restoring our soil and maintaining it as this Nation's margin of life.

Herein lies a program that for the first time considers the consumer as an integral part of this nationwide problem, and at the same time will not disrupt the entire basic economy of the rural community.

It can and will maintain family farms as a unit and in my opinion cost far less than present programs while eliminating costly surpluses, restoring our margin of life, the soil, for future generations, and stimulating the farmer to use his inherent and acquired know-how toward the ultimate goal of not only soil and water retention, but for utilizing the present state of technology. From such a program can come an end to the shift away from rural oriented communities toward our already overpopulated urban areas, better nutrition, and a new attraction at the rural level for industrial expansion in the food and fiber processing and distribution fields.

The correction of our previously futile efforts toward stabilizing the rural economy, as well as assuring food and fiber for the consumer, cannot come about by perfecting an imperfectable system. A new approach is needed, and I believe it is at hand.

Although this preview will be followed up with the details of the program, I suggest for consideration by the executive as well as the legislative branch of Government, the point to be made today is that the approach I offer is broad enough in scope to be applicable to the many and diverse areas of farming, and it is voluntary as well as profitable for the producer.

I am convinced it can stand the test of study and debate and urge that it be considered with a view toward implementation and further improvement if that be possible.

I earnestly urge its detailed consideration and adoption by all concerned. There is no pride of authorship in this obviously composite and cooperative effort. Mr. Poirot, a master farmer and soil scientist has shown the way. You all have a copy of his book. The Farm Bureau concurs in all but section 103 of the bill which it has not seen. Other farm organizations surely can have no objection when they have an opportunity to see the bill we are introducing today along with an invitation for all to participate and adopt for their own. The Department of Agriculture and the administration should hail it as a logical, long ranged, experience based and proved requisite for both eliminating our surpluses and excessive storage while conserving for future generations.

Today the farm problem is different things to different people.

To the farmer, the farm problem is essentially, low income, surplus accumulation of products, depleted soil, and a market limited to food and fiber production without his control over the cost of what he buys or sells.

To the consumer, the farm problem is the need to maintain an abundance of food and fiber, better in quality, reasonable in price and the assurance that the population explosion does not one day turn our surpluses into dangerous deficits.

To the rural economy the farm problem is to strengthen demands from the farms for supplies and services, and to maintain a flow of farm products in exchange for products from the other elements of our economy.

All of these problems can be solved for farmer, consumer and rural communities, if farmers are provided with a chance to produce for a "second" or alternate market, which buys a suitable farm product at a predetermined price in direct competition with the present market for food and fiber at the supply and demand price the consumer offers.

The second market of which I speak, and which is the nucleus of the program I recommend, is the soil restoration market. The shortcoming of the old soil bank plan was that we paid farmers merely for letting land stand idle, rather than giving him an incentive for restoring that soil for future generations.

In order to be effective for the farmer this "second market" should:

First. Buy tons of a suitable crop growing alone for one year which by its yield measures soil productive values and those added by the farmer.

Second. Buy the suitable crop at a definite preannounced price which is high enough to give the farmer the equivalent of "parity of income," "a minimum wage," or a "cost of production," but

even more important high enough to keep the national agricultural productive capacity in line with the demands of our increasing population, now and projected.

To the farmer this means an increased net income from the fixed price per ton of the second market because production for it comes from his less fertile land. He also has a net income increase from producing food and fiber on his richer land where costs per unit are lower. He has freedom to produce for either market according to his judgment based on his costs of production and the prices offered for his products.

In order to be effective for the consumer the second market should:

First. Buy tons of a crop proving the degree of soil, restoration accomplished so as to encourage soil improvement for higher yields, thereby resulting in greater net profit to the farmer without a great increase in price to the consumer.

Second. Buy at a definite preannounced price high enough to encourage farmers to continue soil restoration for the present and the future to protect our soil potential to produce for more people in coming generations.

The consumer will then have abundance in proportion to his demand for it. Food and fiber grown on better fertilized land as measured by the yield of the suitable crop—now already known for most soils—will be higher in quality and in many cases nutritional value. The cost of this abundance will remain low to the consumer because the second market will control its price level. The farmer will make extra profits by lowering production cost per unit on the richer land. The money used in the second market, and the labor and management of the farmer will pay the cost of improving poor land to be used to produce for the consumer year after year in generations to come. This will assure the consumer abundance and better quality at reasonable cost for the present and the future.

In order to be effective for the rural economy the second market should:

First. Buy tons of a crop growing alone for 1 year which measures soil fertility and soil restoration. Both of these are to be done at the farmer's cost, for the purpose of increasing his yields so as to earn the higher per acre payment.

Second. Buy at a high enough price to give the farmer a net profit floor for his acres below which he need not go in shifting production to any other crop and which he can offer as security for any borrowed capital.

The local economy will be assured a continued farm demand for supplies used by the farmer and the farm family in the production of products for both markets. The productive capacity of the farms in the community will be maintained or increased as the demand by the consumer becomes greater. This increased capacity in the hands of the farmer cannot result in surplus accumulation as it does now. Any market buying a nonsurplus producing crop at a price high enough to result in a net profit, will prevent surplus accumulation in any product the consumer wants to buy, at a lower net profit to the farmer. If the nonsurplus crop bought in the second market causes the restoration of poor land, then in addition to the immediate net profit features mentioned above for the farmer, it will reduce his per unit cost of production. It will provide the consumer with abundance at a reasonable price and safeguard the rural economy all at the same time.

In actual practice for the Corn Belt the suitable crop could be sweet clover grown at the farmers expense occupying the soil alone for 1 year to be bought at $25 per dry weight ton—more or less—plowed under at any time the farmer may wish to sell it and grown on any amount of his acres of cropland in any number of tons he may choose to grow. Preliminary estimates indicate that a second market offering to buy a suitable crop at the price of $25 per ton would take out of production 20 percent—60 million acres—of our cropland at a cost near $2 billion and thereby eliminate the following: Cost of surplus storage, cost of giveaway programs, present acreage control costs, the cost of present soil improvement practices partly paid for by the Government, and other cost related to those programs providing Government financing to low-income farmers.

The cost to the Government for doing soil restoration this way is more than justified as a measure for protecting the health and food supply of all citizens. It is a long overdue attempt to hold the food producing resource of soil fertility at a level even now too low to be safe for supplying the needs of our increasing numbers of people. The cost of restoring this food producing resource becomes a ridiculous argument when we are already paying for the destruction of the mineral resources of coal, oil, rock, and so forth, by allowing a "depletion" figure up to 27½ percent of gross sales to be taken from income taxes as a cost item for those who mine these resources and who cannot return them for future use. The "second market" suggested here pays for returning our one indispensable natural resource of soil plant food, our margin of life by employing farmers to do so at a living wage income, a floor below which production for any food or fiber need not go.

Offering farmers, 43.4 percent of whom are already poverty stricken, an opportunity to do something of such real value for an earned profit, removes the sting of failure, revives hope, courage, pride, and the will to try again.

It is a far departure from present farm programs run by an ever-increasing number of people giving ineffective directives, enforcing restrictions, complicating participation, and earning more money than most farmers do; for administering crop control and a soil conservation program which has not worked. Its failure is emphasized by the facts that during the past 10 years farmers have produced 95.5 percent more products, used three times more plant food from our soil than that returned in fertilizer, suffered a 10.8-percent net loss of income, and have brought poverty to 43.4 percent of their families. New farm programs following the old path will add insult to already evident injury.

I call upon the Congress and the various farm organizations of the United States, plus the individuals interested as operators, consumers, or the entire rural economy, to address themselves immediately to the forthcoming bill based on restoration of the soil, and including soil restoration market so that we may maintain our balance of life in nature, predicated on the greatest basic God-given resource that any nation has ever known, namely its producing soil, toward maintaining our margin of life. We are indebted to the master farmer from the Ozarks, Mr. E. M. "Gene" Poirot, R.F.D., Golden City, who wrote the book by the same title, that was distributed to every Member of Congress last year by the undersigned and this year by Senator STUART SYMINGTON, the senior Senator from Missouri. I commend it to your earnest attention as the correct approach and ultimate victory over our staggering problem, if we are, in these days of increased national product and delivery means, to be not only a producer for our consumers domestically, but our brother's keeper the world over.

Mr. Speaker, I ask unanimous consent to include the two principal newspaper letters to me concerning this particular bill, and/or the book "Our Margins of Life," Springfield Newspapers, Inc., Mr. Tom A. Ellis, farm editor; and from the Joplin Globe Publishing Co., Mr. Bob Cooper, farm editor. I think they will be worthwhile to all concerned.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SPRINGFIELD NEWSPAPERS, INC.,
Springfield, Mo., March 24, 1965.

Representative DURWARD G. HALL,
House Office Building,
Washington, D.C.

DEAR DOC: Sorry I couldn't meet with you and Gene Poirot this past weekend when you were home, but at that time I had had no opportunity to go over the copy of the bill you propose for agriculture, nor to consider the amendments he would include. Last week was a busy one with Johnny gone a couple of days right at the weekend when things hum the busiest on a newspaper.

Doc, I think that while you and I are on opposite sides of the political fence, not to mention being several degrees apart in our whole political philosophy, we still have room for a lot of respect for each other's integrity and intentions. Now in the matter of this bill I think we are finding common ground. I've known Gene and his theories much longer—not necessarily any better—than you. We both think he has something that is really promising. Moreover, we both know that what has been tried in the past in the way of Federal agricultural policy has not worked too well—the pain may have been alleviated, but it was not cured after fair and long trial. Now here is something that might work; in fact, I'm convinced it will work if given a chance.

Moreover, I think the chances for this bill are better than at any time in years.

The President will call for greater land retirement and for longer periods of time, I understand, in his next message on agriculture. Leon Keyserling, architect of much of the Democratic economic policy of recent years, points out that America is not tackling the farm problem properly—and has not been—probably because the country does not really recognize what the problem is; suggests that we are worrying about surpluses when we should be infinitely more concerned about the future and its demands on what now appear to be the limitless capacity of our farmers to produce. Just as Gene has been doing, Keyserling is worried about depleting our great soil resources when we ought to be conserving and building them, and because we are pauperising the farmer to whom we must increasingly turn in the future in dependence for our very existence.

Now the time is ripe and Gene's plan is ready. I'm enthusiastic about your proposal to write it into law. I hope you will accept the changes he would incorporate. Here it appears to him—and I must agree—is the kernel of the plan; the thing that will keep the plan voluntary, yet draw in the farmer on a basis of commonsense and good business.

Therefore, the year-to-year flexibility proposes is essential—the Governor to slow down the agricultural machine when abundance threatens to become burdensome surplus, or to speed it up in years when leanness might become scarcity. It's a beautiful solution: purely voluntary, the threatened and incipient surplus incorporated back into the soil as a deposit for future sight drafts in time of need; a plan that will be cheap for the consumer and taxpayer.

The incentive to true conservation is there: it will pay the farmer to conserve and to build the productivity of the soil he conserves—actually to build marginal land to higher productivity even while it is lying fallow.

Now, Doc, you and I know what most Americans do not know, that soil depletion even in this enlightened age is still tremendous. Well, this is the time to tell America—the time when Americans after a national lifetime of apathy and indifference to conservation will be eager to hear and to heed. The population explosion is getting big headlines—we've published perhaps a dozen major stories on it in this still new year of 1965. That publicity will continue with ever greater emphasis.

Therefore, Americans are willing to believe now that that vague possibility of a dimly distant future shortage is no longer vaguely possible and in a dim future, but is actually and alarmingly almost on us, no further away than tomorrow. We mustn't let an alarmed America buy phony panaceas when we know a real cure is at hand.

I've gone to this trouble to try to convince you of my enthusiasm and my humble support. I honestly think that properly spearheaded by some one outside their ranks, this theory can be sold to farm organizations. (What can even the Farm Bureau find wrong in it when it fits its own policies of Government hands off and voluntary cooperation by the farmer? Yet, I warn you, that will be your toughest hurdle for you'll need the cooperation of all, and so help me, I've never known them to agree on anything.)

I may be a nasty critic, but I'm an honest one; and here is one case where I'll help you all I can. The only class of people for whom I have a soft place in my heart is the farm class—the poor, downtrodden, godawfully efficient, helpless sons of the soil.

Respectfully,

TOM A. ELLIS,
Farm Editor.

THE JOPLIN GLOBE PUBLISHING CO.,
Joplin, Mo.

DEAR GENE: Thanks so very much for the book. I shall treasure it for years to come and it will always occupy a prominent spot in my library.

Mr. Hall's farm program, as outlined in the draft you were so kind to permit me to read, is like a fresh breath of air after being in a smoke-filled room from several hours. Some of the points have been incorporated in proposed farm legislation of the past, but I have never witnessed so many good and realistic ideas in one message, specially your additions.

The flexibility feature is particularly appetizing, and the element of choice it leaves for the producer. The soil restoration principle is the "gizzard" of the whole thing, and I hope that we have become enlightened enough in agriculture that this much must, not maybe, be done.

The element of self-determination is involved (alien to most farm programs both instituted into law and just discussed in past years) in which you state in your notes the farmer can make a judgment on balancing off the Government route with the free market, or enterprise, avenue.

I first thought the idea of unlimited tons grown on any number of acres was a bit prodigious, but the force of market factors would rectify that provision within reasonable bounds. The point you make in a scale of values (p. 3) as to potential yield and incentive for even higher restoration qualities of the soil is well taken and caught my eye. This is further broadened in the proposed year-to-year adjustment in Government payment rate given in section 4 on page 3.

The words "incentive," "encouraging," "restoration," "soil improvement" indicate good soil stewardship resulting from agricultural know-how and acumen—and Dr. Hall should be commended to be interested enough and concerned to a degree to go to farmers for ideas. It makes me think, possibly there is a chance of sanity in modern, Federal farm programs. The program drafted by the Congressman, with your addendums, is a giant stride in that direction.

You will note I have little to add to the draft of the fine program; and, this is simply because I endorse the principles embodied in the proposed program. Any changes that I would suggest would be minor in content.

The program as outlined, again in contrast to so much of the past, is farsighted, inclusive, and takes into consideration our responsibility for preserving the soil for future generations, at less cost by the by than current methods, now ranging over $7 billion.

Thank you Gene, for letting me look this over. I found it edifying, informative, revealing, and encouraging.

Lang Rogers inspected it, too, before I sent it back. And thank you again for your book. You must be (or should be) very proud.

Very truly yours,

BOB COOPER.

Mr. HALL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and that all Members have 5 days in which to comment on this bill, if they so desire.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. HALL. I will be glad to yield to the gentleman from California [Mr. TEAGUE] who has had great experience on the Committee on Agriculture and in the farmlands of California.

Mr. TEAGUE of California. Mr. Speaker, I thank the gentleman very much for yielding. I want to compliment and commend the gentleman for his interest in still another field. The gentleman from Missouri, Dr. HALL, is certainly one of our most able Members. I had not realized before he had so much interest in and knowledge of the field of agriculture as he does. I have had a chance to make a preliminary review of this problem, and it seems to me this legislation has considerable merit. I thank him for bringing this to the attention of the Congress.

Mr. HALL. I thank the gentleman from California for his statement.

A REPORT ON CONSUMER CREDIT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HANNA] is recognized for 60 minutes.

Mr. HANNA. Mr. Speaker, we have taken this time to present to the House a report on consumer finance. As a member of the Subcommittee on Consumer Affairs of the great Committee on Banking and Currency, we have developed a growing conviction that all Members of Congress should be more fully informed on this subject. The many States which have provided for an Office of Consumer Affairs in recent years, and the action of our President in setting up such an Office in the White House is ample testimony that this field is commanding and receiving more attention from the executive branch. It should be of equal concern and receive as much consideration from the legislators.

In a recent release through the Editors' News Service, Mrs. Esther Peterson, Special Assistant to the President for Consumer Affairs, is quoted as saying:

> The most pressing need for the modern consumer is adequate and accurate information throughout our volatile marketplace, fuller and freer flow of information is a need of all segments.

Mr. Speaker, it is a need here in this body as well. The dynamic, dramatic growth of consumer finance and its importance to, and impact on, our economy must be better understood by all of us serving in Government. We entertain some small hope that our colleagues will find this report educational. We hold no expectation that the material will entertain.

SCOPE OF STUDY

Total consumer indebtedness includes four major components: First, short and intermediate term installment credit; second, short and intermediate term noninstallment credit; third, mortgage debt; and fourth, security loans and policy loans—loans secured by cash value of insurance policies.

The first two components are commonly referred to as consumer credit.

The first is consumer installment credit. All four are called total consumer debt.

Our primary concern will be with consumer credit. Further, there is a certain unavoidable emphasis on consumer installment credit since a great number of worthwhile consumer studies limit themselves to this more specialized area.

There is some treatment of the other components of consumer indebtedness. The supplementary file includes a section attempting to place total consumer debt into perspective vis-a-vis other national statistics. Also, a section in the second half of the presentation considers some problems in the mortgage field.

Statistics and all other material are usually as up to date as possible. However, when recent events were not crucial to a particular study and when analysis had been done last summer, the material was not brought up to date.

A. GROWTH OF CONSUMER CREDIT

First. Long-term credit growth:

The amount of consumer credit outstanding has grown from $8.3 billion in 1946 to $76.8 billion at the end of 1964. Since 1950, growth proceeded at a rate of nearly 7 percent a year. Growth in recent years—1955–63—has been slightly more rapid, averaging 7½ percent a year.

Installment credit, especially automobile paper—auto production was 4.1 percent of GNP in 1964; 7,892,000 cars—sparked the consumer credit growth in the early postwar years—1946–55—and totaled nearly three-fourths of total consumer credit in 1955. Since the mid-1950's, the growing importance of installment credit relative to noninstallment credit has continued, though this relative growth has been at a much reduced rate.

Consumer credit growth in part reflects the dynamic change and rapid growth in the whole economy. But consumer credit growth reflects more than general economic growth since long-term consumer credit growth has exceeded overall economic growth. Equivalent to 7.5 percent of the gross national product in 1950, consumer credit outstanding was equal to 12 percent of the GNP at the end of 1964. As shown in the supplementary files, however, this rapid growth of consumer credit has been matched since the mid-1950's by the expansion of total net private indebtedness.

Consumer credit has grown so quickly for a number of reasons. The best analysis of the reasons for this growth deal with the installment credit field. Reviewing this material is probably the most convenient method for understanding the long-term growth of all consumer credit.

Consumer installment credit grew because it filled a need. Products were being developed that were attractive to consumers and amenable to mass-production methods but too costly to be widely purchased without extensive resort to types of financing other than current income.

The automobile played a central role in the development of consumer installment credit. Its relatively high price and its great attraction for consumers stimulated installment selling. Even before World War II the first finance companies were organized to handle the consumer paper generated by automobile installment sales.

The spread of installment credit thereafter can be explained, to a great extent, in terms of its growing social acceptability as well as its practicability as a method of financing. Each use of installment credit made subsequent uses easier. Financial arrangements for the extension of such credit were gradually improved and acquired increasing respectability in the financial world. Similarly, each additional person using installment credit made it more likely that other people would use it.

Once proved successful for one type of product, installment credit was inevitably applied to others. Thus the growth of installment credit reflects not only the growth in sales of goods suitable for financing in this manner but also the successive inclusion in its orbit of one type of product and service after another. Other important influences causing growth of consumer installment credit have been changes in maturities and downpayments; in proportions of sales that involve credit; in finance, insurance, and other charges; and in renewals, refinancing, and defaults. For a more complete explanation, see the analysis of the types of consumer credit later in this paper. Also, see the Federal Reserve, "Consumer Installment Credit," volume I, part 1, chapter 7, and pages 142–143.

Second. Growth in recent years:

The current period of consumer credit expansion began in mid-1961. Growth since then through 1964 has totaled over $20 billion. This is the largest dollar increase on record for any single continuous period of expansion. But, since the rise started from a much higher base than did previous expansionary movements, growth so far has increased the outstanding debt by only one-third, as against an increase of nearly one-half in the 1954–57 expansion.

(A) Installment credit has continued to be the most dynamic segment of consumer credit. It has grown 39 percent since mid-1961. Yet, like total consumer credit, installment credit's growth has not percentagewise been as steep as in previous periods.

As chart I shows, the usual pattern of past expansions—a phase of very sharp acceleration in both gross and net borrowing, followed by a leveling off—has not developed in 1961–64.

The latest upswing in extensions has been much less steep than its predecessors. Being comparatively gradual, it has not run so far ahead of the corresponding advance in repayments as during the upswings of 1952–53, 1954–57, and 1959–60. The maximum quarterly rate of debt increase, shown in the second panel of the chart, has been only 3 percent this time compared with peaks of nearly 5 percent in 1959.

Also, the yearly average increase in debt since 1961 has been moderate in relation to disposable personal income. Though these have all been years of relative prosperity, the rate of net debt formation has not differed significantly from the average for the entire period since 1950, taking years of expansion and recession together.

In 1964 expansion in consumer installment credit was $5.65 billion. Although this is a large rise, it represents a leveling off after the record $5.7 billion rise in 1963. This leveling off for 1964 is due mainly to four factors typical of the wide range of conditions on which the growth of consumer indebtedness depends.

First, the rise in sales of durable goods has not been fully matched in gross extensions of credit. Second, there has been no repetition of the bulge in personal cash loans that occurred a year ago last summer after statutory loan ceilings were raised in a half dozen States. Third, the uptrend in the flow of debt repayments has accelerated. For the most part this is the result of the pattern of extensions over recent years. In addition, collection ratios in some lines improved with the strong rise in consumers' disposable income which was caused to a great degree by the tax cut. Fourth, the automobile strike in late 1964 curtailed new car sales in October and November, and consequently slowed the extension of automobile paper during that period.

(B) Noninstallment credit has shown an increase of nearly 24 percent since mid-1961. Single-payment loans show the most active growth in this sector. They comprised almost half the total growth in 1963 though they total only a little over one-third the aggregate noninstallment debt outstanding. In 1964, charge accounts registered an increase of $430 million, their largest increase in the last decade.

B. TYPES OF CONSUMER CREDIT

Time and space rule against undertaking an exhaustive analysis of the various major types of consumer credit. For a good history and analysis of the major types of consumer credit, see the Federal Reserve Board study. Rather, this report will limit itself to an analysis here of present developments. Some particular issues—retail charge plans, college loans, and automobile financing—are considered in the second half of this report.

Tables 2, 3, and 4 do provide a general annual breakdown of the various types of consumer credit—both their absolute sums and the percent they represent of total installment or noninstallment credit. These self-explanatory figures clearly show the major long-term trends in types of consumer credit.

Auto and GAF credit: This fall the Federal Reserve Board did some interesting studies of various types of consumer credit, studies based on figures which included the first two quarters of 1964. One area of analysis dealt with the role of installment credit in financing

sales of new and used passenger automobiles as well as sales of general merchandise, apparel, furniture, and household appliance stores. The nonautomotive lines mentioned are often referred to for convenience as the "GAF" group. from the initial letters of "general merchandise," "apparel," and "furniture."

TABLE II.—*Intermediate and short-term consumer credit, 1939–64*

[Estimated amounts outstanding, in millions of dollars]

End of year	Installment credit	Percent of total	Noninstallment credit	Percent of total	Total consumer credit	End of year	Installment credit	Percent of total	Noninstallment credit	Percent of total	Total consumer credit
1939	4,503	62.3	2,719	37.7	7,222	1952	19,403	70.8	7,998	29.2	27,401
1940	5,514	66.2	2,824	33.8	8,338	1953	23,005	73.6	8,238	26.4	31,243
1941	6,085	66.4	3,087	33.6	9,172	1954	23,568	72.3	8,896	27.7	32,464
1942	3,166	52.9	2,817	47.1	5,983	1955	28,906	74.4	9,924	25.6	38,830
1943	2,136	43.6	2,765	56.4	4,901	1956	31,720	74.9	10,614	25.1	42,334
1944	2,176	42.6	2,935	57.4	5,111	1957	33,867	75.3	11,103	24.7	44,920
1945	2,462	43.5	3,203	56.5	5,665	1958	33,642	74.5	11,487	25.5	45,129
1946	4,172	49.8	4,212	50.2	8,384	1959 [1]	39,245	76.1	12,297	23.9	51,542
1947	6,695	57.9	4,875	42.1	11,570	1960	42,832	76.4	13,196	23.6	56,028
1948	8,996	62.5	5,402	37.5	14,398	1961	43,527	75.5	14,151	24.5	57,678
1949	11,590	67.0	5,715	33.0	17,305	1962	48,034	76.0	15,130	24.0	63,164
1950	14,703	68.7	6,692	31.3	21,395	1963	53,745	76.9	16,145	23.1	69,890
1951	15,294	67.6	7,323	32.4	22,617						

[1] Includes data for Alaska and Hawaii beginning with January and August 1959, respectively.

NOTE.—Large "upswing" periods: 1947–50, 1952–53, 1954–57, 1959–60, 1961–63.

Source: Board of Governors of the Federal Reserve System.

TABLE III.—*Installment credit, by major parts, 1939–64*

[Estimated amounts outstanding, in millions of dollars]

End of year	Automobile paper	Other consumer goods paper	Home repair and modernization loans	Personal loans	Total installment credit
1939	1,497	1,620	298	1,088	4,503
1941	2,458	1,929	376	1,322	6,085
1943	355	819	130	832	2,136
1946	981	1,290	405	1,496	4,172
1947	1,924	2,143	718	1,190	6,695
1949	4,555	3,706	898	2,431	11,590
1950	6,074	4,799	1,016	2,814	14,703
1951	5,972	4,880	1,085	3,357	15,294
1952	7,733	6,174	1,385	4,111	19,403
1953	9,835	6,779	1,610	4,781	23,005
1954	9,809	6,751	1,616	5,392	23,568
1955	13,460	7,641	1,693	6,112	23,906
1956	14,420	8,606	1,905	6,789	31,720
1957	15,340	8,844	2,101	7,582	33,867
1958	14,152	9,028	2,346	8,116	33,642
1959	16,420	10,630	2,809	9,386	39,245
1960	17,688	11,525	3,139	10,480	42,832
1961	17,223	11,857	3,191	11,256	43,527
1962	19,540	12,605	3,246	12,643	48,034
1963	22,199	13,766	3,389	14,391	53,745
1964 [1]	23,255	13,599	3,364	14,902	55,120

End of year	Automobile paper	Other consumer goods paper	Home repair and modernization loans	Personal loans	Total installment credit
	Percent of total				
1939	33.3	35.9	6.6	24.2	100
1941	40.4	31.7	6.2	31.7	100
1943	16.6	38.3	6.1	39.0	100
1946	23.5	30.9	9.7	35.9	100
1947	28.8	32.0	10.7	28.5	100
1949	39.3	32.0	7.7	21.0	100
1950	41.3	32.6	6.9	19.2	100
1951	39.0	31.9	7.2	21.9	100
1952	39.9	31.8	7.1	21.2	100
1953	42.7	29.5	7.0	20.8	100
1954	41.6	28.6	6.9	22.9	100
1955	46.6	26.4	5.9	21.1	100
1956	45.5	27.1	6.0	21.4	100
1957	45.3	26.1	6.2	22.4	100
1958	42.1	26.8	7.0	24.1	100
1959	41.8	27.1	7.2	23.9	100
1960	41.3	26.9	7.3	24.5	100
1961	39.6	27.2	7.3	25.9	100
1962	40.7	26.2	6.8	26.3	100
1963	41.3	26.6	6.3	26.8	100

[1] May 1964.

TABLE IV.—*Noninstallment credit, by major parts, 1939–64*

[Estimated amounts outstanding, in millions of dollars]

End of year	Single-payment loans	Charge accounts	Service credit	Total noninstallment credit
1939	787	1,414	518	2,719
1941	845	1,645	597	3,087
1943	613	1,440	712	2,765
1947	1,356	2,353	1,166	4,875
1949	1,532	2,795	1,388	5,715
1950	1,821	3,291	1,580	6,692
1951	1,934	3,605	1,784	7,923
1952	2,120	4,011	1,867	7,998
1953	2,187	4,124	1,927	8,238
1954	2,408	4,485	2,003	8,896
1955	3,002	4,795	2,127	9,924
1956	3,253	4,995	2,366	10,614
1957	3,364	5,146	2,593	11,103
1958	3,627	5,060	2,800	11,487
1959	4,129	5,104	3,064	12,297
1960	4,507	5,329	3,360	13,196
1961	5,136	5,324	3,691	14,151
1962	5,456	5,684	3,990	15,130
1963	5,959	5,871	4,315	16,145
1964	6,206	5,099	4,520	15,825

Source: Board of Governors of the Federal Reserve System.

TABLE IV.—*Noninstallment credit, by major parts, 1939–64*—Continued

[Estimated amounts outstanding, in millions of dollars]

End of year	Single-payment loans	Charge accounts	Service credit	Total noninstallment credit
	Percent of total			
1939	28.9	52.0	19.1	100
1941	27.4	53.3	19.3	100
1943	22.1	52.1	25.8	100
1947	27.8	48.3	23.9	100
1949	26.8	49.0	24.2	100
1950	27.2	49.2	23.6	100
1951	26.4	49.2	24.4	100
1952	26.5	50.2	23.2	100
1953	26.5	50.1	23.4	100
1954	27.0	49.5	22.5	100
1955	30.2	48.3	21.4	100
1956	30.7	47.1	22.2	100
1957	30.3	46.4	23.3	100
1958	31.6	44.0	24.4	100
1959	33.6	41.5	24.9	100
1960	34.1	40.4	25.5	100
1961	36.3	37.6	26.1	100
1962	36.1	37.5	26.4	100
1963	36.9	36.4	26.7	100
1964 [1]	39.2	32.2	28.6	100

[1] May 1964.

Installment credit finances about 27 percent of the total consumer purchases in the GAF lines.

Given the average relationships between sales and credit movements that prevailed in 1948–62, the Federal Reserve Board obtained some "calculated" values for credit extensions in the present period. Comparison of the actual loan volume with the calculated figures reveals that credit was used less intensively in the first half of 1964 than in 1963, relative to sales. This appears to have been true for autos as well as for GAF lines, but especially for the latter.

In another study dealing with automobile installment paper, the Federal Reserve found that there is a more widespread use of automobile contract terms that are accepted as the maxima—for new cars: maturity over 30 months, value of the loan representing more than 90 percent of dealer cost; for used cars maturity period over 24 months, dealer-cost ratio over 90 percent—but that there is no substantial tendency to breach

these maximum limits. The reported percentage of contracts with maturities of more than 36 months, for example, is still well under 1 percent of the total, as it has been for years.

Personal loans: Personal cash installment loans have traditionally served to meet family emergencies such as illness or unemployment. The current trend, however, is toward the use of this type of credit for large expenditures of a more optional character. These include the purchase of household goods, as well as outlays for travel, education, and other personal projects and family occasions. Loans of this nature may now be more important in the total than are loans to cover emergency expenses.

During the summer and early fall of 1963 five States raised the maximum size of loans permissible under State small loan laws. During and immediately after the period when the changes occurred, the volume of personal loans increased sharply.

C. REPAYMENT BURDEN

The most frequently used index for assessing consumer debt burden is the level of consumer installment repayment relative to disposable income. With installment repayments reaching a record seasonally adjusted rate of $62 billion in 1964, repayments came to represent about 14 percent of disposable income—a record high.

The ratio moved above 12 percent on an annual basis for the first time in 1955, and during 1960 it passed 13 percent. It held at 13.6 percent through the first half of 1963 and at 13.8 percent in the latter half. In 1964, the initial effect of the tax cut last March was undoubtedly to reduce the ratio slightly. But with the total outstanding installment debt rising and with collection rates up as disposable income spurted, repayments quickly regained and increased their earlier relationship to income.

Factors causing this continued uptrend and possible future implications will be considered in the next two sections.

Ratio of installment credit repayments to disposable income

	Percent
1941	9.5
1950	8.6
1955	12.2
1960	13.2
1963	13.6
1964 (approximate)	14.0

Below is another helpful index. It considers all consumer credit outstanding—both installment and noninstallment—as a percentage of disposable income.

Consumer credit outstanding as percentage of disposable income

	Percent
1950	10.6
1955	13.9
1960	16.0
1963	17.3
1964	17.8

D. THE CONSUMER

Periods of rapid rise in consumer credit have always produced concern about the burden of this debt on the debtors and on the economy as a whole. There are, in fact, several kinds of burden that can be associated with consumer credit and it is important to distinguish among them, since they are of varying importance, have varying impact on the economy, and may call for different preventive or alleviating measures. For example, the burden that consumer credit places on a particularly unwary or unfortunate consumer should be differentiated from the burden it places on all consumers or the whole economy.

This chapter considers the burden placed on consumers in general. The next chapter deals with the consumer credit burden on the economy as a whole. The second half of the paper will be concerned with the burden on particular consumers or types of consumers.

A complete description of the general consumer population would require something approaching one of the Census Bureau's detailed descriptions of the whole population. A helpful general source: National Consumer Finance Association, Finance Facts Year Book. Fortunately, our needs are more limited. The burden consumer credit places on the general consumer population can be understood by seeking answers to three questions: First, how are consumers bearing the present credit burden? Second, why are they able to bear this burden without excessive difficulty? Third, what will this burden be like in the future? Note again that the best materials for analyzing the burden of consumer credit usually deal only with installment credit.

First. How are consumers bearing their consumer credit burden?

At present, the burden of repayments is being carried with little or no apparent rise in financial difficulties among marginal borrowers. In recent months the statistics of reported bankruptcies and delinquencies have taken a relatively favorable turn by comparison with 1963.

Consumer bankruptcies are not numerous in absolute terms and are geographically concentrated in a few States, but the general trend has been rather sharply upward for a decade or more. The sustained rise in the number of bankruptcy petitions that began in mid-1962 has slowed in recent quarters, however, and this spring a dip was reported for the first time in 2 years on a seasonally adjusted basis.

Delinquency rates on consumer loans at banks are dominated by cyclical conditions, but behind the cyclical swings that have occurred in the postwar period there was a broad downtrend through the mid-1950's. The present delinquency rate reported by a sample of banks is not far from the low 1957–59 average.

Reports on delinquencies on home mortgages suggest that consumers have met their repayment obligations about as regularly as a year ago, partly in response to more vigorous collection policies by many lenders.

Second. Why are consumers able to bear this burden without apparent difficulty?

An increase in aggregate consumer installment debt may be due to: First, debtors having borrowed larger amounts than earlier, and/or, second, an increase in the number of borrowers.

Much of the past rise in the ratio of installment credit repayments to disposable personal income can be explained by an increase in the proportion of consumers using installment credit. From 1952 to 1956, when the repayment-income ratio rose sharply, the proportion of spending units who reported owing some installment debt also rose—from 38 to 45 percent. See chart II. This proportion of spending units owing installment debt reached 48 percent by 1960, then declined to 46 percent in early 1962. From 1962 to 1963, there was a significant increase in the proportion of spending units with installment credit, with a higher proportion—50 percent—of spending units owing installment debt than ever before.

The latest figures of this type that I have are for 1963. The Survey Research Center of the University of Michigan surely has the 1964 figures and soon the ones for 1965. The trouble here is that the center delays publishing these figures for quite some time, revealing them only to their subscribers—it is quite expensive to subscribe. The center provides some immediate public releases, but they are too general to be very helpful. The Federal Reserve does have some arrangement whereby they receive reports relatively quickly. One might contact them. Specifically, call Mr. Harlow Osborne.

Ratio of annual installment debt payments to disposable income [1]

[Percent of all spending units]

	1954	1957	1959	1960	1961	1962	1963
Make installment debt payments	43	48	48	48	47	46	50
Payment-income ratio:							
Under 10 percent	15	15	17	18	18	16	17
10 to 19 percent	14	16	17	17	18	17	19
20 percent and over	13	15	13	12	10	12	12
Not ascertained	1	2	1	1	1	1	2
Make no installment debt payments	57	52	52	52	53	54	50
Total	100	100	100	100	100	100	100

[1] The numerator of the ratio for each spending unit is the annual installment debt payment rate of the spending unit as of January–February of the survey year (monthly payment multiplied by 12). The denominator is disposable income of the spending unit for the calendar year preceding the survey.

