United States of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 89th CONGRESS, FIRST SESSION

## HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 7, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., used this word of the Psalmist: *I will hear what God will say, for He will speak peace unto His people.*

O Thou God of all goodness, our minds and hearts frequently turn unto Thee in these days for light and leading, for insight and inspiration.

We find ourselves in the midst of circumstances and crises which are tragic and trying and we are seeking to lay hold of Thy agelong moral and spiritual values for courage and hope.

Grant that in our struggles we may be reponsive to Thy commands and be eager to discover and obey Thy will and learn for ourselves the help that there is for us in the power and possibilities of prayer.

May we appreciate more fully the satisfaction and the security we may experience as we join the prophets of old who are the eternal contemporaries of all who love and serve Thee.

Hear us in the name of our blessed Lord. 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 without amendment a bill of the House of the following title:

H.R. 4527. An act to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard.

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

S. 800. An act to authorize appropriations during fiscal year 1966 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluation, for the Armed Forces, and for other purposes.

The message also announced that the Vice President, pursuant to Public Law 85–474, had appointed the following Members on the part of the Senate to the Interparliamentary Union Conference to be held in Dublin, Ireland, April 18 to 25, 1965: Mr. TALMADGE, Mr. ROBERTSON, Mr. YARBOROUGH, Mr. HICKENLOOPER, and Mr. SCOTT.

The message also announced that the Presiding Officer of the Senate, pursuant to Public Law 115, 78th Congress, entitled "An act to provide for the disposal of certain records of the United States Government" had appointed Mr. JOHNSTON and Mr. CARLSON members of the Joint Select Committee on the part of the Senate for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 65–10.

### CALL OF THE HOUSE

Mr. HALL. 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. 67]

| | | |
|---|---|---|
| Abernethy | Grover | O'Hara, Mich. |
| Ashley | Hathaway | Powell |
| Baldwin | Ichord | Roosevelt |
| Berry | Irwin | Springer |
| Bonner | Jones, Ala. | Stafford |
| Cahill | Long, Md. | Steed |
| Celler | McCulloch | Sweeney |
| Cleveland | McDowell | Toll |
| Evans, Colo. | Mailliard | Ullman |
| Grabowski | Morrison | Williams |

The SPEAKER. On this rollcall 401 Members have answered to their names, a quorum.

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

### THE LATE HONORABLE JAMES A. SHANLEY

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

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

There was no objection.

Mr. GIAIMO. Mr. Speaker, it is with a great deal of sadness that I take this time to inform my colleagues in the House of the untimely passing of Jim Shanley, a former Congressman from the Third Congressional District of Connecticut, the district which I presently have the honor to represent. Jim Shanley, who was known to so many of the Members here in the House, represented his district from 1935 to 1942, and was a member of the Committee on Foreign Affairs. He died on Sunday last after a short illness.

Mr. Speaker, I shall ask for time on Tuesday next so that I and other Members of the House may pay our last respects to our very dear and distinguished friend and former colleague, Judge James A. Shanley, of New Haven, Conn.

### SOCIAL SECURITY AMENDMENTS OF 1965

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 322 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 322

*Resolved,* That upon the adoption of this resolution it shall be in order to 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. 6675) 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, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed ten hours, to be equally divided and controlled by the Chairman and the ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means. Amendments offered by direction of the Committee on Ways and Means may be offered to the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Ohio [Mr. BROWN], and at this time yield myself such time as I may consume.

This rule makes in order H.R. 6675, a comprehensive bill dealing in detail with the manner in which to provide hospital insurance, health benefit, and medical assistance for the aged folks of our Nation.

This legislation has been on the agenda of Congress, in one form or another, for the last 20 years. The members of the Ways and Means Committee are deserving of the highest commendation for the outstanding work they have done over the years to enact a practical bill which will relieve the critical health problem of our older citizens.

Years ago, older folks who were destitute or with insufficient income, property, or means to provide for the health needs in their declining years, were committed to so-called poorhouses, county or city hospitals throughout the land. Over the years, millions of older citizens have spent their declining days in inadequate so-called poorhouses or county institutions in poverty and disgrace until the day that their lives ebbed away.

When I came to Congress 20 years ago, one of the burning issues in my district was the necessity for something to be done to expand hospital and medical care, not only for the older citizens but for many younger families who were unemployed and in need of hospital and medical care. In many areas throughout our Nation during the last 25 to 30 years communities were victims of a pitiful lack of hospital accommodations and, in a great many areas, a scarcity of doctors.

LACK OF MEDICAL SCHOOLS

I well remember after World War II when thousands of boys were returning to civilian life many of them whose education was temporarily interrupted by military service, wanted to enter medical schools throughout our Nation. We found that medical schools and colleges were scarce and also hospital facilities and doctors both in urban and rural areas. I received hundreds of letters from veterans whose applications to medical schools were rejected because of the lack of accommodations. In 1947, I asked one of the trustees of Indiana University why it was that so many boys who had applied from my area to this medical school were rejected and he stated that out of approximately 3,000 applications in 1946, the University's Medical School only had accommodations for 150.

I remember when, in the late 1940's, we had legislation on the floor of the House to appropriate money for hospital and medical school construction, we were always met with organized opposition by the American Medical Association who spent vast sums propagandizing against any aid from the Government to build hospitals, provide money to educate students for the medical profession, or to expand medical services to millions who were suffering by reason of inadequate facilities.

The bill we are considering today, if enacted into law, will be one of the great landmarks of progress taken by our Government in order to help carry out humanitarian considerations which it owes to millions of older folks throughout the land who have devoted their lives to making this Nation of ours the leader of the world.

FINANCES OF ELDERS

In the last 20 years, the number of older people in our Nation has almost tripled. Now, 1 American in every 10 is in the older group and this number is increasing every year. Medical and hospital care is a serious problem for many Americans of all ages but the older folks are more helpless and have more health afflictions. Of the 18 million people over 65, more than half have incomes of less that $1,000 a year. The average income for two-person families is around $2,500 per year. Incomes like this will buy very little hospital or medical care. About 6 million Americans over 65 years of age have no assets at all. They are in abject poverty. When an aged husband or wife is hospitalized, the medical bills average around $800 a year. People over 65 use three times as much hospital care as younger people. Their stay at the hospital is twice as long as the average younger person. Medical costs have increased 63 percent since 1950, and in the same period hospital rooms have gone up 154 percent. Few older folks have savings to meet these skyrocketing hospital and medical costs.

As one reviews the history of medicare legislation and the fact that after 20 years the Congress is about to assume its responsibility to correct one of the most flagrant inequities and humanitarian omissions in correcting an injustice to a large segment of our American citizens.

The recent edition of April 12 Newsweek magazine has an interesting article dealing with this problem. They state in this article that from the period of 1940 to 1960 that taxpaying citizens have increased from 35 to 72 million and the number of citizens over 65 in that 20-year period has increased from 600,000 in 1940 to 12 million in 1960. Our population is increasing annually and through modern scientific discoveries in medicine and surgery; our older folks are increasing in numbers far more rapidly than the similar increase of population of 25 years ago. The problem of medical and hospital care for our older citizens is far more critical than after World War II and will increase by alarming proportions every year unless legislation like we are considering today is enacted into law in an effort to solve this problem of hospital and medical care for the elderly.

MEDICARE BILL

The Rules Committee in reporting this bill out, has provided for 10 hours debate. H.R. 6675, very briefly, covers all persons over 65, with benefits commencing July 1, 1966, with one exception. Up to 60 days of full hospital care per illness, with patient paying only the first $40. From 20 to 100 days of posthospital care in an affiliated facility for each spell of illness—this coverage to begin January 1, 1967. Outpatient diagnostic services following payment of $20 deductible. Posthospital home health services up to 100 visits per spell of illness. Payments made directly to hospitals, and so forth.