On the other hand, the proportion of individual spending units with a high debt-income ratio did not increase during the last decade. In the midfifties

this proportion was higher than 1962 or 1963. In all these years the great majority of debtors used less than 20 percent of their income to repay their installment debt.

The latest data, then, suggest that an increased number of borrowers not an increase in individuals' debt-income ratios was the major cause of the higher debt-income ratio for the whole consumer population. Individual spending units are no more burdened than in the past.

Third. What will this burden be like in the future?

Demographic trends are an important consideration here. Installment debt is far from being equally distributed among the American people. Whether a family buys on the installment plan or not depends primarily on its income and its age. Installment debt is a middle and upper-middle income phenomenon. It is also more prevalent among younger people.

As for the income characteristic of debtors, one finds that low-income people as well as high-income people buy less frequently on the installment plan than the middle-income groups. Low-income groups lack the needed background of assets, and so forth, to qualify for such credit and, furthermore, buy fewer of the durable goods for which one normally uses installment credit. High-income groups have their usually substantial liquid assets and do not need to resort frequently to installment credit.

Age is also an important factor. Older families use the installment plan less frequently than younger families who are starting households, raising children, and who have lower liquid assets. As table IV shows, in 1963 among families with children the head of which was under 45 years of age, 72 percent owed installment debt and 42 percent owed sizable installment debt. The indebtedness of all American families was much lower, 50 and 27 percent, respectively.

Relation of installment debt to income and stage of life cycle, early 1963

[In percent]

Spending unit income in 1962	Proportion of all units	Proportion owing installment debt in each group	Proportion owing installment debt of over $500 in each group
Under $3,000	26	32	9
$3,000 to $5,000	20	53	28
$5,000 to $6,000	12	57	32
$6,000 to $7,500	13	62	37
$7,500 to $10,000	14	63	41
$10,000 to $15,000	10	53	35
$15,000 and over	5	30	23
All units	100	50	27
Married with children, head under 45 years old	30	72	42

According to the Bureau of the Census projections for 1965 and 1970, the most rapid rate of growth in number of households will be in those whose heads are under 25 years of age. These are mainly the families that will be formed as the young people born during the 1940's reach marriage age. Such young families, as we have seen, are likely to be frequent users of installment credit since their needs for household goods and automobiles generally exceed their ability to acquire these goods for cash.

These demographic trends suggest, then, that the past major reason for increases in the repayment-income ratio—greater proportions of the total population using credit—will continue to play its dominant role.

Can we expect that a larger number of spending units will have heavy installment debt burdens? First, we have seen that not only do more younger households use installment credit than the average household but that a greater proportion of them use it intensively. So, the expected increase of younger households should mean that a larger proportion of total households will have high repayment-income ratios. This does reflect greater consumer irresponsibility, but is simply a product of the demographic trends. Later, when the proportion of younger families in the population stabilizes or declines, the demographic trends will push for a decrease in the proportion of households with high repayment-income ratios.

A second factor—credit use patterns—might encourage a growth of families with heavy installment debt burdens. In recent years consumers have been making increased use of revolving credit and similar installment plans to finance their purchases of nondurable goods and services. The success of these plans makes it seem likely that consumers will make still greater future use of these plans. The question becomes by just how much will individual spending units increase their credit use because of changes in credit use patterns. Families with limited holdings installment debt might increase their holdings somewhat. But, though these new plans have been in operation these last few years, the number of consumers burdened with heavy installment debt has not increased significantly—if at all. There seems, then, little reason to expect that the future should bring a major rise in individual spending units' relative holdings of installment credit as a result of changes in credit-use patterns.

The predicted future rise in the debt-income ratio for the entire consumer population, then, should be caused primarily by a greater number of units using credit, or increasing their now small holdings of credit. Consumers as a group appear generally to have avoided excessively large burdens of installment credit. Chapter 1 of the second half of this paper is closely related to this chapter. It contains a great amount of material about consumer ignorance of finance rates. One might read that chapter before continuing on to the next chapter. What increase there will be in the proportion of families with high repayment-income ratios should be primarily a result of the increasing proportion of younger families in the population—a temporary phenomenon.

E. CONSUMER CREDIT AND ECONOMIC INSTABILITY

There exists a notion, rather general in our economic textbooks, that business investment and the Government's economic policy represent the only major dynamic forces making for better or worse times. This notion must be contradicted.

The consumer sector exercises an important influence on what happens in our economy, and consumers do so to a large extent by making tangible investment expenditures on credit. Although consumers receive their income from the business and Government sectors, the rate at which they spend their incomes does not depend on their ability to buy alone. Willingness to buy and willingness to buy on credit, may increase or decrease independently of income according to consumers' attitudes and expectations.

Although the impact of consumer credit on the economy has not been generally appreciated in economic theory, there have been some excellent specialized studies of this impact. The best is that done by the Federal Reserve Board in 1957. See the Federal Reserve study, part I, volume I, chapters 11 and 13. Later research and economic events seem to confirm the general validity of these findings. Again these studies have been limited to installment credit, but the reader should remember that, as explained before, such a limitation is not too restrictive because of the "spillover effect" such analyses have on the field of total consumer credit.

1. GENERAL FINDINGS

A prime factor in business fluctuations: Although consumer installment credit has not been the principal cause in changes in the level of business activity, it has been a major factor behind such changes. The influence of consumer installment credit is probably equaled or exceeded by other credit-financed expenditures, such as those for business, plant and equipment, and for residential construction. However, these expenditures represent, in part, secondary responses to a rapid expansion of installment credit. In cases where changes in expenditures for durable consumer goods played a major role in the change in business activity, installment credit can be regarded as an important contributory factor.

A leading and amplifying force: Although not the principal factor in any cycle, consumer installment credit has been both a leading and an amplifying force in economic fluctuations. An impressive number of times credit extended appears to have moved ahead of other economic changes, that is, to have led at the turning points.

Time leads appear to have been longer in recoveries than in downturns. This differential experience may be due partly to the fact that consumer installment credit has been growing so strongly. But the lead record remains impressive even when allowance for growth is made.

A greater influence in booms than in recessions: The major influence of installment credit has been to add fuel to booms; it has less often been an aggravating factor during recessions. The Federal Reserve Board illustrates this with a number of periods of expansion in which installment credit buying contributed to a rate of sales of consumer durable goods that could not be sustained.

In expansion periods, easier terms in the form of longer maturities and lower downpayments have been an important stimulus. In periods of contraction, terms have been tightened less frequently and less than they were eased in preceding expansion periods. This is in line with the general tendency over the years toward more liberal installment terms.

Installment credit has also added to the overall credit demands during the major business booms. This has contributed to an expansion of bank credit and has intensified inflationary pressure.

Indirect influence by general credit market on installment credit: The evidence indicates that the influences of developments in the general credit market, including the effects of general credit and monetary policy, reach in some degree the consumer installment area. This response is most marked at the "wholesale" level and is evidenced by changes in prices, terms, and willingness with which funds are made available to borrowing-lending intermediaries as well as in changes in the availability of bank funds to their consumer credit departments.

At the retail level, concrete evidence of response in the quantity and terms of credit as a direct result of a change in general credit conditions is difficult to document apart from an apparent tendency for retail interest charges to rise, for standards of creditworthiness to stiffen, for downpayment-maturity requirements at least to hold the line, and for consumer lenders to cut back on their new business promotion efforts.

A recent study of new automobile finance rates suggests that general credit policy might have a greater impact on consumer automobile credit than is generally believed—Robert Shay, "New Automobile Finance Rates, 1924–62," 1963.

As the Federal Reserve Board noted in 1957:

> Unavoidably an important question must remain unanswered. That question is whether the response of the consumer installment credit area as a whole to changes in credit conditions, and in particular to general monetary restraint, is sufficient either in degree or in timing to facilitate a national economic policy directed toward sustained high and rising levels of activity without inflation.

2. THE RECENT EXPANSION PERIOD

Consumer credit's relatively moderate growth during the recent economic upswing suggests that at present it is not as an important element as it was during the 1954–57 expansion. However, this is definitely not to say that it is unimportant. Moreover, it may become more important as today's record-level consumer optimism promises increased consumer purchasing with consequent credit growth.

Some have already begun to fear unchecked credit growth. The Wall Street Journal recently called for a more restrictive credit policy—October 2, 1964, page 10.

In October 1964, the annual convention of the American Bankers' Association adopted a statement calling on monetary authorities to start bearing down promptly on the credit brakes to head off inflationary pressures—Wall Street Journal, October 29, 1964. Is this excessive concern? Possibly, but the destabilizing influence of consumer credit needs to be carefully watched, if not kept in check.

Robert A. Wallace, Assistant Secretary of the Treasury, disagrees. He believes that "the credit expansion of the past 4 years came as close to ideal as one could reasonably expect"—Consumer Finance News, December 1964.

If one does conclude that there is a need for some controls over consumer credit, the next question becomes: How?

3. SOLUTIONS

The effects of general credit and monetary policy, as we have seen, do reach in some degree the consumer credit field. But there exists a real question whether these tools are sufficient.

If these general tools are not considered sufficient, the next alternative is for standby selective controls of some sort. And here, real argument ensues. The advantages and disadvantages of different types of possible control are hotly debated. The United States does have some experience with credit control—regulation W—but this experience was of an ambiguous sort that only intensified the conflict. The Committee for Economic Development suggests one major disadvantage of selective controls:

> Regulation of consumer credit terms might contribute to cyclical stability, but it would require a large and complex administration to be fully effective. The benefits to stability promised by such a system must be weighed against the cost and inconvenience of installing and managing it.[1]

Economist Marcus Nadler presents a favorable, well-reasoned article that interested persons might read. It begins with a convenient, short section of summary and conclusions—Federal Reserve Board, in the work cited, part I, volume 2.

F. SOURCES OF FUNDS

To meet the varying needs of the consumer, several types of consumer credit agencies have developed in this country. Generally each differs from the others in origin, background, methods of operation, and objectives.

Rather than try to cover all these differences plus analyze the present status of these agencies, this report will briefly highlight the character of each agency and then suggest something about the present consumer lending picture. A more complete analysis of each agency can be found in the sources noted below—Federal Reserve, in the work cited, part I, volumes I and II; House Banking and Currency Committee, "Comparative Regulation of Financial Institutions," 1964. The accompanying file contains statistics showing the relative strength of these agencies over the years.

1. DESCRIPTION OF THE MAJOR CONSUMER CREDIT AGENCIES

Consumer credit agencies can be classified into two broad categories, financial institutions and retail outlets. Financial institutions, which currently hold about 88 percent of installment credit and about 37 percent of noninstallment credit, include commercial banks, sales finance companies, consumer finance companies, credit unions, and miscellaneous lenders. Retail outlets include department stores, furniture stores, appliance stores, automobile dealers, and other miscellaneous lenders.

Commercial banks: Commercial banks play a multifaceted role in the consumer credit field. They loan money directly to consumers, buy installment paper from retailers and others, and loan money to finance companies and retailers.

Consumer finance companies: They specialize in small personal loans, often on an unsecured or signature basis. These companies operate under State small loan laws permitting charges higher than those allowed under the general usury statutes.

A 1963 survey found that the major reasons borrowers sought loans from these agencies were consolidation of existing obligations—39 percent of the loans extended—automobile purchases and repairs, and travel and education.

Sales finance companies: These companies purchase installment paper from others, usually retailers, rather than extending credit directly to consumers.

Credit unions: Credit unions differ from other major types of consumer lending institutions in that they are cooperatives. The cost of credit union operations is usually well below that for privately operated lenders doing a similar business.

Other lending institutions: Industrial loan companies, savings and loan associations, and mutual savings banks are the other types of financial institutions that engage in significant amounts of consumer installment lending.

Retail outlets: Retail dealers originate most of the installment credit extended to consumers for the purchase of goods. Most dealers, however, do not hold the contracts until they are paid off, but sell all or part of them to financial institutions, usually a bank or sales finance company. See chapter in second half of paper on automobile financing. Currently, retail dealers hold less than 1½ percent of automobile credit outstanding and 43 percent of installment paper for "other consumer goods."

2. PRESENT LENDING PICTURE

The Federal Reserve Board summarized the present lending picture up to September 1963 this way:

> The various lenders' shares of total installment paper outstanding reflect in part the general competitive positions of the institutions themselves in obtaining and lending funds. They also reflect indirectly the relatively greater strength since mid-1963 of demand for auto and other consumer goods credit and the stability of demand for home maintenance and repair credit.

Thus the rise in auto loan volume—which temporarily declined in October and November because of the work stoppages—was especially important to the commercial banks, which have more than half of their consumer loan business in this category. The recent lack of growth in home repair and modernization lending partly offset this advantage.

[1] Committee for Economic Development, "Report on Money and Credit" (1961).

Bank credit: Among the immediate sources of consumer credit, banks have been playing a progressively larger role ever since the end of 1955—which was their low point for the decade. By mid-1963 their share of consumer installment paper outstanding had moved up 4 percentage points and amounted to 41 percent of the total. The same fraction continued through 1964.

Besides lending directly to consumers and buying installment paper from retailers and others, banks make a substantial indirect contribution to consumer credit by lending to finance companies and retailers. It is estimated that about 10 percent of all consumer installment credit is thus indirectly bank financed, as against 20 percent of the all-lender total in 1952.

Directly or indirectly the banks still provide more than half of all the funds used in consumer installment credit, though their share of the total has moved down in recent years from a high near 60 percent estimated for 1952.

Other credit sources: Consumer finance companies have retained their one-twelfth share of all installment credit outstanding this year. Credit unions have moved up a little, and now hold more than one-tenth of the total. Retailers have been financing less and less of their customers' credit purchases in recent years, and this trend continued through the latest period.

Sales finance companies, supplying credit through auto dealers, mail-order companies, and other retailers, hold about one-fourth of all consumer installment debt. Their share of the total has declined a little in recent years, but it leveled off in the latter part of 1963 and moved up fractionally in early 1964.

Sales finance companies have benefited recently from the strong demand for auto credit—in which they have specialized—even though they have not kept pace with the banks in the auto field. In addition they have increased their share of other consumer goods paper outstanding.

Finance company funds: In mid-1964 finance companies of all types taken together held about $19 billion of consumer installment paper. The companies had obtained a little over three-fourths of this sum through borrowing. This was about the same proportion as a year earlier, but up significantly from the 70 percent estimated for 1961 and 1962.

Finance companies have made increasing use of the commercial paper market in raising short-term funds in recent years, as nonfinancial corporations have made a rising volume of such funds available. The paper market offers flexible rates and maturity dates, without the need to maintain compensating balances such as many banks require against direct loans.

The competition for these corporate funds has stiffened, however, with the step-up in borrowing by the finance companies, the rising use of certificates of deposit, and the increase in the Treasury bill rate. Rates on directly placed finance company paper maturing in 3 to 6 months have risen by half in a 3-year period—from 2.50 percent in mid-1961 to 3.75 percent this summer.

3. A QUESTION FOR THE FUTURE

The future might hold a major change in the consumer credit lending field; namely, the full-scale entry of mutual savings banks and saving and loan associations. Of course, many are already in the field to a substantial degree. Several saving and loan associations, for instance, are reported to be financing consumer goods and services through the use of open-end mortgages. The fear of other consumer lending agencies, however, is that the savings and loan associations will greatly expand their activity.

Robert W. Johnson, speaking before the National Consumer Finance Association's annual convention documented a number of moves by savings and loan associations which indicated that they are now seeking to expand their activity—Consumer Finance News, December 1964, page 6. Moreover, he offered the reasons behind this action:

> Faced with a continued influx of funds from savings and from monthly payments on mortgages, the savings and loan associations will find their mortgage loan funds piling up as home demand slackens. It seems inevitable that they will turn to the field of consumer credit.

The policymaker will have to decide whether increased competition is desirable or not in the consumer credit field. One danger that should not be overlooked is the possibility of harmful competition results from the problem of allocation of joint costs. As Mr. Johnson points out:

> Inexperience, coupled with a desire to gain a foothold in the consumer credit field, is very likely to cause these new entrants to price their consumer credit on a marginal cost basis, or even below their marginal costs.

No conclusion is in order here except to call for some study of this potential problem. This problem was brought to this writer's attention too late to do anything but to pass it on.

PART 2: SOME SPECIFIC ISSUES

This half of the report seeks to highlight some specific issues—from proposed legislation to major abuses—in the consumer credit field. Each chapter provides some brief analysis and suggests the location of supplementary materials. Each can decide which issues he considers particularly important and then proceed from the material here to further investigation.

A. CONSUMER IGNORANCE AND THE TRUTH-IN-LENDING BILL

Later chapters in this report will highlight some credit abuses which demonstrate that the consumer needs to know more about borrowing in certain specific cases. But one should rightfully ask first: What about the general situation? How informed is the general consumer population?

The Michigan Survey Research Center made a study of people's knowledge of finance rates on automobile purchases. The results were mixed. Precise knowledge of rates was quite poor. Thirty-nine percent of those questioned had little idea of what the rates were. At least a third of those who gave a specific answer believed the cost was lower than it actually was. George Katona, director of the center, feels this ignorance exists largely because the cost of installment credit is not a major consideration for the consumer. The crucial question for consumers using installment credit for automobiles appeared to be the size of the monthly payment.

Katona feels that interest rates and the cost of installment buying play a role in a different context:

> While the size of finance charges is of little importance in the first major decision (should I, or should I not, buy?), it is a significant factor in a second decision: Where shall I make the arrangements for time payments? Recent studies indicated:
>
> 1. The majority of consumers are well informed about where one can arrange for the financing of the purchase of a car.
> 2. The majority of consumers are capable of discussing the respective advantages and disadvantages of making the financial arrangements at different places.
> 3. The majority of consumers believe that the cost of installment credit is substantially higher if one makes the credit arrangements through a car dealer rather than with a bank.[2]

In another study two economists came up with even more unfavorable results than the Survey Research Center. They found that when they asked people what finance rates they had paid on their past installment credit transactions: about 7 percent of the sample gave reasonably accurate estimates of the effective annual finance rates paid; 11 percent estimated the approximate add-on or discount rate; the remaining 82 percent were unable to give rate estimates of reasonable accuracy—Juster and Shay, "Consumer Sensitivity to Finance Rates," National Bureau of Economic Research (1964). Though the study is quite technical, the summary and conclusions are quite worthwhile and relatively easy reading.

However, like the Survey Research Center, these two economists also concluded that:

> Despite the lack of rate knowledge, consumers seemed to know that certain types of credit are more costly than others.

It appears, then, that consumers are woefully ignorant of actual finance rates, but that they usually know which are the most desirable credit agencies and types of credit.

The question for the policymaker to decide is: Just how much more knowledge do consumers need? We hesitate to give any set answer here since much of the basis for any answer is personal and nonobjective—and, hence, of little relevance to the factual nature of this report.

It is at this point that Senator DOUGLAS' oft-introduced "truth-in-lending" bill becomes a relevant consideration. The bill seeks to provide consumers with greater knowledge by requiring that all consumer credit contracts explicitly state the simple annual interest rate on the loan. What have been the predicted major consequences

[2] Testimony of George Katona before U.S. Senate Committee on Banking and Currency, on S. 750 (truth in lending), p. 1489, 1963–64 hearings.

of this form of increased consumer knowledge. Proponents probably correctly believe that this bill will enable consumers to shop around for the best terms, to be more aware of what they are committing themselves to. The abuses mentioned in later chapters will supposedly be much less likely to occur.

Others warn, however, that increased consumer knowledge might have major disadvantages. George Katona believes:

> The most potent argument against the bill consists of the possibility that there would be a shock effect following its introduction. I believe that the bill, if enacted, would not depress the volume of installment buying permanently (because * * * the motives for installment buying are powerful and are not dependent on costs). Nevertheless, the disclosure of the true cost of borrowing might result in an unexpected shock for some would-be purchasers of durable goods with adverse consequences on the rate of purchases in the period immediately following the enactment of the bill.[3]

Economists Juster and Shay find that there would be increased consumer response to finance rates if these rates were specified in the credit contract. Disagreeing with Katona, they felt that disclosure should lead to a long-term slowdown in credit growth.

Specification of simple annual interest rates might lead, then, to major short-term maladjustments and a possible longrun decline in consumer credit. These possibilities need to be evaluated further.

Passage of the Douglas bill would have two other major consequences, usually considered advantageous. First, it might contribute to economic stabilization. The cost of credit is a stabilizing force in the economy. High credit costs in boom periods restrain credit purchases; low costs in periods of slack encourage credit buying. Yet the stabilizing effect of changes in credit costs depends on awareness by consumers that the changes have occurred. If buyers are ignorant of the true costs of credit, they are less subject to influence by cost changes.

Secondly, full disclosure of the consumer credit finance charges will also serve to invigorate competition among lenders. When borrowers are able to compare terms, sellers of consumer credit will be under more pressure to match their competitors' offers. This competition might be particularly useful in preventing fraud and deception.

B. LOW-INCOME GROUPS

Low-income groups appear to suffer under a credit system in which they are often literally exploited—see David Caplovitz, "The Poor Pay More," 1964. Also, some January 1965 articles in the New York Times claim that gangsters are much involved in these questionable lending practices. Yet, any attempt to improve their situation must realize that low-income groups present a unique credit problem. The credit system in fact—unethical and illegal as it might be—allows them to obtain credit when most legitimate credit lending agencies declare them "bad risks" and refuse to extend them credit. As one observer notes, "Society now virtually presents the very poor risks with twin options—of foregoing major purchases or of being exploited."

The longrun solution to this problem is obviously to end poverty. But this solution is far enough in the future that the policymaker must provide more immediate help. Given the basic needs of these people and our society's emphasis on consumption, it would be impossible to make low-income groups forgo major purchases until that faraway time when they might join the ranks of the middle class.

The best temporary solution appears to be action to minimize the most undesirable practices of the credit system faced by the low-income groups. Better laws and law enforcement offer some hope. Probably most important is the need to educate these people so that they understand the use of credit, the opportunities they have to obtain it, and their legal rights in regard to it.

C. AUTO FINANCING

This chapter is concerned with two particular issues in the automobile finance field: First, evidence of a takeover of automobile dealerships by finance companies, and second, dealers' reserves and kickbacks.

First, Edivence of a takeover of automobile dealerships by finance companies. We have found that evidence is either lacking or negative on the question whether finance companies are taking over automobile dealerships.

Evidence is lacking to the degree that we could not find material which showed finance companies buying car dealerships outright or exerting greatly expanded control over them. Of course, since dealers are quite dependent usually on outside credit to help them purchase their cars and to handle customer credit contracts, they have to pay much attention to the desires of their lenders. But this has always been so.

What evidence that was discovered seems to discount increased finance company control. First, since 1955, commercial banks and credit unions have expanded relatively their holdings of automobile installment paper, mostly at the expense of the sales finance agencies. Certainly credit unions and probably commercial banks are less likely to take over automobile dealerships owing to the very characteristics of these two lenders —although one should note that automobile dealers now hold a smaller percentage of installment paper than in the past, this must be taken in the context that their holdings have always been minimal in the last decade—3.6 percent of the total in 1955, 1.4 percent in 1963.

Second, the opportunity for sales finance companies to extend their influence seems further limited by the fact that automobile installment credit extensions appear to be rising a little less in the last year than would be calculated from past sales history. The more cash involved in sales the greater should be the dealer's independence.

Finally, we have a purely impressionistic belief—that is, cannot find concrete supporting evidence—that a good deal of lender competition exists today—competition which would give dealers greater flexibility in bargaining with lenders.

One related problem which might be further investigated deals with the captive finance companies of major automobile manufacturers. The captive finance companies—best example, GMAC—certainly help manufacturers control their dealerships. Historically, of course, new car dealers have been servile to wishes of the major manufacturers. One notes with interest that Chrysler Corp. announced last July that it will establish a credit company to finance dealer and consumer car and truck purchases. To be known as Chrysler Credit Corp., it will operate at both whosesale and retail and will end reliance on independent finance companies, making the parent corporation more competitive with other major manufacturers.

Second. Dealer's reserves and kickbacks. A consumer may finance his automobile purchase in two ways. First, he may arrange the terms of his credit contract with the automobile dealer who normally will sell the contract to a credit agency which collects the indebtedness. This is called sales, or indirect financing. Second, the borrower can arrange his credit directly with the credit agency, which is termed direct financing. Our interest is in the first category, indirect financing.

In indirect financing, after he has sold the customer's contract to a credit agency, the dealer has no further contact with the customer unless he has accepted some liability for the customer's fulfilling the contract terms. The dealer liability may range from full endorsement of the customer's note—full recourse—to no endorsement whatsoever of the customer obligation—no recourse.

What is of importance here is that the finance rate at which the credit agency discounts when purchasing contracts from the dealer is normally below the rate charged the auto purchaser, the difference accruing to the dealer. The size of the difference—called the "dealer share" or "dealer's reserve"—is affected by competitive forces as well as by the extent of the dealer liability for the borrower's repayment. Yet, although the size of the dealer share of the finance rate is affected by the degree of risk assumed by him, the fact that nonrecourse contracts pay a share to the dealer indicates that the payment reflects more than contingent liability. The dealer makes, in fact, a profit off the finance charges.

Along the same line, the purchaser is usually required to insure the automobile against physical damage during the life of the contract. The dealer frequently acts as an insurance agent for sales finance companies with wholly owned insurance subsidiaries, and when licensed as an agent, he may receive a commission—currently about 20 percent of the premium—for providing this service. So, the dealer again stands to gain from the credit contract.

Some justification is offered for this method of operation. First, since the dealer combines the cost of acquiring

[3] Testimony of George Katona, op. cit., p. 1491.

credit customers with the costs of acquiring automobile customers, it is likely that a substantial portion of the dealer share of the finance rate may be attributed to the dealer's strategic position as a middleman between the credit buyer and indirect financing agencies. Second dealers nowadays are likely to consider their return from finance charges as part of their overall income and, were this income eliminated, customers might have to pay more for cars through either higher prices or lower trade-in allowances.

Yet, one might ask with some justification whether customers should be sold finance packages that include double profits—for both dealer and credit agency.

This dealer practice apparently is on the increase in the last two decades. In his exhaustive analysis of new automobile finance rates from 1924 to 1962, Economist Robert Shay found that the bulk of the finance rates charged consumers between the low 1936–38 level and that which existed in the late 1950's "appears to have been attributable to a rising dealer share of the finance rate"—Robert Shay, "New Automobile Finance Rates, 1924–62," National Bureau of Economic Research, 1963.

In 1958–59—the last years of this part of his study—Shay estimates that the dealer's share of finance rates on paper handled by the four largest sales finance companies was 23 to 24 percent.

D. MORTGAGE LENDING

Mortgage lending is usually considered separately from consumer credit. However, the volume of mortgage loans and its rapid growth give rise to some problems which might be of some interest.

First, the number of foreclosures on nonfarm residential properties appears to be steadily increasing over the long run. For example, of total FHA-insured mortgages on one- to four-family nonfarm homes, 1.08 percent were foreclosed in 1963 versus 0.28 percent in 1960—see supplementary file. There seems to be no rigorous analysis of the reasons for this rise, but the upswing does suggest a possible deterioration in the quality of mortgage credit.

Second, consumers appear to be increasingly mortgaging their homes to obtain funds for travel, education, or purchase of consumer goods. This reflects a wise policy in the sense that needed funds can usually be obtained through mortgages at an interest rate well below other types of consumer credit. But, is it desirable that consumers shoulder heavy mortgage indebtedness simply to finance present consumption of often questionable value?

Third, there are increasing reports of heavy lender competition in the mortgage market which can encourage risky lending practices.

FDIC Chairman Joseph Barry expressed the concern of many when he stated:

> In terms of customary past standards there has been a relative deterioration in the quality of (mortgage) credit extended.[4]

[4] Wall Street Journal, Oct. 2, 1964, p. 10.

A fourth problem in the mortgage field deals with closing costs. Mortgage lenders are required to state the interest rate on each mortgage and the costs—"closing costs"—of making the loan. However, those costs which are not considered "incident" to making the loan often need not be included in the computation of the interest rate, though the borrower pays them anyway. The amount of many of these charges and whether they are included or not in the interest rate computation are matters which vary from region to region, and from agency to agency. See FHA study of closing costs included in the supplementary file.

Possibly some uniform policy might protect the borrower from excessive closing costs and also help him know just what rate of interest he is paying.

E. COLLEGE LOANS

It appears that the rapid expansion of private loan programs for college students is not without its problems. The President's Consumer Advisory Council recently declared that it was disturbed by the very high interest rates charged for college loans by some financial institutions and, especially, by the failure to disclose rates forthrightly. In a later interview, one of the Council members, Richard L. D. Morse, referred to a loan program offered students by a well-known finance company. The full charge, including insurance, amounted to 45 percent a year. Counting only interest itself, the rate was still 14.4 percent.

Possibly the recent expansion of the National Defense Education Act Government loan program, will reduce the area of opportunity for unscrupulous private lenders. But, surely, investigation of this undesirable lending practice would be helpful.

Some material can be found in the 1964 Senate hearings on the Higher Education Student Assistance Act of 1965, a bill introduced by Senator HARTKE.

The Consumer Advisory Council has recommended that: First, colleges and universities be more cautious in associating themselves in any way with such private loan programs; and second, the Special Assistant to the President for Consumer Affairs be made responsible for publishing a careful analysis—including disclosure of loan cost and simple annual interest rate—of the existing major loan programs for students.

F. RETAIL INSTALLMENT SALES

Totaling $7.1 billion at the end of 1964, consumer installment credit at retail outlets—excluding automobile dealers—has doubled since 1955, a growth rate even faster than the growth of total consumer installment credit. Retail installment credit includes as its major components both the conventional installment plans and revolving credit accounts.

In revolving credit plans, a customer buys items by charging them to his own credit account which he continually replenishes by payments of a fixed monthly sum.

Throughout the Nation, service-charge rates on revolving credit accounts and conventional installment accounts appear to be consistent, the rate being a charge of 1½ percent on the monthly account balance. On an annual basis, this represents a service charge of 18 percent a year. This high charge raises real questions about retail installment credit.

First, are these charges justifiable? The National Retail Merchants' Association had done what appears to be an objective study of the costs to retail stores of customer credit services—see a copy of the report in the supplementary file.

The study findings indicate that providing credit in the department store field—the study was limited to this field—is a costly undertaking which offers no profit per se. Credit, a losing business venture itself, could only be justified as a selling tool. The individual consumer and general public might wonder if a "selling tool" need be so expensive.

Of course, the consumer has certain rights to buy goods on terms that he desires. This brings us to the second question, "Does the consumer really appreciate the cost of retail installment plans?" The hearings on the truth-in-lending bill revealed as great a consumer ignorance about this type of credit as about any other. Because of the often relatively small sums involved in retail installment credit, the consumer usually pays little heed to service charges.

In brief, then, are the rapidly growing high cost retail installment credit plans justifiable? And, if so, should not the consumers somehow be made more aware of the high service charges?

G. BANKRUPTCIES AND GARNISHMENTS

Bankruptcies and garnishments are relevant considerations in this report for two reasons: First, they often provide a rough measure of the quality of consumer credit; and second, they represent a serious problem for the consumers involved.

First, bankruptcies. Personal bankruptcy filings totaled over 155,000 for fiscal year 1964, a jump of nearly 60 percent above fiscal year 1960—see complete figures in the supplementary file. California has far and away the most filings—24,641 in fiscal year 1963.

As a measure of the quality of consumer credit today, this rapid rise in individual bankruptcy filings is not overly disturbing. The trend has been sharply upward for a decade or so. Besides, there are so many influences on the number of filings other than individuals' credit burden that it is impossible to relate with much accuracy the trends in filings to the quality of credit. For example, changes in State laws and procedures covering wage garnishment, collection practices, and personal exemptions can affect the rate of bankruptcy filings. Indeed, States with the highest incidence of filings reveal major differences in consumer credit conditions.

If one were to use the number of filings anyway as an indicator of general credit quality, recent events would suggest that there has been no deterioration in the quality of consumer credit.

The Federal Reserve Bulletin of September 1964 points out:

> The sustained rise in the number of bankruptcy petitions that began in mid-1962 has

slowed in recent quarters, however, and this spring a dip was reported for the first time in 2 years on a seasonally adjusted basis.

Bankruptcies become a very serious concern, however, when one considers them from the standpoint of the individuals involved. Bankruptcy proceedings are an expensive and socially painful process. Further, the proceedings often do not relieve the individual of his unbearable obligations. One wonders why more is not being done to counteract or at least investigate the rapid rise in the number of people who find it necessary to file bankruptcy petitions.

Efforts to improve the consumer credit market might be one means of alleviating the problem. Assistant Attorney General Leo Loevinger noted in 1962:

It is reasonable to believe that the misuse of consumer credit has contributed to this rise in the bankruptcy rate and that the misuse of consumer credit is encouraged by the present practice of keeping the consumer in the dark as to the true cost of credit.

Second, garnishments. Garnishments and wage assignments are dealt with by State laws, but the wide-scale abuse of these procedures makes them a national problem.

Subject to varying State legal requirements, a lender who is unable to collect on debts owed him can in most States collect the money by forcing his borrower's employer to deduct some sum from the employee's paycheck. The real trouble here is that employers upon receiving garnishee notices will usually dismiss the employee if the employee does not get the notice withdrawn immediately. Employees would rather do that than be faced with the costly clerical work of making deductions—see the 1963–64 hearings on the "truth in lending" bill before the Senate Banking and Currency Committee, page 24.

General figures on the extent of this problem would provide some index of the quality of consumer credit. However, we were unable to obtain such general statistics, if they exist at all. The problem does appear to be widespread. One Chicago study found that 3,000 workers a year in the city faced garnishment actions.

Surely, some review of the problem is needed, to aid those borrowers who are being hurt by present practices. Possibly, model legislation might be recommended. Better consumer knowledge of the costs of credit would probably help alleviate the problem.

H. STATE LAWS—AND WHY FEDERAL LEGISLATION?

Consumer credit is subject to both Federal and State regulations. Federal regulations include some control over advertising—FTC—and control over the lending practices of banks which are members of the FDIC or the Federal Home Loan Bank Board. It is the States, however, who do most consumer credit regulation. Yet, even in States with the most progressive credit legislation—New York and California are among these States—great inadequacies still remain in the laws. One glance at the great number of existing abuses in the consumer credit field reveals that present legal protection of the consumer leaves much to be desired.

Some recent events suggest that State laws are probably in line for thorough analysis and revision. The American Bar Foundation should have now completed or should be just completing a 2-year study of consumer credit. The study should suggest model legislation or at least the areas of need for legislation. Likewise, the National Conference of Commissioners on Uniform State Laws announced last June that it was beginning "an exhaustive study of the entire field of consumer credit for the purpose of drafting comprehensive uniform or model State legislation."

Yet, all this must be taken with a grain of salt. Although the American Bar Foundation and certainly the National Conference on Uniform State Laws carry a good deal of influence with State governments, the model legislation even when developed will have to follow a long and rough road before being enacted—if it ever is.

Investigation and possible legislation on the Federal level, therefore, seem imperative. While there is no valid case for limiting Government efforts in consumer credit to the State level, there is a strong case for further Federal action. First, the Federal Government has some jurisdiction in the field. Through its control over interestate commerce and over most banks and through its many other powers, the Federal Government has the power and consequent opportunity to alleviate many of the abuses that exist. In regard to Federal labeling or disclosure laws, Senator DOUGLAS points out that we already have the pure food and drug acts, the wool and textile products labeling acts, the automobile price disclosure act, and the SEC full disclosure legislation.

Second, the States have often failed to do the necessary job of preventing the abuses that exist.

Third, the Federal Government has the clear responsibility for promoting economic stabilization. Credit regulations can be a major means of fulfilling this responsibility.

SUMMARY AND CONCLUSIONS

PART I. AN OVERVIEW

A. Consumer credit outstanding has grown at a rapid rate in postwar years, easily exceeding overall economic growth. Installment credit expansion has sparked the growth. The present period of rapid expansion dates from mid-1961, and, though large, is not the steepest growth on record. For a number of reasons, credit growth in 1964 leveled off after record gains in 1963.

B. Installment credit extensions relative to sales in 1964 appear below what one would expect from past experience. Automobile paper terms are tending to become more liberal, but the trend is still limited.

C. Installment credit repayments as a percentage of disposable income reached a record high of 14 percent in 1964.

D. At present, it appears that the increased credit burden is being carried with little or no apparent rise in financial difficulties among marginal borrowers. Most of the increase in the burden can be explained by an increase in the proportion of consumers using installment credit, not by an increase in individuals' debt-income ratios.

The impending large growth in young households, who are big users of installment credit, and changes in the credit-use pattern lead one to expect a renewed rise in the proportion of consumers using installment credit and the proportion with high-repayment-income ratios. Both of these factors should contribute to a rise in the repayment-income ratio for the population as a whole.

E. Consumer credit has a major impact on the economy. It is a prime factor in business fluctuations, acting as a leading and amplifying force. Developments in the general credit market, including general credit and monetary policy, affect consumer credit in a number of ways. But, the question still remains whether present credit and monetary tools are as significant or timely an influence on consumer credit as the policymaker would desire. Some have proposed further controls of a standby, selective nature.

F. There are many different types of credit lending agencies and their importance fluctuates over time. A major problem facing these agencies today is the threatened full-scale entry of savings and loan associations into the consumer credit field.

PART 2: SOME SPECIFIC ISSUES

A. Consumers appear woefully ignorant of actual finance rates but usually do know where to shop for credit and the types of credit to seek. The policymaker must decide just how much more knowledge consumers need.

Senator DOUGLAS has a proposal to provide consumers with much greater finance rate information. His proposal has a number of definite advantages but there is also the possibility that its provisions might cause serious "shock" effects in the short run and may even slow credit growth in the long run.

B. Low-income groups now face a unique credit problem—be exploited or forgo major purchases. Neither alternative, of course, is desirable. Some solution is needed.

C. Evidence is either lacking or negative on the question whether finance companies are taking over automobile dealerships. There is much evidence, on the other hand, that dealers are making substantial profits on the installment financing of automobile purchases.

D. Analysis of the mortgage market reveals a number of important problems. The number of foreclosures on nonfarm residential properties is rapidly increasing. Consumers appear to be using mortgage funds for new—and possibly questionable—purposes. Conpetition which might be excessive is appearing in the lender market. Finally, the whole problem of closing costs needs to be investigated.

E. Abuses in private college loan programs and the high "service charges" on installment credit accounts at retail outlets need consideration.

F. The increasing number of bankruptcies and garnishment actions call

more than ever for a major investigation. These two matters often involve much personal suffering.

G. State laws regulating consumer credit are often quite inadequate and need to be revised. The Federal Government can and should play a more important role in the consumer credit field.

PROTECTION OF U.S. WALNUT TIMBER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. DENT] is recognized for 30 minutes.

Mr. DENT. Mr. Speaker, I appear here to add my voice to those of the American Walnut Manufacturers Association and others who are gravely concerned over the recent order of the new Secretary of Commerce, Mr. Connor, terminating the order of February 14, 1964, for the protection of the rapidly diminishing supply of U.S. walnut timber by slowing down export and domestic consumption of walnut logs.

I first learned of the situation created by export and import policies of this product and other hardwoods that lend themselves to the production of veneers, furniture, and other highly prized and exclusive wood products as chairman of an ad hoc committee that studied the "Impact of Imports and Exports upon U.S. Employment and Unemployment."

Prior to this and up until my election to the U.S. Congress I was a great believer in and follower of the so-called free trade movement. The idea that trade could have a serious effect upon the daily lives of many persons and a direct effect upon our total economy was never considered by myself and I venture to say hundreds of public servants and even millions of everyday Americans.

While I am no longer a free trader, as I understand this type of a person to be, I am a believer in the free exchange of goods and services between nations on an equitable and livable basis. I do not lay all the blame for our economic disease of unemployment at the door of our trade policy but I say that it is responsible for the major part directly and the rest of it indirectly.

Simple arithmetic and eighth-grade education tells us that you cannot ship raw materials to competitors who sell back to your own market or to your foreign market, yet in many cases they do both.

We will learn this the hard way. I dare say that most of our business and industrial leaders already know this simple economic fact but it is worth repeating, "you cannot sell wholesale, and buy back retail, and stay in business."

That is what we are doing with our great and exclusive walnut industry. American walnut trees take from 60 to 100 years to mature into the most valuable of all fine woods and yet this Nation thinks no more of this great natural and exclusive resource than it does of ordinary easy to get products that are available almost anywhere in the world.

It takes over 60 years to produce one American walnut tree. It just cannot be done simply by planting and waiting. It takes, Mr. Speaker, and Members of the House, a reminder from the poet Joyce Kilmer when he penned his poem "Trees"—"Only God can make a tree." I have never asked why this country was blessed with the only source of this great resource but perhaps it is one of the mysterious ways set up in order that every nation has something of its own.

When I first heard of the question raised on the walnut situation during the hearings on Mr. Connor's confirmation by the Senate, I addressed the attached letter to the new Secretary:

JANUARY 23, 1965.

Hon. JOHN T. CONNOR,
Secretary of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: I am sorry to have to make my acquaintance with you by way of a petition, but since matters are as they are, I have no choice.

I do hope we can get together at some early date on matters of such nature as trade, customs, and quotas.

Recently, during the hearings before the Senate committee, on your confirmation, the matter of walnut exports was unexpectedly worked into the proceedings.

As chairman, I headed an ad hoc committee that studied the question of imports, exports, and American jobs. Our report and hearings are available.

The problem of walnut and other hardwoods was given quite a detailed study and, I believe, this led directly to the hearings starting in 1963 which finally ended in the issuance of Bulletin No. 888 establishing a system of quotas and limits externally and internally for walnut harvesting and production.

I will not waste your time with details since I am sure both sides, the foreign interests and the domestic association will give you the details and figures.

Personally, I've tended to follow the line of protectionism in competitive products both as to export as well as import. While this may be an old-fashioned and out-of-date theory, I can't help but remember vividly my own coal, glass, and tool steel production in my district and the chronic unemployment due in a large measure to fixed U.S. costs against fluid and unrestricted foreign production costs.

It was clearly pointed out in the matter of walnut logs that unless a two-way covenant of restriction were imposed, this type of wood would soon be beyond help as a job-sustaining commodity.

I remember well the statement by the then Secretary, Luther Hodges. While he was an avowed freetrader, he had to make the following observation in fairness to the seriousness of the problem. Secretary Hodges said:

"We will keep a close watch on all phases of this program to see that our objectives are not frustrated, for example by a rise in exports of walnut veneer in substitution for exports of logs."

I understand from the industry that while our free-trading advocates have as their goal a world free of greed, want and tariffs as a means to world peace, we still have among us some persons who want profit in any way they can get it.

And so, Mr. Secretary, the great advocates of free trade are doing exactly what Secretary Hodges anticipated and warned against. They are increasing the export of walnut veneer manufactured here, but for purposes contrary to the needs of the industry and the U.S. economy.

All I ask is that you give full consideration to this problem, and please keep in mind that while I am opposed to free trade in products that create unemployment in any nation where imports kill off domestic industry, I propose and have always supported free and unrestricted trade within trade zones of equal cost and production standards.

I favor continuation of Bulletin No. 888 with a further classification of our position on veneers.

I do hope we can keep in mind the need for conservation of the American product—one of the few truly American industries.

With every kind regard, I am,

Sincerely yours,

JOHN H. DENT,
Member of Congress.

Mr. Speaker, one would hate to believe that the Secretary so new in his new position would really believe that a condition of 50-percent success—counting export cheating by foreigners which is acknowledged in the following correspondence by the Secretary himself—in a voluntary program he would kill the program.

What the Secretary is saying is that if a patient is dying and an operation to save his life has only been 50 percent successful with a few errors in the operating room—export of veeners—that it is no use trying to save the patient—stop all treatment. Now he really does not mean that—at least I hope he does not.

On February 24, 1965 I again wrote to the Secretary as follows:

FEBRUARY 24, 1965.

Hon. JOHN T. CONNOR,
The Secretary of Commerce,
Washington, D.C.

DEAR SECRETARY CONNOR: Sorry, I just received your note on export controls on black walnut.

I understand the decision has been made and all restrictions have been lifted.

I wonder if your investigation disclosed how much walnut veneer was made in the United States by foreign producers after they used up their export quota. It could be important.

With every kind regard, I am,

Sincerely yours,

JOHN N. DENT,
Member of Congress.

In response I received the following letter:

THE ASSISTANT SECRETARY OF COMMERCE,
Washington, D.C., March 3, 1965.

Hon. JOHN H. DENT,
House of Representatives,
Washington, D.C.

DEAR MR. DENT: Secretary Connor has asked me to answer your letter February 24, concerning the amount of walnut veneer made in the United States by foreign producers after they used up their log quotas.

We are unable to correlate the timing of veneer production with the date on which individual export quotas granted to the same companies were exhausted by actual shipments. I assume, however, that your question primarily relates to the net increase during the last year of veneer exports by foreign interests who may also have had log export quotas.

From confidential reports submitted to the Department, we estimate that walnut veneer exports in 1964 were approximately 520,000 board feet higher than in 1963. Of that amount approximately 390,000 board feet were exported partly or wholly by foreign-owned concerns which may also have had log export quotas under the control. These 390,000 board feet represent less than

10 percent of the roughly 4.5 million board feet by which domestic walnut consumption during the past twelve months exceeded the 15 million board feet target figure.

Thank you for your letter.

Sincerely yours,

THOMAS G. WYMAN,
Domestic and International Business.

Now, my fellow Representatives, I can understand the Secretary's precise and to the board foot knowledge of domestic consumption but is it not farfetched to say that he has no figures except confidential figures on the exports of veneers that are used in U.S. quotas.

First of all why confidential, why not public? Who gave these figures in confidence? My father always warned me against persons who whispered in my ear confidentially.

I am convinced that the whole effort in the walnut problem has been made to take off controls come hell or high water. It does not matter to some people whether the walnut industry burns or dies by drowning. Frankly, I am afraid it will succumb to suffocation.

Another interesting point to be considered by all of us is that the walnut industry is being penalized for the "big sale" increased production, creating more jobs and adding to the gross national product.

Where, oh where, is there any logic or commonsense in such a situation. Certainly there is economic sense.

On one hand we are spending billions for upgrading our workers, rehabilitating depressed areas, pushing for a growth in the gross national product and in this case we are told "you are a bad boy—you got better than 100 percent in effort." No fooling, is this the same Nation that passed the poverty bill, Appalachia, the wheat and farm subsidies?

In the walnut industry you are penalized if you produce more than you are allowed not because you create a surplus; no, according to the Secretary's letter there is a danger of exhaustion of supply of raw material, but simply because we have to give foreigners part of our limited supply. This is different in the sugar business.

In the farm industry they are paid to keep producing even if the bins are full and we cannot even give the surplus away. It is true, there is some measure of control but it does not take a lifetime to grow a new crop. So controls are an assurance of income not curtailment of needed products.

Mr. Connor's first reply in the form of his release of February 12, 1965, expresses the most illogical and frustrating of all the reasons for leaving our walnut reserves unguarded against the profit pirates of the international trade world. Let me quote a statement made by Mr. Connor:

Notwithstanding the industries' commitment to adopt one thirty-sixth inch as the commercial standard for veneer thickness, this was never done. After some weeks, the veneer cutters did begin to slice a thinner veneer, which they reported as one thirty-sixth inch but which field surveys have shown to average about one thirty-fourth inch. (Furniture manufacturers protested they could not use this thinner veneer, and for a long time failed to do so.) We now find that domestic consumption of logs for the control year has exceeded the 15 million board foot target by over 4.5 million board feet. On this ground alone there is sufficient basis for not continuing the controls, since the condition for their continuance was not fulfilled.

The situation does not seem to involve the possible extinction of the walnut resource. On the contrary, walnut trees are constantly being planted and constantly maturing. Demand is for the moment exceeding new growth, but market factors will undoubtedly bring about a balance, ultimately, between consumption and growth. Among the important factors which could help to reduce domestic log consumption, for example, are not only price shifts, but increasing use of substitute materials.

It does not seem to matter to the Secretary that the veneer makers have to sell their product and the buyers balked for a long time. The Secretary should understand that selling drugs on a doctor's prescription with a captive patient is a lot different than selling in a competitive market with or without the doctor's orders. This coupled with the export of veneers by foreign agents buying for foreign uses adds to the overrun.

The moral of this is that if you cannot get walnut, you can use synthetics. Was not it Marie Antoinette who said, "Let them eat cake."

Let us go further and read a little more from this release of the new Secretary of Commerce.

We now find the domestic consumption has exceeded the board foot target by 4.5 million feet. On this ground alone, there is sufficient basis for not continuing controls, since the condition for their continuance was not fulfilled.

Funny how he slips over the fact that while there was an overrun for perfectly logical reasons in any industry, there was a cutback from the year before by U.S. cutters of the same amount over 4 million feet.

Frankly, it begins to appear as though Mr. Connor's drug experience is coming into play and the American people are going to be given a dose of his potent tranquilizers so they will not feel or even mind when they lose their shirts or pants are taken off.

For me to waste your time and mine with the figures showing the decline of the source walnut trees would be presemptious. I therefore want to cover the parts of the story that affect you and me and representatives of the people of the American economy as it represents the welfare of our people present and future.

Certainly the loss of the walnut veneer industry would only be a drop in the bucket. With only 2,000 employees and a payroll of about $12 million, it is a peanut industry with the minds of our "think big and abroad" crowd. When you figure the 100 persons in the average walnut veneer plant it makes the industry a prime candidate for oblivion.

Incidentally this fits the overall goal of our trade policy as expressed by George Ball in the fight to pass the Trade Extension Act of 1962 when he said that we may as well face it, certain U.S. industries were expendable and would have to be replaced by more sophisticated productions.

Connor suggests the same thing, "use substitutes." Marie Antoinette substituted cake.

However, Marie found out, and George Ball will find out sooner or later, that substitutes never replace originals, they just displace them.

Now, Mr. Speaker, I am not foolish enough to think that the walnut industry's demise will bankrupt the Nation. It would not but it will play hell with 2,000 families in the industry, the producers and their investments. It will certainly affect the welfare of the communities involved by way of taxes, economic growth and above all, will take from 6,000 other Americans the source of their incomes.

We will soon be called upon to work for the passage of a new Fair Labor Standards Act. It is needed and I support the effort. I do so, however, with my eyes open. I know it brings this industry closer to a serious situation since our fair labor standards are not exported with our logs but their labor standards are imported with the products they make from our logs.

Funny thing how a farmer thinks it is great to sell a walnut tree to a Japanese veneer cutter for more money than he can get from a U.S. veneer producer, but thinks nothing of asking the veneer people to pay taxes to subsidize his wheat crop, while he demands that Congress refuse admittance of competitive wheat at any price especially below his guaranteed subsidized price.

Maybe the answer lies in what a liberal, progressive, and high Government official once proposed to me as the answer.

He suggested we subsidize all products, including veneers of course, to export at a loss to the producer, pay the producer a "farm-type subsidy" buy up the surplus products and by this method keep everybody working and paying taxes to keep the plants running.

There is no question but what this would give us our share of the foreign market for veneers and of course sheds full of walnut since our U.S. furniture makers would be out of business unless we gave them an equalizer price subsidy such as we have given the U.S. textile industry so that he could compete with foreign producers.

Incidentally, figures now show that all the textile industry subsidy plan did was to give the textile industry a guaranteed profit.

Now these remedies sound fine but basically they are as unsound as trying to reach the moon on a broom carrying a slicing machine to bring home cheese out of which the moon is made—or is it?

While the U.S. veneer industry use of logs increased 3.18 times during the 6-year period between 1954 and 1960, the export of logs increased 1,700 times.

If we had at least limited exports to our own increased use it would have saved 8 million feet of prime walnut new logs. No person buying will see this

much new walnut in this lifetime under our present operations.

The use of walnut is unlimited; only the supply determines its production of goods for use of the people.

The double standards of our trade policy will eventually spell the downfall of this Nation as both a trading nation and as producer of processed and manufactured goods.

Already we have become dependent upon foreign sources for much of our everyday consumer needs.

It is no laughing matter when 97 percent of all the fine china sold in the United States last year was imported, when great numbers of American kids ride, skate, swim, spin, jump, dance, listen, eat, drink, write, play games, clean their teeth, comb their hair, and everything but breathe with foreign-made products.

I challenge any Member of this Congress to take a family Christmas shopping list and try to fill it without losing his temper or at least his patience.

I was under the erroneous impression that the purpose of all governments, and especially ours, was to make our Nation strong and independent. Independence does not mean isolationism anymore than stopping the export of an expendable natural resource is a violation of fair trade relations.

Perhaps to you the relationship between the majestic and enduring American walnut tree and the everyday cutthroat competition of world trade is a figment of my imagination. Not so; and the facts will prove my contention that the American walnut tree is symbolic of all our trade agreements where we as a nation put the profit and the balance of trade above and beyond the true needs of the community and its peoples.

Let us look at the American walnut tree. After 60 or more years it is cut down and prepared for shipment. It can go two routes; to a foreign country or to a domestic processor. If we ship it overseas—the logger gets paid, the owner gets paid, the transportation gets paid, and finally, if it by accident happens to be an American ship, the sailors get paid.

From the stump to the faraway place, the U.S. economy benefits to the tune of about $300 and this is from prime veneer logs. Much less will be realized from the run-of-the-mill-type logs. You can bet the foreign buyers with their wage and tax cost differentials select only the best logs for their export.

Let us take a look at what happens when the logs are shipped to an American mill. All the above get paid except the shipping line. However, the transportation from the veneer mill to the furniture plant and other users more than makes up this loss, which is only a loss if shipped American. All of you know how slim our chances are of having logs shipped to Japan and other countries via U.S. ships. Of course, if under the AID program, maybe we will have a 50–50 chance.

Now that we are even, insofar as U.S. economy is concerned, let us go further with our U.S. veneer produced from a U.S. walnut tree with U.S. labor.

The logs shipped to a U.S. mill are processed along with other woods used in making veneers or are shipped as veneer for other manufacturers who use the veneer as a veneer without backup lumber. In either case the jobs provided are the same. From the veneer plants it moves to the furniture, cabinet, and panel manufacturers. The cuttings not suitable for veneers are shipped for stair rails, trim, frames, and other items that are fast disappearing from the American scene.

Now, when you realize that only 2 percent of veneered walnut furniture is walnut, and the balance other woods, you realize that for every walnut log consumed by our furniture industry it takes 49 other type trees to meet the needs of the industry.

What does this mean to the U.S. community? It simply means that for every logger that gets a job from an exported tree, 50 other American loggers lose 3 jobs. There is no argument in the claim that if we were not exporting the one logger would lose his job because every person except perhaps Secretary Connor knows that domestic and world demand for American walnut furniture far exceeds the supply.

Let us step further and figure how much the export logger contributes to the doctors, nurses, barbers, retailers, clothingmakers, car producers, farmers, workers in heavy and light industries making radios, TV's, air conditioners, and on and on and on.

And last but not least, how much does the export logger contribute to schools, churches, hospitals, spectator sports, charities, and on and on and on.

Let us look at figures that might help us grasp the situation. In 1961–62 we exported 8.5 million board feet of walnut, sold cut 17.5 million feet in our domestic market.

In 1963 we reached 14.3 million feet export and 23.5 million feet domestic. In 1964, without controls, the normal growth use factor would have forced U.S. producers to produce 26 million feet and the exporters using the same ratio of growth would have gone to 18 million feet.

However, in 1964 even with a voluntary cutback on thickness plus a charge against the United States for exported veneer we were forced to cut back to 7.3 million feet export logs and 19.5 million feet domestic.

If we did not have controls and if we had not allowed export of logs plus export veneer, the entire cutting of American walnut would have only met the needs of our own market. This certainly proves we have and are exporting jobs, wages, salaries, and service industries' earnings with every log we ship out.

Let us look at the next step that took place after only 1 year of controls. The exporters, the people who claim they are so necessary in our economy, had such a demand for veneer they contracted for veneer made here. However, they had the joker up their sleeves and export veneers were reduced to one-fiftieth of an inch thickness.

U.S. producers had to battle American users of veneer to try to sell our veneers cut to one thirty-sixth inch thickness in place of the one twenty-eighth inch formerly the standard for walnut veneers.

Foreign furniture makers thus make up for their higher priced veneers because they get more facings for their furniture and the unsuspecting buyer gets hooked.

The facts are there for all to see. We do not need to export logs. We can and do export furniture but you can see what is going to happen in this area of export trade with the ceilings off on walnut log export.

The wily and foxy trade boys would not quit right away but I will predict the end of the veneer export business and soon the furniture will go down the same drain.

The argument of the Secretary that this free sale and export of logs will help Appalachia is just so much hog wash. One good furniture plant will hire more people, contribute more to the economy than all the logs cut in Appalachia. If you want to help Appalachia, let Bendix start making their Japanese radios in Pennsylvania; let Studebaker go back to Indiana; let the Americans start drinking from glasses made in West Virginia, Ohio, and Pennsylvania; let the dinnerware makers in the pottery areas put the plates on our dinner tables; let our textile makers make our cloth; let our transistor and electronics workers put the guts in our TV's, tape recorders, and PA systems; let steel workers make our steel and our coal miners heat our homes, produce our power, and heat our institutions along with our domestic gas and oil producers.

Let Americans produce for our own uses, let our farmers produce our food and those of us working in our factories will pay them for full production and they can give away their surplus to needy people overseas to help them get on their own two feet.

That is where we all end up, on our own two feet as peoples and as nations; if not, we will all end up on our backs—there is no in between.

You try to sell a free trader the proposal that he run his home on the same theory and you will find out how he is with his own job and his own family's welfare.

I find that when I scratch a free trader with foreign competition he bleeds and screams louder than any protectionist I know.

One wonders how the same government could issue one order restricting sugar export sales that had not even taken place with a worldwide supply sufficient for all needs while in the same breath using the same provision of GATT, article XX(g) in the 1947 agreement to wipe out export restrictions on walnut, a short-supply resource and affecting no other countries' exports since we alone produce American walnut logs.

Testimony before the Hartke committee shows the double talk used to accomplish this, by no means an amateur trick.

You are not interested at this moment in the export of dollars but let me quote from a nationwide foreign products sales group. This will give you some idea of

how the free-trade boys operate. They claim to be freetraders for the good of mankind—maybe they are, more power to them if they are—but I am of the opinion that mankind as they see it is the man who faces them when they shave.

Here is a little advertising that accompanies an offer to sell the following items:

1. Electric powered 8 mm. movie cameras—no winding—drop in loader—black and white or colored—for $4.40.

2. Jeweled calendar watch—Swiss movement—tells time and date—sweep second hand—gift box—water resistant—anti-magnetic—stainless band steel back—for $2.33 plus 11 cents for expansion band.

3. Tape recorder—4 transistors—complete with built-in powerful dynamic speaker—records—plays back, erases—rewinds includes microphone, battery, tape, reels, etc.—for $6.70.

4. Electric razor—product Swiss craftsmanship—shaped to shave the heaviest beards—maker guarantees full 2 years—complete with cord—head guard and brush—for $1.70.

These are only four of hundreds of import bargains you can get to make fantastic profits of over 200 percent if you want to go into business. Here are a few more:

Australian wool sweater	$2.00
Transistor radio	1.70
Cigarette lighter	.17
Electric carving knife	1.50
Binoculars	1.20
Teakwood chest	.90
Derringer pistol	5.74
Star sapphire ring	6.00
Electric hair dryer	1.37
Electric train set	1.36

Impossible—that is what you think. I thought so too, but I investigated further and then I came across the real free trade clincher.

This is the sales pitch showing you why it can be done, why it is being done, why we are losing our walnut industry and why we lost Studebaker, Bendix, Bell and Howell, and the hundreds of free and independent American firms that under the guise of helping our neighbors are bleeding our own Nation white; they are taking the gold out of our economic bloodstream and our kids will have limited choices of a career. They can go to school for life under subsidy, they can produce protected subsidized products, they can get a job in government, or they can inherit or marry accumulated wealth.

Of course it would not hurt if you happen to own some good export-import stock or invest in oversea American-owned facilities.

This is all good for a few but I guarantee the rest of us will be pretty much in the same ruts of poverty, not the same kind of poverty we are attempting to cure now, but a different type.

One of our first signs of the new poverty will be when we are told "to have only as many children as we can afford." From there on it is your guess as good as mine, maybe the child we did not have would have been Columbus or Einstein or Michaelangelo or for that matter you or me.

Sorry, if I get a little away from my import bargains and and how it is possible so I will close by quoting verbatim from the man's sales pitch which I have for your inspection, if you will not or cannot believe me:

HERE'S WHY IMPORT PROFITS ARE FANTASTIC—YOU CAN CASH IN ON THESE LOW LABOR COSTS AND POCKET THE DIFFERENCE

Compare the high cost of domestic labor with recent oversea costs:

Overseas labor costs so little

	Per hour
United States	$2.80
Japan	.56
Holland	.58
Italy	.65
Belgium	.73
Switzerland	.77
Great Britain	.80
West Germany	.85

Every dollar you spend for labor on overseas products is worth $4 here. According to reports furnished by the U.S. Department of Commerce and other reliable sources, the recent average price of skilled labor in various countries does not exceed the amounts shown above. Compare the U.S. cost of $2.80 with 56 cents an hour in Japan, or in other countries. It's easy to see why import pays so well. Compare the costs of Swiss watches, German tape recorders, Japanese transistor radios, hundreds of other imports, with the same domestic merchandise. There is no comparison. And often, the imported product has much more painstaking handwork.

My fellow Members of Congress, need I say more—this importer agent has said it much more eloquently than I could have and besides he knows what he is talking about. "It is good for business—his business."

ISSUES IN VIETNAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. ROSENTHAL] is recognized for 60 minutes.

Mr. ROSENTHAL. Mr. Speaker, for the past several months I have been deeply concerned about Vietnam. As a member of the Foreign Affairs Committee of the House, I have had an opportunity to examine the issues which are at the source of the crisis and have come to appreciate their complexity. Like many of my colleagues, I have regarded it as important to respect the Executive's primary responsibility in foreign affairs. I have been moved by the President's awesome burdens in this field. I recognize his greater command of information.

But I suggest that we in positions of national trust cannot remain silent in the face of growing national anxiety. We have a responsibility to thoughtful and open debate about Vietnam. I respectfully suggest that it is wrong to maintain that in our democratic society we will do our country a disservice by discussing our present course of action. The absence of forthright dialog actually calls into question our national vitality and the strength of our representative institutions. It is clear to me that the people of this country are disturbed over the events in Vietnam. They want to hear debate, lest they be cut off from their leaders and the important decisions on foreign policy.

During the vibrant period from 1947 to 1949, when the groundwork for our postwar military and diplomatic policy was established, debates in Congress were frequent, spirited, and enlightening. They contributed to the formation of the Marshal plan and the Truman Doctrine. Why are so few voices raised now, when nothing less than our future commitment to Asia and world peace are at stake? To urge debate in Congress is not to suggest that the legislative body make foreign policy. It is to expose a maximum of ideas, a variety of thinking, to the open air. We owe it to our constituents to express our views, however mistaken we may sometimes be. I rise to speak today, then, out of a commitment to a free discussion of one of the vital questions facing the American Nation.

It seems clear that, when the administration decided to extend the war in Vietnam to the north, it knew the risks involved. The administration chose to undertake a policy, the consequence of which was, at best, uncertain. Indeed, on a number of occasions, the President himself suggested that nobody could predict the future with confidence. It was his judgment, however, that forces on the other side—in Peiping, Moscow, Hanoi, and the Vietcong—had to be convinced of our irrevocable commitment to South Vietnam and our refusal to be coerced into withdrawal. This constituted the broader political grounds for our decision to bomb the north.

Diplomatically we were determined "to do something to the other side we could stop doing" to improve the prospects of a settlement. I fear that what began as a principle for improving our bargaining position has simply become a blueprint for the escalation of the limited Vietnamese war into a general Asian war.

It has been 2 months since we began bombing North Vietnam on a regular basis. By this time, one administration spokesman was reported to have said in February, the Communists should by now have backed down. But they show no signs of doing so. On the contrary, their will to fight appears to be stiffer than ever and we have acquired no perceptible military advantage. As a consequence, I believe it is important to evaluate the effects of this policy in an effort to improve our posture in the future.

The real issue as of today looks to me like this. The bombings have produced very little.

A UPI news release follows:

SAIGON.—American military authorities here believe the war for control of South Vietnam remained at a stalemate during March, despite the intensification of airstrikes in the south and raids against the north.

Moreover, an American military spokesman said, "There certainly has been a continuation of infiltration in March," although the announced intention of the air raids against North Vietnam was to convince the Hanoi regime to halt the infiltration of men and arms into the south.

The spokesman said the number of American bombing strikes against Communist concentrations inside South Vietnam doubled in March as compared with previous months.

In spite of this increased use of airpower, however, the Government just managed to hold its own in the provinces outside those immediately surrounding the capital.

The point at which they would have forced Hanoi to negotiate—if, indeed, Hanoi does exercise its will over the Vietcong—without triggering direct Chinese or North Vietnamese intervention has continued to elude us. We seemed to have failed to take into account the deep resources of Asian patience. Meanwhile, we have risked greater escalation and ignored viable alternative policies. There are at least some reports which indicated North Vietnamese interest in useful negotiations. Our bombing may be suppressing that interest by making it impossible for North Vietnam to negotiate in honor.

Has the bombing then been in any way successful? Did the north really want to negotiate from the outset, as some have suggested? Was Ho Chi Minh himself anxious to negotiate, actually waiting to see the Chinese contention that America was a paper tiger proven wrong? Have the North Vietnamese been preoccupied with intraparty squabbles between moderates and Maoists and hence completely precluded from settling on any single policy? Have the Russians been quietly biding their time waiting to see us call China's bluff?

These questions and many others hold the key to our future in Vietnam. Our policy has acknowledged their validity but I construe President Johnson's remarks about the difficulty of predicting the future to mean that we may not really know the answers. Without knowing the answers myself, I see us involved in a frustrating war without apparent policies for resolving it. Something must be done and I would like to propose some alternatives to our current course.

At the beginning of any analysis, we must acknowledge that we are not fighting a monolithic Communist enemy in Vietnam. We face rather a complex, divided alliance, as much preoccupied with its own incoherence as it is with waging war on its enemies. That these divisions are the consequence of conflicting objectives has rendered even more difficult our devising a logical policy for dealing with our adversaries. But we must still devise a policy.

We think we understand the intentions of the Soviet Union, one member of the Communist alliance. Russia, it now seems clear, is unhappy at the extension of Chinese revolutionary influence into southeast Asia. Though I am not deceived by Soviet objectives, I think it is indisputable that Russia does not want a general nuclear war.

We are less clear about the nature and intentions of Communist China. Are the Red Chinese nationalists before Communists?—Asians before nationalists; is there no single answer? Perhaps by adopting prudent policies we can encourage them to be what we want them to be, which is—as a minimum—peace-loving.

Even if there is some truth in the argument that, as of now, the Chinese are primarily Asian expansionists, it does not follow that their expansionism is like Germany's in the 1930's or Russia's in the 1940's. Chinese interest and influence in southeast Asia—cultural, political and racial—is centuries old. It bears little resemblance to Russia's concern with, let us say, Berlin, or Nazi Germany's ambitions in the Balkans. Mao's revolutionary guerillas are vastly different from Hitler's Wehrmacht or Stalin's Red Army. We do not confront them in the same way. Mao's revolutionaries fight with ideological weapons, with which we oftentimes do not know how to deal.

However noble our motives and however reprehensible theirs, they use, along with a dose of terrorism, hope and the promise of a better future. Why have we—heirs to Wilsonian idealism and a great revolutionary tradition—forgotten how to use the weapons of that tradition? We know what China is—in reality, a threat to the aspirations of the southeast Asian countries. But we have failed to exploit that threat and have instead put ourselves, in the minds of many Asians, into the positions not of defenders of independence but of neocolonial aggressors.

We have also failed to exploit effectively the strains within the Communist alliance. We have an investment in Russia's strategy of peaceful coexistence. But we have played into Chinese hands by making it appear as if death-lock struggle is the reality of world affairs. We have not sufficiently encouraged the development of a pluralistic world communism of Titoist states balancing the two giants. Though military establishments since Caesar have operated on the principle of divide and conquer, we have not sufficiently promoted such divisions.

Ironically, our Vietnamese policy, while contributing to Communist unity, imposes enormous strains on our own alliance. Prime Minister Wilson, himself at work on creating a great society, faces increased dissension in his own party. De Gaulle's France, long a proponent of a negotiated settlement in southeast Asia, recognizes in our predicament a repetition of their own troubles of 10 years ago. We demand and receive the ostensible support of our allies. But we do not have their confidence. There is intense concern, deep skepticism, over our bombings. Will they force Hanoi to give up or will they escalate the conflict into general war? I do not suggest that this country base its policies on world opinion or the private doubts of our allies. I merely argue that these components cannot be ignored.

Our friends and allies, world opinion generally, and my own constituents have a right to expect clarification of our goals in southeast Asia. They urgently desire that we take the lead in seeking an honorable settlement in Vietnam. I do not accept the argument that we compromise our negotiating position by clarifying our goals. I think we suffer from a diplomacy of silence. I see no reason why this country cannot afford to talk openly and directly. The climate of distrust and suspicion—created by questionable military tactics and ambiguous diplomatic objectives—is hardly conducive to peace.

President Johnson opened a new chapter in our southeast Asian diplomacy at his March 20 news conference. His words deserve careful attention and highest praise:

> The real goal of all of us in southeast Asia must be the peaceful progress of the people of that area. They have the right to live side by side in peace and independence. And if this little country does not have that right then the question is, What will happen to the other hundred little countries who want to preserve that right? They have a right to build a new sense of community among themselves. They have a right to join, with help from others, in the full development of their own resources for their own benefit. They have a right to live together without fear or oppression or domination from any quarter of this globe.

The question now being asked throughout the world is: How do we recognize and provide for the honorable realization of these rights?

In my view, we must offer to North Vietnam an alternative to its present situation in southeast Asia. Those forces in that country which fear domination from China must be shown that there is an alternative other than domination from the West. We have to make it clear that Americans are prepared to feed Asians rather than fight them, clothe Asians rather than bomb them, and teach Asians rather than gas them. And we must show that we will promote and support a system of security in that area which counterbalances the threat of China.

No one should pretend for one moment that such a promise has a strong chance of realization. American presence in southeast Asia is as unnatural and resented as Chinese influence is historic and preponderant. Revolutionary communism, at least in its early stages, is often an attractive path for aspiring nations. But it is clear that America can produce no better policy than one which seeks to promote an independent southeast Asia with an ideology and diplomacy of its own.

There is a chance to take the first step toward this goal right now. Ho Chi Minh is an old Bolshevik, to whom Mao is as much a menace as America. He has carefully built up an industrial base which he is not anxious to lose. He has interests in trade arrangements with the economically complementary south. He is attracted by fuller diplomatic recognition. The prospects of growth through development aid and participation in regional economic plans is more compelling than the protracted attrition of the past 20 years. Ho Chi Minh is an old man, desirous of seeing some general advancement for his country after 20 years of war.