Voluntary supplementary plan: Coverage for all persons over 65 enrolling before March 30, 1966, or as they reach 65. In exchange for $3 monthly premium—$6 for a couple—enrollees will be covered for 80 percent of these additional services following payment of $50 annual deductible: physicians' and surgical services, up to 60 days per illness in a mental hospital—180-day lifetime maximum—up to 100 visits per year for home health services without prior hospitalization, diagnostic tests, X-ray, radium and radioactive isotope therapy, ambulance services under limited conditions, surgical dressings, rental of durable medical equipment, and so forth. Plan to be administered by private companies like Blue Cross. Benefits effective July 1, 1966.

Financing of the basic plan will be through an additional social security tax applying equally to employees, employers and self-employed persons.

AMERICAN MEDICAL ASSOCIATION ELDERCARE

During the 2 days hearing before the Rules Committee several alternative bills, amendments or changes were presented to the pending legislation. The principal substitute was a bill sponsored by the strategy board of the American Medical Association called eldercare. Under this proposal the AMA would let the individual States, who would accept a health program, pay half the costs and administer it themselves. Each State under this bill would decide whom to help, if anyone and how much. This proposal is more or less an extension of the wholly inadequate Kerr-Mills legislation passed by the Congress several years ago which has proven a miserable failure as far as a solution to the Nation's health problem is concerned.

During this time nine States have absolutely refused to pass any legislation under the Kerr-Mills provisions. Out of the 41 States who have made any effort under the Kerr-Mills law, only 7 States have anything like adequate programs and in these 7 States some have omitted essential factors of hospital care for the aged. These seven States have omitted to provide any uniform treatment of older people. During this debate you are going to hear a great deal about eldercare because the political department of AMA has carried on a multimillion-dollar campaign over the Nation through television, radio, mail, and newspapers, misrepresenting the true facts about eldercare. In their propaganda they do not state that eldercare is merely Kerr-Mills all over again with a little window dressing to mislead the American people.

Taken on the basis of official Government reports on the operation of the Kerr-Mills program, if applied in all 50 States, it would enable a maximum of about 3 million elder folks to qualify for benefits. Around 16 million older folks would get nothing.

The highly financed political campaign of the AMA strategy board so exaggerated and misrepresented the facts about eldercare that the gentleman from Florida, Congressman HERLONG, one of the two cosponsors of the eldercare bill, publicly condemned the AMA committee for its overenthusiastic and misleading propaganda. To quote Congressman HERLONG, he stated:

For the AMA to give the impression it provides complete coverage is not so.

He also said:

It just makes it available for the States to provide if they want to.

I am not criticizing the thousands of physicians over the Nation who are not familiar with the true facts. Most of them are openly or privately supporting the medicare bill and opposing the AMA eldercare plan.

I do hope that the Members of the House remain on the floor and listen to the presentation of this legislation by the members of the Ways and Means Committee, which held hearings on medical legislation in every session of Congress for the last 15 or 20 years on medicare legislation.

Chairman MILLS and older members of the Ways and Means Committee have devoted many weeks and months to this problem and I do hope that every Member will listen to Chairman MILLS when he opens this debate after the House goes into Committee of the Whole. Chairman MILLS testified before our committee that this legislation is 100 percent financially sound for the present economic conditions in the Nation and that provisions in future financing were considered and incorporated into this legislation which will protect our social security system indefinitely into the future. Several years ago there was a great deal of argument that the private insurance industry could take care of this need for our elder citizens. When those arguments were surveyed, upon investigation it was found that thousands of aged as policyholders presented their opposition because of so many unreliable insurance companies throughout the Nation cancelling insurance policies when extended illnesses occurred to the insured. Many private insurance companies at that time experimented with combining their resources in order to offer special plans to older citizens on account of the economic situation involved with so many older policyholders. This experiment was a failure.

The American people, during the last dozen years, have become educated and informed on the true facts regarding medicare legislation. A nationwide poll was taken by the Harris people recently on medicare legislation covering rank and file Americans and the return revealed that the American people are for adequate medicare legislation by a margin of 2 to 1.

A LOCAL TAX SAVING BILL

Another angle connected with this legislation which has not been discussed is that millions of younger folks are indirectly being benefited in that they can use their small income for educational purposes instead of leaving grade school or high school to work and provide hospitalization and medical care for their parents. These younger folks will be given an opportunity to meet the problems of this advanced scientific age and be producers and taxpayers instead of eventually becoming members of the unemployed and thus becoming a problem eventually for Government aid and assistance.

Another consideration that did not come out in the hearings has been the fact that the passage of this legislation will save multimillions of dollars to the American taxpayer in local areas where they are financing county and city hospitals, poorhouses, welfare departments, and other local agencies caring for sick and dependent elder citizens. This morning I telephoned the public welfare department in my district, Lake County, Ind. They informed me that during the first 3 months of 1965, $290,000 was spent for hospital, medical, and nursing home care for the elder citizens of Lake County. Lake County taxpayers will be relieved eventually of about $11 million in taxes annually when this legislation gets organized and in full operation.

In closing let me say that the greatest testimonial for this legislation, coupled with the educational legislation passed several weeks ago, was the returns of the recent election of November 5, 1965. By a majority of over 15 million, President Johnson and Vice President HUMPHREY won an unprecedented victory and the principal plank in their platform was education and medicare. Dozens of new Members—freshmen—are in Congress today, because the American people have finally become informed on these two great national issues—education of our youth and hospital and medicare for our elder citizens.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, my colleague on the Rules Committee, the gentleman from Indiana, devoted most of his time to a discussion of the bill, or what he understands may be the bill, and little time to explaining the rule.

The rule bringing this bill to the floor is a closed or a gag rule providing for 10 hours of general debate and permitting the offering of no amendments from the floor except those reported by the Ways and Means Committee itself. It provides for one motion to recommit, either with or without instructions.

I have stood in this well many times in the past in opposition to the voting of closed or gag rules. I have the very firm conviction and belief that within the House of Representatives we have sufficient judgment, wisdom, and ability to pass upon legislation, even in detail, at least as ably as the other legislative body across the Capitol, where there are no restrictions on the offering or consideration of amendments and no limit on the debate on such amendments or on the legislation itself.

I want the record to be made very clear. In the Rules Committee when the question of a rule on this particular bill, H.R. 6675, came up, I moved a substitute for the motion of the gentleman from Indiana [Mr. MADDEN], who had moved that we report the bill under a closed or gag rule and 10 hours of debate. I moved that we report the bill under an open rule which would give every Member of the House an opportunity to offer any amendment, and a full opportunity for such amendments to be considered and debated on the floor of the House. That motion was voted down.

Then another motion was made as a substitute for the Madden motion, to provide that the so-called Herlong-Curtis bill should be considered in order as an amendment to the bill. That was voted down.

Then, finally, a motion was made to amend the motion of the gentleman from Indiana so that the closed or gag rule would provide for the offering and consideration of H.R. 7057, the so-called Byrnes bill, with which Members are all acquainted, on the floor of the House, so that it might be discussed and debated section by section. That was voted down by a fairly narrow margin.

We now have before us this rule, a closed, gag rule, which means that the House may not work its will and no Member may offer an amendment unless it has the sanction of the Committee on Ways and Means, except in the case of a motion to recommit, which is always reserved as a right to the minority.