To offer him an alternative to Chinese domination, the United States must overcome an enormous legacy of resentment and hatred. Unless our offers of assistance are above suspicion, they will not succeed. We must be prepared, for example, to join in informal cooperation with Russia in formulating plans for the economic development of southeast Asia. Such coordination, besides promoting stability in southeast Asia, will improve relations with the Soviet Union. It will help isolate China and certain Chinese

influence. It will advance the prospects for a system of international cooperation to assist in the development of the poorer regions of the world. I think it is crucial that this country make a commitment to a new deal for southeast Asia. We will, thereby, open up the doors to honorable negotiations for peace in Vietnam.

I urge, as a first step, that the United States cease, for the time being, its bombing raids in the north. At the same time, we might informally request from Hanoi a significant reduction of the incident level in the south. What I suggest is not a total cease-fire. This country will be able to continue its air reconnaissance, intelligence, and antiguerrilla political pressure. Hanoi will probably be unable to prevent isolated incidents of banditry and some insubordination in the Vietcong. But my plan represents a start.

This is diplomacy by mutual example—a process already begun between the United States and Russia by President Kennedy. There is no reason why such diplomacy cannot be extended to Asia. A temporary cessation of bombing will allow Hanoi to receive and initiate peace overtures without appearing to be under coercion. This country would be taking no irrevocable steps. Nor would such action compromise any particular military strategy since, for the most part, the bombings have always been political and psychological in character.

To the argument that such a move would demoralize the South Vietnamese Government, it can fairly be answered that this country has tolerated the impossible behavior of South Vietnamese governments for long enough. Sooner or later, even Saigon must come to accept peace.

During a period of a temporary military moratorium, the United States could pursue a full diplomatic offensive, in an atmosphere of open conversation. Channels heretofore closed might be opened. Proposals for settlement previously repressed might now be considered. And the talents of the country's and perhaps the world's most skilled political negotiator—Lyndon B. Johnson—could be released in pursuit of a settlement honoring this country's commitments, respecting Asian sentiments, and promoting world peace.

Mr. Speaker, I fear we are in danger of becoming the victims of our own diplomatic rigidity. I respectfully call for a policy of flexibility, a policy that will recognize peace within a framework of world security as our goal. I submit that there is more than one way to achieve that goal. I call upon those responsible for formulating our foreign policy to consider every possible alternative to bring the war in Vietnam to an honorable conclusion.

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

Mr. ROSENTHAL. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. I wish to commend the gentleman from New York for bringing to the attention of the Congress his thoughts on a vital issue which appear to have been seriously considered. I, too, was somewhat disturbed by the action that the President had taken in Vietnam and raised some questions during the briefing at the White House on March 2 with the President and the Secretary of State. At that time I was assured that every diplomatic channel is being kept open, in line with the suggestion that the gentleman has made, that we may negotiate for peace. The question is, with whom do we negotiate? It takes two to negotiate. We have been assured by the administration that it has made every effort to negotiate. But the only reply it has received from North Vietnam is a complete denial of any direction of or connection with the guerrilla warfare going on in South Vietnam. Under such circumstances, while I heartily agree with the gentleman now in the well of the House, that every effort toward a negotiated peace ought to be exerted, the question still remains, with whom do we negotiate?

Mr. ROSENTHAL. I would call the attention of the gentleman from Hawaii to an interesting piece of news that just now came across the Associated Press ticker. It is marked "bulletin." It says: "United Nations, U.N. Secretary General U Thant was reported to have received a message from Red China's Premier Chou En-lai today suggesting that a solution to the Vietnam conflict was up to the parties directly involved."

This is, to me, somewhat interesting. Whether it is credible I would not even offer a suggestion. But there are many countries in the world—Poland, Switzerland, England, France, India, Canada—who are willing to act as middleman between the United States and Hanoi. Certainly, we have the burden of openly suggesting to the world that we are willing to negotiate with Hanoi to see if this matter can be ended. If the Communists come forward and say they are not interested, and if they say, "We do not want to negotiate—we want to pursue this matter because we are winning the war," then our conscience is clean. We can pursue them with our bombers or with whatever military policy is necessary with all the vigor at our command.

I merely say that a major effort on our part must be made before any large-scale escalation can be allowed.

Surely Russia and China have differences of opinion. There is, I believe, a conflict between them. I do not believe that Russia wants China to get into this thing in Vietnam.

Our moral obligation to ourselves and the next generation is to make a massive effort to negotiate in an honorable fashion. Perhaps we can say we will take a week off from bombing the north, or 2 weeks off, or whatever it may be.

If we are not willing to participate in at least a first step toward negotiation, then we must, of course, suffer the consequences.

Mr. MATSUNAGA. The gentleman is not suggesting that every effort is not now being made by the administration?

Mr. ROSENTHAL. I am sure that efforts are being made, but perhaps those efforts would be more fruitful with a reduction in bombing.

I, too, have been with the President and the Secretary of State and others.

It may be that there is another alternative. Perhaps if we stopped bombing for 2 weeks and announced that to the world, starting tomorrow or the next day, then we could put the burden on the other side, and they would have to carry the burden in the court of world opinion.

We must remember that we are really a great power, compared to the North Vietnamese. We can eliminate them in 12 hours any time we want. I believe that the fact that this has not happened is an indication the President has shown great restraint.

Mr. MATSUNAGA. Again I commend the gentleman in the well for having given such considerable thought to this matter. I hope that his thoughts will be conveyed to the administration and that perhaps at a conference table, even with the President, his suggestion may be discussed.

Mr. ROSENTHAL. I thank the gentleman for his participation.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. ROSENTHAL. I am happy to yield to the gentleman from California.

Mr. TEAGUE of California. To me it is interesting that this apparent lack of full confidence in the President and the way he is handling this most difficult and complex problem in Vietnam comes from a Member of his own party rather than a Member of the opposite party.

Mr. ROSENTHAL. Let me say at that point, there is no lack of confidence in the President at all. I am offering two suggestions.

First, there may be other alternatives, perhaps, from the ones the President's advisers have suggested to him.

Second, as I indicated in my opening remarks, I welcome this kind of discussion and dialog.

I have no lack of confidence. I suggest that, in my judgment, the President is one of the most skilled negotiators in the world. I urge him to put these talents to use in a field which requires all the skills at his command. I am offering a suggestion. I have not, by any manner of means, indicated I lacked confidence in the President.

Mr. TEAGUE of California. Perhaps I was incorrect in my interpretation. I realize the gentleman said some very complimentary things about the President. I got the impression that by raising this point and making these suggestions, the gentleman had some belief or some fear that perhaps the President was not handling the situation in Vietnam as he should.

Mr. ROSENTHAL. That is not the case. I am suggesting there might be other alternatives. Perhaps this idea has come up before, within the President's council of advisers.

The fact that this suggestion comes from a Member of Congress—and other Members of Congress indicate similar thoughts—merely indicates that these things should be put on the table.

I welcome the gentleman's participation. I am certain it was not inspired by any partisan consideration in any way at all.

The point is that this kind of open discussion between the gentleman from California and myself and between the gentleman from Hawaii and myself is really a healthy thing. We have less information than the Executive has. We have less experience and skill. Yet, sometimes even a novice can come up with an idea which has merit.

That is the principal reason for my taking the floor today.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from California.

Mr. EDWARDS of California. I compliment the gentleman from New York for taking this time this afternoon and offering his very thoughtful remarks on this difficult subject which plagues all Americans and indeed the entire world. By our having what we believe is an intelligent, thoughtful dialog on this immensely difficult subject, we do not indicate in any way that we do not have the highest respect and admiration for our President.

But this is the nature of our way of life. It is the nature of our free society, where our citizens, certainly not excepting Members of Congress, can stand up and discuss the great issues of the day. President Johnson would be the first one to want us to have such a discussion.

Now I would like to ask the gentleman from New York a question. He recently mentioned that the administration has come up with some affirmative suggestions, insofar as the problem of southeast Asia is concerned, so that the other side would know what kind of a world we have in mind for them in the event that hostilities cease and agreement can be reached. I am sure that the gentleman from New York and indeed all of the Congress would applaud the President's support of the Mekong River Basin program. This program of the United Nations which is supported by 25 nations is an example of the type of project which could assist these underdeveloped nations of southeast Asia on the road to economic viability. As the gentleman from New York knows, this project involved Cambodia, Laos, Thailand, and Vietnam and could be to these nations what the Aswan Dam is to Egypt and the Volta River Dam is to Ghana. It seems to me that this kind of affirmative approach to the Vietnam program would be a considerable help in arriving at a satisfactory solution.

Once again I want to thank the gentleman from New York for yielding to me, and I assure him of my appreciation for his remarks.

Mr. ROSENTHAL. Mr. Speaker, I thank the gentleman for participating in this discussion. I know that the gentleman is aware of the fact that tomorrow night at 9 o'clock the President is going to speak on national radio and television from Johns Hopkins University. I am hopeful that he will amplify American policy in southeast Asia. It may be his remarks tomorrow night will be the beginning of a major peace offensive. There is nothing wrong in that. It is the man with all of the strength who can in good grace say to the other fellow, "Well, we can stop fighting." They know as well as we do that they do not measure up in the balance of power. There is no contest between us. But certainly the gentleman from California knows as well as I do, that the major threat to this society is a nuclear confrontation. Nobody really wants that. Maybe the Chinese would like to have some action along those lines, but so long as we in this Congress participate in making every effort to assure that this civilization is not ended by that kind of a confrontation, then we have done our job, and I think part of that job is once in a while talking about it as we are doing here today.

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

Mr. ROSENTHAL. I will be happy to yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. Mr. Speaker, I would like to join my colleague from California [Mr. EDWARDS], in complimenting the gentleman from New York in making his presentation. I think it is a notable contribution to the dialog on this subject. I know in my own mail from home in the comments there and in the editorials in the newspapers and from a questionnaire that I have sent out it tends to suggest a consensus which would certainly support some of the provocative and, I might say, forward looking ideas that the gentleman has presented here today in connection with a peaceful resolution of a very painful choice for you and the President and our Nation and indeed the world. I want to thank the gentleman for his contribution this afternoon.

Mr. ROSENTHAL. Mr. Speaker, I thank the gentleman.

STATEMENT ON FILING OF BILL ON TAX-EXEMPT MUNICIPALS

Mr. TEAGUE of California. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. KEITH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KEITH. Mr. Speaker, today I have filed legislation which will put a stop to certain abuses in the area of municipal industrial financing. The bill amends the Internal Revenue Code of 1954. It denies to a corporation a deduction for payments—rental, lease, and so forth—made to municipalities on industrial plants financed by tax-exempt obligations. It also denies a deduction for interest payments made on mortgages which are so financed.

Under the code, the Federal Government does not tax the income received by the holder of a municipal obligation. This is as it should be in order to protect the fiscal independence of local governmental units from control by the Federal Government. However, in recent years, there have been permitted, in a number of States, an extension of municipal financing into new areas. In 28 States, it is now permissible for a municipality to issue an obligation—generally a revenue bond—in a few States they can be backed by the general credit of the municipality—and to use the proceeds for the purchase and construction of industrial sites. The procedure then is to lease or make some other arrangement with an industrial firm to use the facility.

Many communities using this type of financing do so in order to attract new industry. It has become a competitive proposition in some areas. The proceeds are never intended to be used for a bona fide governmental purpose, but solely to enable the community to offer a better "deal" to a corporation. The municipality permits its governmental tax exemption to be used for the expansion of a private company.

Mr. Speaker, in my view, such use of municipal financing is not in accord with the original intent of the exemption. This financing was to be used for genuine municipal projects, not for the benefit and subsidization to private industry.

In most cases, it is not a question of financial need as far as the corporation is concerned. Some of this country's largest and most financially stable corporations have become involved in this type of financing with a municipality.

Mr. Speaker, in a speech delivered on December 1, 1964, to the Investment Bankers Association, Mr. Frank L. Magee, chairman of the executive committee of the Aluminum Co. of America, indicated the dangers involved in continuing on the present course of abusing the exemption. I quote from his speech:

> First off, I believe municipal industrial financing is an abuse of the right of municipalities or States to issue tax-free bonds when these bonds are issued primarily for private benefit * * * this could well serve as the opening wedge for the Federal Government to eliminate the Federal income tax exemption for all State and municipal bonds * * *.
>
> A second danger I see in municipal industrial financing is that it is unfair to industrial neighbors and especially to other companies in a competitive industry.
>
> A third danger I see in the use of municipal industrial financing is the threat of Government ownership of industrial facilities.

I firmly believe that Mr. Magee knows from where he speaks. He heads one of the most prominent industrial establishments in the United States. As firm believers in an unsubsidized private enterprise system, I agree with him that there is no need for healthy and growing companies to force municipalities into providing financing for their private use.

It might be asked, Mr. Speaker, why I am favoring this approach, denying a tax deduction to the private company occupying industrial plant financed by tax exempt bonds, rather than removing the Federal tax exemption for such bonds. The reasons are these: My bill does not deny tax exemption to interest on bonds issued by a State or local government, which would be objectionable to local

governments and to many organizations which recognize that tax exempt local government credit should not be used for the benefit of private companies. My bill would close the tax loophole by denying a Federal tax deduction to the private company which otherwise would benefit by the misuse of the tax exemption of a local government. This approach will not raise the constitutional issue of determining whether the obligation was incurred for a genuinely governmental function. The unfair advantage of a corporation being financed through municipal bonds would be removed.

Mr. Speaker, I firmly believe that if we are to stem the headlong competition that is now going on in this field, the Congress must act soon to insure the integrity of the original tax exemption. It must be available for genuine municipal or governmental projects. We should not allow this distortion of the exemption to continue. I urge my colleagues to join me in support of this legislation.

A MORE EFFECTIVE VOTING RIGHTS LAW

Mr. TEAGUE of California. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. KEITH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KEITH. Mr. Speaker, I today have the privilege of joining the distinguished minority leader and ranking minority member of the Committee on the Judiciary in sponsoring a bill which is the product of their leadership and experience and the efforts of many other able Republican Members of the House, the Voting Rights Act of 1965.

This proposal is offered as a comprehensive and effective substitute for the administration bill, which has been recognized from the outset to be a proposal handicapped by many serious deficiencies and omissions and which, it is widely agreed, dangerously oversteps constitutional bounds.

The Ford-McCulloch bill, to which I am proud to add my name, is a fair and speedy remedy to racial discrimination in voter registration, and it will effectively insure the constitutional right to vote without overturning other important constitutional principles, and without penalizing areas which are not guilty of discrimination.

Its enactment would give us the tools to terminate unreasonable standards for registration and voting without interfering with the reasonable requirements and constitutional prerogatives of the various States.

I ask that the text of the bill, as I have today introduced it, be reprinted in the RECORD at the conclusion of my remarks. In brief terms, it would provide for the appointment of a Federal examiner when the Attorney General receives 25 or more complaints from residents of a county alleging denial of the right to vote on account of race or color. The examiner would be empowered to disregard literacy test requirements for persons who possess a sixth-grade education, or more, and could administer such tests for those not possessing this minimum education, so long as it was fair and reasonable.

Unlike the administration bill on this vital subject, our bill would reach discrimination wherever it exists, and would not, for example, exclude the entire State of Texas from its jurisdiction—a widely noted oversight in the administration-supported bill.

Our bill would also avoid the arbitrary percentage formula, whereby only those States and their subdivisions having literacy requirements where less than 50 percent of the voting-age population registered or voting in 1964 would be affected by the proposed law. This would mean that we would miss serious pockets of discrimination on the one hand, and on the other would unfairly penalize other areas where, perhaps, apathy, one-party domination or deceptive census figures may account for low registrations.

The Federal examiner under our proposal would be appointed by the Civil Service Commission. He would immediately determine whether complainants are qualified to vote. The States could challenge these determinations to a Federal hearing officer, also appointed by the Civil Service Commission, within 10 days. The hearing officer could be required to render his decision within 7 days.

Determination by the hearing officer that 25 or more persons are denied suffrage because of race or color establishes a "pattern" or practice of discrimination under the bill. Immediately thereafter additional Federal examiners and hearing officers would be appointed as necessary to register all other persons within the county who may be subject to discrimination.

All persons found qualified to vote would be entitled to vote. Those who are challenged would be allowed to vote provisionally until the appeal is decided by the hearing officer and court.

The administration bill does not provide the authority for provisional voting, which is included in our bill to encourage prompt determination of appeals.

The administration bill would eliminate literacy tests in some States, no matter how reasonable or how fairly applied, and would prohibit the future adoption of literacy test requirements by other States.

This is unnecessary and it goes too far. There is no reason for the Federal Government to attempt to invalidate the laws or ordinances of a State or local government in contravention of established constitutional principles. There is nothing evil or illegal about a literacy requirement, so long as it is not in violation of the 15th amendment—so long as it does not involve an element of discrimination, intimidation, or coercion.

This new bill deals with the fundamental problem of physical and economic coercion and intimidation, and in addition it provides for civil and criminal penalties against those officials who engage in such activities.

In conclusion, this bill offers a constitutional, comprehensive, prompt and effective remedy for disenfranchisement because of race or color. It is a strong and sound bill and in my opinion it is more thoughtfully drafted than the administration bill. It deserves enthusiastic, nonpartisan support.

Mr. Speaker, I insert the text of this bill at this point:

H.R. 7196

A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the "Voting Rights Act of 1965."

SEC. 2. (a) The phrase "literacy test" shall mean any requirement that a person as a prerequisite for voting or registration for voting (1) demonstrate the ability to read, write, understand, or interpret any matter, or (2) demonstrate an educational achievement or knowledge of any particular subject.

(b) A person is "denied or deprived of the right to register or to vote" if he is (1) not provided by persons acting under color of law with an opportunity to register to vote or to qualify to vote within two weekdays after making a good faith attempt to do so, (2) found not qualified to vote by any person acting under color of law, or (3) not notified by any person acting under color of law of the results of his application within seven days after making application therefor.

(c) The term "election" shall mean any general, special or primary election held in any voting district solely or in part for the purpose of electing or selecting any candidate to public office or of deciding a proposition or issue of public law.

(d) The term "voting district" shall mean any county, parish, or similar political subdivision of a State in which persons, acting under color of law, administer the registration and voting laws of the State.

(e) The term "vote" shall have the same meaning as in section 2004 of the Revised Statutes (42 U.S.C. 1971 (e)).

SEC. 3. (a) Congress hereby finds that large numbers of United States citizens have been and are being denied the right to register or to vote in various States on account of race or color in violation of the Fifteenth Amendment.

(b) Congress further finds that literacy tests have been and are being used in various States and political subdivisions as a means of discrimination on account of race or color. Congress further finds that persons with a sixth grade education possess reasonable literacy, comprehension and intelligence and that, in fact, persons possessing such educational achievement have been and are being denied or deprived of the right to register or to vote for failure to satisfy literacy test requirements solely or primarily because of discrimination on account of race or color.

(c) Congress further finds that the requirements that persons as a prerequisite for voting or registration for voting (1) possess good moral character unrelated to the commission of a felony, or (2) prove their qualifications by the voucher of registered voters or members of any other class, have been and are being used as a means of discrimination on account of race or color.

(d) Congress further finds that where in any voting district twenty-five or more persons have been denied or deprived of the right to register or to vote, as determined in section 6, there is established a pattern or practice of denial of the right to register or to vote on account of race or color.

SEC. 4. (a) Whenever the Attorney General certifies to the Civil Service Commission (1) that he has received complaints in writing from twenty-five or more residents of a voting district each alleging that (i) the complainant satisfies the voting qualifications of the voting district, and (ii) the complainant has been denied or deprived of the right to register or to vote on account of race or color within ninety days, and (2) that the Attorney General believes such complaints to be meritorious, the Civil Service Commission shall appoint an examiner for such voting district.

(b) A certification by the Attorney General shall be final and effective upon publication in the Federal Register.

(c) The examiner shall examine those persons who have filed complaints certified by the Attorney General to determine (1) whether they were denied or deprived of the right to register or to vote within ninety days and (2) whether they are qualified to vote under State law. A person's statement under oath shall be prima facie evidence as to his age, residence and his prior efforts to register or otherwise qualify to vote. The examiner shall, in determining whether a person is qualified to vote under State law, disregard (1) any literacy test if such person has not been adjudged an incompetent and has completed the sixth grade of education in a public school in, or a private school accredited by, any State or Territory, the District of Columbia, or the Commonwealth of Puerto Rico, or (2) any requirement that such person, as a prerequisite for voting or registration for voting (i) possess good moral character unrelated to the commission of a felony, or (ii) prove his qualifications by the voucher of registered voters or members of any other class.

(d) If the examiner finds that twenty-five or more of those persons within the voting district, who have filed complaints certified by the Attorney General, have been denied the right to register or to vote and are qualified to vote under State law, he shall promptly place them on a list of eligible voters, and shall certify and transmit such list to the offices of the appropriate election officials, the Attorney General, and the attorney general of the State, together with a report of his findings as to those persons whom he has found qualified to vote. For those persons, possessing less than a sixth grade education, the examiner shall administer a literacy test only in writing and the answers to such test shall be included in the examiner's report. The examiner shall issue to each person appearing on such a list a certificate evidencing his eligibility to vote.

(e) A finding by the examiner that twenty-five or more of those persons within a voting district, who have filed complaints certified by the Attorney General, have been denied or deprived of the right to register or to vote and that they are qualified to vote shall create a presumption of a pattern or practice of denial of the right to register or to vote on account of race or color.

(f) Unless challenged, according to the provisions of section 5, any person who has been placed on a list of eligible voters shall be entitled and allowed to vote in any election held within the voting district unless and until the appropriate election officials shall have been notified that such person has been removed from such list in accordance with section 10. If challenged, such person shall be entitled and allowed to vote provisionally with appropriate provision being made for the impounding of their ballots, pending final determination by the hearing officer and by the court.

(g) No person shall be entitled to vote in any election by virtue of the provisions of this Act unless his name shall have been certified and transmitted on such list to the offices of the appropriate election officials at least forty-five days prior to such election.

SEC. 5. (a) A challenge to the factual findings of the examiner, contained in the examiner's report, may be filed by the attorney general of the State or by any other person who has received from the examiner a certified list and report of persons found qualified to vote, as provided in section 4(d). A challenge shall be heard and determined by a hearing officer appointed by and responsible to the Civil Service Commission. Such challenge shall be entertained only if made within ten days after the challenged person is listed, and if supported by the affidavit of at least two persons having personal knowledge of the facts constituting grounds for the challenge, and such challenge shall be determined within seven days after it has been made. A person's fulfillment of literacy test requirements, if not disregarded by the examiner as provided for in section 4(c) shall be determined solely on the basis of answers included in the examiner's report.

(b) A petition for review of the decision of the hearing officer may be filed in the United States Court of Appeals for the circuit in which the person challenged resides within fifteen days after service of such decision by mail on the moving party, but no decision of a hearing officer shall be overturned unless clearly erroneous. A challenge to a listing made in accordance with this section shall not be the basis for a prosecution under any provisions of this Act.

SEC. 6. Upon determination by the hearing officer that twenty-five or more of those persons within the voting district, who have been placed on the list of eligible voters by the examiner, have been denied or deprived of the right to register or to vote and are qualified to vote, such determination shall establish a pattern or practice of denial of the right to register or to vote on account of race or color. The establishment of a pattern or practice by the hearing officer shall not be stayed pending final determination by the court.

SEC. 7. (a) Upon establishment of a pattern or practice by the hearing officer, as provided in section 6, the Civil Service Commission shall appoint additional examiners within the voting district as may be necessary who shall determine whether persons within the voting district are qualified to register and to vote. In determining whether such persons are so qualified the examiners shall apply the same procedures and be subject to the same conditions imposed upon the initial examiner under section 4(c), except that a person appearing before such examiner need not have first attempted to apply to a State or local registration official if he states, under oath, that in his belief to have done so would have been futile or would have jeopardized the personal safety, employment, or economic standing of himself, his family, or his property. Such examiner shall in the same manner as provided in section 4(d), certify and transmit lists of persons and any supplements as appropriate, at the end of each month, to the office of the appropriate election officials, the Attorney General, and the attorney general of the State, together with reports of their findings as to those persons found qualified to vote.

(b) Persons placed on lists of eligible voters by examiners shall have the right to vote in accordance with the provisions of section 4(f) and 4(g).

(c) Challenges to the findings of the examiners shall be made in the same manner and under the same conditions as are provided in section 5.

(d) The Civil Service Commission shall appoint and make available additional hearing officers within the voting district as may be necessary to hear and determine the challenges under this section.

SEC. 8. (a) Whenever a person alleges to an examiner within twenty-four hours after the closing of the polls that notwithstanding his listing under the provisions of this Act he has not been permitted to vote or that his vote was not properly counted (or not counted subject to the impounding provision, as provided in this Act), the examiner shall notify the United States attorney for the judicial district if such allegation, in his opinion, appears to be well founded. Upon receipt of such notification, the United States Attorney may forthwith apply to the district court for an order of contempt. Whoever, acting under color of law, fails or refuses to permit a person to vote, notwithstanding his listing under this subsection, or fails or refuses to properly count such person's vote, or intimidates, threatens, or coerces, or attempts to intimidate, threaten or coerce such person for the purpose of preventing such person from voting under the authority of this Act shall be fined not more than $5,000, or imprisoned not more than five years, or both.

(b) Whoever, acting under color of law, within a year following an election in a voting district in which an examiner has been appointed (1) destroys, defaces, mutilates, or otherwise alters the marking of a paper ballot cast in such election, or (2) alters any record of voting in such election made by a voting machine or otherwise, shall be fined not more than $5,000, or imprisoned not more than five years, or both.

(c) The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this section and shall exercise the same without regard to whether an applicant for listing under this Act shall have exhausted any administrative or other remedies that may be provided by law.

SEC. 9. Consistent with State law and the provisions of this Act, persons appearing before an examiner, shall make application in such form as the Civil Service Commission may require. Also consistent with State law and the provisions of this Act, the times, places and procedures for application and listing pursuant to this Act and removals from eligibility lists shall be prescribed by regulations promulgated by the Civil Service Commission. The Commission shall, after consultation with the Attorney General, instruct examiners concerning the qualifications required for listing.

(b) Notwithstanding time limitations as may be established under State or local law, examiners shall make themselves available every weekday in order to determine whether persons are qualified to vote.

SEC. 10. Any person whose name appears on a list, as provided in this Act, shall be entitled and allowed to vote in the election district of his residence unless and until the appropriate election officials shall have been notified that such person has been removed from such list. A person whose name appears on such a list shall be removed therefrom by an examiner if (1) he has been successfully challenged in accordance with the procedure prescribed in sections 5 and 7, or (2) he has been determined by an examiner (a) not to have voted or attempted to vote at least once during four consecutive years while listed or during such longer period as is allowed by State law without requiring reregistration, or (b) to have otherwise lost his eligibility to vote: *Provided, however,* That, in a State which requires reregistration within a period of time shorter than four years, the person shall be required to reregister with an examiner who shall apply the reregistration methods and procedures of State law which are not inconsistent with the provisions of this Act.

SEC. 11. Examiners, appointed by the Civil Service Commission, shall be existing Federal officers and employees who are residents of the State in which the Attorney General has issued his certification. Examiners shall subscribe to the oath of office required by section 16 of title 5, United States Code.

Examiners will serve without compensation in addition to that received for such other service, but while engaged in the work as examiners shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from their usual place of residence, in accordance with the provisions of the Travel Expense Act of 1949, as amended. Examiners shall have the power to administer oaths.

SEC. 12. The provisions of this Act shall be applied in a voting district until, within any twelve-month period, less than twenty-five persons within the voting district have been placed on lists of eligible voters by examiners.

SEC. 13. (a) All cases of civil and criminal contempt arising under the provisions of this Act shall be governed by section 151 of the Civil Rights Act of 1957 (42 U.S.C. 1995).

(b) Any statement made to an examiner may be the basis for a prosecution under section 1001 of title 18, United States Code.

SEC. 14. There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

SEC. 15. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

TELEPHONES ARE NO LONGER A LUXURY

Mr. TEAGUE of California. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. STANTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. STANTON. Mr. Speaker, the President, in the state of the Union message, declared that he will submit to the Congress, during this session, legislation incorporating a "substantial cut in excise taxes." Luxury items such as jewelry and furs are most often mentioned for consideration.

However, Mr. Speaker, I submit that taxes on nonluxury items should certainly be given priority in any anticipated tax cut. Foremost of these nonluxury items is the present unfair excise tax on communications. To millions of Americans the telephone is more of a necessity than a luxury. Eighty percent of Americans now have telephone service. Eighty-six percent of these households have incomes of less than $10,000 and 20 percent are in the so-called "poverty group" with incomes of less than $3,000. Since nearly half of the revenue from this tax comes from business users, its elimination would mean lower prices for essential products and services. Therefore, I have today introduced a bill which would put more money into the pockets of U.S. consumers; initially through lower telephone rates and indirectly through lower prices. This is most important at a time when the Congress is considering legislation to take more money out of the pockets of millions of Americans through increased social security taxes. Therefore, I feel that this legislation is not only long overdue, but at this particular time is more vital than ever before.

My bill, Mr. Speaker, would repeal the excise tax on all communications. At the present time this tax is levied at the rate of 10 percent on general and toll telephone service, telegraph, cable and radio messages and leased wires and at 8 percent on wire and equipment service. The tax on telephone service was levied during the war to discourage use of the overloaded communications network. However, this tax is still in effect even though the wartime emergency has long since passed and it is the only household utility still subject to such a tax.

At a time when the Congress is giving consideration to a reduction in excise taxes we should give first priority to removal of the communications tax. We must delay no longer in removing these unfair and economically self-defeating taxes. Their repeal will give our citizens relief from this discriminatory tax and will give our economy a boost by putting more money in consumers' pockets. Mr. Speaker, I urge all Members who are concerned about this matter to support such a tax cut. I know that I will receive great support from the Honorable FRANCES P. BOLTON who has already introduced similar legislation.

The Congress has a moral obligation to the people to eliminate these "temporary" taxes levied for a special purpose so long ago. It is my hope that this session of the 89th Congress will fulfill this obligation by enacting my bill.

THE THREAT OF MANDATORY CONTROLS ON U.S. PRIVATE FOREIGN INVESTMENT

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CURTIS. Mr. Speaker, an article in the March 24 Wall Street Journal discusses present administration thinking about ways to stiffen the now voluntary controls on U.S. business' direct private foreign investments.

In spite of reports that the voluntary approach seems to be working, Government planners are suspicious that, for several reasons, voluntary controls will cease to be adequate.

One fear is that businessmen, seeing the early effectiveness of the voluntary program in its first months of operation, will relax and begin to make large foreign investments without first consulting the Commerce Department, which is charged with administering it.

Another fear is that prominent firms will break line and make large investments which will loose a plethora of similar investment moves by other firms.

Both situations could conceivably occur, because Commerce Secretary Connor recently announced his decision to rescind the requirement for companies to obtain Commerce Department clearance for investments of over $10 million.

Secretary Connor should be commended for his effort to make this restrictive program administratively reasonable and palatable to the firms being imposed upon.

For there is no doubt that these controls on the legitimate transactions of U.S. businesses with oversea interests is opposite to the high tradition of U.S. international monetary policy. After World War II the United States pioneered in the creation of the International Monetary Fund, the International Bank for Reconstruction and Development, and the General Agreement on Tariffs and Trade—institutions that were to stand as the three pillars of an international trading and financial system characterized by the freest possible flow of goods and funds throughout the world.

Now, in 1965, U.S. Government planners are thinking of requiring Government licensing for new private foreign investments, and imposing tax measures that would increase the cost of capital used for foreign investment. These pernicious administrative devices, imposed in lieu of sound domestic monetary policies, would further impede U.S. earnings from foreign investments and further damage U.S. prestige as the world's financial leader. They recall the statement in the minority report of the Joint Economic Committee that "the President's program has created fears that White House requests for voluntary restraint will lead to compulsory controls should compliance not be forthcoming."

It is essential that existing controls be removed at the earliest possible time. New, mandatory foreign investment controls must not be considered, or imposed.

Under unanimous consent I place the article referred to in the RECORD at this point:

DOLLAR CONTROLS: NEW, COMPULSORY CURBS ON INVESTMENT ABROAD MIGHT BE SOUGHT LATER—LICENSING, RESTRICTIVE TAX ARE POSSIBLE IF FIRMS LOSE ZEAL FOR VOLUNTARY SYSTEM—INDICATION OF EARLY SUCCESS

(By Richard F. Janssen)

WASHINGTON.—Suppose President Johnson's gentle wand of "voluntary cooperation" by business fails to lastingly stem the balance-of-payments tide—what sort of rod should he wield instead?

The question is one that administration officials are loath to discuss openly, lest it suggest a lack of faith in their current efforts to hustle businessmen onto their gold-saving bandwagon.

But even now some officials fear their early success may be so dramatic that business zeal for restraining dollar investment abroad will wane dangerously next fall. And officials think they must somehow keep companies cooperating for at least 2 years. "If you want to have nightmares," confides one, all that's needed is to worry that one major company will "do exactly what you don't want," prompting the others to break ranks and spend dollars freely abroad in defense of their overseas interests.

So the idea of having some sort of compulsory measure in reserve is already a live one, being tentatively and privately discussed as long-range planning. To some Presidential advisers, the most logical next step would be to control American investment overseas through Federal licensing: projects ruled not in the national interest

would be thumbed down. Others argue a restrictive tax would be better. Federal Reserve Chairman Martin talks openly of much tighter credit to hold investment dollars at home through higher interest rates, an approach apt to spark White House opposition as needlessly damaging to domestic economic growth.

EARLY SIGNS OF SUCCESS

The arguments may never have to be resolved, of course. So far, nearly all the obvious evidence is that the voluntary restraint program announced last month is succeeding. Since it took effect, Treasury Secretary Dillon told the House Banking Committee yesterday, there are "indications we are not running any deficit at all" and are running "possibly even a surplus" in the U.S. balance of payments. Early reports show banks dutifully avoiding foreign borrowers and both banks and corporations pulling back dollars from short-term investments overseas. Business leaders are praising the voluntary approach and Commerce Secretary Connor, its chief apostle, is all but boasting that victory is assured.

But Mr. Dillon has cautioned that "two swallows don't make a summer," and certain shreds of evidence aren't considered very reassuring. Many executives, it's reported, are sidling into Government offices offering "alibis" instead of pledges; a big aluminum company argued that it has to operate close to supplies of its raw material, bauxite, and to cheap hydroelectric power, both of which it says it can find only abroad. Some companies are seeking to bargain before making any promises, saying that if they're expected to buy up fewer companies abroad, antitrust enforcement should be eased so that they can buy up more companies at home.

Arguing it would risk disclosing business secrets, executives have beaten down Mr. Connor's request for advance reports on specific investments abroad; he's said to agree that by "being gentler" he will win a better response. "I hope he's right," another strategist adds a bit nervously.

BEHIND SOME CUTBACKS

Whether they're backing down or not, officials have been going out of their way to assure businessmen in recent days that they never intended an actual cutbacks in "direct investment" in foreign subsidiaries and factories this year below last year's $2.2 billion. All that's wanted, it's said, is to avoid letting such outlays climb again in 1965, after last year's $400 million rise.

Certainly, authorities are becoming reluctant to take all the cooperation pledges and progress reports at face value. Some companies can boast sharp curtailment of capital outflow since the President's February 10 announcement of voluntary controls only because they rushed unusually large sums abroad in anticipation of it, they say. Other companies which have backed out of commitments to expand abroad had a change of heart for purely business reasons, it's suspected.

The voluntary approach is the subject of grumbling in labor circles; moreover, critics say it amounts to letting business go on pretty much as usual while unions are under strong administration pressure to restrain wage demands in order to keep U.S. goods competitive abroad. To some small businessmen, complains the National Federation of Independent Business, any restrictions on investment abroad will only impel big U.S. companies to gobble up more firms at home, dealing "a severe blow to freedom of enterprise."

Paradoxically, the widely expected early demonstration of success in greatly slowing or even reversing the dollar outflow could in itself undermine the voluntary approach, one official worries. "The real problem may be that voluntary restraints work too well," he says; "by summer or fall the figures may look so good that everybody relaxes and we're right back where we were before."