Now, I do not know how much time my colleagues have devoted to studying this bill or how much attention has been given to it. I am sure my good friend, the gentleman from Indiana [Mr. MADDEN], has studied it very carefully, but frankly I do not know all that is in this bill and I cannot answer all the questions that might be asked about it. I am not sure there is anybody in the House who can answer all of the questions that might arise in connection with this legislation. There are 296 pages in this bill. The report alone contains 264 pages. I cannot help but wonder in my own mind as to why the great haste. We were asked to rush it through the Committee on Rules and it was rushed through the Committee on Rules with a day and a half of hearings. It was reported out of the Committee on Ways and Means as it is in its present form without hearings on many sections of the bill, some of them being the most important part of it. I cannot help but wonder why the haste. The insurance and medicare provisions of this bill will not become effective until a year from next July. The increased benefits to those now on the social security rolls will be retroactive to last January 1. That is helpful and can be handled very quickly and should have been handled last year. There is a great deal of mystery to me about this bill, and why it is before us in its present form. I still do not understand—and I have been in Congress for a long, long time—all of these things that are going on. This is a great piece of machinery—this legislative machine here on Capitol Hill—and we have had this bill or a bill like it before the Committee on Ways and Means for a great many years.

In fact, this particular type of bill has been before the Committee on Ways and Means since 1955. Year after year and Congress after Congress, the Committee on Ways and Means, substantially constituted as it is now, has failed and refused to report a medicare bill or to endorse the philosophy and the program that is outlined in this measure. Then suddenly the committee comes out with a bill that covers the waterfront. As somebody described it, it provides for every situation from the cradle to the grave.

As I understand it, there are three or perhaps four important divisions of this bill which we have to consider. Toward one part of the bill there is no argument. That is the part which I think everyone favors. It is the part that gives an increase of 7 percent across the board, with a minimum of $4 a month, as an increase in social security benefits to those now on the social security rolls. It would enlarge the coverage to give greater protection to widows and children and to certain disabled persons. That section of the bill has a unanimous report from the committee, I believe, and perhaps will in the House.

Another section of the bill applies to hospital and nursing home care. This will be furnished under social security and paid for by increased social security taxes.

Another section of the bill will establish for the first time a new system of voluntary medical insurance, by which individuals over 65, either by having $3 a month deducted from social security benefits or by paying $3 into a Federal fund, can be protected against certain medical or surgical expenses and other expenses not covered by the medical care section of the bill.

Finally there is another section of the bill which will not only increase social security taxes to a total of 11.2 percent, paid by the employer and employee equally, but additionally will increase the amount of income taxable for social security purposes first to $5,600 and then to $6,600 per year in order to help finance this program.

The total program, as I understood the testimony before the Committee on Rules, would carry an additional cost of $6.2 or $6.3 billion. No one is certain in his own mind what the cost will be, because it is now a matter of conjectures and estimates.

The real debate and discussion surrounding this bill in the Committee on Ways and Means and elsewhere is whether or not we should embark upon a new program of paying hospital and nursing home benefits through social security or whether it should be under some other, separate, system.

The gentleman from Wisconsin [Mr. BYRNES], the ranking member of the Committee on Ways and Means, has sponsored a bill, H.R. 7057, which provides for all hospitalization, nursing home care, or medical and surgical care to be financed through a voluntary system with a charge levied against the person receiving the benefit, and paid partially out of the Federal Treasury rather than from the payrolls of the employers of the Nation. The bill will be offered not as an amendment, because this rule will not permit the offering of any amendments, or debate except in a general way. It will be offered as a motion to recommit.

I suggest that careful attention be given to the bill itself, because it is a very involved piece of legislation. I also suggest close attention be directed to the motion to recommit.

Mr. Speaker, let me say just one other word in conclusion. Today about one-half of the case mail the average congressional office receives deals with social security cases. If this bill is passed in its present form, because of its intricate and wide coverage, I predict here and now that we will need that fourth office building and additional staff just to answer the inquiries on social security matters. I can see ahead of us a great deal of inquiries from people who believe this legislation is going to give them benefits much greater than a careful study of the bill will convince you that it does give them. It does not give the people what they believe they are going to receive.

I want the Members to listen carefully to the debate concerning the cost to the individual recipient, as well as the cost to the taxpayers for the two programs.

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

Mr. BROWN of Ohio. I yield to the gentleman from Iowa.

Mr. GROSS. Is the reason for this gag rule the fear on the part of the majority of the Committee on Ways and Means and the majority of the Committee on Rules that the House would improve the bill, or is it notice to us that we are incompetent to deal with the bill?

Mr. BROWN of Ohio. Well, I am never sure why some people insist on having closed or gag rules. I have never believed in them, and I will permit the gentleman from Iowa to judge for himself the reason.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Speaker, over the past 12 years, on numerous occasions, I have spoken on the floor of this House to urge that we liberalize and humanize our social security system. I have introduced bills which would accomplish these results. While we have made progress in improving the system, I feel that we have not gone far enough in eliminating many unjust features still in the law.

Today, this bill—the Social Security Act of 1965—is more than a milestone—it is a landmark in the field of welfare and enlightened social security legislation. We all know that this bill is long overdue, especially the section which provides health insurance for the elderly. The legislative process is often long, and the wheels have turned slowly in this case, but as a result we can be sure that a good, carefully drawn bill has been produced. I will vote for it gladly with a relieved mind. I have been especially concerned about the problems of the elderly for many years. I know what a lengthy illness can do to precious, and essential savings. I know that too many of our elderly citizens fear the first signs of illness, because they are afraid they will not be able to pay the resulting bills, and will have to turn to some form of public assistance for relief. We owe the elderly more than this anxiety about their financial security, an anxiety which will increase as the cost of medical care rises. The Social Security Act of 1965 will give our citizens over 65 some measure of the economic security they deserve.

The bill establishes two coordinated health insurance programs for persons 65 or over. First, a basic plan, which will provide protection against the costs of inpatient hospital services, posthospital extended care, home health services, and outpatient diagnostic services. The bill provides for a deductible which the patient pays, and limits the days of illness which will be covered by the plan in any spell of illness.

This basic plan will be financed through a separate payroll tax and a separate Federal hospital insurance trust fund. Benefits for persons currently over 65 who are not insured under the social security or railroad retirement systems will be financed out of Federal general revenues.

The proposed Social Security Act also establishes a voluntary supplementary plan which would cover a substantial part of the cost of physicians' services and numerous other medical and health services. After an annual deductible of $50 has been paid by the patient, the plan would cover 80 percent of the patient's bill. Individuals who enroll initially in the plan will pay premiums of $3 a month, which will be deducted where possible from their social security benefits. The proposed 7-percent, across-the-board increase in benefits which is also contained in the bill would more than cover the monthly premiums for this voluntary health insurance. The Government would match the premium with $3 paid from general funds. To the greatest extent possible, the benefits will be provided through contracts with carriers who will administer the program. A State would be able to buy into the plan for its public assistance recipients who are receiving cash assistance. This, of course, would be an advantage both for the State and for the individuals concerned.

Now that we have the bill before us we can see that dire warnings about spiraling costs were unfounded. The wage base will be increased to $5,600 a year beginning January 1, 1966, and to $6,600 effective in 1971—a step many people have long advocated, and the increase in the payroll tax rate for both employer and employees will only be one-half of 1 percent until 1972, after that rising slowly until in 1987 the health insurance portion of the tax will be four-fifths of 1 percent. This is certainly a reasonable cost for the increased benefits all of us will enjoy.

We must pass this legislation without delay. Hearings have been held twice in the past few years, and certainly no bill has aroused so much support in the country as a whole. The aged are an increasing proportion of the population—their problems will be the problems of all of us, unless something is done to help them. This legislation moves many steps in the right direction.

However, I have been disappointed that the bill has not included a general reform of the social security system. Certainly I support the changes which have been made. But I would go a great deal farther along the path to an equitable, logical system. The bill provides a 7-percent, across-the-board benefit in-

crease, effective retroactively beginning with January 1965. Certainly this increase is long overdue—social security benefits have fallen far behind the rising cost of living, in spite of the urgings of those of us who are aware that the aged have not been allowed to share in our growing prosperity. My bill, H.R. 4774, provides for a 10-percent, across-the-board increase in benefits. I feel that this would supply a much more adequate amount for the millions of beneficiaries who are barely able to meet the price of necessities with their present benefits.

My bill H.R. 2606 would increase the minimum amount of monthly insurance benefit payments to $50 whereas the present Social Security Amendments of 1965 would increase the minimum to only $44. It is hard to believe that anyone could consider $44 a month a decent income. Certainly my bill is considerably more realistic in providing a more reasonable sum for those who must try to live on their social security benefits.

The Social Security Act of 1965 also includes a provision to provide benefits, at an actuarily reduced level, to widows at age 60. The justification for this is obvious: widows, often left alone when they are older and unable to support themselves because of a lack of modern skills, need the income which social security benefits would give them. However, my bill, H.R. 4169, would provide that a widow under retirement age may continue to receive mother's insurance benefits at a reduced rate even though none of her children are under 18. This would especially benefit those widows in their late forties and fifties who have spent their time and energy raising a family, and then are suddenly left without any other income than their comparatively young children can provide. It seems only fair to provide these women with a measure of economic security.

I also suggest that it is time that the retirement age was lowered to keep up with the demands of our modern economy. The unemployment rate remains comparatively high, and many young men and women just out of school are unable to find jobs. Men and women over 50 sometimes need to retire: their health is not good, or they have other pressing reasons why their jobs have become too much for them. It is only logical to provide for these different needs. My bill, H.R. 1693, would give full benefits to men at age 60 and women at age 55.

At the very least, I feel that we should eliminate the penalty—the actuarily reduced benefit—which prevents many men and women who would be helped by relaxation of retirement from leaving their jobs at age 62. Just this small step, which would be relatively inexpensive, would have a beneficial effect on our entire economy.

The bill liberalizes the social security earned income limitations so that the uppermost limit of the band of $1 reduction in benefits for $2 in earnings is raised from $1,700 to $2,400. Although this is a change for the better, I have urged that the so-called retirement test should be eliminated altogether. It prevents many well-qualified and eager men and women from holding any but the smallest kind of part-time job. Certainly it is wasteful to prevent such valuable human resources from working at what they are most suited for: retirement should be completely voluntary, and social security benefits, which have, after all, been earned, should not depend on an arbitrary earnings income maximum.

For the past 10 years I have introduced a bill which would extend coverage to dependent brothers and sisters of an individual who dies fully insured. At present, these people, who are unable to support themselves and may be considerably older than the working member of the family, have no way of obtaining benefits if their sole means of support dies. They must often have to turn to public assistance. It is unfortunate that an individual who supports his brother or sister has the added worry about what will happen to them if he dies.

A long-needed reform of the social security system has not been included in this bill. Federal employees should be allowed to join the social security program: at present, they are discriminated against for no logical reason.

Despite the above points, I am strongly in favor of the bill. It contains many provisions which I have suggested for many years. For 12 years I have introduced bills to provide for the payment of children's insurance benefits up to age 22 if they are attending school. At present, children's benefits are cut off when they reach the age of 18. This prevents many of them from attending college or vocational schools, or, in some instances when the mother is in financial need, even finishing high school. Children of deceased, retired, or disabled workers would be included as long as they are full-time students in school. By age 22 the great majority of these children will have finished their education and will be ready to support themselves. This change is certainly essential if we are to succeed in the American ideal that every child shall have the best education for which he is suited. It has been estimated that 295,000 children will benefit under this provision in 1965.

I am also pleased that cash tips have finally been included in the definition of wages. This reform is long overdue; for years service workers, who receive a third or more of their income in tips, have been entitled to only relatively small social security benefits. This change will insure them benefits more comparable to their actual earnings in the years in which they were employed. Employers, in determining wages, always take possible tips into account, and as a consequence the wage will be low.

Many other provisions are worth noting. The Federal share of payments under all State public assistance programs is increased a little more than an average of $2.50 a month for the needy aged, blind, and disabled. The bill also removes the present restrictions on Federal matching in public assistance programs for needy individuals who are tubercular or psychotic and are in general medical institutions. This should help both the individuals and the hospitals involved.

The Social Security Act of 1965 also improves and extends the Kerr-Mills program. The bill would establish a new title of the Social Security Act to extend the advantages of an expanded medical assistance program not only to the aged who are indigent but also to needy individuals or the dependent children, blind, permanently and totally disabled programs, and to persons who would qualify under these programs if in sufficient financial need. Kerr-Mills has been found to be a useful way to provide for the basic medical needs of people who desperately need financial help. This section of the 1965 bill would make medical assistance available to more people who need it.

These social security amendments will indeed have far-reaching effects. They will improve the living conditions of 18 million beneficiaries; they will begin the vitally important task of providing health insurance for all aged Americans, whatever their financial conditions. With the passage of this bill we will be facing up to the economic realities of our time and adding a measure of security to our social security system which is in line with those realities. At the same time we will be helping to relieve the consequences of tragedy in millions of American homes. I am happy to support this bill.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. HALL].

Mr. HALL. Mr. Speaker, I am appearing before this House as a physician in the Congress to avoid an act of omission, to point out that the rule, House Resolution 322 making in order H.R. 6675, as has been stated by the gentleman from Ohio [Mr. BROWN], has no proved need, but at the same time realizing the facts of life and the weight of the Congress to object to no amendments and no points of order from the floor.

Furthermore, I urge support of the motion to recommit with instructions to strike all after the enacting clause and bring back forthwith as a substitute H.R. 7057.

Now, Mr. Speaker, the speculation of the gentleman from Indiana and his nonvalid personal opinion concerning many matters other than the rule before us are old saws, worn red herrings being drawn across the trail, that hardly deserve the dignity of acknowledgment. But I submit that this is not the time when we should use the whipping boy of various organizations to bring the physiognomy and visage to a state of "color rubra" by our various expressions in an effort to kick or knock down legislation that will change the state of the Nation.

Mr. Speaker, the majority have the power in this Congress to do that which it wishes and there is no argument about that. So let us not batter again the old worn image of the physicians of America who simply want to take care of people in the best possible way for those people.

Mr. Speaker, it is an error to stand here and quote Whitaker and Baxter as the AMA consultant public relations specialists since, indeed, they have not

worked for the AMA nor been retained by it in any manner or means since the Wagner-Murray-Dingell bill of 1947. We are this out-of-date in some of the statements and the acts of collusion about this organization which, indeed, has been refused television rights in its expression and its desire and its own way to get to the public the hoax of the political promise which, indeed, made the administration itself realize that it could not live with the promise of H.R. 1 made before election time.

This service was rendered, and properly so, by organized medicine. I will leave to the author of the Kerr-Mills Act the statement that only seven States have joined in putting that through their State assemblies. Surely that will be corrected to the figure of 44 States and Territories of our 54 of same, now participating in one degree or another in the existing law of the land, the Kerr-Mills Act. This has been done in spite of opposition from Federal agencies and with the support of medicine and insurers.

The bill now before this House is a bill that was produced in executive session. No public hearings were held in the 89th Congress, thus denying the public and Members of Congress the opportunity to become familiar with this multipaged bill and the report thereon. Even though the administration bill cannot be implemented without the cooperation of physicians, this bill was drafted with no regard for the opinions and comments of those who will be expected to furnish services.

The hospital, State, and Federal evaluation and control committees cannot work without the wholehearted and interested support of the organizations and persons most expertise in patient-hospital turnover, and most shunned in developing this hodgepodge bill.

For the same reason—that is, closed hearings—I object to a closed rule. As bad as it may be to write legislation on the floor, it is better than by a small, weighted, and—yes, prejudiced—logic-tight group.