FEARS OF BACKSLIDING

Most of the confidence that ultimate success will be adequate centers on banks' performance in curbing dollar loans abroad. "With banks we have a secret weapon—the Federal Reserve," one strategist smiles. Not only are banks accustomed to honoring the wishes of the Board running their portion of the program, but the bankers know the Board has an economic sanction over individual banks that the Commerce Department doesn't have over individual businesses; any recalcitrant bankers are apt to encounter a chilly reception, it's explained, the next time they must turn to their district Federal Reserve bank to borrow. If the banks show signs of backsliding, officials suggest, the only need may be to revive the preaching.

Mr. Connor's corporate campaign is ranked outside his own department as unlikely to prove equally enduring. It's true some outside officials are heartened now to find a number of companies expanding overseas with high-cost foreign borrowings rather than dollars, and others planning to dispatch sums for dollar investment over several years as needed rather than all in one lump. But these skeptics figure that after a year or so, executives will be chafing to proceed with postponed foreign projects.

It's increasingly clear, one official says, that the biggest help on the corporate front will be the initial impact of pulling dollars back from short-term European securities and the lingering but less dramatic benefit of not pouring fresh funds into such investments. There wouldn't be much of this without the threat of sterner moves in the background, one official contends, saying matter of factly: "Part of the incentive businessmen have to cooperate with us is that they know we can work out something less pleasant if they don't."

This prospect may also spur Government administrators to try to make the voluntary controls work. Incoming Treasury Chief Fowler is expected, if anything, to push harder than Mr. Dillon for success of the present system, for fear that the alternative of tighter money might hurt economic growth.

That stronger medicine will be used if the dollar drain fails to respond to voluntary restraints is almost a foregone conclusion. It has become perfectly clear, Treasury Secretary Dillon said recently, that the willingness of foreigners to hold additional dollars is nearing an end. Not only are foreigners edgy about how their holdings of some $25 billion tower over the U.S. gold stock of less than $15 billion, but they complain that dollars piling up in their banks are fueling inflation in their own countries and that the outflow from the United States symbolizes an often unwelcome increase in U.S. corporate influence over their businesses.

But almost any sterner steps, administration officials fret, would pose both political and economic perils. As one official sees it, to go beyond the present voluntary measures to compulsion might force President Johnson to take the line that, in effect, businessmen are a bunch of "blackguards" who ignore patriotic appeals. Though officials feel sure he would speak more softly than that, they fear any tougher restraints would seriously weaken current good feeling between the White House and corporate executive suites.

JOHNSON-MARTIN RIFT?

This alone could damage the economy, some analysts say, since businessmen have often cited their rapport with Mr. Johnson as one reason why their domestic expansionary mood is persisting so long. Any open rift between the President and Federal Reserve Chairman Martin could prove unsettling, they add, wondering how it could be avoided if the President stuck to his "easy money" convictions at a time when Mr. Martin found it necessary to tighten the credit supply. A big enough boost in interest rates, both camps concede, could indeed dampen domestic economic growth; the issue is whether it would do more harm than good.

If a real crackdown on corporate investment abroad does come, some Johnson advisers say it should be built on the framework provided by the Commerce Department's voluntary approach. At present, Mr. Connor is asking some 600 companies with sizable foreign dealings to report quarterly on their progress in pulling more dollars from abroad or reducing their dollar outlays overseas. Originally, he also planned to ask businesses to consult with him individually on any plan to invest $10 million or more in an industrialized foreign country; thus he and his staff would have had a chance to tell each cooperating company whether a particular venture would be in "the national interest" or whether they would rather see it postponed or pared. This idea has now been shelved as "unnecessary and unwise."

But if Congress agreed, the advance-notice idea could be revived—and capped with a decision on whether the company should receive a license to move investment dollars out of the country. Some White House confidants would extend the licensing system to all foreign borrowing in the U.S., though reluctantly, if something more must be done. "There's no use in plugging only one hole in a dike that has six holes," one says. Some officials also contend that this general compulsion might appear as a lesser evil to American bankers and businessmen who worry that both foreign and domestic competitors may take advantage of their own present willingness to cooperate in a purely voluntary program.

PROBLEM OF INEQUITIES

Other administrators shudder, however, at the thought of having to decide that one company, and not its rivals, should be allowed to buy a subsidiary in Belgium or to build a new plant in France. Anxious managements might be able to muster strong political pressure for a "yes" decision, it's said, making life more difficult for the besieged bureaucrats and adding to the inevitable inequities.

Deterring corporate dollar outflows through tax penalties appears much more attractive to some influential planners. The existing interest equalization tax would be their model. It's geared to add 1 percentage point to the annual interest cost a foreign borrower must pay here, discouraging some foreigners from tapping the U.S. money market through securities sales or loans but leaving the final decision up to prospective borrowers and lenders.

A similar levy on direct dollar investment abroad would also avoid detailed Government decisionmaking, its adherents argue, and offer a bonus besides. A natural selection process would take place, they say, as a company decides the extra cost of investing abroad would be worthwhile only when the project promises unusually large and early profitability. Thus, the U.S. balance of payments would not only benefit from a reduced outflow of dollars for direct investment but from the maximum return of profits later, the reasoning goes.

One possible method gaining some favor is to build such a tax right into the interest equalization law by ending its present exclusion of direct investment; under the law, a direct investment is one in a foreign company at least 10-percent controlled by the American investor. Less popular, so far, is a suggestion that some tax break be given to companies that cooperate; it smacks of just paying them to be public spirited, one official complains.

PROFESSOR MACHLUP ATTACKS ADMINISTRATION'S PROGRAM TO CURB CAPITAL OUTFLOWS

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CURTIS. Mr. Speaker, in his recent testimony before the Senate Banking and Currency Committee, Dr. Fritz Machlup, professor of economics and international finance at Princeton University, was highly critical of the administration's so-called voluntary controls on private oversea investment. He strongly feels that the administration's hostile and indignant reaction every time a foreign government converts some of its dollar holdings into gold, coupled with its constant talk of the need to restrict capital outflows, creates unwarranted fears abroad about the dollar's integrity. These expressions of fear and alarm inevitably communicate themselves to foreign governments, which, in turn, then feel it would be prudent to convert even more dollars into gold.

Thus, Dr. Machlup recommends that we must be "more astute in persuading people here and abroad that their expectations or fears are unfounded." We must "reverse" the unfavorable expectations which the administration itself has done so much to create. This cannot be accomplished, he claims, by reinforcing the two kinds of fear that motivate much of the outflow of capital—the fear that the dollar may be devalued and the fear that the transfer of funds abroad may be restricted by direct controls.

The fear of devaluation has intensified, he believes, largely as a result of continued reluctance to remove the 25-percent gold reserve requirement for Federal Reserve notes. Dr. Machlup believes this strengthens the feelings of many foreigners that we are not prepared to use all our gold in defense of the dollar's external value.

Secondly, signs of reluctance or indignation to sell gold on demand causes foreigners to feel that we consider such outflows as weakening our position. As Dr. Machlup remarks, "If my banker frowned and sighed whenever I cashed a check, I would certainly not wish to keep my deposit with him. We ought to give up our gold not with reluctance and apprehension, but with an air of friendly nonchalance."

Instead of discouraging foreign gold purchases, Dr. Machlup feels we should take the opposite tack and invite dollar holders to buy as much gold as they wish. At the same time, he says, "we should insist that no one hold dollars just to accommodate us; dollars should be held only by those who really prefer interest-bearing dollars to sterile gold."

Professor Machlup goes on to cite a recommendation from the minority views in the 1962 annual report of the Joint Economic Committee, which suggests that the United States eliminate its guarantee to purchase "gold from foreigners at $35 an ounce or at any other predetermined price." In the minority view, the "termination of the guarantee to buy at a fixed price would be likely to sharply reduce (gold) speculation and, at the same time, stimulate a return of sizable amounts of gold to the United States." Dr. Machlup believes that such a policy would "forcefully increase" the willingness of foreigners to hold dollars instead of gold.

The introduction of governmental restrictions on the outflow of capital and the introduction of guidelines have both promoted fear of even more restrictions in the future. To "remove" this fear, we should try to assure businessmen that there would be neither direct controls or restrictions, nor any moral suasion, neither any obligation to make reports on foreign transactions, nor any publicity about nonconformance with official directives." If we succeed in doing these things, he believes, we should see a flow of funds returning from abroad.

In conclusion, Dr. Machlup believes that "guidelines" and exhortations for voluntary cooperation are tantamount to direct Government control. "Not since the NRA in 1933," he states, "has this country attempted in peacetime to transform the managements of private business into the lengthened arms of Government." If a corporation fails to cooperate with the administration's dictums, it becomes subject to criticism and adverse publicity. And corporate management, as Dr. Machlup notes, fears adverse publicity more than a fine of a few thousand dollars.

Under unanimous consent I place Professor Machlup's testimony in the RECORD at this point:

STATEMENT OF DR. FRITZ MACHLUP, PROFESSOR OF ECONOMICS AND INTERNATIONAL FINANCE, PRINCETON UNIVERSITY

(Before the International Finance Subcommittee of the Banking and Currency Committee, U.S. Senate, Mar. 17, 1965)

I suppose that we all have learned that no one can forecast the balance of payments of next year or any future period. Too often have the attempted forecasts by Government departments or private experts proved wrong. While we can usually know in what direction a particular event, measure, or change will affect the external balance, there are too many variables involved to permit reasonably accurate predictions of the net outcome. Our inability to predict does not reduce the significance of research and analysis in international finance. There are enough important connections and relations about which we know a good deal and may learn more.

THE SIZE OF THE DEFICIT

One thing that many have had a hard time understanding but have finally learned is that the accounting balance of payments may be calculated in many different ways and, hence, that the size of the surplus or deficit is not uniquely determined. In order to distinguish balances measured by different arrangements of accounts and items, experts have proposed a bewildering nomenclature by adding to the "current balance" and the "capital balance," a "basic balance," a "regular-transactions balance," an "official-settlement balance," an "overall balance," an "exchange-market balance," and a few more. While this may confuse the layman, it helps to make it clear to him that he cannot comprehend the issues involved.

There was a controversy between two administrative departments because the most widely publicized balance showed a greater deficit than would be shown under a different arrangement of accounts. In particular, if increases in dollar holdings of private foreigners were included in the regular capital balance as an inflow of foreign short-term capital, rather than treated as a way of financing a deficit of U.S. payments, the reported deficit would look much less threatening. The sound and fury about this issue is understandable only if one believes that important decisions in international finance are influenced by reports about the exact size of the U.S. deficit. Personally I doubt this. But those who believe it point to the fact that liquid dollar holdings by private foreign individuals, firms, and banks now amount to about $14 billion. The U.S. deficit in the years in which these holdings were built up would have been that much smaller had it been calculated by the method used by most European governments. Again, I do not think that statistical reporting or accounting procedures can ultimately affect the actual flow of funds among nations.

The greatest surprise to the layman comes with the statement that a deficit in the U.S. balance need not indicate anything about the position of the U.S. dollar and that, for example, the same deficit may at one time be a welcome relief of a world dollar shortage, but at another time an embarrassing deterioration of a dollar glut. The layman's shock can be mitigated by telling him that the demand for dollars to hold—the demand, that is, by private foreign parties and by official foreign authorities for liquid dollar assets in the form of balances with American banks or securities of the U.S. Government—cannot be seen from any accounting statement. There is dollar shortage when foreign authorities buy dollars with great eagerness and there is dollar glut when they buy dollars with reluctance; the balance of international payments may be exactly the same in both situations. And just as there can be dollar shortage with a deficit in U.S. payments, a dollar glut may exist with a surplus. The first situation, dollar shortage despite a U.S. deficit, existed in the early 1950's; the latter situation, dollar glut despite a U.S. surplus, may arise when the U.S. attains a surplus in its balance of payments while foreign parties, official or private, still feel that they hold more dollars than they want.

THE COMPOSITION OF THE DEFICIT

The worst misses in governmental forecasting were due to the fact that the officials concentrated on particular deficit items and believed that the deficit would disappear or decrease if these items were chopped down. But, alas, the balance of payments has behaved like the mythical Hydra growing more ugly heads for each head successfully chopped off.

In 1958 the "overall balance on regular transactions" showed a deficit of $3.5 billion. From that year to 1964, merchandise exports increased by $8.8 billion, private incomes from foreign investment increased by $2.5 billion, the sum of sales of goods and all services increased by $13.3 billion, military expenditures were reduced by $600 million, and the entire balance on current transactions improved by $5.8 billion. Yet the deficit in 1964, measured the same way as in 1958, was still over $3 billion.

Evidently the strong improvement of the current balance was offset by an increase in the deficit of the capital balance. The increase in net capital outflows looks especially bad if most of the inflow of foreign short-term capital is excluded from the net capital balance—and, as we know, the Commerce Department reports do not include the acquisition of liquid dollar assets by foreigners in the regular capital balance. But in any case, looking only at the movements of private U.S. capital, the changes in recent years

are quite conspicuous. Comparing the same 2 years as before, the outflow of private U.S. capital increased from $2.9 billion in 1958 to $6.2 billion in 1964; that is, by $3.3 billion.

It may be tempting to take a sharp sword and chop off this particular head of the Hydra. Can it be done without causing substitute heads to grow? No one can be sure. It is quite possible that a forced reduction in the deficit on capital accounts will cause a reduction in the surplus on current accounts. If every dollar that is forcefully kept from being sent abroad for direct investment, portfolio, or other long-term investment, or for acquiring various kinds of short-term assets, were invested in the United States, in addition to what would be invested in any case, we should expect a deterioration of our current balance. On the other hand, if the dollars which are kept at home (because of the wishes of our Government) are then kept idle, or are kept from being created by the banking system, then the improvement in the capital balance need not cause a deterioration of the current balance. (Some analysts of "feedback effects" ask themselves what the foreigners do with the money they receive and cannot do if they do not receive it, but fail also to ask what the Americans do with the money which they are prevented from transferring.)

The interrelationships between the different accounts of the balance of payments are rather complicated, but this is no excuse for disregarding them altogether. Too often must we see that some of our official experts fail to anticipate these interrelations. The belief, for example, that a reduction in direct investments abroad will fully be reflected in an improvement in the balance of payments is naive.

My diagnosis, after examining the various items in the outflow of capital, leads me to the conclusion that a reduction of some items would lead to a reduction in the surplus on current account, whereas a reduction of other items would not affect the current balance. We shall come back to this point after looking at the breakdown of the U.S. capital account.

OUTFLOWS OF PRIVATE U.S. CAPITAL IN 1964

The statement of the Secretary of the Treasury before this subcommittee on March 9 gives, in table 8, the data on the outflow of U.S. private capital during 1964, both for the first three quarters (January to September) and for the entire year. It is important to note that the outflow picked up considerable momentum during the last quarter.

Direct investments had been $1.5 billion during the first three quarters. The figure for the year is $2.2 billion. This means that the outflow on this score was $700 million during the fourth quarter, which is an annual rate of $2.8 billion, or an increase of 40 percent over the annual rate of the first three quarters.

The purchase of foreign securities was $200 million in the first three quarters, but $700 million for the entire year. Thus, the outflow on this account was $500 million during the last quarter, which is an annual rate of $2 billion, compared with an annual rate of less than $267 million during the first three quarters. The increase is 650 percent.

Other long-term capital outflows were $800 million in the first three quarters and $1.3 billion for the entire year. This means an outflow at an annual rate of $2 billion during the last quarter, compared with an annual rate of $1.06 billion during the first three quarters. The increase is 89 percent.

The short-term capital outflow was $1.4 billion in the first three quarters, but $2 billion for the entire year. This means an annual rate of $2.4 billion during the last quarter, against $1.9 billion during the first three quarters. The increase is 26 percent.

It stands to reason that this enormous gain of momentum in the last quarter of the year cannot be entirely due to seasonal factors but occurred chiefly under the influence of expectational factors, probably in increased fear of a devaluation of the dollar and a fear of restrictions on the transfer of funds.

If it is true that the increase in capital outflow was motivated by expectational factors, one could draw the following inferences:

(1) Wrong expectations can often be reversed by pronouncement and actions that demonstrate the expectations to be unjustified.

(2) If expectations are reversed, not only will further capital outflow motivated by the wrong expectations be stopped, but capital may start flowing in the opposite direction.

(3) If a capital outflow is not expected to last but likely to be reversed, it would be inappropriate to desire a real adjustment of the balance of payments, that is, an adjustment of the flow of goods and services to the flow of capital.

REAL ADJUSTMENT VERSUS COMPENSATORY CORRECTION

Analysts of the balance-of-payments situation have long used the dichotomy between "adjustment" and "financing" a surplus or deficit. It is analytically more appropriate to distinguish three types of changes in the balance of payments: real adjustments, compensatory corrections, and temporary financing.

Real adjustments reduce or remove an imbalance through changes in relative incomes, prices, and resource allocations. Compensatory corrections reduce or remove the need for real adjustment in the long run, either through changing the current account by means other than the forces of real adjustment or by changing donation accounts and capital accounts. Temporary financing accommodates the excess demand or excess supply in the foreign exchange market until real adjustment is either accomplished or made unnecessary.

Most serious students of international economics adhere to the classical view that the current account should be made to adjust to the balance on capital account. To attempt the opposite, that is, to correct the flow of capital to match the balance in the flow of goods and services, is usually ineffective or inefficient. An exception to this rule, however, may be recognized with regard to purely speculative capital movements that are likely to reverse their direction in due course. Thus, if we believe that a large part of the present deficit on capital account is only temporary and reversible, then we should not insist on a real adjustment of the balance of payments. It would be wasteful to force a flow of goods and services to match a flow of funds that can be expected to be reversed in the near future.

The implications of these general statements for our analysis of the outflow of U.S. private capital are the following: To the extent that the capital outflow is induced by differences in the marginal productivity of investment here and abroad, we should not interfere with such outflow but should instead facilitate real adjustment of the current balance. To the extent, however, that the capital outflow is motivated by reversible expectations, we should not insist on a real adjustment but should instead promote the reversal of the expectations.

REVERSING THE EXPECTATIONS

We have not been very astute in persuading people here and abroad that their expectations or fears are unfounded. On the contrary, our behavior has been designed to reinforce the two kinds of fears that motivate the outflow of capital, the fear that the dollar may be devalued, and the fear that transfers of funds abroad may be restricted. Let us discuss what we have done to increase these fears and what we might do to reduce them.

The fear of devaluation

(1) Instead of freeing all our gold for export, that is, for the repurchase of our dollar liabilities, we have taken only a half measure and have left on our statute books the requirement of a 25-percent gold reserve for Federal Reserve notes. This strengthens widely held expectations to the effect that we are not prepared to use all our gold in the defense of the external value of the dollar.

(2) Whenever certain foreign monetary authorities have announced that they would use some of their dollar holdings for purchasing gold from us, we have responded with a frown. Yet, any reluctance or sign of indignation about an outflow of gold strengthens the belief of the people that we consider this as a weakening of our position. If my banker frowned and sighed whenever I cashed a check, I would certainly not wish to keep my deposit with him. We ought to give up our gold not with reluctance and apprehension, but with an air of friendly nonchalance.

(3) Our attitude concerning our gold holdings should change completely: We should invite all reluctant holders of dollars to come and buy as much gold as they wish; we should insist that no one hold dollars just to accommodate us; dollars should be held only by those who really prefer interest-bearing dollars to sterile gold.

(4) This preference for dollars over gold could be forcefully increased if we accepted the suggestion made in the minority views on the Annual Report of the Joint Economic Committee, 87th Congress, 2d session, 1962. According to this suggestion, the United States should eliminate its guarantee to purchase gold from foreigners at $35 an ounce or at any other predetermined price. In the minority view, the termination of the guarantee to buy at a fixed price would be likely to sharply reduce (gold) speculation and, at the same time, stimulate a return of sizable amounts of gold to the United States. If there is serious doubt that gold can always be sold to governmental and monetary authorities, the speculators' risk of loss from holding gold may be too great and he may convert it into dollars.

(5) A more effective policy for reversing expectations concerning the future of the dollar would be the acceptance of a plan which I presented in 1960. It consists in a gradual lowering of the price of gold, say, by 1 percent every quarter of a year. I shall refrain from discussing it at this point, because I know that the resistance to it cannot be overcome.

The fear of restrictions

While we have done badly regarding the fears of devaluations, we have done even worse concerning the fears of restrictions. In fact, we have created and promoted such fears.

(1) From some semiofficial quarters the possibility of governmental restrictions on the outflow of capital was suggested a few months ago. This was incredibly stupid.

(2) We have actually introduced "guidelines" and "challenges" which, if they are not regarded as restrictions, are widely considered as the first step toward restrictions.

(3) To reverse these fears we ought to tell every businessman that he should use his funds wherever business interests indicate. If we could possibly assure businessmen that there would be neither direct controls or restrictions nor any moral suasion, neither any obligation to make reports on foreign transactions nor any publicity about nonconformance with official directives, we would soon see a flow of funds returning from abroad.

RADICAL CHANGES IN OUR SYSTEM

Again and again in recent years have we heard warnings against "radical changes" of our monetary and economic system. All sorts of plans have been criticized and rejected on this score. There have been warnings against the complete removal of the gold-reserve requirements, against floating and even against a little more flexible exchange rates, against changes in the price of gold, against an international central bank and even against modest extensions of powers of the International Monetary Fund, etc., etc. I submit that any or all of these changes would be less radical than the change promulgated during the last 2 weeks in the issuance of "guidelines" by the Federal Reserve Board and the "challenges" to private business by the Secretary of Commerce. Not since the NRA in 1933 has this country attempted in peacetime to transform the managements of private business into lengthened arms of the Government. By calling on the business community—even if this is confined to 600 business firms—for voluntary cooperation we have taken an enormous step away from our system of free enterprise.

Protestations to the effect that these guidelines and exhortations are not prohibitions or binding regulations reveal a lack of understanding. Some think there is a great difference between outright prohibition of certain transactions under the threat of legal sanctions and mere exhortation against these transactions under the threat of publicity in the case of nonconformance. In actual fact, corporate management is more afraid of a threat of adverse publicity than of a fine of a few thousand dollars. Hence, I submit that the guidelines and the "program of voluntary cooperation" are in effect restrictions and regulations of private banking and private business. That there was no outcry against this radical change of our system of free enterprise indicates the degree to which our people's belief in fundamental values of our economic system has weakened and the belief in the benefits from a system of public regulation has grown stronger.

My lament for free enterprise will not strike many sympathetic chords. It will probably be regarded as an expression of the nostalgia, if not hysteria, of an old-fashioned libertarian. I am painfully aware of this. But my warnings against our present policy are not merely on these general grounds. They are also on the ground that our policy will be effective only if the adverse expectations about the future of the dollar are reversed—and in this case the interference with business decisions would be superfluous. Indeed, the reversal of expectations would be much more easily achieved if government did not feel compelled to resort to measures involving moral compulsion.

I conclude that the measures are either not necessary or futile. Their quick repeal would be more helpful than the most punctilious voluntary cooperation would be. For such cooperation cannot last if it becomes too expensive.

CONCLUSION

Where does all this leave me? Although I repeat that most forecasts of balance of payments are worthless, I shall attempt a diagnosis of the present situation.

The deficit of our capital balance includes large amounts of speculative, reversible movements. In my judgment the reversible portion is large enough for us to rely on this correction as one that would make further adjustments of the balance on current account unnecessary.

The reversible flow of capital depends on expectations regarding the future value of the dollar as well as the freedom of transferring dollars back and forth without any restrictions or inhibitions. If favorable expectations could be created on both these scores, I would be quite optimistic about the disappearance of the present dollar glut without resort to policies injurious to our economy or the world economy.

A STAMP IN COMMEMORATION OF CHARLES PROTEUS STEINMETZ

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PIRNIE. Mr. Speaker, Friday, April 9, 1965, is an occasion of high significance, in my estimation, for it marks the hundredth anniversary of the birth of a man genius—a man of great heart and great mind—in the person of Charles Proteus Steinmetz, electrical engineer and inventor extraordinary.

During this entire week in my home city of Utica, N.Y., a centennial celebration is being conducted to pay honor to the memory of this man who, though gone, will not be forgotten. The pages of American biography contain nothing surpassing in dramatic impact the tale of Steinmetz' rise, from crippled eccentric and political rebel, to community leader and a man of exceptional civic value.

Born in Breslau, Germany, April 9, 1865—the son of a government railway employee—Steinmetz was from birth malformed, and when he reached full height he was scarcely 4 feet tall.

Excluded by physical condition from the enjoyment of many of the pastimes and companionships of normal childhood, Steinmetz turned with intensity to the world of books and ideas. The result of his efforts in this respect were truly amazing. Entering the University of Breslau, at the age of 17, he showed at once the most extraordinary grasp of mathematics, and a phenomenal knowledge of the stars. Before leaving the university he had written a treatise on astronomy which was adopted as a school textbook.

Politics was another field of concern to Steinmetz, who bitterly assailed the suppressive policies of the German central government. In the year 1888, shortly before he was to have received his Ph. D. degree, he published a series of political articles which so incensed the governmental authorities that he had to flee to Switzerland to escape imprisonment. The following year, in 1889, he came to the United States, here to continue his scientific work in a land where political freedom was recognized as equal in importance to technological progress.

Arriving in New York City, ill, penniless, deformed in body, and without prospect of employment, he would have been refused admission by the immigration inspectors had it not been for the strenuous and enthusiastic intercession, in his behalf, by an American friend. Enchanted by the country, at first sight, Steinmetz took out citizenship papers immediately, and set forth to prove his mettle in the land of opportunity.

Employed initially by a Yonkers firm manufacturing electrical apparatus, he was soon in command of an experimental laboratory. From this vantage point he developed several new concepts, his first major achievement being a valuable improvement on an alternating current single-phase motor, to which he applied the principle of hysteresis loss, or the loss by heat resulting from the magnetization of iron. The law of hysteresis sprang from this improvement. From that day forward every electric motor has been produced on the basis of Steinmetz' law which is, briefly, that every time the magnetization doubles the hysteresis trebles.

At the International Electrical Congress in Chicago, in 1893, Steinmetz announced another discovery: a new and simpler formula for altering current calculations which he described more fully in his work, "Theory and Calculation of Alternating Current Phenomena," published in 1897. As in the case of the announcement of Steinmetz' first great discovery, the second was also embraced by the scientific world, virtually without dissent.

In 1892 the General Electric Co. acquired certain patents of Rudolf Eickenmeyer, by whom Steinmetz was employed at the time. In consequence of the transaction, Steinmetz now became a member of the staff of General Electric. When the company moved its engineering department to Schenectady, in 1894, Steinmetz went along with the move, and thereafter, until his death, remained a resident of that fair city.

In the months that immediately followed, the General Electric engineering department began taking giant strides in the field of experimentation and discovery, especially in building alternating current machinery and designing alternating current systems, for which it won a reputation for reliability.

Steinmetz quickly became head of the General Electric calculating department and then, in 1910, head of the consulting engineering department, which he organized, and chief consulting engineer. The company gave him unrestricted latitude in his electrical experiments and researches, and authorization to draw as much salary as he wanted for his personal use. In response, Steinmetz revolutionized the method of electrical research by substituting laboratory methods, based on fixed mathematical principles, for the old practice of developing a theory and then building a model to test it. Nearly 200 patents testify to the resources of his inventive genius.

Of all Steinmetz' inventions the most valuable, perhaps, are the following: an arc lamp, patented in 1901, with enough special features to entitle the inventor to a certificate of merit from the Franklin Institute; a number of induction, polyphase, and other motors, generators, and dynamos; the mercury arc rectifier, and a system, patented 1905–10, of long-distance electrical transmission, embracing a solution of some of the most perplexing high voltage problems in the industry.

For 20 years Steinmetz conducted a study of transient electrical currents, with the object of developing effective lightning arresters. Meanwhile, he was turning out published material to an astonishing extent, enabling him to capture the imagination of everyone in his field. Nor was that all. In 1912 Steinmetz was appointed president of the board of education by the mayor of Schenectady—a position he was to hold through several succeeding city administrations, until his death, in 1923. In addition, he also served as president of the common council from 1916 to 1918, and as chairman of the city planning and park commission.

Charles Proteus Steinmetz was a man of many extraordinary notions, which rendered him eccentric in dress and habit. But when it came to thought and the utilization of knowledge, in the public interest, few others were a match for this most remarkable man. It is to the everlasting honor of the city of Schenectady that Steinmetz—one of the outstanding men of genius over the past century—should have graced the city with his presence.

I would like, at this time, to recommend the issuance of a postage stamp honoring the name and achievements of Charles Proteus Steinmetz—a wizard of electrical engineering, a genius of great magnitude, a warmhearted, courageous, all-around citizen, whose name stands forth as worthy of the highest honors that we, his fellow citizens, can possibly bestow.

NEW ENGLAND GOVERNORS STRESS NEED FOR WOOL IMPORTS QUANTITATIVE RESTRICTION

Mr. TEAGUE of California. 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 pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, the six Governors from New England met in Washington today to discuss regional problems with the Federal executive departments and with their delegations to Congress.

One of the leading subjects of their concern is the problem of low cost woolen imports, which are taking a heavy toll of jobs in New England.

Governor John Chafee of Rhode Island made the presentation of the problem on behalf of the Governors and I include the text of his excellent statement.

This problem is of extreme importance to New England and New Hampshire. I have stressed them repeatedly in the past and done everything in my power to publicize them, to bring to the attention of the Congress and to seek remedial action at the Federal level. It is my earnest hope that the Congress will follow the suggestions of the six Governors who, incidentally, are evenly divided between the two parties.

The text of the statement follows:

PRESENTATION BY GOVERNOR JOHN H. CHAFEE OF RHODE ISLAND

FOREIGN IMPORTS

Low-cost imports are damaging to several New England industries but probably none is as hard hit with such grievous results—because of the many workers involved—as the woolen-worsted industry. In the past 10 years imports have soared from less than 5 percent to nearly 25 percent of domestic consumption. In Rhode Island alone this has cost us 50 mills and 15,000 jobs in that 10-year period. It's as equally serious in the other States with more closings in the offing if import relief is not obtained.

Wages in the countries which manufacture worsted-woolen imports vary from 9 cents to 73 cents per hour as compared with the U.S. average of $1.80 per hour in this industry.

On September 28, 1964, when visiting Providence, President Johnson said: "I share with our late, beloved President Kennedy the view that wool textile and apparel imports must be kept at reasonable levels. We have been trying to work out effective arrangements with other wool textile producing countries. Two missions have been sent abroad for this purpose in recent months. Thus far a multi-nation meeting has not been convened. But we intend to continue our efforts vigorously. I can assure you that we shall work hard at this problem. I consider it essential that the wool textile industry be restored to good health."

What the woolen-worsted manufacturers seek is an international agreement on quotas similar to that which the cotton industry has. This has been a major factor in the increased strength of that industry.

To get quotas on woolen-worsted imports requires executive department action. It is hoped the New England delegation will press the President on this matter as time is of the essence. These mills need relief very soon.

CLEVELAND HAILS NEW ENGLAND EDUCATION CENTER PLANNED AT UNIVERSITY OF NEW HAMPSHIRE

Mr. TEAGUE of California. 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 pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, it is a great pleasure to congratulate the University of New Hampshire, its president, Dr. John W. McConnell, and its board of trustees for their planning and foresight, which culminated today in the announcement of a large grant from the W. K. Kellogg Foundation.

This grant of $1.8 million to construct a New England Regional Center for Continuing Education on the university's campus in Durham is a dramatic, pioneering step in regional cooperation. Using the new center at Durham as a hub, the six New England State universities will devote their resources to comprehensive planning to meet the major industrial, agricultural, maritime, transportation, recreational, and economic problems of New England.

The project is described fully in the following press release issued here today. I am inserting it in the RECORD because it is the beginning of a unique development in interstate regional planning. I commend it to my colleagues as an example of how citizens in New England are moving to help themselves with traditional imagination and independence.

WASHINGTON.—The W. K. Kellogg Foundation will provide $1.8 million to the New England State universities to help build, equip, and operate the New England Regional Center for Continuing Education at the University of New Hampshire in Durham, N.H.

The Kellogg Foundation and the six New England State universities announced plans for the unique center Tuesday. The facility will enable New England's 11 million people to pursue cooperative action on regional problems.

Plans for the center were outlined at a meeting here of the six New England Governors, the region's congressional delegation, and a number of educational leaders.

Although the Kellogg Foundation has helped establish centers for continuing education at seven other universities in the United States and England, the New England center at Durham would be the first to join several universities in the service of a major geographical region.

Established in 1930, the Kellogg Foundation has awarded $125 billion for projects in agriculture, education, and public health. Since establishing the initial center at Michigan State University, it has helped create centers at the Universities of Chicago, Georgia, Nebraska, Oklahoma, Notre Dame, and at Oxford (England).

The significance of the facility was stressed by Dr. Hollis A. Moore, Jr., director of Kellogg's Division of Education, who said: "The proposal is a pioneering venture: the first regional center for continuing education established on a base of interuniversity cooperation. In addition, the center has been planned with a very strong emphasis on the international dimension of continuing education. Both of these were persuasive factors in our favorable response to the proposal."

A small permanent staff, augmented by specialists in various subject areas from the cooperating universities, will devise and conduct the center's adult continuing education programs.

New Hampshire Gov. John W. King, speaking on behalf of the New England Governors, expressed pleasure with the Kellogg Foundation's commitment to the regional education venture. He said the project was dramatic evidence of education's interest in the political and social development of the region, and would make a significant contribution to the area's concern for human needs.

Sinclair Weeks, a member of the University of New Hampshire's Board of Trustees and a former U.S. Secretary of Commerce, said:

"New England's tradition is in reliance on State government and local resources to meet the needs of today's complex society. This calls for strenuous efforts in adult education so that we may develop better understanding and promote active interinstitutional and interstate cooperation in solving regional problems.

"The center will greatly facilitate New England's growth in quality of educational leadership, and will for the first time make the region's total resources—government, business, industrial and educational—available to a greater number of persons."

Through workshops, institutes, conferences and other informal study programs ranging from 1 day to several weeks in length, the center will stress activities that:

Give breadth to continuing education programs which supplement and complement

those offered by New England's individual educational institutions.

Focus on the problems of individual States from a regional perspective, thus strengthening all New England.

Supplement formal study programs within the New England State universities by developing a reservoir of competent specialists in social, economic and political areas, and by providing continuing education for faculty members in their respective academic disciplines.

The objective will be to provide "an excellent, regionally oriented adult education program, through the pooling of resources, which none of the individual institutions could alone support."

Dr. John W. McConnell, president of the University of New Hampshire, told the group:

"Although the center will be an integral part of the University of New Hampshire's program, its ultimate goal is to provide the opportunity for all New England institutions of higher education, both public and private, to fulfill their simultaneous responsibilities toward State, regional, National, and even international aspirations.

"We envision programs which not only will give new emphasis to the service function of the land-grant university philosophy, with application to both urban and rural problems, but programs which will also stimulate an entirely new concept of 'service,' with instruction and research carefully integrated."

The planners of the center have already submitted more than 36 specific recommendations for programs in regional and international areas. The suggestions have been culled from conferences over the past 18 months with educational, governmental, and industrial leaders throughout the Nation.

Programs promising immediate gains in operation cooperation among the six States include suggestions that the center help develop a regional strategy for agricultural extension work, rather than the present State-by-State approach.

Long-range goals will include programs contributing to the economic revival of New England.

In the area of international studies, the planners propose an Atlantic community studies program which would develop short courses, conducted by international representatives in various fields, to acquaint American opinion leaders with programs and policies of the evolving relationships among European and other North Atlantic countries, Canada and the United States.

The Kellogg Foundation's gift includes $1.2 million to help the University of New Hampshire with initial construction of the center. An additional $600,000 will be shared by the six State universities as seed money to finance the development of experimental programs during the center's first 3 years of operation.

The University of New Hampshire will raise an additional $1.4 million from private sources including approaches to other foundations, through its Centennial Development Fund drive, and will seek a $500,000 legislative appropriation to complete first-phase construction.

The center itself will function under the policy direction of a proposed New England Regional Council on Continuing Education, through which each of the six States will contribute operating funds for the center and its programs.

In a complex of buildings to be erected on a site close to the heart of the UNH campus, the center will include:

A learning center, containing a variety of different-sized classrooms and auditoriums equipped with modern instructional aids, offices, and studios for New Hampshire's educational television station (WENH-TV).

A group of six housing units, each named for one of the New England States, to provide overnight accommodations for up to 244 persons attending the center's program.

A large dining facility to be operated in the manner of a New England inn.

An administrative building which will provide headquarters offices for New England regionally oriented organizations.

Next stage in development of the center will be the preparation of architectual drawings and specifications for the various buildings. Construction may get underway in Durham in late summer. No target date has yet been set for opening of the center's programs.

NORTHEAST AIRLINES: NEW ENGLAND GOVERNORS VOW TO MAINTAIN FIGHT

Mr. TEAGUE of California. 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 pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, at the legislative conference of New England Governors with their congressional delegations today, Gov. John H. Reed presented a fine statement of New England's determination to preserve the strength of Northeast Airlines. This is the only major trunkline airline based in New England and it is an essential part of our economy. I endorse Governor Reed's statement wholeheartedly and offer it at this point for the RECORD:

I appreciate having this opportunity to briefly outline the current status of the air transportation situation as it affects our New England region. As we are all aware the New York-Florida route case of Northeast Airlines has now been returned to the U.S. Court of Appeals in Boston following the third denial on March 5 by the Civil Aeronautics Board of the airline's request for a permanent route certificate.

The matter of the New York-Florida renewal case of Northeast Airlines has for a number of years been one of utmost concern to the Governors of the New England States.

As far back as 1961, the Governors supported the airline's petition for permanent certification and called upon the Civil Aeronautics Board to establish adequate air service in the New England States.

It has been the firm opinion of the Governors that the New England area, especially northern New England, should be served by an airline with the established capability to provide direct flights between our region and points to the south.

We have always believed that the best interests of the region could be served by the granting of Northeast Airlines' application for permanent certification.

The New England Governors, meeting in Boston on December 9, 1964, passed a resolution reaffirming this position and stressing the importance to all New England residents that the total service of the airline be maintained.

We believe that the latest majority decision of the Civil Aeronautics Board, like the previous decisions, has been based on outdated statistics.

I am of the opinion that a rehearing is essential to a fair determination of the Northeast Airlines case. The two minority members of the Board agree with this position. The effect of losing the Florida route would be so severe upon Northeast Airlines that any final decision must not be based upon arbitrary findings.

Northeast Airlines is the only major trunkline airline based in and serving our region. It has long and valiantly attempted to provide adequate service against almost impossible odds. The airline is the only one operating in the State of Maine. Our larger airports are now receiving better service than in the past and we expect smaller airports, as they are improved, to receive better service from Northeast.

Northeast Airlines is now providing my own State with service to Boston, New York, Philadelphia, Washington and Florida. We believe it is imperative to our industrial and recreational growth to maintain this service.

I have, therefore, in the past and will continue in the future to fight for the survival of Northeast Airlines whose very life depends upon being permitted trunkline capabilities.

Northeast Airlines' problem is of concern to all of New England and I respectfully request the Members of the New England congressional delegation to give it the studied consideration which its seriousness demands.

The loss of Northeast Airlines would be a tragic economic blow to our region. Hopefully, strong and united support of the airlines now will prevent any such eventuality.

NO JUSTIFICATION FOR PRESIDENTIAL COMMISSION TO INVESTIGATE CLOSING OF VETERANS HOSPITALS

Mr. TEAGUE of California. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. AYRES] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. AYRES. Mr. Speaker, there can be no justification for a presidential commission to investigate the closing of many veterans hospitals except that it might provide the administration with a scapegoat. Certainly if such a commission might be deemed of importance, it should have been created before the Veterans' Administration made its ill-considered and cruel decision to close these facilities.

The chairman of the Veterans' Affairs Committee immediately called for exhaustive hearings on the necessity of this drastic action. Fifty competent witnesses were heard and the result must have been evident to all—the administration's action was in complete error.

The proceedings by the House Veterans' Affairs Committee and its determination to rectify this grave error was transmitted to the White House. It was only then that the heartless rule was admitted to have possible error and the commission was created. This attempt to circumvent the House Veterans' Affairs Committee is purely political in intent and is a face-saving gesture.

The House Veterans' Affairs Committee has always acted in a nonpartisan manner. At the outset of the just completed hearings, I assured the administration that I would abide by the evidence brought before us. That evidence left no doubt but that the ruling closing these hospital facilities was without justifiable basis.

I intend to ask House Veterans' Affairs Committee Chairman OLIN TEAGUE to submit the lengthy and comprehensive testimony of our witnesses to the presidential commission. On this testimony alone, the commission will be able to see the complete error of the administration hospital closing order.

The President can relieve the anxiety of thousands of veterans and their families by taking immediate action in rescinding the original hospital closing order. This matter is of too great an importance to lend itself to any political window dressing. The hospital closing order should be declared null and void now.

TO CREATE A NATIONAL CEMETERY IN OHIO

Mr. TEAGUE of California. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. MINSHALL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MINSHALL. Mr. Speaker, there has been no consistent effort to keep up with the growth of the veteran population in providing adequate national cemeteries for eligible veterans and their dependents.

The bulk of the 98 national cemeteries in the United States and Puerto Rico were established for Civil War dead. Only 17 were created after 1900. Only a few of them—Arlington and the cemeteries located near Denver, Minneapolis, St. Louis, and Portland, Oreg.—have adequate acreage to meet long-range future needs. The State of Ohio, with its huge veteran population, has no national cemetery at all.

A Disabled American Veterans survey reveals that location of present cemeteries is unfavorable for many veterans. Certainly this is true in Ohio. Last year the Ohio veteran death rate was 811 per month, an increase over the 770 per month average in 1963. As age takes its toll that figure will increase yearly.

We give those who serve in our Armed Forces, and their dependents, the legal entitlement to burial in a national cemetery. It is certainly thwarting the intent of that benefit if we do not also provide them with adequate cemetery space which is geographically in attune to present-day veteran population.

The bill I am introducing today to create a national cemetery in Ohio is identical to one introduced recently by my good friend, the Congresswoman from Ohio, FRANCES P. BOLTON. Hopefully, this evidence of concern and support will help spur the Committee on Interior and Insular Affairs to action on this and many other pending bills of like nature.

NEW YORK CITY IN CRISIS—PART XXXVI

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

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

There was no objection.

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the 36th part of the continuing series on New York City in Crisis which has been appearing in the New York Herald Tribune.

This installment concerns a study of the city's industrial and manufacturing problems. It appeared in the Tribune on February 24, 1965:

FOR NEW YORK, ANOTHER GRIM REPORT

(By Barry Gottehrer)

At a crowded public hearing on the 1965–66 executive capital budget yesterday, Mayor Wagner accused a civic leader of being misinformed—only to learn shortly thereafter that it was he—and not the civic leader—who was misinformed.

The fireworks centered around the controversial and long-awaited Arthur D. Little study of the city's extreme industrial and manufacturing problems and preceded only by a few hours the sudden release—of the report.

The 97-page report titled "A Program To Meet New York City's Industrial Problems," warned that "unless the industrial environment of New York City is revitalized, the city will face continued loss of job opportunities in manufacturing (76,000 between 1958–63) and related activities, further decline in the tax base (from 1954 to 1962, the city's property tax revenues increased only 35 percent while general expenditures increased 56 percent); and increasing deterioration and blight of industrial space with hazardous conditions of employment and uneconomic operations.

The study also said that, unless New York City strengthens and broadens its industrial program, it will continue to lose companies in increasing numbers to other cities and States actively seeking new industry.

The study called for the establishment of a public development corporation (consisting of both city officials and private citizens) that would borrow funds to undertake construction of a major development (including rehabilitation) and would lease low-cost space to attract industry to the city.

The study also concluded that the city needs an industrial development program with three elements:

1. Financial assistance capable of implementing diverse projects.

2. Immediate and long-range research and planning activities to identify appropriate economic activities for the city, to insure the most efficient expenditure of time and effort on projects with long-range value.

3. Direct service activities for existing and new agencies.

Yet the release of the report was overshadowed by the one-scene drama, set in the second-floor Board of Estimate hearing room in city hall yesterday, and its aftermath.

Here's the way the drama unfolded:

John M. Leavens, executive director of the Citizens Budget Commission, speaks: "In April 1964, the city planning commission commissioned Arthur D. Little, Inc., to do a study on the feasibility of making a fresh start on the industrial redevelopment in New York City. The final report was delivered in December 1964. Since then, as far as the public is concerned, the report has been rigorously suppressed by city hall * * *."

Mayor Wagner speaks: "This report is not being suppressed by city hall. There has been no suppression at all * * *. Some of our commissioners, who have studied the report already, have some grave questions about it. * * * The fiscal commission (a temporary citizens' group named by the mayor to study the city's financial crisis) is studying it right now and I told Earl Schwulst (board chairman of the Bowery Savings Bank and chairman of the special commission) that we would not release the report until they finished studying it."

Mr. Leavens: "It is my understanding that the fiscal commission finished studying the report and returned it to your office 2 weeks ago."

Mayor Wagner: "Your understanding is a little off the beam. The special commission is still studying the report. When they're through with it, it's anybody's property as far as I'm concerned. I have no objection to the planning commission releasing the report at any time after the fiscal commission is through with it."

This took place at 11:25 a.m.

Yet within a few hours, it became abundantly clear that Mr. Leavens, who had taken a beating during the open hearing, had the far stronger case.

Amazingly, it was the mayor and not Mr. Leavens whose understanding about the status of the Little report was "a little off the beam."

According to Joseph D. McGoldrick, secretary of the temporary commission on city finances, Mr. Schwulst had sent a letter to Julius C. C. Edelstein, the mayor's executive assistant, outlining his impressions of the study and notifying the mayor that the commission was through studying it. This letter was mailed on February 6.

"Of course, we have a continuing interest in the business problems of the city," said Mr. McGoldrick yesterday, "but we were through studying the Little report before Earl Schwulst mailed the letter."

But yesterday, 17 days after Mr. Schwulst had written to the mayor's top aid telling him the commission was through studying the report, Mayor Wagner challenged the information of a civic leader who said exactly that.

The letter had not been lost in the mail. According to Leslie Slots, the mayor's press aid, the letter had been received by Mr. Edelstein on February 8, more than 2 weeks before yesterday's budget hearing.

And, according to this same aid, the mayor was totally ignorant of the existence of the letter when he made his statement at the hearing. "We get a lot of mail of all kinds every day," said Mr. Slots. "This letter is still not on the staff level. It's not ready for the mayor. That's not the point anyway. What the mayor was angry about was the statement that the city was trying to suppress the report. That's a pretty strong word—suppress. There never was any intention to suppress anything."

As late as 2 weeks ago, when the Herald Tribune's "City in Crisis" series first focused public attention on the Little report, there were doubts, even among some city officials, that the report would ever be released in its original form.

According to the Little study, the proposed public development corporation would operate in the following way:

"The corporation will be wholly owned by the city of New York. Its board of directors, under the chairmanship of the mayor, will include the policymaking department heads and probably some private citizens.

"A line of credit for the corporation will derive from the collateral of city-owned land—vacant, condemned, and underdeveloped—transferred to its control in return for a note. This land, not now used, will make it possible for the corporation to borrow outside the city's debt limit. By drawing on the line of credit made possible by the fluid land reserve (estimated at more

than $100 million), the Public Development Corp. can borrow funds to undertake the construction of a major development (including rehabilitation), leasing space to appropriate industries.

"When the space has been built and leased, the project can be sold to a wholly-owned temporary industrial development corporation which, using the leases as a basis for borrowing, can borrow sufficient money from the conventional mortgage market, from State funds (such as those of the New York State Job Development Authority) and through the sales of income debentures to pay the Public Development Corp. for 90 percent of the project cost. The remaining 10 percent will be held by the Public Development Corp. as stock.

"After a stated period of time, possibly 15 years, the temporary corporation can sell the property to the tenants or other purchasers, returning it completely to the private sector and providing the city with full payment."

The department of commerce and industry has already taken something of a step toward keeping industry in the city through its creation of the New York City Industrial Development Corp. This private, non-profit local development company makes it possible for businesses to obtain financing through a $100 million revolving fund under arrangement with the New York State Job Development Authority.

The fund was announced in October 1963, and the department of commerce and industry reported that through the first of February it had been instrumental in keeping seven firms from leaving the city. These seven firms saved 1,000 jobs for New York.

Despite frequent and continued statements of the city administration boasting of the city's "throbbing economic vitality," the Little report paints a far more realistic—and disturbing—picture.

"The city's problems are of a magnitude and complexity experienced nowhere else in the world," said the report. "* * * By gaining a better perspective of the magnitude of this problem (the loss of manufacturing jobs needed by the generally low-income minority groups of generally limited skill), it is interesting to note that the unemployed in New York City outnumber the total labor force of the State of Delaware and that the nonwhite population of New York City, whose level of skills most require upgrading, outnumbers the nonwhite population of every State other than California and Texas."

Among reasons given in the study for the city's increasing loss of manufacturers are "urban growth, the age and obsolescence of industrial facilities and the high cost of improvements."

The history of the study dates back to June 1963, when Francis J. Bloustein, then acting chairman of the city planning commission; sent a 3-page letter and a detailed 10-page memorandum to Mayor Wagner. The subject of both—the city's growing business crisis.

"Industrial development in New York City is at the crossroads," read the memorandum. "Manufacturing jobs have been declining rapidly and steadily. Only in a limited sense can the current increase in white-collar employment be considered a compensating gain, since a large proportion of New York City residents are dependent upon blue-collar jobs. * * *

It is safe to say that unless valid solutions to these problems are reached, it will be impossible to check the rapid decline of industry in this city. Among other adverse results will be the hardening of business opposition to an urban-renewal program that appears to business to work against business and never for it. The economic consequence will be catastrophic in terms of lost tax revenue and mounting welfare costs.

FINAL REPORT

The letter and the memo both called for an immediate study of the problem. Yet not until 1 year later did the City Planning Commission announce that Arthur D. Little, Inc., of Boston, had a study of the problems and potential of industrial growth in New York.

A report, read the commission's newsletter, is scheduled to be completed in the fall of this year (1964).

The first draft (the study cost city taxpayers $30,000) was completed in September 1964, and, after consultations with various department heads, a final draft was, according to the City Planning Commission, completed last November. At this point, the Mayor and the Board of Estimate were briefed on the contents of the report.

Then, in early January, the final report—as it was distributed yesterday—was delivered to the offices of the City Planning Commission where, with the exception of copies distributed to top commissioners and the Temporary Commission on City Finances, it remained until yesterday.

At this point—and quoted in the "City in Crisis" series—a Planning Commission aid said about the report, "It's possible it may never be released for public consumption. There have been other reports and other studies paid for out of taxpayers' money that were finished but weren't made public for one reason or another. It's up to the mayor now. We're waiting for word from him."

NEW YORK CITY IN CRISIS—PART XXXVII

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

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

There was no objection.

Mr. MULTER. Mr. Speaker, the following article is a part of "New York City in Crisis," a series appearing in the New York Herald Tribune.

This installment concerns the crisis developing in the City University of New York. It appeared in the Tribune on February 25, 1965:

NEW YORK CITY IN CRISIS: CUNY'S DANGER—"EDUCATIONAL SLUM"

(By Terry Ferrer)

"Crisis conditions" in the city's public colleges, resulting from "unbelievable overcrowding, has reached a stage where academic standards are threatened," the Public Education Association charged yesterday. And, the PEA said, the main fault lies with the State, which is "shortchanging" the city's colleges by some $30 million this year.

Dr. Albert H. Bowker, chancellor of the City University of New York which runs those colleges, agreed that CUNY is threatened with lowered academic programs.

"We're operating at 120 percent of capacity now," Dr. Bowker said in an interview yesterday. "There isn't much more we can do with our existing plant, short of going year-round. We're really running from dawn to dusk at the moment. * * * Especially crucial for the students is library and study space, while faculty office space is almost nonexistent."

Both Dr. Bowker and the PEA, a 2,000-member civic organization, also agreed that the worst of the crisis is in the city's four tuition-free senior colleges, Brooklyn, City, Hunter, and Queens. In 1960, these four colleges enrolled some 87,000 full- and part-time students; this academic year, the total is more than 122,000.

In a 13-page indictment of the present financing of the City University, the PEA declared that "nothing short of an all-out effort by the city and State governments will suffice to relieve the situation."

The report was prepared by PEA's higher education committee, chaired by Ira Hirschmann, industrialist, diplomat, and, for 9 years, a member of the board of higher education, which has jurisdiction over the City University.

Mr. Hirschmann warned yesterday that the city was in danger of becoming a "poor man's educational enclave" and the "educational slum" of higher education in the State.

The PEA report declared that the State is "shortchanging" the city colleges by some $30 million this year, while pouring double the per student support into the State university, but it can and should do more.

The PEA said in its report that the State puts $1,400 behind each 4-year and graduate student in the State university, but only $700 behind each similar student in the City University. This "alarming practice," Mr. Hirschmann said, "could throw higher education in the city into chaos, confusion, and disintegration."

Actually, the City University backs each student with $1,575, but gets only $700 of it from the State.

"If State funds for 1964–65 were being allocated to the City University at the rate now being provided on a per-student basis to the 4-year colleges and graduate schools of the State University," the report said, "the New York City Board of Higher Education would receive between $55 and $60 million instead of the $29 million which it will get this year."

The PEA proposed that the legislature adopt a formula providing equal support for all 4-year and graduate students attending public institutions in the State, whether at the State or City University. The formula would be similar to the State-aid formula for public elementary and secondary schools.

Copies of the proposal have been sent to Governor Rockefeller and key legislators, the PEA said. The association expects to draft legislation in cooperation with Dr. Bowker for action at this legislative session.

Forty-three percent of the college-aged population in the State lives in New York City, the PEA pointed out. In the last 5 years, "lack of facilities has restricted enrollment rises in the senior colleges of the City University to 25 percent," the report said, "while similar increases in 4-year colleges and graduate centers of the State University have gone up nearly 49 percent." In 1960–61, the City University had 32,000 full-time students in its senior colleges, against 40,500 this academic year. In the same period, 4-year full-time enrollment in the State University jumped from 35,000 to 52,500.

"The city government," said PEA, "has not been in a position to provide the funds necessary for the enlargement of its public colleges to meet the full need. The State, on the other hand, with very great taxing powers, has been able to move rapidly in expanding facilities of the State University."

Fifteen of SUNNY's 58 units have been added in the last 5 years, generally "without the overcrowding that now characterizes city institutions."

The PEA also recommended that all 34 public 2-year colleges in the State be tuition-free, as are the seven in New York City. This could be accomplished by raising the State's support from its present one-third to two-thirds of the 2-year colleges' operating costs, and from one-half to three-fourths of the construction costs.

New York State is "well able to finance a strong system of public higher education, free at least through the 14th year," the PEA declared. "New York ranks No. 4 among all States in level of per capita personal income, being surpassed only by Nevada, Delaware

and Connecticut. In 1962, it ranked No. 2 in personal income per child of school age (5 to 17). By contrast, it ranked 49th in per capita State expenditures for institutions of higher learning and 49th in percent of total State expenditures allocated to such institutions."

PERSONAL ANNOUNCEMENT

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

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

There was no objection.

Mr. HELSTOSKI. Mr. Speaker, on rollcall No. 33, I am recorded as not voting. Because I had previously committed myself to discuss certain problems of our district with the members of the Rutherford Chamber of Commerce, I was unable to be present during the rollcall. Had I been here, I would have voted to suspend the rules and pass H.R. 4714, to amend the National Arts and Cultural Development Act of 1964.

Also, Mr. Speaker, I am not recorded as voting on rollcalls Nos. 62, 63, and 64 held on Monday, April 5.

I was unable to be in the Chamber because of very important commitments which I had in my congressional district, which caused me to be absent from Washington.

Had I been in Washington, I would have been present to vote on the legislation being considered by the House.

On H.R. 980, to provide for the return of obscene mail, I would have voted "yea." I also would have voted "yea" on H.R. 7064, authorizing $1 million to build a chancery building for our Embassy staff in Saigon.

On the final bill under discussion in the House, H.R. 7060, the appropriation bill for funds for the Treasury and Post Office Departments, I also would have voted "yea."

NATURAL RESOURCES COUNCIL PROPOSAL

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

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

There was no objection.

Mr. ULLMAN. Mr. Speaker, in the RECORD for April 5, Senator MCGOVERN inserted the speech of New Mexico's distinguished senior Senator [Mr. ANDERSON] before the ninth biennial wilderness conference, San Francisco, Calif., April 2, 1965.

Senator ANDERSON's outstanding record as a great leader in the American conservation movement was cited by Senator MCGOVERN.

Today I wish to join the Senator from South Dakota in noting my admiration of the lasting contribution Senator ANDERSON is making to insure continued progress in this Nation's natural resource endeavor.

I was particularly heartened and gratified by Senator ANDERSON's endorsement of the establishment of a Council of Resources and Conservation Advisers as proposed in the Senate by S. 938 introduced by Senator MCGOVERN and in H.R. 4430 which I have the pleasure to sponsor in the House of Representatives.

It seems only yesterday that I discussed the need for such a council with our late President John F. Kennedy during his western "conservation" trip. The need for such a council is no less today than then—rather with the perspective achieved with the passage of only a few years we see the need to be more acute today. I heartily subscribe to Senator ANDERSON's words, and reiterate them to my colleagues, as he said:

We have—as a nation—paid attention to resource problems on a crisis basis. We are alerted to the water crisis, the timber crisis, the pesticide crisis, the strip mine crisis. I have no question that it is the squeaking crisis which gets the oil. But it is the wisest way for a nation to develop and manage its resources for 190 million today and 330 million by the year 2000? I think not.

A council of resource and conservation advisers might help to avoid the potential wastefulness of reaction only in the face of crisis. It might enable decision makers to take more initiative in advance of a severe resource problem rather than after it has ballooned to massive proportions.

The council would be an arm of the executive branch, but it would serve all of Government in much the same fashion as the Council of Economic Advisers. The Council of Economic Advisers does not create national economic policy, but it gathers the information and does the advance thinking essential to the shaping of enlightened policy. It is still up to political leaders to create and implement tax and fiscal policy. By the same token, Members of Congress and Cabinet officers would still be left with the responsibility to make sound conservation policy.

But the council of resource and conservation advisers would help chart the way toward appropriate conservation measures. It would let us know where we stand and where we should be heading.

CONGRESSMAN SWEENEY AND THE PARENTHOOD DERBY

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

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

There was no objection.

Mr. VANIK. Mr. Speaker, I have just received word that our distinguished colleague, Hon. ROBERT E. SWEENEY, Representative at Large from the State of Ohio today became father of his 11th child, his third daughter.

This is just another testimonial to Ohio's progress as a growth State.

Congressman SWEENEY now takes undisputed clear title to second place among Members of Congress in the parenthood derby.

The future strength and leadership of the Democratic Party is assured with our colleague HUGH CAREY with a Democratic family of 13 children, our colleague ROBERT E. SWEENEY with 11 children, and Honorable ROBERT CASEY with 10 children.

THAT WAS THE WEEK THAT WAS

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

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

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, most Americans enjoy a good joke. Humor is one of the most commendable ingredients of the American personality.

Satire and irony, particularly when directed at persons in public life, may sting a bit but give us an opportunity to see ourselves, though in caricature, from another side.

At best this form of humor can be constructive and entertaining. At its worst it can be debilitating and vicious.

Millions of Americans on their home television screens recently witnessed an example of American humor at its worst.

I refer to the March 30, 1965, production of the NBC–TV program, "That Was the Week That Was."

As a southern Member of Congress, I believe I am aware and feel very deeply the problems with which the South and other areas of this Nation are faced. We want to solve these problems as quickly as possible and above all we want them solved in a spirit of community good will.

However, to hold up an entire region of the United States to public ridicule is to damage that spirit and the efforts to broaden it.

I do not pretend to speak for others but I am certain there are millions of objective Americans who share this view. One of these is Mr. Harris Martin, editor of "This Week" in Nashville, a publication of events and activities in Nashville, Tenn., "Music City, U.S.A."

Mr. Martin suggests the removal of the program from the air. I would not advocate this because I firmly believe in free speech and comment. This program of March 30, in my view, demonstrated a deplorable failure in responsible judgment. Such viciousness accomplishes nothing. It does create greater hostility, however, which does not improve but worsens matters.

Under unanimous consent, I insert Mr. Martin's editorial at this point:

TO NBC–TV AND TW–3—FOR INCREDIBLY BAD TASTE

DEAR PRODUCERS, DIRECTORS, PERFORMERS, AND OH-SO-CLEVER WRITERS, ON "THAT WAS THE WEEK THAT WAS": Your half hour segment on the NBC television network, Tuesday, March 30, was a classic example of ill-informed comment on the troubled-enough social scene.

From the opening "song," in which Nancy Ames attempted to keep notes and lyrics in some semblance of synchronization—through the poorly conceived attempts at devastating

humor—your show was a prime-time example of TV's vast wasteland.

The low-point—in a show filled with high-school-skit mediocrity, was the set of lyrics which poked vitriolic fun at a large portion of the United States.

Standing before a rear screen projections of the Confederate flag, Nancy Ames played parrot for the creative wizards who dream up your pseudosophisticated garbage, and chanted a song which condemned all of the country south of the Mason-Dixon Line. This line, incidentally, begins around Baltimore, Md.

Based upon unfortunate incidents which have occurred in the South—(and in the North, and in Alaska, and in too many places), an entire segment of our country was ridiculed, on a major TV network, in prime time, with the apparent sanction of those who regularly spend much time and money, creating a network image.

It's doubtful that anyone connected with your show has firsthand, eyewitness knowledge of the South—other than possible participation in brief band wagon jaunts to currently headlined trouble spots.

Your long-range guns which point so easily South could be replaced by artillery of smaller caliber, aimed toward your own street corners.

You ask how long the country can do without products, produced in Alabama, like "axe handles, ham hocks, etcetera, etcetera."

Let's ask you a question. How long can the country do without "TW-3"?

And the sooner we start, the better.

—EDITOR.

NATIONAL FAMILY HEALTH

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

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

There was no objection.

Mr. MORGAN. Mr. Speaker, the American Academy of General Practice Foundation is doing the country a great service by focusing its attention on the unmet health needs of the American family and the ways of meeting those needs. Scientific progress has revolutionized the practice of medicine and in this time of rapid change and high specialization we must make sure that the overall needs of the patient are not neglected. We need to put a lot more thought into finding the most effective way of meeting the many varied health care needs of the family. We must determine what kind of practitioner will best be able to provide basic medical service to the American family in the future and how best to train him.

To help bring these questions before the public eye, I have introduced House Joint Resolution 413 in the Congress to designate the week of April 9 of each year as National Family Health Week by Presidential proclamation.

I am sure that the American Academy of General Practice will continue to be a leader in the national effort to find better ways of providing the American family with comprehensive medical care. Conferences such as this one which bring together concerned and knowledgeable people from a variety of professional fields are doing much to clarify and solve the problems of unmet health needs of the American family.

FOREIGN AID

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

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

There was no objection.

Mr. FRASER. Mr. Speaker, I would like to bring to the attention of my colleagues the next in the series of bipartisan meetings on foreign aid.

The meeting tomorrow, Wednesday, April 7, will focus on the issue of foreign aid and the problem of internal security and insurgency.

The speakers will be William S. Gaud, Deputy Administrator; Byron Engle, Director of the Office of Public Safety, and experienced in police administration in the United States and other countries; and William J. Mazzocco, Director of the Office of Vietnam Affairs, and specialist on the nonmilitary aspects of counter-insurgency, Agency for International Development.

Slides will also be shown.

This meeting, sponsored by three Democratic and three Republican members of the Foreign Affairs Committee, is for members only and will be held in the speaker's dining room at 3 p.m.

TWO BILLS TO EXEMPT CERTAIN GROUPS FROM EXCISE TAXES

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

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

There was no objection.

Mr. MCVICKER. Mr. Speaker, the Johnson administration has done a great service to the artistic and cultural life of our country by proposing legislation designed to aid endeavors in the humanities and the arts by financial contributions and by the establishment of a National Arts and Humanities Foundation. This proposal recognizes the principle that it is necessary to bring into better balance our commitment to science with our commitment to the arts and the humanities.

Much new interest in the performing arts has been shown in our country, yet there is still a great lag in artistic excellence and in the commitment of our people to its betterment. The proposed legislation that would establish a Humanities Foundation recognizes the principle that a society can no more ignore its cultural well-being than it can neglect the condition of its health or education.

Support for the performing arts must come from all directions, and especially from private sources and initiatives. States and municipalities must provide more impetus than they have in the past, and finally, the Federal Government has a limited but important role to play. The Humanities Foundation bill will do much to relieve the possibility of economic strangulation which the performing arts are presently facing. The Congress can give further help in the form of tax relief.

Mr. Speaker, I am today introducing a bill which is designed to relieve some of the economic difficulties of our dramatic and musical groups. This bill would exempt live dramatic and musical performances from the admission excise tax by amending section 4233 of the Internal Revenue Code.

I am introducing another bill today which would also amend, clarify, and define the applicability of section 4233 of the Internal Revenue Code of 1854. This bill would exempt any admissions or amounts paid for admission, refreshment, service, or merchandise, which inure exclusively to the benefit of churches, educational institutions, community chest foundations, symphony and opera societies, National Guard and Reserve officers' organizations and war veterans organization, and nonprofit organizations which operate solely for the purpose of providing scholarships for study on the postsecondary level. I urge passage of these bills by the Congress.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DENT (at the request of Mr. ALBERT), for 30 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. ROSENTHAL (at the request of Mr. ALBERT), for 60 minutes, today; to revise and extend his remarks and include extraneous matter.

Mr. FLOOD (at the request of Mr. MATSUNAGA), for 60 minutes, on April 28, 1965; 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. COHELAN to revise and extend his remarks and include extraneous material and tables.

(The following Members (at the request of Mr. TEAGUE of California) and to include extraneous matter:)

Mr. SAYLOR.
Mr. BRAY.
Mr. FINO.
Mr. LAIRD.
Mr. BOW.
Mr. PIRNIE.

(The following Members (at the request of Mr. MATSUNAGA) and to include extraneous matter:)

Mr. MCCARTHY in two instances.
Mr. DULSKI
Mr. FISHER.
Mr. UDALL.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 693. An act to amend the Foreign Agents Registration Act of 1938, as amended; to the Committee on the Judiciary.

ADJOURNMENT

Mr. MATSUNAGA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 32 minutes p.m.) the House adjourned until tomorrow, Wednesday, April 7, 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:

881. A communication from the President of the United States transmitting notice of intention to issue an Executive order having the effect of terminating the designation of certain countries as less-developed countries for purposes of the interest equalization tax, pursuant to subsection (b) of section 4916 of the Internal Revenue Code and Executive Order 11071 of December 27, 1962 (H. Doc. No. 139); to the Committee on Ways and Means; and ordered to be printed.

882. A letter from the Comptroller General of the United States, transmitting a draft of proposed legislation entitled "A bill to amend section 1552(c) of title 10, United States Code, to provide for the deduction of interim earnings from the payments of active duty pay and allowances found due members or former members of the uniformed services as a result of the correction of their military records"; to the Committee on Armed Services.

883. A letter from the Assistant Secretary, Export-Import Bank of Washington, transmitting a report that the Bank has issued a guarantee in connection with a contract of sale for the export of a rotary blast drill to Yugoslavia, pursuant to title III of the Foreign Assistance and Related Agencies Appropriation Act of 1965 and to the Presidential determination of February 4, 1964; to the Committee on Foreign Affairs.

884. A letter from the Comptroller General of the United States, transmitting a report of increased cost resulting from acquisition of maintenance trucks produced by the Boeing Co., Seattle, Wash., for the Minuteman intercontinental ballistic missile program, Department of the Air Force; to the Committee on Government Operations.

885. A letter from the Comptroller General of the United States, transmitting a report of followup examinations of reviews of right-of-way claims in the State of West Virginia Federal-aid highway program, Bureau of Public Roads, Department of Commerce; to the Committee on Government Operations.

886. A letter from the Comptroller General of the United States, transmitting a report of loss on business loan resulting from inadequate evaluation of borrower's bonding coverage requirements and from realization on collateral, Small Business Administration; to the Committee on Government Operations.

887. A letter from the Chairman, Federal Power Commission, transmitting a copy of "Statistics of Electric Utilities, Privately Owned," and a copy of "Sales by Producers of Natural Gas to Natural Gas Pipeline Companies, 1963"; to the Committee on Interstate and Foreign Commerce.

888. A letter from the Assistant Secretary of the Air Force, transmitting a draft of proposed legislation entitled "A bill for the relief of Lt. Col. Claude E. Tabor, Jr., U.S. Air Force"; to the Committee on the Judiciary.

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. MADDEN: Committee on Rules. House Resolution 322. Resolution providing for the consideration of H.R. 6675, a bill to provide a hospital insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance, to increase benefits under the old-age, survivors, and disability insurance system, to improve the Federal-State public assistance programs, and for other purposes; without amendment (Rept. No. 226). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois:

H.R. 7151. A bill to amend section 104(s) of Public Law 480, 83d Congress, as amended, to require that 5 percent of the foreign currencies hereafter acquired by the sale of U.S. surplus agricultural commodities be set aside for the sale of dollars to American tourists abroad; to the Committee on Agriculture.

H.R. 7152. A bill to provide for the establishment of a Joint Committee on Research and Development Policy; to the Committee on Rules.

By Mr. BECKWORTH:

H.R. 7153. A bill to eliminate certain restrictions on the assignment of Government field personnel to duty in the District of Columbia, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 7154. A bill to permit variation of the 40-hour workweek of Federal employees for educational purposes; to the Committee on Post Office and Civil Service.

By Mr. BUCHANAN:

H.R. 7155. A bill to provide that contributions toward the reward being offered for the apprehension of those responsible for the recent bombing activities in Birmingham, Ala., shall be deductible for Federal income tax purposes, and that such reward when paid shall be exempt from Federal income tax; to the Committee on Ways and Means.

By Mr. CHAMBERLAIN:

H.R. 7156. A bill to amend the Merchant Marine Act, 1920, to prohibit transportation of articles to or from the United States aboard certain foreign vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 7157. A bill to amend title II of the Social Security Act to include Michigan among the States which may obtain social security coverage, under State agreement, for State and local policemen and firemen; to the Committee on Ways and Means.

By Mr. CLEVELAND:

H.R. 7158. A bill to provide for the establishment of a Joint Committee on Research and Development Policy; to the Committee on Rules.

By Mr. DANIELS:

H.R. 7159. A bill to provide for the crediting for civil service retirement purposes of certain service rendered by civilian employees of nonappropriated fund instrumentalities of the Armed Forces; to the Committee on Post Office and Civil Service.

By Mr. DAVIS of Georgia:

H.R. 7160. A bill to amend the Communications Act of 1934 to prohibit the Federal Communications Commission from assessing fees or charges for services, publications, or instruments, unless specifically permitted by law; to the Committee on Interstate and Foreign Commerce.

By Mr. ERLENBORN:

H.R. 7161. A bill to amend section 161 of the Revised Statutes with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records; to the Committee on Government Operations.

By Mr. EVANS of Colorado:

H.R. 7162. A bill to authorize the modification of the John Martin Reservoir project, Colorado, in order to provide a permanent reservoir pool for recreational and fish and wildlife purposes; to the Committee on Public Works.