This House is considering a rule for 10 hours of debate. This is a serious matter, and change of the entire concept of medicine for our Nation is at hand.

Recent polls prove the people are unaware of the bill's content and at least these debates will be followed by the news media and the people as the House works its will.

I would have preferred, and did urge before the Committee on Rules, a rule for 20 to 30 hours of debate equally distributed, for full discussion and enlightenment here and across the Nation.

Mr. Speaker, the basis for quality medical care is the voluntary relationship between the doctor and patient. This would begin to disappear as the Government supplants the individual as the purchaser and provider of health services. For the first time this bill provides service benefits in lieu of cash benefits.

Are we to tell the people of America, the senior citizens, that they are not capable of determining this matter as against a ribbon clerk here in Washington? The result will inescapably be third-party intrusion in the practice of hospitalization and medicine. The physician's judgment would be open to question by others, not responsible for the patient's well-being. His diagnostic and therapeutic decisions would be subject to disapproval by those controlling the expenditure of tax money.

The abuse factor will fill hospital beds, and private patients will be denied or delayed in admission to the end that waiting lists will build up, and another costly crash program of hospital construction will ensue.

As physicians and health facilities become more and more subject to intervention in their work by Government employees, a decline of professionalism will be certain.

America today has the finest physicians in the world, a fact frequently demonstrated over the last decade when the Nobel Prizes have been handed out, by your life expectancy, by those seeking graduate training in this country, or the Anthony Edens, the Dukes of Windsor, the Grace Kelly Rainiers, and many others who come here for medical and surgical care.

This is not merely a controversy over whether Federal Government should tax one group of citizens to provide health care benefits indiscriminately, regardless of need, to another group. This is not merely a disagreement over the best means of providing health care for our older citizens. Rather, this conflict is testing whether art and science of medicine will be permitted to grow and flourish in freedom, and competitively, or whether progress in medicine will be stunted and shriveled by an excess of Government control. Its adoption would be another downward step toward loss of freedom of choice.

It is not the doctors who will suffer under this bill, insofar as their economic standing is concerned; physicians' income would probably be more assured, not less, if the administration's bill is enacted. It is principle, freedom, research, and private insurers who will suffer.

The substitute bill, H.R. 7057, is a voluntary approach to the problem, and it will insure the retention of the high quality of medical care for which America is better known than any other nation on earth.

Mr. Speaker, for the reasons and considerations stated I strongly believe the resolution should be voted down.

Mr. MADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Speaker, this is a day which many of us have long awaited. This date will take a historical place in the annals of constructive legislation enacted by the Congress in this century. Just as is true of all the great social advances which have been accomplished, it has taken a number of years and much energy and effort to reach this point. It has, indeed, taken the sincere and persevering efforts of many outstanding men and women.

This momentous and historical legislation which we are about to consider is a monument to the brilliance, the wisdom, the leadership and, indeed, the outstanding statesmanship of the great and learned chairman of our Committee on Ways and Means, the gentleman from Arkansas. From its inception in 1789, the Committee on Ways and Means has been chaired by many truly able and dedicated men, but I can say with confidence and comfort that that great committee has never had a greater and more able or more dedicated chairman than the gentleman from Arkansas, WILBUR DAIGH MILLS.

I constantly marvel at his displays of truly brilliant qualities of statesmanship, and in this bill which will take its place alongside the original Social Security Act we have another example of what can be accomplished by such a dedicated and able legislator.

Those of us who have been privileged to sit by his side on the Committee on Ways and Means during the past months and years are deeply aware of those qualities which make him such a leader. It is only through this experience, perhaps, that one can really appreciate the many seemingly insurmountable problems through which he has guided the committee to acceptable and sound solutions. The legislation which we will consider is illustrative of this point. With such leadership the Nation is in sound hands.

Mr. Speaker, may I pay a highly deserved tribute to the ranking Democrat on the committee, the gentleman from California, our colleague [Mr. KING], who has been in the forefront of the fight for adequate medical care for our senior citizens for many years. In addition to earlier measures, he sponsored H.R. 4222 in the 87th Congress, H.R. 3920 in the 88th Congress, and H.R. 1 in this Congress, bill numbers which are familiar to all who have interested themselves in this subject. He deserves the highest commendation and gratitude of all of us. The bill which will undoubtedly pass tomorrow by an overwhelming majority will be a tribute to the deep and sincere compassion of the gentleman from California for the needs of our senior citizens.

Mr. Chairman, may I also observe that many members of the Committee on Ways and Means made meaningful contributions to the development of H.R. 6675. This bill is representative of the legislative process. Its many provisions bear the marks of those who have studied long and assiduously the many facets of the problems involved. To my colleagues on the committee I express my appreciation for the very fine contributions which they have all made to this legislation.

Finally, we would not be here mechanically or so well prepared, Mr. Speaker, were it not for the devoted dedication to duty of the chief counsel of the Committee on Ways and Means, Leo H. Irwin, the assistant chief counsel, John M. Martin, Jr., the minority counsel, William H. Quealy, and our special assistant with respect to this bill, from the Library of Congress, Fred Arner.

Mr. Speaker, much has been said of the time consumed in the hearings be-

fore the Ways and Means Committee. Let it be noted in the RECORD at this point that in this and the 4 preceding Congresses the Committee on Ways and Means has held public hearings comprising 46 days, at least 641 witnesses who appeared in person and were subjected to cross-examination and whose testimony has been reduced to 13 volumes, comprising some 7,607 pages. Many hundreds of additional statements were submitted for these printed records.

In addition thereto, the Committee on Ways and Means has consumed at least 77 days—both morning and afternoon—in executive session during this period on this subject.

I would point out in addition, Mr. Speaker, we have available on the committee table and in this Chamber, 2 volumes of printed executive hearings conducted in this session comprising nearly 900 pages of the testimony of representatives of such groups as the American Hospital Association, American Medical Association, Blue Cross, Blue Shield, the insurance industry, and so forth.

So, Mr. Speaker, when the House adopts the pending resolution, which it most certainly will, the Committee of the Whole will, in my opinion, witness a debate in the finest traditions of the House, which debate will be dominated by the towering figure of the greatest legislative master of them all, the gentleman from Arkansas, and in which he will be joined by the seemingly confident, obviously conscientious, but fortunately outnumbered minority led by the talented gentleman from Wisconsin.

Mr. Speaker, on the morrow, too, when the evening shadows lengthen, as life has for so many millions of our elder citizens, this bill will pass, and to and of your House, Mr. Speaker, those millions of grateful Americans will say, "Well done; well done."

Mr. MADDEN. Mr. Speaker, I yield 10 minutes to the gentleman from Florida [Mr. PEPPER].

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

Mr. PEPPER. I yield to the gentleman.

Mr. BOGGS. Mr. Speaker, before the distinguished gentleman from Florida begins his statement, I would like to say that the gentleman from New York [Mr. KEOGH] made a very fine statement and he passed out some well-deserved credit to this magnificent piece of legislation. He, of course, was modest and not able to tell of the very, very significant role he has played over the years in bringing this legislation about. I know of no man who has worked harder or diligently or more effectively and more ably on this legislation than the gentleman from New York [Mr. KEOGH].

Mr. PEPPER. Mr. Speaker, the poet Browning said:

Grow old along with me!
The best is yet to be,
The last of life, for which the first was made.

Mr. Speaker, what this House I believe will do within the next 2 days will contribute much to the realization of that poetic dream.

Within the last 2 weeks, Mr. Speaker, this House shall have made history in the passage of a bill opening doors of educational opportunity far exceeding anything ever known in this blessed land; and I hope by the end of tomorrow, we will have enacted this legislation which will remove the specter of fear of illness from the 19 million citizens of our country 65 years of age and over and remove the concern from the hearts of their children that a 60-day hospitalization would—if it did not jeopardize their very homes—probably exhaust their savings and impose upon them indebtedness burdensome for years ahead.

We all know, Mr. Speaker, that the income of the senior citizens of this country is much below the income of younger people, active in their occupations and earnings. For example, only about 20 percent of the aged have sufficient incomes to pay income tax. Of the aged who are on social security, all but about one-fifth rely on social security benefits as their major source of continuing retirement income.

In respect to assets, the picture is no more favorable. The average financial assets such as bank accounts, securities and the like, liquid assets, are of no significant value as far as the senior citizens are concerned.

In 1962, half of the aged couples of America had financial assets of less than $1,350 and half of the nonmarried aged had less than $400 of financial assets.

Now, Mr. Speaker, if one of these senior citizens with that inadequate income and with that kind of financial assets had to go to a hospital for 60 days—who would pay the bill? They do not have the money. It is not currently available from any other public source except the charity of the cities and counties and private institutions and private individuals and relatives of these senior citizens.

In my own district, the story was told me a little while ago of a son going into the home of his aged mother. When he approached the front door he could hear her gasping for breath. He rushed in. It was the aftermath of a recurrent heart attack and he said, "Mother, I must rush you to the hospital."

In her faltering way she said, "I do not have the money to go to a hospital." He said, "Mother, they will take you at Jackson Memorial Hospital and in the hospital you will be provided for." She said, "I do not want to be a charity patient in Jackson Memorial Hospital." And that faithful son said, "All right, Mother, my wife and I will mortgage our home to keep you out of a charity ward and to give you the hospital care which you require."

Imagine how light will be the hearts of the senior citizens of America, as a result of having the assurance that without burdening their children, without being charity patients in local hospitals, without having to rely upon the bounty of their children or their friends, they can go to a hospital for 60 days for one spell of illness, under this bill, and get the care that they require.

We have not only provided that assurance of hospital care for 60 days for each spell of illness, which may be repeated, upon the certificate of a physician, after a lapse of another period when they have been out of the hospital, another 60 days, and so on, as long as their health needs require. But this bill goes further and for the first time provides medical services also for those over 65 who are ill.

How will that medical service be paid for, primarily? Those who are retired, drawing social security benefits, will get a minimum of $4 per month under this bill, under the 7 percent across the board increase in their social security benefits; so they will get more than $3. If they will voluntarily enroll for medical care under this bill, the Government will withhold $3 it otherwise would give the individual, match that with another $3, and buy a $6 a month medical insurance policy to cover the individual, giving surgical services, medical services, diagnostic and therapeutic services, home-care treatment and attention and other benefits.

What a wonderful package it is, therefore, that we will make available to the senior citizens of this land.

There will be an attack, as there have been attacks in the past, upon the payment of these social security taxes by the younger workers. But the figures show that out of every senior couple in this country, at least one of the couples has to go to a hospital for at least once in the remaining days between retirement and death, and the average hospital cost is $600 to such an individual. This is more than the average any worker will ever pay.

So the children of the senior citizens, the mothers and fathers of America, will have assurance that the budren of that 60-day illness of their parents, or whatever it may be, will not be upon them and that they will have their principal hospital and medical expenses provided for when they reach age 65.

Mr. Speaker, there are things which remain to be done. We do not provide in this bill for the aged chronically ill, as the committee well recognizes. I hope that will be one of the challenges of the future, and that we may find a way for those who have to stay in a hospital or a nursing home for a longer time than allowed by this bill will be succored while in that period of illness and confinement.

Mr. Speaker, in this legislation we deal with nothing less precious than the lives and the health, not to speak of the happiness, of the mothers and fathers of our land. One of the commandments says "Honor thy Father and thy Mother." I know of no way we can better honor the fathers and the mothers of America—those who have borne the burdens of a generation, faced or been willing to face the enemy in war, borne the problems of a nation in peace, and developed a mighty land—than to provide a program so that they will not feel, when they come to the end or almost the end of the day of life, that they are neither neglected nor forgotten. I feel that this bill does honor and does justice to the mothers and fathers of America.

The rule is fair. I hope it will be adopted and that by the end of tomorrow this monumental legislation will

become another of the glorious acts of this great House.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

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 quroum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and eighteen Members are present, a quorum.

Mr. HALL. Mr. Speaker having exercised due process, I wish to do the same, and I now demand the yeas and nays.

The yeas and nays were refused.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MILLS. 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. 6675) 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.

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. 6675, with Mr. DINGELL in the chair.

The Clerk read the title of the bill.

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

Mr. MILLS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, we are beginning the consideration, in Committee of the Whole, of H.R. 6675, a bill reported by the Committee on Ways and Means after consideration this year of many, many days in executive session involving a subject matter that has been before the committee for a number of years, a subject matter on which the Committee on Ways and Means has conducted over the course of that time more days of public hearings than on any other matter within the jurisdiction of the Committee on Ways and Means in the same period of time. This was pointed out by the gentleman from New York [Mr. KEOGH], during the debate on the rule a few minutes ago.

Mr. Chairman, the bill, H.R. 6675, involves some matters that have not been in bills submitted in prior years to the Committee on Ways and Means as a single package or previously reported by the Committee on Ways and Means.

It is significant, however, Mr. Chairman, that the bill, H.R. 6675, contains all except one of the provisions that were in the bill last year that was reported from the committee providing for social security amendments and which the House passed by an overwhelming vote, as I recall, with only eight Members voting against that bill. At that time the committee thought it advisable to include a provision to permit firemen and policemen under existing State and local government pension plans so they could elect among themselves to come under social security. That provision was stricken by Senate action in the Finance Committee as it considered the bill last year and is not in this year's bill.

Mr. Chairman, after we met with the other body in conference, we felt it was advisable for us not to include the provision this year on the basis of the feeling that prevailed within the conference on that matter. But with that sole exception everything that you Members who were here last year and who returned to this Congress voted for in the social security amendments of last year is contained in this bill.

Mr. Chairman, I say there is material in it that was not in that bill. There is material in it this time that apparently is more controversial in nature than the material that prompted all Members of the House last year, save eight, to vote for the bill.

I believe with respect to that material which is in the bill, however, there seems to be more misunderstanding and more general statements of disapproval without foundation and fact than we want to permit to continue after we discuss the bill through these 10 hours of general debate.

Let me point out, Mr. Chairman, very briefly what some of the provisions are within the bill, most of which do not involve any controversy whatsoever, for most of these provisions are in a bill that the distinguished gentleman from Wisconsin [Mr. BYRNES] introduced last week in his name that were not controversial in the Ways and Means Committee itself to any great extent.

In bringing to you the contents of this bill permit me to divide the bill into four parts, for each of these four parts constitutes a separate subject matter for a monumental bill within itself.

These four parts are, first, the part dealing with the medical care of our elderly citizens; second, the part dealing with maternal and child health, crippled children, and mentally retarded programs; third, the part revising and improving the benefit and coverage provisions of the old-age, survivors, and disability insurance program and, fourth, the part improving and expanding the public assistance programs themselves.

Now, let us return to the first of these. What, in a brief way, is the committee bill proposing to do with respect to health insurance and medical care of those over 65? The bill divides in that respect into three parts. There is within the bill what we have called a basic plan providing protection against the cost of hospital and nursing home care, financed through a separate payroll tax and using a separate trust fund.

The proposed basic hospital insurance would be provided—on the basis of a new section in title II of the act—for people aged 65 and over who are entitled to monthly social security benefits or to annuities under the Railroad Retirement Act. In addition, people who are now aged 65 or will reach age 65 within the next few years and who are not insured under the social security or railroad programs would nevertheless be covered under the basic plan. In July 1966, when the program would become effective, about 17 million people aged 65 and over who are eligible for social security or railroad retirement benefits, and about 2 million aged who would be covered under a special transitional provision, would have the proposed basic hospital insurance.