By Mr. WILLIAM D. FORD:

H.R. 7163. 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. HALL:

H.R. 7164. A bill to establish a cropland restoration program and for other purposes; to the Committee on Agriculture.

By Mr. HARRIS:

H.R. 7165. A bill to amend section 1(14)(a) of the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7166. A bill to authorize the Interstate Commerce Commission, after investigation and hearing, to require the establishment of through routes and joint rates between motor common carriers of property, and between such carriers and common carriers by rail, express, and water, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7167. A bill to establish a uniform system of time standards and measurements for the United States and to require the observance of such time standards for all purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7168. A bill to amend section 204(a)(3) of the Interstate Commerce Act respecting motor carrier safety regulations applicable to private carriers of property; to the Committee on Interstate and Foreign Commerce.

H.R. 7169. A bill to amend the Securities Act of 1933 with respect to certain registration fees; to the Committee on Interstate and Foreign Commerce.

By Mr. IRWIN:

H.R. 7170. A bill to authorize the disposal, without regard to the 6-month waiting period, of approximately 50,000 tons of refractory grade bauxite from the national stockpile: to the Committee on Armed Services.

By Mr. KEITH:

H.R. 7171. A bill to amend the Internal Revenue Code of 1954 to deny deductions for certain payments for the use of, or interest payments on mortgages on, industrial plants financed by tax-exempt obligations; to the Committee on Ways and Means.

By Mr. KING of California:

H.R. 7172. A bill to amend the Internal Revenue Code of 1954 with respect to the tax

treatment of wages of seamen in certain cases; to the Committee on Ways and Means.

By Mr. McMILLAN (by request):

H.R. 7173. A bill to amend the District of Columbia Business Corporation Act and the District of Columbia Nonprofit Corporation Act; to the Committee on the District of Columbia.

H.R. 7174. A bill to amend the Fire and Casualty Act of the District of Columbia and to supplement the Motor Vehicle Safety Responsibility Act of the District of Columbia in order to provide for the indemnification of persons sustaining injuries or damages as a result of the operation of motor vehicles by financially irresponsible persons, and for other purposes; to the Committee on the District of Columbia.

By Mr. O'NEAL of Georgia:

H.R. 7175. A bill to make permanent the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

By Mr. PATTEN:

H.R. 7176. A bill to establish a Department of Housing and Urban Development, and for other purposes; to the Committee on Government Operations.

By Mr. POWELL:

H.R. 7177. A bill to extend the Juvenile Delinquency and Youth Offenses Control Act of 1961; to the Committee on Education and Labor.

By Mr. QUIE:

H.R. 7178. A bill to provide for an objective, thorough, and nationwide analysis and reevaluation of the extent and means of resolving the critical shortage of qualified manpower in the field of correctional rehabilitation; to the Committee on Education and Labor.

By Mr. ROSENTHAL:

H.R. 7179. A bill to establish a Department of Consumers in order to secure within the Federal Government effective representation of the economic interests of consumers; to coordinate the administration of consumer services by transferring to such Department certain functions of the Department of Health, Education, and Welfare, the Department of Labor, and other agencies; and for other purposes; to the Committee on Government Operations.

By Mr. SIKES:

H.R. 7180. A bill to authorize a survey for improving the channel at Pensacola Harbor, Fla., and for other purposes; to the Committee on Public Works.

By Mr. SKUBITZ:

H.R. 7181. A bill to provide for the commemoration of certain historical events in the State of Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STANTON:

H.R. 7182. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on communications; to the Committee on Ways and Means.

By Mr. WAGGONNER:

H.R. 7183. A bill to amend the Interstate Commerce Act, as amended, in order to make unlawful, as unreasonable and unjust discrimination against and undue burden upon interstate commerce, certain property tax assessments of common carrier property and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DONOHUE:

H.R. 7184. A bill to amend section 2401 of title 28, United States Code, to extend the time for filing tort actions by persons under the age of 21, or insane or mentally ill, or imprisoned on a criminal charge; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H.R. 7185. 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. MATSUNAGA:

H.R. 7186. A bill to amend the Internal Revenue Code of 1954 to provide that the cost of maintaining a retarded child in a professionally qualified custodial institution shall be deductible as a medical expense; to the Committee on Ways and Means.

By Mr. MEEDS:

H.R. 7187. A bill to conserve and protect Pacific salmon of North American origin; to the Committee on Ways and Means.

By Mr. MINSHALL:

H.R. 7188. A bill authorizing the Secretary of the Army to establish a national cemetery in Ohio; to the Committee on Interior and Insular Affairs.

By Mr. PATMAN:

H.R. 7189. A bill to amend the Clayton Act by making section 3 of the Robinson-Patman Act, with amendments, a part of the Clayton Act, in order to provide for governmental and private civil proceedings for violations of section 3 of the Robinson-Patman Act; to the Committee on the Judiciary.

By Mr. PELLY:

H.R. 7190. A bill to amend the Internal Revenue Code of 1954 to make the interest equalization tax inapplicable to acquisitions before September 3, 1964, and to exclude from the application of such tax acquisitions of foreign stock acquired with funds held outside the United States on July 18, 1963; to the Committee on Ways and Means.

By Mr. LINDSAY:

H.R. 7191. A bill to protect voting rights secured by the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MATHIAS:

H.R. 7192. A bill to protect voting rights secured by the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. REID of New York:

H.R. 7193. A bill to protect voting rights secured by the 15th amendment of the Constitution of the United States; to the Committee on the Judiciary.

By Mr. FULTON of Pennsylvania:

H.R. 7194. A bill to protect voting rights secured by the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MORSE:

H.R. 7195. A bill to protect voting rights secured by the 15th amendment of the Constitution of the United States; to the Committee on the Judiciary.

By Mr. ANDERSON of Illinois:

H.R. 7196. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. ERLENBORN:

H.R. 7197. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. FINDLEY:

H.R. 7198. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. McCLORY:

H.R. 7199. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MICHEL:

H.R. 7200. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. AYRES:

H.R. 7201. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. BATTIN:

H.R. 7202. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. BELL:

H.R. 7203. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mrs. BOLTON:

H.R. 7204. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H.R. 7205. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. BURTON of Utah:

H.R. 7206. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. CEDERBERG:

H.R. 7207. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R. 7208. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. DEL CLAWSON:

H.R. 7209. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. CONABLE:

H.R. 7210. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. CURTIS:

H.R. 7211. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. ELLSWORTH:

H.R. 7212. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.R. 7213. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. GOODELL:

H.R. 7214. A bill the guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. GRIFFIN:

H.R. 7215. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HOSMER:

H.R. 7216. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. KEITH:

H.R. 7217. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. KING of New York:

H.R. 7218. A bill to guarantee the right to vote under the 15th amendment to the

Constitution of the United States; to the Committee on the Judiciary.

By Mr. LAIRD:

H.R. 7219. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. LANGEN:

H.R. 7220. A bill to guanrantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mrs. MAY:

H.R. 7221. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MOSHER:

H.R. 7222. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. PIRNIE:

H.R. 7223. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. QUIE:

H.R. 7224. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. REIFEL:

H.R. 7225. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. REINECKE:

H.R. 7226. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. ROBISON:

H.R. 7227. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. SCHNEEBELI:

H.R. 7228 A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. SMITH of New York:

H.R. 7229. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. TALCOTT:

H.R. 7230 A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. McVICKER:

H.R. 7231. A bill to amend, clarify, and make certain the applicability of section 4233 of the Internal Revenue Code of 1954, relating to exemptions from tax imposed under section 4231 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

H.R. 7232. A bill to amend the Internal Revenue Code of 1954 to provide that the tax on admissions shall not apply to admissions to any live dramatic (including musical) performance; to the Committee on Ways and Means.

By Mr. FINO:

H. Res. 321. Resolution creating a select committee to conduct an investigation and study of the advisability and feasibility of a governmental lottery; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

180. By Mr. MORRIS: Memorial of the Legislature of the State of New Mexico, requesting the Congress of the United States of America to take appropriate investigative and legislative action in connection with the Tierra Amarilla land grant located in Rio Arriba County, N. Mex.; to the Committee on Interior and Insular Affairs.

181. By the SPEAKER: A memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to appropriating funds for the Corps of Engineers to carry on its current and proposed San Francisco Bay operations and also the studies into the Sacramento-San Joaquin Delta region; to the Committee on Appropriations.

182. Also, a memorial of the Legislature of the State of Hawaii, memorializing the President and the Congress of the United States extending heartfelt thanks for commemorating the sixth anniversary of Hawaii's admission to the Union; 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. ASHMORE:

H.R. 7233. A bill for the relief of Col. Frank D. Schwikert, U.S. Air Force; to the Committee on the Judiciary.

By Mr. BINGHAM:

H.R. 7234. A bill for the relief of Alberta Hilda St. Cyr; to the Committee on the Judiciary.

H.R. 7235. A bill for the relief of Esther Chin-Kuo Soong; to the Committee on the Judiciary.

H.R. 7236. A bill for the relief of Marrie Jane Whittaker; to the Committee on the Judiciary.

By Mr. CASEY:

H.R. 7237. A bill for the relief of Mutual Benefit Foundation; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 7238. A bill for the relief of Nicolina De Gregorio; to the Committee on the Judiciary.

By Mr. HATHAWAY:

H.R. 7239. A bill for the relief of Perouze Tentunian; to the Committee on the Judiciary.

By Mr. MacGREGOR:

H.R. 7240. A bill for the relief of Martha Pilworm Kim; to the Committee on the Judiciary.

H.R. 7241. A bill for the relief of Elmer O. Erickson; to the Committee on the Judiciary.

By Mr. MORSE:

H.R. 7242. A bill for the relief of Fay Brett; to the Committee on the Judiciary.

By Mr. THOMSON of Wisconsin:

H.R. 7243. A bill for the relief of Mrs. Kathrina Knezevic; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

157. By the SPEAKER: Petition of Perfecto Isidro, Zambales chapter, the Philippine National Red Cross, Olongapo, Philippines, with reference to presenting the claims of certain fish pond operators of the area whose businesses suffered losses when ordered to vacate a certain sector for use by the U.S. Navy before their stocks had matured sufficiently for sale; to the Committee on Foreign Affairs.

158. Also, petition of city council, Richmond, Calif., with reference to proposing an amendment to the Constitution of the United States to permit any State which has a bicameral legislature to apportion the membership of one house of its legislature on factors other than population; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Overtime in the Post Office Department

EXTENSION OF REMARKS

OF

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1965

Mr. DULSKI. Mr. Speaker, I subscribe to true economies, but oppose vigorously false economies. I do not fuss with the Appropriations Committee for curtailing unnecessary expenditures or for insisting on maximum economies. However, I do not subscribe to the theory that the Appropriations Committee is infallible in their judgment.

The Post Office Department requested sufficient funds for the Bureau of Operations to eliminate some 15,000 man-years of excess overtime. They proposed to accomplish this by the appointment of regular employees. This approach is nothing less than good management and would produce eventual economies.

Mr. Speaker, experience has proven that it is not efficient to employ excessive temporary employees or to work regular employees excessive overtime. In the first instance, it is a costly process training temporary employees and certainly because their employment is temporary they leave the post office for employment elsewhere whenever they can find permanent jobs. This vicious and costly cycle continues on and on.

In the second instance, it has long been known that employees performing hours of overtime are not as productive as during their regular hours of employment. Cost-conscious and progressive private firms found this to be true, and as a result have taken proper steps to eliminate excessive overtime in their plants. Certainly if this is true in the

cases of companies operating for a profit, it is equally true in the case of the Government.

I regret that the Appropriations Committee did not provide sufficient funds to enable the Bureau of Operations in the Post Office Department to convert their temporary employees to a permanent basis.

The report states:

Additional funds will allow about 1,300 positions to be used as an experimental program to reduce the excess overtime work by postal employees.

It is my contention that the time for experimentation has long since passed. The work exists—it is being done—either by temporary employees or by the use of excess overtime. Neither course is proper.

The solution is to provide sufficient funds so that regular clerks and carriers can be employed to do the work of the Post Office Department.

First International Hangar Session

EXTENSION OF REMARKS

OF

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1965

Mr. UDALL. Mr. Speaker, during March 19–21 in my congressional district in Arizona, we established a first of which Arizonans and the Nation may be proud. Various aviation groups, the Tucson Airport Authority, the Administrator of the Federal Aviation Agency, and the Director General of Civil Aeronautics of Mexico cooperated to hold the First International Hangar Session. This project is significant not only because it is the first of its kind on an international basis, but because it should bear fruitful results in terms of our relationships with our Latin American friends.

Mr. Najeeb E. Halaby, Administrator of the FAA and Senor Ramon Perez Morquecho, Director General of Civil Aeronautics in Mexico, met with 500 pilots and representatives of general aviation from Southwestern States and Mexico.

Administrator Halaby inaugurated these fly-in-type hangar sessions soon after taking office. The Tucson meeting provided unprecedented opportunities for those citizens active in aviation in Mexico and the United States to meet face to face with local, State, and Federal public servants charged with the responsibility of regulating aviation. The session was an example of genuine government-to-people and people-to-government democracy.

I commend Mr. Halaby and Senor Morquecho for their initiative in making the meeting a success.

Those who attended the fly-in were provided answers to their questions and the reasons and the philosophy of the actions taken by each Government on both routine and controversial matters.

Senor Morquecho paid tribute to the Federal Aviation Agency and Mr. Halaby for contributions toward the advancement of aviation, including establishment of well-equipped airports throughout the United States and development of a common system of air traffic control and navigation aids for both civil and military aircraft. He cited the exemplary safety record of aviation in the face of an ever-increasing load of activity.

Mr. Halaby said in part:

We chose this city as the site of the First International Hangar Session because we believe it symbolizes to a great extent the spirit of friendship and understanding between nations and between people which we are trying to further here today.

We are grateful to the Tucson Airport Authority also for sponsoring us here today. We have found these hangar fly-in sessions to be extremely effective as a two-way communication vehicle between the Federal Aviation Agency and the public it serves. I might add that I personally have learned a great deal through these give-and-take sessions.

All of our previous sessions, however, have been aimed exclusively, or at least primarily, at U.S. pilots. This is our first venture in the international area.

I trust it is not the last, for I believe meetings such as this can help cement the historic ties of friendship and good will which bind the United States and Latin America.

We are honored to have with us today my counterpart in the Government of Mexico, Senor Ramon Perez Morquecho. His presence here and mine emphasize the importance which both of our Governments place on informal meetings of this kind.

This First International Hangar Session served to resolve many local problems. In addition, it established a rapport between two major Government officials that will serve both countries well.

All of us benefit from better relations and an improved understanding of the problems of our Mexican neighbors. International air travel offers citizens of both countries a way to exchange ideas, learn each other's customs, and broaden understanding.

I congratulate the Tucson Airport Authority and its manager, Mr. Charles H. Broman, and Mr. James Vercellino, director of the Arizona Department of Aeronautics, and all of the Government and industry officials responsible for sponsoring this unique meeting.

Results of Poll in 39th District of New York

EXTENSION OF REMARKS

OF

HON. RICHARD D. McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1965

Mr. McCARTHY. Mr. Speaker, after I became a Member of the House of Representatives, I gave high priority to preparation and distribution of a questionnaire for the men and women I have the honor to represent.

It was carefully constructed to permit expression of a wide range of opinions. It contains 12 multiple-choice type questions on important issues.

The questionnaire was mailed to all residents of the 39th Congressional District of New York in January and February.

During the weeks following the mailing, my staff and I were amazed—and highly pleased—by the responses. Approximately 10 percent of the citizens who received the questionnaire went to the trouble of filling it out, providing their own stamp and envelope, and returning it to my office.

Almost 12,000 citizens took the time to give thoughtful and discerning replies to the questions. Such a demonstration of responsible citizenship makes me want to try that much harder to be their thoughtful and responsible representative.

Many citizens not only checked the answers most closely in accord with their own feelings—but also added personal comments to further clarify their views.

I personally read each completed questionnaire as they flooded my office—and I feel that as a result I am much better acquainted with the people I represent. Their insights will give me guidance as I ponder complex and controversial issues in the months ahead.

Frankly, I am proud of the men and women I represent. They are very well read and well informed. They take seriously their responsibilities as American citizens. Their demonstration in responding to my questionnaire is eloquent testimony to the strength of our democratic form of government—which is indeed built on the premise of responsible citizenship.

To insure complete accuracy, I contracted with a private firm in Washington, D.C., Data Management, Inc., to tabulate the completed questionnaires.

The results are highly gratifying to me. They show that the people I represent desire a progressive, but prudent and cost conscious, Federal Government, as I do.

All costs incurred in connection with the poll—including printing, tabulating, and distribution of results to my constituents—have been borne by my Citizens Committee in Erie County, N.Y. The total of these costs was more than $1,500.

I especially want to call attention to the responses to two of the questions.

One of my questions sought to determine how my constituents feel about the problems of water and air pollution. More than two-thirds of those responding—69.6 percent—indicated that they favor strong Federal programs to attack these problems.

Another question concerned the desirability of polling constituents in this manner. A tremendous majority of respondents—92.8 percent—said they favor questionnaires.

I am planning to poll the citizens of the 39th District again during my present term in Congress.

I feel other Members of the House of Representatives may be interested in examining the responses—and for this reason I have requested permission to place the results, as compiled by Data Management, Inc., in the CONGRESSIONAL RECORD:

Results of poll in 39th Congressional District of New York

DOMESTIC ISSUES IN THE 89TH CONG.

1. MEDICARE

The administration will press for enactment of medicare legislation this session. Which would you prefer:	Percent
(a) The President's program under social security?	34.1
(b) Government subsidized for over 65 citizens (AMA proposal)?	37.4
(c) No Government health insurance program?	20.6
(d) Other response or no answer	7.9

2. EDUCATION

The Johnson administration has asked for an additional $1,500,000,000 for colleges, secondary schools, and research. Do you feel that Federal aid to education should—	
(a) Follow President Johnson's proposals?	44.9
(b) Be geared toward research?	11.3
(c) Be curtailed, with the States assuming a larger role?	34.4
(d) Other response or no answer	9.4

3. POVERTY

Congress will be asked to double the present $784,200,000 appropriation in the "war on poverty." Which do you favor:	
(a) A total program, designed to wipe out poverty?	20.3
(b) Limited self-help program aimed at unemployment?	64.6
(c) No Federal activity in this area?	10.0
(d) Other response or no answer	5.1

4. LABOR

One of labor's primary objectives in 1965 is repeal of the so-called right-to-work sec. 14(b) of the Taft-Hartley Act, allowing the States to pass such laws. Do you—	
(a) Favor such repeal by Congress?	21.5
(b) Oppose repeal; the States should retain this right?	48.0
(c) An amendment requiring a referendum by the States?	15.0
(d) Other response or no answer	15.5

5. POLLUTION

Water and air pollution are gaining increased attention by Congress. As pollution of Lake Erie waters and the air, by our industries, are major problems, do you favor—	
(a) A strong Federal program to attack it?	69.6
(b) A State program?	14.6
(c) Local action only?	6.1
(d) Other response or no answer	9.7

FOREIGN AFFAIRS AND THE COLD WAR

1. VIETNAM

With regard to the administration's commitments in South Vietnam, do you favor—	
(a) Escalation of the war?	26.3
(b) Maintain the status quo, encourage a democratic Vietnam?	28.1
(c) Withdraw American military personnel and make South Vietnam neutral?	29.8
(d) Other response or no answer	15.8

2. UNITED NATIONS

Indonesia's withdrawal and the cost of U.N. peacekeeping missions has brought the world organization to a new crisis point in its 20-year history. Should the United States—	
(a) Give unqualified support to all General Assembly decisions?	3.7
(b) Follow a "hard line" regarding paying the U.N.'s bills?	57.8
(c) Expand the U.N. role as an eventual international peace force?	23.1
(d) Other response or no answer	15.4

3. CUBA

The Communist regime in Cuba continues to be a source of unrest and subversion in other Latin American countries. Do you favor an American policy which would—	
(a) Encourage an exile invasion of the island?	20.0
(b) Continue to isolate Cuba economically and diplomatically?	52.8
(c) Ease Cuban-United States tensions while remaining vigilant?	14.9
(d) Other response or no answer	12.3

4. AFRICA

The civil war in the Congo and the problems of the new and emerging nations have raised questions about our African policy. Do you favor—	
(a) Continued economic and technical support for all countries?	14.4
(b) Curtail aid to those countries critical of our policies?	53.1
(c) Refuse any possible military involvement and reduce current aid?	21.8
(d) Other response or no answer	10.7

5. FOREIGN AID

U.S. military, economic, and technical aid (including the Peace Corps) goes to more than 60 nations throughout the world. Do you feel such assistance should—	
(a) Be continued, with more cultural exchanges as well?	39.9
(b) Be eliminated to neutrals and countries like Poland and Yugoslavia?	10.0
(c) Be drastically curtailed, limited to "pro-West" nations?	39.9
(d) Other response or no answer	10.2

IMMIGRATION POLICY

President Johnson has proposed elimination of the quota system in the U.S. immigration policy. The quota system gives larger immigration allotments to some countries than others. (Great Britain, France, and Denmark, for example, have relatively larger allotments than Italy, Poland, and Greece.) Do you favor—	
(a) The President's proposal?	22.3
(b) No changes in immigration policy?	29.0
(c) Modification but not complete elimination of the quota system?	40.9
(d) Other response or no answer	7.8

HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES

The House Committee on Un-American Activities is again the subject of sharp controversy. Would you favor—	
(a) Abolition of the committee?	11.9
(b) Transfer of its functions to the Judiciary Committee?	24.9
(c) Retention of the committee in its present form?	45.8
(d) Other response or no answer	17.4

CONGRESSIONAL POLL

Do you favor having your Congressman poll you for your views?	
Yes	92.8
No	1.2
Undecided	6.0

The Science of Oceanography

EXTENSION OF REMARKS

OF

HON. MELVIN R. LAIRD

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1965

Mr. LAIRD. Mr. Speaker, the important new science of oceanography is coming more and more into its own each year. In the Congress, our colleague, the gentleman from California, Congressman BOB WILSON, is one of the most knowledgeable in this field. On March 10, he gave a very penetrating and thoughtful speech outlining the opportunities ahead in oceanography. He knows what is being done in this field by our Government and he has some highly constructive suggestions on how to improve what we are doing and to streamline the way we do it. He has introduced legislation which would carry out his ideas. I would like to include his recent remarks at this time:

STATEMENT OF CONGRESSMAN BOB WILSON, REPUBLICAN, OF CALIFORNIA, MEMBER, HOUSE ARMED SERVICES COMMITTEE, TO AIAA/USN MARINE SYSTEMS AND ASW CONFERENCE, MARCH 10, 1965

Ladies and gentlemen, needless to say, I'd rather be there enjoying San Diego's climate than here in Washington today. Being an enthusiastic chamber of commerce member I will bet 100 to 1 with the meteorologists present that the weather is better there than here.

Then, too, I would have thoroughly enjoyed welcoming each one of you personally to our dynamic growing area which has become a magnet for so many oceanographic and related scientific endeavors. It is fitting that many of you are identified with space activities, since San Diego, which developed the original Atlas booster and Mercury vehicles, has been vitally concerned with developments in outer space. And we likewise share a mutual interest in oceanography. The pioneering role of Scripps Institute of Oceanography and the expanded activities of the Naval Electronics Laboratory and other Federal agencies here become our credentials in this field. We accept with you the challenge of exploring and harnessing the power and benefits of the ocean and the unexplored lands beneath it.

It is fitting that many of the experts in the field of outer space are now turning their eyes from the distant stars to the oceans lapping at their feet. The unexplored depths of the sea have become known as inner space and to my notion that is a fitting name if for no other reason than it can help to explain the parallel problems that pertain to both areas.

In less than 10 years, man's experience has progressed in outer space from a simple grapefruit-sized satellite to actual manned space travel plus television surface contact with the Moon and the imminent closeup views of Mars.

There can be no question that progress in space has stemmed primarily from a concentration of interest by the Federal Government, which replaced a proliferation of interest both governmental and private. For my part I believe the vast potential of inner space holds so much more promise and potential than a trip to the stars that I am impatient to eliminate governmental diffusion. It is time to coordinate and channel the resources of the Federal Government into a program that will turn the plans and dreams of many of you into realities.

There is no question in my mind that the creation of the National Aeronautics and Space Administration under the Eisenhower administration—October 1, 1958—is the benchmark from which progress in outer space will always be measured. I believe it is time for the formation of a similar agency concentrating in the area of inner space.

I have introduced legislation again this year, similar to my original bill of last year, which calls for the formation of a National Oceanographic Agency. Under the peculiar techniques of nomenclature this would be known as NOA, a literation no self-respecting seadog could object to. NOA is needed if we are to realize the dramatic potential of oceanography.

As did its sister agency, NASA, the new NOA would absorb related functions from many different agencies of the Federal Government and give them a definition of purpose and concentration of programs that would produce far more progress for every dollar invested.

As a politician, let me give you some of the political reasons why oceanography has lagged on the national scene. Most departments and agencies of Government today look to Capitol Hill for specific sponsorship of their roles and missions. Committees of Congress are given the responsibility of overseeing the activities of these departments and agencies. For example, the Defense Department looks to the Armed Services Committee for guidance and legislative championing. The Commerce Department must gain the approval and, in fact, the support of the Commerce Committees. In most cases, the committee members become expert in these specific areas of interest and in doing so become champions of that particular cause.

Yet, poor little oceanography with its program parceled out among 22 different bureaus, including 9 departments or agencies, is truly an orphan with little chance to grow to meaningful maturity. Space exploration would have suffered the same fate had not it been for the formation of NASA, plus a new committee in Congress with primary jurisdiction over NASA's activities. With a champion on the Hill, you can be sure the cause of oceanography would advance more quickly, with more meaningful results.

Now I recognize that opposition to such a concept is politically inevitable. In the first place, many of the oceanographic activities in various bureaus, agencies, and departments have their own advocates within such units and resistance to change out of fear of the unknown is inevitable and even understandable.

NASA faced the same problem during its days of incubation. The military departments, for example, loudly protested the loss of some of their more exciting projects to a new nonmilitary agency. Other boards and committees threw roadblocks in the way but reason finally prevailed and NASA became a reality with attendant results.

We can expect and, in fact, are already experiencing doubts and verbal roadblocks to the formation of NOA. Yet, I submit that those who fear the unknown prospect of giving up oceanographic activities and prerogatives within a given agency are being provincial in their outlook. Such fears are for the most part unfounded. There is no intention to remove from the Navy Department, for example, those oceanographic activities that directly relate to military needs. There is no doubt in my mind that on the contrary the Navy will find that a combined agency will accomplish more in her behalf in military developments than she could, going it alone. Many programs that are integral within existing agencies would not be carved out of that agency, at least in most instances. For example, Navy, Air Force, and even Army still continue space research, although at a reduced level, despite NASA's prime role in this area.

Unfortunately, one of the major roadblocks to the adoption of a new agency is the matter of committee jurisdiction. The committees in Congress would likely be hesitant to approve by themselves the diminution of their authority in the field of oceanography. Frankly, I expect the creation of this new Agency to be bogged down in a legislative morass unless a clear-cut directive from the White House gives the proposal the solid footing it needs.

As a matter of fact, I am convinced that action in the field of oceanography leading to the formation of a new agency hinges to a great extent on Presidential sponsorship. The new Agency would be a creature of the executive branch of the Government; therefore, the Chief Executive must be the enthusiastic sponsor of a departmental reorganization plan involving oceanography. This does not mean the creation of a new Cabinet post, but it does mean a reshuffling of overlapping authority in this vital field if we are to have the necessary progress.

It is incredible to me that such an agency has not been in effect for years. There can be no question that the potential benefit to mankind far exceeds the probable benefit from space exploration. This is not to downgrade the exploration of outer space. I enthusiastically support research projects in this area, but the benefit to mankind in terms of material wealth harvested from the sea and the ocean floor makes Federal participation on a grand scale in this area a sound business proposition.

Perhaps this sounds like strange philosophy from a member of a political party that advocates less Federal action in most fields of human endeavor and more reliance on State and local governments. There is nothing incongruous about my position on this. In fact, it jibes very well with the classic interpretation of constitutional rights.

Clearly, the seas around our borders are a Federal possession, a Federal responsibility, and a Federal opportunity. Even the most conservative constitutionalists can fully support an all-out federally sponsored oceanographic program. This is not to say, of course, that industry or States or communities should not be encouraged to make their contribution to progress also. It is a big ocean and Uncle Sam should be the first to say "Come on in, the water's fine."

Federal participation in oceanography is heightened by the implications of modern military science. Control of the seas has always been a classic goal of the leading nations of the world. Up to recent times, this has meant control of the sealanes for surface ocean traffic.

All of us know now that the new dimension of depth has compounded the military problem and made so-called control of the sea ever so much more difficult. Competition among nations in this area has, frankly, been the greatest prod that oceanography has had in its lifetime. Much of the remarkable progress made in recent years must be laid directly at the door of the Navy and, to a lesser degree, the other military departments. Expenditures for deep submergence research, sonar, and ocean floor mapping have had a distinct military significance. The Honorable Robert W. Morse, Assistant Secretary of the Navy for Research and Development, announced to Congress yesterday that the Navy's oceanographic program has increased 9 percent in the past year, and a request for $129 million is included in the new Navy budget for 1966.

This is a healthy sum of money. Why, then, my interest in making a nonmilitary agency the chief advocate of an oceanographic program? For one reason, the orphan, oceanography, has grown out of his adolescence and is ready for long pants. The military must, of course, continue to have a dominant role and interest in oceanography just as it has in space activities. We must not, however, fence off the oceans to give them the status of a battlefield, for this would deny to our people the maximum beneficial use of this enormous asset.

Right now I give full credit to the Department of Defense for its recognition of the need for coordination in this field. The Inter-Agency Oceanographic Committee, originated under the experienced and capable hands of Dr. Wakelin, and sparkplugged by Comdr. Bob Abel, has achieved remarkable results in tying together a lot of loose ends and eliminating at least some duplication of effort in this field. I must give credit to Adm. Denys Knoll, Chief Oceanographer of the Navy, and his predecessor, Adm. Ed Stephan, who despite their military leanings and the mission of their office, have had the good sense to recognize and foster nonmilitary potentials as they developed under their military programs.

Industry is awakening to the profit potential of oceanography and this is one of the healthiest and most encouraging signs of real maturity. When science, through its laboratory experiments and computations, develops processes and products that have a profit potential, all mankind becomes the beneficiary in one degree or another. I recognize that the interest of many defense industries is excited and spurred on by the prospect of additional Federal funds, but I am not critical of the interest. As a member of the Armed Services Committee of Congress I have seen many military-developed sinews of war become the muscles of commerce. Who can forget that the 707 or DC-8, that brought many of you to San Diego would still be in the dreams or on the drawing board of engineers and scientists had it not been for military necessity? Who can doubt that the military oceanographic programs of today will lead to a better life for future generations?

Getting back to the problems of arousing effective political interest and action in oceanography, I would like to point out to you that great interest has been shown in recent years by Members of Congress. In the 88th Congress, which concluded last December, over 50 bills were introduced to benefit the oceanographic program. Admittedly, most of them died aborning, but the fact that so many were introduced is a sign that progress is being made. If you will pardon an alliteration: With so many "political eggs" being spawned, at least a few are bound to make it back to the open sea. The efforts of Senator MAGNUSON and my colleagues, Congressmen HERBERT BONNER, of North Carolina, and ALTON LENNON, of North Carolina, HASTINGS KEITH of Massachusetts, TOM PELLY, of Washington, and especially GEORGE P. MILLER, of California, and WILLIAM MAILLIARD, of California, deserve your enthusiastic appreciation and support.

If you will allow me now to move from the political into the educational arena, I would like to make an obvious point regarding the importance of increased educational activity in this field.

It is amazing how few universities offer programs leading to degrees in ocean sciences or ocean engineering. I venture to say more courses in restaurant management or stage designing are offered to our young people. There can be no doubt that more textbooks have been printed on finger painting than oceanography. This is hard to comprehend, because no field could offer young people the exciting prospects of exploration, danger, sportsmanship, recreation, and remuneration as does oceanography.

James Webb, the Administrator of NASA, has taken a bold step in advocating grants of $25 million for predoctoral training in space research. Over 185 universities are working on NASA-sponsored research projects. An estimated 3,000 graduate students will be engaged in research and advanced training in space sciences this year. What a contrast with our own field of interest.

You and I have reason to be concerned about the unrealized potential of oceanography and the importance of a concentration of effort in this field if we are to make significant progress.

In conclusion, let me tell you today that I am optimistic for increased Federal recognition of your problem and a vastly expanded Federal interest and acceptance of responsibility. I would be less than human if I did not tell you that I am envious of your prospects for the future in this exciting and rewarding endeavor. Were it not for the 2-year contract which I recently received from the electorate, I might be tempted to join you. In lieu of this, I assure you of my continuing interest and emphatic support of your chosen profession.

Who knows, if my contract is not renewed, I may be knocking at your door for a job on the ocean bottom.

We Must Not Destroy the McCarran-Walter Act

EXTENSION OF REMARKS

OF

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1965

Mr. FISHER. Mr. Speaker, a concerted effort is being made to destroy the McCarran-Walter Act as it relates to admission of immigrants, and make admissible hundreds of thousands of additional immigrants each year. I am convinced this would be contrary to the public interest. The Secretary of State has admitted that we already have one of the most generous immigration policies in the world, though he favors a few changes.

This effort to destroy our quota system and open the floodgates for new categories of admissions should be defeated. I expressed my views on this subject in testimony given to the House Subcommittee on Immigration of the Committee on the Judiciary, of which the distinguished member from Ohio [Mr. FEIGHAN] is chairman. Under leave to extend my remarks, I include that statement:

STATEMENT OF O. C. FISHER BEFORE SUBCOMMITTEE ON IMMIGRATION, HOUSE JUDICIARY COMMITTEE

Mr. Chairman, I desire to record my opposition to H.R. 2580. This measure would destroy our time-tested traditional national origins system of admitting immigrants from European countries. It would transfer from the Congress to the Executive the responsibility of determining how many immigrants would be admitted each year. It would give to a politically appointed commission power to decide who would be admitted and from what country they would come. This would create a bonanza for immigration lawyers and influence peddlers, and would not be in the public interest.

Unfortunately, the real purposes of this proposal are obscured in political motivations, emotionalism, claims of racial discrimination, alleged foreign policy embarrassments, and a contention that we are desperately in need of the skills of those who would be admitted under the new policy that is proposed.

Now, what are the real purposes of this bill? One man described it as a numbers game, and I think that is a fairly accurate description. The real purpose is to increase the number of people who can be admitted to this country each year. We might as well be frank about it.

The alleged discrimination is, of course, ridiculous. Since admissions from various European countries is now based upon the ratio of people from those nations who were here in 1920, it would be just as sensible to contend that the Italians, the Russians, the French, or others discriminated against this country because more of them did not choose to emigrate here prior to 1920. In other words, discrimination has no place in this discussion.

Likewise, the claim that the State Department runs into embarrassing situations because all nations are not treated alike, is, in my judgment, flimsy and very farfetched. Other nations, in their wisdom, impose certain restrictions on admission of immigrants, and so do we. That is their business, and we have our business to look after.

The same is true of trade policies. Some of our people did not like the Common Market when it was announced some years ago. Diplomats representing the member nations that comprised the Common Market could have reported to their respective governments that they were embarrassed by claims of discrimination from some of their foreign counterparts. But who would contend that those countries were for that reason under any obligation to rescind their trade restrictions which were imposed to serve their own self-interest?

The matter of immigration policy, as with trade policy, is purely a domestic issue, and has always been treated as such by all countries.

It could, of course, be contended that we discriminate against the English, the French, the Italians, and all quota countries because we admit people from the Western Hemisphere without any quota restrictions at all. In a manner of speaking, that is true. But that is a part of our policy, the making of which comes under the head of our own business. The fact, for example, that we admit an Argentinean without regard to any quota does not mean that we consider that South American as a better person than an Englishman who can be admitted only under a strict quota.