Included under the special provision would be all uninsured people who have reached 65 before 1968. As to persons reaching 65 after 1967, they would have to have the quarters of coverage that are indicated in the following table:

*Quarters of coverage required for OASI cash benefits as compared to hospital insurance*

| Year attains age 65 | Men | | Women | |
|---|---|---|---|---|
| | OASI | Hospital insurance | OASI | Hospital insurance |
| 1967 or before | 6–16 | 0 | 6–13 | 0 |
| 1968 | 17 | 6 | 14 | 6 |
| 1969 | 18 | 9 | 15 | 9 |
| 1970 | 19 | 12 | 16 | 12 |
| 1971 | 20 | 15 | 17 | 15 |
| 1972 | 21 | 18 | 18 | (1) |
| 1973 | 22 | 21 | ---- | ---- |
| 1974 | 23 | (1) | ---- | ---- |

[1] Same as OASI.

As indicated in the table, by 1974 the quarter coverage required for cash benefits and hospitalization insurance benefits will be the same and the transitional provision will phase out.

Together, these two groups comprise virtually the entire aged population. The persons not protected would be Federal employees who retired after July 1, 1960, and have had the opportunity to come under the liberal provisions of the Federal Employees Health Benefits Act of 1959. Others excluded would be aliens who have not been residents of the United States for 10 years and certain subversives.

Currently, 93 percent of the people reaching age 65 are eligible for benefits under social security or railroad retirement and this percentage will rise to close to 100 percent as the program matures. Thus, over the long run virtually all older people will earn entitlement for the proposed hospital insurance.

Persons entitled to benefits under the hospital insurance plan would be eligible to have payments made for inpatient hospital care and for important additional benefits covering posthospital extended care, posthospital home health services, and certain outpatient hospital diagnostic studies.

Benefits would be payable for covered hospital and related health services furnished beginning July 1, 1966. Posthospital extended care benefits would be effective January 1, 1967.

The second part of the medical package provides for a voluntary supplementary program providing and making

available money for the payment of physicians' fees and other medical and health services, which would be financed through a small monthly premium paid by the individual, equally matched by an amount from the general funds of the Treasury of the United States.

The voluntary supplementary plan would provide protection that builds upon the protection provided by the hospital insurance plan. It would cover physicians' services, additional home health visits, care in psychiatric hospitals, and a variety of medical and other services not covered under the hospital insurance plan. The beneficiary would pay the first $50 of expenses he incurs each year for services of the type covered under the plan. Above this deductible amount, the plan would pay 80 percent of the reasonable costs in the case of services provided by an institution or home health agency and 80 percent of reasonable charges for other covered services, with 20 percent being paid by the beneficiary.

Benefits under the supplementary plan would be provided for:

First. Physicians' services, including surgery, consultation, and home, office, and institutional calls.

Second. Medical and other health services. These would include:

(a) Diagnostic X-ray and laboratory tests and other diagnostic tests;

(b) X-ray, radium, and radioactive isotope therapy;

(c) Surgical dressings, splints, casts, and other devices for reduction of fractures and dislocations;

(d) Rental of durable medical equipment, such as iron lungs, oxygen tents, hospital beds, and wheelchairs;

(e) Prosthetic devices (other than dental) which replace all or part of an internal body organ;

(f) Ambulance services with limitations;

(g) Braces and artificial legs, arms, and eyes.

Third. Inpatient psychiatric hospital services for up to 60 days during a spell of illness—subject to a lifetime maximum of 180 days.

Fourth. Home health services for up to 100 visits during a calendar year—without a requirement of prior hospitalization.

The $50 deductible would be applied on a calendar year basis, except that expenses the individual incurred in the last 3 months of the preceding calendar year would be counted as satisfying the deductible if they had been counted toward the deductible in that year. This special carryover provision would avoid requiring persons with substantial costs at the end of 1 year to meet the deductible perhaps early in the next year as though they had had no prior bills.

The third part of this medical package results from the thinking in the Ways and Means Committee last year and largely consists of the tentative decisions that were taken at that time for drafting purposes within the committee.

That has to do with the expansions and improvement of the existing program of medical assistance for the aged. We have made very material improvements within that program, permitting the States to continue to provide better benefits to more needy people and permitting the Federal Government to assist the States with respect to the financing of these benefits.

We have made provision, Mr. Chairman, within the framework of that program, to assist the States not only with respect to the medical problems of those who are 65 and over, but we have made provision to help them with respect to the costs of the medical expenses for the blind, for the disabled, and for families with dependent children. These are now provided in some form or other, and under varying formulas in some five titles of the Social Security Act. We have grouped those into one program, and we place that in the new title of the Social Security Act, title XIX.

The provision of medical care for the needy has long been a responsibility of the State and local public welfare agencies. In recent years, the Federal Government has assisted the States and localities in carrying this responsibility by participating in the cost of the care provided. Under the original Social Security Act, it was possible for the States, with Federal help, to furnish money to the needy with which they could buy the medical care they needed. Since 1950, the Social Security Act has authorized participation in the cost of medical care provided in behalf of the needy aged, blind, disabled, and dependent children—the so-called vendor payments. This method of providing care has proved popular with the suppliers of medical care, the agencies administering the programs, and the recipients themselves.

Several times since 1950, the Congress has liberalized the provisions of law under which the States administer the State-Federal program of medical assistance for the needy. The most significant enactment was in 1960 when the Kerr-Mills medical assistance for the aged program was authorized. This legislation offers generous Federal matching to enable the States to provide medical care in behalf of aged persons who have enough income for their basic maintenance but not enough for medical care costs. This program has grown to the point where 40 States and 4 other jurisdictions have such a program and 227,000 aged were aided in December 1964. Furthermore, medical care as a part of the cash maintenance assistance programs has also grown through the years until, at this time, nearly all the States make vendor payments for some items of medical care for at least some of the needy.

H.R. 6675 is designed to liberalize the Federal law under which States operate their medical assistance programs so as to make medical services for the needy more generally available. After an interim period ending June 30, 1967, all vendor payments for medical care, including medical assistance for the aged, would be administered under the provisions of the new title. Until June 30, 1967, States might continue operating under the vendor payment provisions of title I, old-age assistance and medical assistance for the aged; title IV, aid to families with dependent children; title X, aid to the blind; title XIV, aid to the permanently and totally disabled; and title XVI, the combined adult program, or if they wish, they might move as early as January 1, 1966, to the new title. Programs of vendor payments for medical care will continue, as now, to be optional with the States.

I will pass to the second part of the bill as we have divided it this morning for the purposes of discussion. That has to do with services for the mentally retarded, and for the maternal and child health and crippled children's programs. There we have added to the amount of money that we will provide the States from the Federal Treasury to assist with respect to these problems of our children.

The third part of the bill dealing with amendments and improvements of the Federal old-age, survivors, and disability insurance program again has to be broken down, for there are several very important amendments in this part of the bill. We are providing an across-the-board increase in the amount of benefits that we pay under social security by 7 percent, with a minimum, so that no retired worker or widow, age 65 or over would receive less than a $4 increase in his social security check. We are making that provision retroactive to the 1st of January 1965, because that was the date for the commencement of increases in such benefits under the legislation that passed both branches of the Congress last year, but did not emerge from the conference.

Second, we are continuing benefits to children up to age 22, where now they discontinue at age 18, provided that the child is attending a school. We provide actuarially reduced benefits for widows at age 60. And we are liberalizing the definition of disability and providing for payment for the sixth month of the waiting period for disability insurance benefits. This to me is one of the more important elements within the amendments to the old-age, survivors, and disability insurance program.