I mention this to illustrate how ridiculous is the discrimination contention. It simply has no place in this discussion.

The real question to be resolved is: Do we need more immigrants? We now admit about 300,000 a year. Frankly, I think that is too many, under present conditions. We already have 196 million people in this country. The U.S. Census Bureau estimates that at the present rate of growth we will have 372 million by the turn of the century. By the year 2000 it is estimated world population will approximate 6 billion, and that at the present growth rate it will pass 25 billion by 2070.

It is imperative that we consider our normal population growth, and the population explosion around the world, in the fashioning of immigration policies for the admission of more people to this country.

Mr. Chairman, I am constrained to question the good faith of those who insist this legislation is needed in order to be able to admit more skilled people. Again, I am convinced that is an excuse, not a reason. I simply do not believe very many people are sincerely concerned about supplying more trained and skilled people for our labor market. I have not heard that appeal coming from prospective employers. On the contrary, it comes from the politicians and organized selfish-interest pressure groups as an excuse to justify their desire to have our restrictions broken down so more people can be admitted. Besides, our present law contains the same preferential treatment for skilled people as is proposed in H.R. 2580. Yet I understand that only 2,500 immigrants were admitted because of special skills last year.

NEW IMMIGRANTS SWELL RELIEF ROLLS

Another reason we do not need to increase the number of immigrants is because of the burden they become to so many localities in terms of unemployment, housing, education, crime, subversive activities, and assimilation problems in some instances.

It must be assumed that most of our new immigrants are good people and deserving. But despite the screening, the records are replete with instances of bad characters who, though relatively few in number, manage to get in despite all precautions.

We are told there are 35 million in this country who are poverty stricken or are in that general category. We have scores of welfare programs, local, State, and Federal, the costs of which have increased astronomically in recent years. Yet, sponsors of this legislation want to admit more, a good many of whom would undoubtedly be added to relief rolls or would otherwise become burdensome. In other words, we have our hands full trying to handle our own problems with our 5 million unemployed and others who are in need of retraining, rehabilitation, and other types of help.

Now, what will the proposed increase amount to? Sponsors estimate it will be about 60,000 a year, bringing the total to about 360,000. If that is true, then why not put an overall ceiling of 360,000 on the total number who can be admitted in any one year, and write it into the law? I daresay sponsors would not stand for that.

The fact is that the increase will probably be substantially more than that if the bill is passed. There is simply no way of estimating the number of refugees, Asiatics, Africans, and others who would be admissible under the terms of H.R. 2580, because there is no way of determining in advance how many of the eligibles will choose to seek admission and how many of the applications will be granted. Estimates of the total increase run as high as 1 million a year. Perhaps that figure is a bit extravagant, but I will not be surprised if more than a half million come in each year under the Celler bill, if enacted.

In addition, we must assume that pressures for increases in the nonquota category will occur in the years ahead. Rate of population growth in Latin America is the highest in the world, and there is much poverty. It is estimated that the already overpopulated area of Latin America will double during the next 20 years. So we must brace ourselves for stepped-up pressures to admit more of those people.

The big increase under the Celler proposal would come primarily from Africa, Asia, and some from southern Europe.

Mr. Chairman, the far-reaching effect of this legislation is simply too important to be decided, or even influenced, on the basis of politics or emotionalism. We are playing for keeps. Once this bill is enacted, the die is cast.

We already have a good immigration law. It has stood the test of time. The McCarran-Walter Act, which reenacted the provisions now under attack, was passed over a Presidential veto on June 26, 1952, by a vote of 278 to 112 in the House and 57 to 26 in the Senate. I am convinced the vast majority of Americans want it retained. I recently submitted a questionnaire to every voter in my district, and included the immigration issue. The responses, which have been tabulated, revealed that 78 percent of my constituents are opposed to the proposed changes. There is a lot more grassroot opposition to this bill than the sponsors realize.

Mr. Chairman, in considering this legislation let us think in terms of what is best for America and its future. Are we to become the dumping ground for the surplus populations of other countries?

Above everything, let us keep control of immigration in the Congress where it belongs. Someone wisely suggested that it would be better to have a mathematician select who comes here, under a formula, than to have a politician do it, without any formula at all. With that I agree.

I respectfully urge the committee to reject this bill.

Internal Revenue Service Should Request Authority To Waive Interest on Underwithholding

EXTENSION OF REMARKS

OF

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1965

Mr. SAYLOR. Mr. Speaker, Internal Revenue Service Commissioner Sheldon S. Cohen is to be congratulated for the statement promising sympathetic consideration for those taxpayers suffering hardship in paying balances of 1964 income taxes because of underwithholding last year. The announcement would seem to concur with the concept of H.R. 4659, which I introduced in February to permit taxpayers owing balances because of underwithholding to spread payments over the coming 12 months without penalty.

Mr. Cohen cannot waive interest on unpaid balances, inasmuch as Congress alone has authority in this matter. I believe, however, that a request from Mr. Cohen would stimulate the Ways and Means Committee and both Houses to enact the necessary legislation before the April 15 deadline, and I am hoping that he will choose to make a request of this nature without delay.

My view is that the Federal Government was needlessly lax in failing to give proper notice that payroll deductions might not cover total tax bills as a consequence of the change in tax rates during the 1964 calendar year. Since introducing H.R. 4659 I have been informed by a number of employees right here on Capitol Hill that they were shocked in making up their tax returns to learn that deductions had fallen far short and that they are now faced with an indebtedness of serious proportions. If our own congressional staff members were ignorant of what was taking place, how in the world should we expect people back in our home districts to be aware of the situation?

I have seen a number of advertisements by banking and lending institutions offering to make money available—at regular interest rates—for taxpayers who need to catch up on their IRS bills before April 15. While it may be gratifying to stockholders of these business houses to experience increased activity in the loan departments, there is no justifiable reason why the Federal Government should allow its own negligence to create a minor boom of this kind.

Until Mr. Cohen made his announcement, there was a very serious question in regard to those who are not in position to negotiate bank loans. His lenience has apparently solved that problem, yet there still remains the matter of whether it is in propriety for the Federal Government to charge interest on the befuddled taxpayer who through no fault of his own will be in arrears with IRS beginning April 15. Mr. Cohen's approach would seem to answer in the negative. I hope that he will support this inclination with a request for a waiver of interest, and I trust that Congress will act with all haste to preclude the inequity that is at present in making.

Voting Rights Bill

EXTENSION OF REMARKS

OF

HON. ALEXANDER PIRNIE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1965

Mr. PIRNIE. Mr. Speaker, today I am pleased to join my colleagues in the introduction of a voting rights bill that, if enacted, will reflect sound progress, based upon uniform principles of law, in an area of paramount importance.

As I sat in this Chamber and listened to our President speak on this subject just a few weeks ago, I sensed that the Chief Executive was echoing the sentiments previously expressed by so many of us who had already registered strong support for legislative action to insure that the basic rights guaranteed the citizens of this Nation by our Constitution were not denied. When we passed the Civil Rights Act during the last session of Congress, we were hopeful that we had devised an effective means to combat the discrimination problem. But, as subsequent events have proved, that measure was not enough; something more is needed.

Following the President's recent address to the joint session of the Congress, a reporter stopped me in the corridor to

inquire as to my reaction to the message. My immediate response was that "I hope Congress will be prompt and decisive in its action." Further, I said that I would be awaiting the administration's proposed legislation, hoping that it would effectively deal with the problem which now had reached a crisis stage.

The administration's bill was filed and I, along with many of my colleagues on both sides of the aisle, was disappointed.

Mr. Speaker, I am not one of those individuals who say we must clear up this Southern problem. I believe that we must take action to eliminate the American problem of voting discrimination wherever it is practiced. Yes, it is a national problem and the action Congress takes should apply throughout the 50 States.

The administration's bill was drafted during a period of great tension and presented to the Congress at a time when emotions were high. At first glance, a number of people hailed the measure. I was not in that group. I applauded its stated objectives, but not its suggested methods. I could see that the proposal was deficient in several respects.

Since that time, we, on the minority side, have been working strenuously to develop a plan to correct the deficiencies in the administration's bill. What has emerged is being labeled as a constructive Republican alternative, but let me strongly emphasize that I am not seeking to affix a party label to the measure that is finally enacted into law. We are after headway, not headlines.

At this point, I would like to cite a few specifics from the bill which I have introduced.

A Federal examiner is appointed by the Civil Service Commission when the Attorney General receives 25 or more complaints from residents of a county alleging denial of the right to vote on account of race or color. The examiner immediately determines whether these persons are qualified to vote. Challenges by the State may be made to a Federal hearing officer, appointed by the Civil Service Commission, within 10 days, and the hearing officer must render his decision 7 days thereafter.

Determination by the hearing officer that 25 or more persons are denied suffrage because of race or color establishes a pattern or practice of discrimination. Immediately thereafter, the Civil Service Commission shall appoint such additional Federal examiners and hearing officers as necessary to register all other persons within the country who may be subject to discrimination.

The bill provides for an appeal of the hearing officer's decision to the local Federal Court of Appeals if made within 15 days. All persons found qualified to vote by the examiners shall be entitled to vote. Those who are challenged shall vote provisionally until the appeal is decided by the hearing officer and the court. Provisional voting will encourage a prompt determination of the appeal. The administration's bill provides exactly the same appeal procedure, except that there is no authority for provisional voting.

The bill provides that examiners shall disregard literacy test requirements for persons who possess a sixth grade education. But, Federal examiners under this bill will apply to all other persons a State's literacy test, provided it is fair and nondiscriminatory. The administration's bill requires the complete elimination of literacy tests in a few States or their subdivisions, caught in its net, no matter how reasonable the tests or how fairly applied. At the same time, the administration's bill permits other States to enact literacy tests in the future.

The bill deals with the problem of physical and economic coercion and intimidation. It permits registrants in a county in which a pattern of discrimination has been established to bypass local registrars, if they have reason to believe that they will be subjected to coercion and intimidation. In addition, our bill provides for civil and criminal penalties against those officials who engage in such coercion and intimidation. The administration's bill contains similar provisions except that the Attorney General must take affirmative action to waive the requirement that a person first appear before a local registrar.

The bill does not overturn constitutional principles by requiring States to establish their innocence. The administration's bill does do this by presuming a State or a political subdivision, covered by the bill, guilty of discrimination until it receives from a Federal court in the District of Columbia a declaratory judgment that it has not violated the 15th amendment in even one instance in the past 10 years.

The bill does not invalidate laws or ordinances of State and local governments in contravention of established constitutional principles. The administration's bill would require States and their political subdivisions, covered by the bill, to come to a Federal court for validation of their future laws and ordinances relating to voting requirements. Such is required by the administration's bill even though the laws and ordinances of the State or local community have never been found to be discriminatory.

In summary, I believe that the bill faces up squarely to the problem and offers a sensible approach to a prompt solution.

A Government Lottery as a Revenue-Raising Device

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1965

Mr. FINO. Mr. Speaker, today I have introduced a resolution to establish a select committee of the House of Representatives to study the advisability of using a Government lottery as a revenue-raising device.

I urge the Congress to establish this committee to investigate the lottery. Surely, the obvious trend toward the lottery device in this country indicates that the national lottery idea is at least worth investigation.

For my part, I am fully convinced that investigation of the lottery mechanism will indisputably prove its merit. I urge the Congress not to shrink from social and financial reality.

Remarks by the Honorable Richard L. Roudebush, U.S. House of Representatives, Sixth Indiana District, Before the Indiana Council of Teachers of English, Saturday, April 3, 1965, at Marian College, Indianapolis, Ind.

EXTENSION OF REMARKS

OF

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1965

Mr. BRAY. Mr. Speaker, my very able colleague from Indiana, Congressman RICHARD L. ROUDEBUSH, has led a long and active fight for the past 4 years in effort to obtain a commemorative postage stamp for the late Ernie Pyle, famed Hoosier war correspondent during World War II.

Congressman ROUDEBUSH has won wide backing and support for his campaign in behalf of an Ernie Pyle stamp.

This applause for Congressman ROUDEBUSH's efforts comes from a wide spectrum of American life, including millions of World War II veterans who recall Ernie's fine reporting.

Congressman ROUDEBUSH was recently invited by the Indiana Council of Teachers of English to present an address on the life and works of Ernie Pyle, a native of the congressional district which Congressman ROUDEBUSH represents in the 89th Congress.

His remarks concerning this great Hoosier are worthy of the attention of this entire body, and I include them in the RECORD at this point:

REMARKS BY THE HONORABLE RICHARD L. ROUDEBUSH, U.S. HOUSE OF REPRESENTATIVES, SIXTH INDIANA DISTRICT, BEFORE THE INDIANA COUNCIL OF TEACHERS OF ENGLISH, SATURDAY, APRIL 3, 1965, AT MARIAN COLLEGE, INDIANAPOLIS, IND.

It is a genuine pleasure to be here today.

And, I wish to thank your president, Dr. James Mason, for his kind invitation to speak before the spring meeting of the Indiana Council of Teachers of English.

It was requested that I direct my remarks today to the life and work of Ernie Pyle, the famed Hoosier war correspondent who was killed during the closing days of World War II.

For nearly 4 years now, we have been seeking approval by the Post Office Department for the issuance of an Ernie Pyle commemorative stamp.

Ideally, the stamp should have been issued this month to coincide with the 20th anni-

versary of Ernie's tragic death on the tiny Pacific atoll of Ie Shima, located west of Okinawa.

In our campaign to obtain a commemorative stamp in honor of Ernie Pyle, we have contacted literally hundreds of civic groups, veterans organizations, and other interested persons throughout the Nation.

The support we have received has been encouraging.

More than 100 Members of Congress have written letters lending their support.

We have also gained the support of the Veterans of Foreign Wars which endorsed the stamp by formal resolution during their national convention last year in Cleveland.

Support from the journalistic field has also been most gratifying.

United Features Syndicate endorsed the stamp proposal with this comment: "During World War II it was our privilege to syndicate Ernie's column which was read religiously by families and friends of our fighting men in Europe and the Pacific. His ability to offer them a soldier's insight into the war, and the warmth with which he wrote of the ordinary foot soldier, endeared him to the Nation. Ernie was a journalist in the very best tradition, setting a high standard that reporters strive to emulate today."

The Wyoming Press Association, the Georgia Press Association—representing 225 newspapers—the Kansas Press Association, the New York Press Association, and the Maryland-Delaware press associations have all supported our efforts.

Mention should also be made of support from the American Council on Education for Journalism, the Pacific Stars and Stripes, the New York associated dailies, and Scripps-Howard newspapers.

Our campaign has also been endorsed by perhaps the most exclusive club in the United States—the Medal of Honor Society.

Chartered by Congress in 1958, the Medal of Honor Society limits its membership to persons who have received this Nation's highest military award—the Congressional Medal of Honor.

In a letter to Postmaster Gronouski, the society declared, "Ernie Pyle not only distinguished himself by writing brilliantly about the brave and noble deeds of our fighting forces overseas but added new stature to his profession by combining his unique and warm personal talents with responsible and objective reporting. In this manner his work contributed immeasurably to the morale of our troops as well as the men and women on the homefront."

In addition, we have introduced legislation (H.R. 1723) which provides for the issuance of a commemorative Ernie Pyle stamp.

As of today, the Post Office Stamp Advisory Committee, has not acted favorably on this 4-year effort in support of an Ernie Pyle stamp.

They are scheduled to meet two more times this year, and I have been told that the Ernie Pyle stamp could be on either agenda.

Thus far, I have been most restrained in my criticism of the delay in acceptance of this stamp, which incidentally, would be the first time a working newspaperman has been so honored.

I must admit, however, that I have not been exactly elated with the many times that Ernie Pyle has been overlooked.

Last winter it was discouraging, to say the least, when the Post Office Department announced it was honoring an Italian poet born 700 years ago, and a foreign political document signed 750 years ago.

And, I'm sure you have all seen the different birds and animals that adorn some of our new commemorative stamps.

I am an admirer of wildfowl, but I do believe a valid case has been made for the issuance of an Ernie Pyle commemorative stamp.

Like millions of Americans who went overseas in World War II, my interest in Ernie Pyle stems back to that period.

The life and work of this newspaperman had an enormous impact on millions of Americans.

No other journalist ever evoked such mass affection as was accorded him during his tenure as a national figure.

There was, of course, a reason for this.

He bridged a gap in the knowledge of the Great War and of the men who were waging it—a gap which was not appreciated until his reporting began to span it.

Many other war journalists were as enterprising, as brave, as impeccably accurate in their war dispatches as Ernie Pyle.

No other correspondents, however, told the story of the soldier with such insight and such moving sympathy.

And his personality so permeated his column, as it had done in peacetime with a smaller audience, that readers came to think of him not as a stranger, but as their friend—their friend Ernie.

As a GI, in Africa and Italy, I knew Ernie Pyle by reputation as a friend and a true chronicler of the war.

As a Member of Congress, for the Sixth Indiana District, I now represent the area where Ernie was born and raised in western Indiana.

Many of his friends and relatives still reside there, and these folks have been most helpful in our campaign to obtain a commemorative stamp.

Petitions requesting the Post Office Department issue a commemorative stamp, have been circulated in the small town of Dana, Ind., where Ernie was born on August 3, 1900.

"I wasn't born in a log cabin," he wrote in one of his columns, "but I did start driving a team in the fields when I was 9 years old, if that helps any."

Ernie's boyhood was not unlike that of thousands of Indiana farm boys, except that he was an only child and was left to himself a good deal.

There was no plumbing in the home where Ernie Pyle spent his boyhood. There was a backhouse, and Ernie took his baths in a washtub near the woodstove in the kitchen.

When Ernie was a child the lack of such things was not considered a deprivation by respectable Indiana farmers.

Ernie was educated at Indiana University where he majored in journalism.

He never graduated. After attending for 3½ years, he left in his senior year after his girl friend decided in favor of another man.

He was an excellent student at Indiana, became editor of the Daily Student and worked on the yearbook.

After leaving school, his first job was as a reporter on the La Porte Herald.

This was just a brief steppingstone for newspaper jobs in Washington, D.C., and New York.

While working on the Washington Daily News he met Geraldine Siebolds, of Minnesota, a Government worker in Washington, and they were married in 1926.

Fed up temporarily with the newspaper business, he drew out his savings and bought a model T roadster.

Ernie and his wife took a long trip, driving leisurely around the United States.

It was on this trip that he originated his "traveling" column.

From 1935, until the war broke out, Ernie and his wife traveled around the country, writing stories on every conceivable subject, and winning quite a reading public.

Ernie once estimated that they stayed in more than 800 hotels, crossed the continent exactly 24 times, flew in 66 different airplanes, rode on 29 different boats, walked 200 miles, gone through 5 sets of tires, and put out about $2,500 in tips.

His war reporting carried the same kind of homey and simple quality that made his travel column so popular.

Whether writing about a terrifying air raid in London, the Normandy invasion, or a group of soldiers talking about home, Ernie captured the image of the situation that gave his millions of readers back home in the United States a true picture of the war.

His reports earned him a Pulitzer Prize in 1943.

His two books, "Here Is Your War," published in 1943, and "Brave Men," in 1944, were both best sellers, and earned a fortune.

Admired by the public, GI's and officers alike, Ernie left the European theater before V-E Day to cover the war in the Pacific.

President Roosevelt had been dead only 5 days when Ernie went ashore on the tiny Pacific atoll of Ie Shima, on April 17, 1945.

Five miles square, the tiny island was, nevertheless, the scene of one of the bitterest engagements in the Pacific.

Three Japanese airstrips were at stake, and the 77th Infantry Division's official history of the battle records that not one Japanese soldier surrendered and did not stop killing until killed.

On April 18, Ernie rode toward the front line with a jeepload of troops looking for a new location for a command post.

A machinegunner opened fire from about one-third of a mile away, and Ernie was struck in the temple. He died instantly.

He was buried on the island, and the body was later transferred to Hawaii where it remains today, at the National Memorial Cemetery of the Pacific in Punchbowl Crater.

The entire Nation was saddened by the news of Ernie's death, and he received many posthumous honors.

It has been 20 years this month since his death, and he is still remembered by the men who fought in World War II, and millions of Americans who followed the war through his columns.

Today, as you may know, the journalism building at Indiana University is named in honor of Ernie Pyle.

I think it would be a fitting tribute to this great Hoosier to be honored by the issuance of a commemorative postage stamp, and I pledge to continue my efforts to do so.

Thank you for inviting me and God bless you.

The Buffalo Eye Bank & Research Society: 20 Years of Service to the Nation

EXTENSION OF REMARKS

OF

HON. RICHARD D. McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1965

Mr. McCARTHY. Mr. Speaker, on May 6 the Buffalo Eye Bank & Research Society, Inc., will celebrate its 20th anniversary. One of the first services of this type in the United States, the Buffalo Eye Bank has been a pioneer in the field and has made many important contributions to the development of eye-banking throughout the country. Furthermore, through its primary mission,

the supplying of eyes for transplantation, it has deeply affected the lives of thousands of individuals from all parts of the Nation. For these reasons the 20th anniversary of the Buffalo Eye Bank is an event of more than simply local or regional significance. In honor of this occasion and in recognition of the hard work and dedication of the many citizens of Buffalo who have made the eye bank a success, I would like today to tell you a little of its history and its splendid accomplishments.

As many of you know, Lions International has a special and longstanding interest in sight conservation and work for the blind. Therefore, it is not surprising that members of the local Lions Clubs around the country were particularly excited by reports of successful corneal transplants that were being published in 1944 and 1945. The Buffalo Host Lions Club gave a great deal of thought to the ways it might be able to help the medical profession with this promising new development. After considerable discussion, it was decided that since there would be a tremendous need for eye donations, the club could perform a valuable service by soliciting such donations and finding ways to expedite eye shipments. That is how the Buffalo Eye Bank came into being.

When the eye bank was founded in 1945, there was only one other in existence, and it had been in operation only a few months. Therefore, since there was no well-established, experienced organization to which it could turn for guidance, the Buffalo Eye Bank had to develop its own standards and techniques. One of the first problems was how to insure the safe transportation of eyes to various hospitals. To meet this difficulty, the president of the Buffalo Eye Bank invented an eye shipper which immediately proved to be quite popular and is now in use in eye banks and hospitals throughout the United States and Canada. The importance of this device would be hard to overestimate for, as we can readily understand, very few emergency transplants could be performed if doctors were forced to rely on their own communities exclusively. In this type of surgery, timing is all-important. Eyes can be stored for only a few days; moreover, an injured patient can be kept waiting just a short time. In order that all donated eyes be used and in order that every possible patient be helped, the eye shipper is essential. For that alone the Buffalo Eye Bank deserves a great deal of praise.

The founders of the Buffalo Eye Bank felt that their most important task was to build up a large file of eye pledges. With the vigorous and enthusiastic help of local Lions Clubs, the eye bank has carried on an impressive public education campaign and has now accumulated more than 60,000 donor signatures. This month another of its regular biannual drives is being held, and the eye bank hopes to surpass even the 6,000 new pledges obtained in 1963.

While providing eyes for transplantation is its major service, the Buffalo Eye Bank & Research Society, as its name suggests, has wide interests and goals. From the beginning it realized the importance of continued research in eye surgery, and in 1949, with the cooperation of the University of Buffalo and financial support from the Lions Clubs, it dedicated a research and pathology department at the university. Three years later local Lions Clubs again aided the eye bank, this time in assembling a large and comprehensive ophthalmic library. While these volumes are the property of the Buffalo Eye Bank, the organization has wisely and generously placed them in the University of Buffalo Medical School library so that they will be easily accessible to students and researchers working in this field.

Two other services of the Buffalo Eye Bank have been quite helpful to groups attempting to establish similar organizations. One of these is its manual on eye bank administration. The other is its catalog of special equipment and supplies which is the only catalog of this kind and which has filled a real need for our country's growing network of eye banks.

We in Buffalo are very proud of the eye bank, not only for what it has done for people in our community but for what it is doing for the Nation. The Buffalo Eye Bank has played an active role in the foundation and development of the Eye Bank Association of America and serves as one of its six regional collection and distribution headquarters. It has pledged itself to continue to work for expanded eye-banking services and more efficient means of communication in the hope that with each succeeding year an ever-growing number of people will have their vision restored.

Today there are more than 80 eye banks in operation in the United States, and together they help restore sight to approximately 3,000 persons a year. While this is an accomplishment to be proud of, we must not forget that, according to official estimates, there are at least 30,000 more of our fellow citizens who are either totally or partially blind who could benefit from transplants—if corneas were only available. That is why it is so important that all of us who have been blessed with two good eyes take that simple but important step of signing an eye donation pledge. I can think of no legacy a man or woman could leave that would cause more joy than the gift of sight to someone who had lived in darkness—and no satisfaction greater than the knowledge that one's gift would so immeasurably enrich the lives of others.

For its 20 years of leadership and outstanding humanitarian service, we join today in congratulating the Buffalo Eye Bank & Research Society and its legions of loyal supporters, especially the Lions Clubs of the Buffalo area. We are grateful for the eye bank's many contributions, and we wish it continued success in the years ahead.

We also want to express our personal good wishes to Mr. Rudolph Spitzer of Kenmore, N.Y., whose vision and drive have helped make the Buffalo Eye Bank & Research Society the great institution it is today.

Doctor of Humane Letters to Hon. John T. Connor

EXTENSION OF REMARKS

OF

HON. FRANK T. BOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1965

Mr. BOW. Mr. Speaker, it was my pleasure last Saturday to accompany the Honorable John T. Connor, the Secretary of Commerce, to the campus of my alma mater, Ohio Northern University at Ada, Ohio, where he received the honorary degree of doctor of humane letters.

The Secretary's address at the founder's day convocation was an excellent statement of the problems that confront us, and I include it with my remarks as follows:

ADDRESS BY SECRETARY OF COMMERCE JOHN T. CONNOR

I am most happy to speak here at Ohio Northern at the kind invitation of President McIntosh and my good friend Dean Robert Fischelis, of your College of Pharmacy.

I have known Dean Fischelis through my own past connections with the pharmaceutical industry—connections which I have severed as a businessman but retained as a consumer. The headaches you get in government are no milder than those you get in business.

In a sense, although I am out of the drug industry, I'm still very much concerned with the health of the American people. Now it is their economic health that concerns me most urgently, rather than their physical well-being. But the two are closely related. A healthy economy requires a healthy work force, and good health is necessary for us to enjoy fully the fruits of our country's unprecedented prosperity.

So, as Secretary of Commerce, no less than as the former president of a leading pharmaceutical firm, I am interested in what is necessary to keep Americans healthy physically and economically. This is a big problem with many facets. And it is a problem that challenges each of you and this institution on the 94th anniversary of its founding.

I have mentioned the pharmaceutical industry because it is a link we share through your fine School of Pharmacy, but also because what Dean Fischelis and his faculty are doing here this weekend is symbolic of the challenge we face—whether we are in education or business or government or one of the professions.

I helped create the problem he and the Nation's pharmacists are facing. My former company spent—and is still spending—about $30 million a year to discover and develop new drugs. Other companies spend similar large sums to help create the biochemical armaments of the war on disease.

Together they have helped make American medicine the finest in the world—not only by providing the medical profession with more effective drugs, but by putting those drugs and the knowledge of their use into the hands of the physician and into the corner drugstore.

You can see the problem this rapid change creates for the pharmacist who has been out of school—even for a few years. Most of the drugs doctors are prescribing today were not on the market a decade ago. And most of the prescriptions the pharmacist will fill 5 or 10 years from now could not be written today. The drugs haven't been discovered yet.

And this is a problem that is appearing throughout our society.

There is an explosion of knowledge going on all around us. It's coming out of industrial laboratories and out of the laboratories of our colleges and universities.

And it's not merely an explosion of scientific knowledge—in the usual sense. It's much more than a rapid expansion of our understanding of the physical and biological aspects of our life. It involves the social and cultural areas as well.

The sociologist, the political scientist, the psychologist who left school a few years ago can't afford to be ignorant of what the computer, for example, is doing to his field of knowledge—any more than can the physicist or chemist. The same thing is true of the economist and the business manager.

And it's not just the computer hardware or any other advance in equipment that is responsible for the change. There are new ideas emerging in every field that are potentially revolutionary in themselves.

Our experts in the Department of Commerce, for example, are working to develop the idea of the noted Harvard University economist, Prof. Vassily Leontief, into an important tool of business and government policymaking. Computers are involved, but the important thing is the concept. And the result—called the "input-output" tables—is deceptively simple. It boils down to a set of tables that show in quantitative terms the complex interrelationships in our national economy. It shows how much business is generated in each segment of the economy by an additional dollar's worth of output anywhere in the economic structure.

Right now we don't know just what impact the development of these input-output tables will have. But you can be reasonably sure that the next generation of economists and businessmen and government officials won't be able to do its job adequately if it doesn't understand the use of this and similar economic tools.

Keeping abreast of one's field today is truly a lifetime job. Those of you who are students here have really only begun your education. You may never come back to Ohio Northern for a special course or seminar. But increasingly more and more college graduates will find it necessary to return to the campus—for postgraduate programs. Like the seminar on contemporary pharmacy being held here this weekend, these programs will be designed to bring you up to date and to broaden and deepen your understanding of the changing environment in which you work.

Businessmen are finding it necessary to strengthen their academic groundings in management techniques. They also are finding that periodic sessions on college and university campuses are very valuable means of broadening their understanding of the social and political changes that vitally affect their business operations.

So I think it is particularly symbolic that a seminar on contemporary pharmacy should be part of this annual founder's day observance. The best way you can honor the past of this great institution is to look to its future. And this is what you are doing.

Ohio Northern was born of Henry Solomon Lehr's desire to raise the level of competence of the poorly trained public school teachers in his region. He was trying to close the gap between what had been adequate—or at least tolerable—and what would be required of teachers in a burgeoning American economy. He dealt with the realities of the present—recognizing both the shortcomings of the past and the opportunities unfolding before our country and our people.

I think we must do the same.

President Johnson has summoned the American people to the task of building a Great Society. He has enormous faith in the idealism of our people and in their ability to respond to great challenges. But there is nothing "pollyannish" about his thinking. He recognizes that Government cannot hand out a Great Society to an apathetic people. He realizes that we must do this job together over whatever period of time it may take, and that most of the work must be done through private initiative rather than through Government action.

I personally think this calls for a new alliance of the campus and the company—of the academic and business worlds—in a sustained effort to cope with the problems and exploit the opportunities before us. I think such an alliance is especially needed in the field of education, manpower development, and employment opportunities.

I say "field" rather than "fields" because these are all aspects of a single challenge. You can look at it from different viewpoints. You can talk about the need to develop our manpower resources to meet the demands of an increasingly sophisticated economy. You can talk about the right of the individual to a job and an opportunity to earn his own livelihood. You can talk about his obligation to develop marketable skills, or about the obligation of government, business, and the schools to give him an opportunity to develop his productive—and human—potential.

But these are all part of the same ball of string. And you know the answer to the question: Where do you start to unravel a ball of string? You start anywhere.

The same thing is true of this problem of education, human development, and economic growth. You start where you are—whether you are in business, in a classroom, or in a position of public or community influence.

As a businessman and now as head of a Government agency charged with promoting economic development, I have been very much concerned with this problem of matching our manpower supply to the changing demands of an increasingly technical and rapidly changing economy.

The shifts on both sides are dramatic—on both sides of this supply and demand relationship. Not only is there continuing change in the kinds of jobs required, there is a big change occurring—as a result of the postwar baby boom—in the labor force available for these jobs.

The most dramatic change in job opportunities, of course, has been the decline in farmworkers—from 37.5 percent of all American workers in 1900 to only 5 percent in 1964.

The proportion of factory blue-collar workers, however, has risen only slightly. But there have been substantial changes within this group. The demand for unskilled workers has dropped sharply from 12.5 percent to 5 percent. The demand for skilled workers has risen from 10.5 to 14 percent, and the demand for semiskilled workers even more—from 12.8 to 20 percent of all workers.

The big growth has been in white-collar workers—from less than one in five workers in 1900 to nearly half the work force in 1964. The demand for professional, technical, and similar workers has nearly tripled. The demand for managers and officials has risen 50 percent. And the percentage in clerical and kindred jobs has increased fivefold since the turn of the century.

Today it is virtually impossible to get a job in a factory without a high school diploma, and it is even more difficult to get an office job without this minimum educational qualification. At a higher level, there is a great unsatisfied demand for top quality, highly educated people in virtually every field. In the Commerce Department, we are particularly concerned with the lack of advanced-degree people capable of doing engineering research and development—people who can bridge the gap between the basic scientific discovery and the production line.

On the other side of the picture, the labor force is growing faster than in the previous postwar period, and the composition of the labor force is shifting toward youth and inexperience.

Because of the baby boom after World War II, we had half a million more young people entering the labor force last year than the annual average of the previous 5 years. Between 1957 and 1962, the total labor force grew at an average rate of less than 800,000 a year. From 1962 to 1964, it grew by 1.2 million a year. And for the rest of this decade, the growth is expected to be about 1.5 million a year. This means we must create some 9 million new jobs—1.5 million a year—just to take care of the growth in the labor force through 1970.

And that doesn't include doing anything about the 4 million currently unemployed, or about the additional workers that would move into the active labor force if the prospect of finding jobs improved significantly.

Another major change in the labor force is the above-average growth in nonwhite—mainly Negro—participation. Although nonwhites make up only slightly more than one-tenth of the current labor force, they will account for roughly one-fifth of the growth in the labor force during the remainder of the decade.

This constitutes a major challenge for both education and business. These young Negro men and women must be equipped in our schools and colleges to fill the higher skilled jobs that will be opening during the rest of the 1960's and beyond. But they must know that the jobs—which formerly were closed to them—will be there and will be open to them when they are prepared to take them. This will require a close cooperation of business and our institutions of higher learning to identify and meet the special educational needs of these young people—including the urgent need to strengthen their motivation to obtain higher education.

Today the unemployment rate among Negroes in the labor force is about 10 percent—double the rate for the population as a whole. For teenagers it is triple the general rate, and for Negro teenagers, I understand, it runs on the order of 25 percent.

I am concerned about the manpower development problem from the business point of view. But, as a businessman, nothing gave me greater satisfaction than the knowledge that I was helping to create jobs for my fellow citizens.

I think most businessmen feel this way. And I think businessmen are ready to accept the challenge to work intimately with the educational institutions and governmental bodies in their areas to help create job opportunities for every pair of willing hands.

In providing an adequate education for every American, there is a role for each of us to play. There is a local community responsibility. The State has a major responsibility. Our churches and our private educational institutions have a big opportunity. And the Federal Government has an important supplemental role to play.

I think the President's education program deserves full business support. I am not worried about Federal aid supplanting local support or local control in education. The job we face in education is so big that we need all the help we can get. And, if education is among the most important business of our society—and I think it is—we need not be afraid of the American people losing interest in it at the local and community level.

At the same time, I think business has a special obligation to support institutions such as this. Variety in educational opportunity is an important support and safeguard of a democratic society. But it must also be quality education. And business corporations, as well as individual businessmen, who have the means, should make support of private colleges and universities one of their continuing obligations.

President Johnson pointed out recently that this is the richest and most powerful country that ever existed, and that the might of past empires was little compared with ours.

"But," he said, "I do not want to be the President who built empires, or sought grandeur, or extended dominion. I want to be the President who educated young people to the wonders of their world—the President who fed the hungry—and helped the poor to find their own way—and enriched the simple, daily lives of every family. And I want to be the President who helped to end hatred among his fellow men, and war among the brothers of this earth."

I think this is what we all want. I think we want to be part of the generation that helped make these things possible for all our fellow men, and for all the world.

The campus and the corporation represent two of our most important means of furthering this ambition for America and mankind. I think they must work together in mutual support and with common purpose to achieve our goals. I am confident that they can work together for the benefit of an enlightened and capable people in a free and prosperous society.

Thank you.