We are for the first time providing to some 355,000 people 72 years of age and older what we call a transitional benefit for people who have had—or their husbands have had—some connection with the program but for some reason or other not sufficient connection with the work force to qualify under the present more stringent eligibility requirements. We are providing for them this transitional benefit. There are about 355,000 of those people still living who would benefit. We are increasing the amount an individual is permitted to earn and continue to draw some part of his social security benefit without losing all of that benefit.

There are many amendments in addition to those that I have discussed, including the coverage of self-employed physicians, including cash tips as wages for the purpose of social security, liberalizing the income treatment for self-employed farmers, improving certain State and local coverage provisions, exempting certain religious groups opposed to insurance, and revising the tax

schedule and the earnings base so as to fully finance these changes we are making, and thus assuring that these programs are going to continue to be maintained on an actuarially sound basis.

The fourth point of the bill is equally important, equally important to those that are involved and affected by it, for under this part of the bill we are increasing the Federal matching share for the needy aged, the blind, the disabled, and families with dependent children.

The bill provides for an increase in the payments to public assistance recipients, effective January 1, 1966. The formula determining the Federal share of assistance payments is liberalized by increasing the Federal proportion of the payments in the first step of the formula and by raising the ceiling on Federal sharing in the second step of the formula. For the adult categories—OAA, APTD, AB, and for the combined program for the aged, blind, and disabled—the formula is changed from twenty-nine thirty-fifths of the first $35 of the average assistance payment to thirty-one thirty-sevenths of the first $37 of the average assistance payment. The ceiling is raised on the average payments from $70 a month to $75 a month. The provisions in the formula under titles I and XVI adding $15 to the ceiling for vendor medical care payments in which there can be Federal participation and otherwise recognizing medical payments are not affected by this formula change, except that the steps of the statutory formula are rearranged to improve their equitable application.

For the program of AFDC, the formula change made in the bill would be from fourteen-seventeenths of the first $17 of the average payment per recipient to five-sixths of the first $18 of the average assistance payment. The ceiling is raised from $30 a month to $32 a month. Under the bill, there would be an increase in Federal payments averaging about $2.50 a month for the needy recipients in the adult assistance categories and an increase of about $1.25 a month for the needy children and the adults caring for them. The level of aid provided the needy justifies this modest increase.

We are eliminating limitations on Federal participation in public assistance to aged individuals in tuberculosis and mental disease hospitals under certain conditions. We are affording the States broader latitude in disregarding certain earnings in determining need for aged recipients of public assistance. And we are making other improvements in the public assistance titles of the Social Security Act.

Let me briefly refer to the magnitude of this bill by looking to the scope of it, seeing the numbers of people who are affected directly and immediately by this legislation.

Under the basic plan, that is under the hospital insurance program for persons aged 65 or over, it is estimated that some 17 million insured individuals and some 2 million individuals who are not insured under social security or railroad retirement would qualify on July 1, 1966, for protection against the cost of those hospital benefits that we make available under the basic plan.

Then under the voluntary supplementary plan, it is estimated that of the 19 million eligible aged today, maybe 80 to 95 percent will participate. This means approximately 15 to 18 million individuals would be benefited by that part of the medical program.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. MILLS. Mr. Chairman, I yield myself 10 additional minutes

Under the medical assistance for the needy provision of the bill, we anticipate that some 8 million people under State programs with the Federal Government assisting will receive medical protection and be benefited thereby.

Then under the old-age, survivors, and disability insurance part, where we make amendments that I have referred to, there are 20 million people today who will receive increased benefits as a result of the 7-percent across-the-board increase in their cash benefit payments.

There are 295,000 children who will benefit under the provision allowing them to receive benefits when they continue in school up to age 22.

There are 185,000 widows who we anticipate will participate at age 60, with an actuarially reduced benefit.

There are some 355,000 of these people 72 years and older who will be eligible to receive the transitional social security benefit for the first time.

There are about 155,000 workers and dependents who will receive eligibility as a result of our change in definition under the disability benefit program.

The heading "Committee Bill Costs More for Less Protection Than Republican Proposal," which appears in the minority report seems worthy of comment. If it proves to be true, my friends on the minority do, indeed, have a remarkable program.

To overcome my initial skepticism, I requested a comment on the figures presented by the minority members from the chief actuary of the Social Security Administration. The melancholy reply was what I had feared. In the health care area, as in most other areas, you only get what you pay for. If the Republican proposal provides more, it has got to cost more. Or to put it in Mr. Myers' words:

> Quite obviously, it is impossible for more benefits to be given under one proposal than another and, at the same time, for the first proposal to cost less than the second one. In brief, the errors in the analysis that is made in this section arise from comparing costs for groups of different size and from cost estimates that are on different bases.

Mr. Myers concludes that if the two programs are compared under similar assumptions, the Republican proposal would involve benefit disbursement costs some $700 million more in the first full year of operation than of the cost of the basic hospital insurance plan and the voluntary supplementary plan combined in the committee bill. Perhaps the relative costs of the programs can be best shown in percent of payroll—fully realizing that the minority plan and the committee's supplementary plan are to be financed by a combination of individual contribution and general revenue—and in monthly per capita costs:

| | Long-range level (percent) | Monthly per capita (1st year) |
|---|---|---|
| Committee bill: | | |
| Basic hospital | 1.23 | $10 |
| Voluntary supplementary | .49 | 5 |
| Total | 1.72 | 15 |
| Republican bill: | | |
| Voluntary | | |
| Comprehensive | 2.21 | 20 |

In order that the record reflect cost estimates on both the committee and minority proposals prepared under comparable assumptions, I would like to place in the RECORD a number of memorandums from Mr. Myers relative to their cost aspects:

MEMORANDUM OF APRIL 1, 1965

From: Robert J. Myers.

Subject: Appraisal of comparative cost estimates for health insurance proposals in "Separate Views of the Republicans" section of the House report on the Social Security Amendments of 1965.

On page 245 of the above report, a comparison is made of the estimated costs for the health insurance benefits under H.R. 6675 with those under the Republican proposal. The essence of the analysis made there is that "the committee bill costs more for less protection than the Republican proposal."

Quite obviously, it is impossible for more benefits to be given under one proposal than another and, at the same time, for the first proposal to cost less than the second one. In brief, the errors in the analysis that is made in this section arise from comparing costs for groups of different size and from cost estimates that are on different bases.

The section states that the cost for the first full year of operation (calendar year 1967) is $3.42 billion for H.R. 6675, and $2.90 billion for the Republican proposal. These figures are stated to be on the assumption of 80-percent participation in the programs. However, the figure of $3.42 billion for H.R. 6675 consists of $1.12 billion for the supplementary health insurance benefits plan on an 80-percent participation basis, and of $2.30 billion for the hospital insurance plan that is on a virtually 100-percent basis.

I do not know the source of the last-mentioned figure since it does not relate either to contributions or to benefit payments plus administrative expenses, the former being estimated at $2.60 billion and the latter being estimated at $2.26 billion—both figures being shown on page 251. It is incorrect to use the contribution figure as a basis for the analysis because it involves a certain amount of advance funding. If, then, we use the figure for benefits and administrative expenses, it should be reduced by 20 percent so as to be on a comparable basis with that for the Republican proposal, which assumes 80-percent participation. On this basis, the cost for H.R. 6675 is $2.93 billion (80 percent or $2.26 billion for the hospital insurance program, plus $1.12 billion for the supplementary health insurance benefits program).

This adjusted cost figure of $2.93 billion for H.R. 6675 is virtually the same as that shown in the section for the Republican proposal, even though the latter really has a higher benefit cost. The explanation for this difference is that the cost estimate given for the Republican proposal is not on the same conservative basis as that for H.R. 6675, both

parts of which are estimated under high-cost assumptions. On the other hand, the cost estimate for the Republican proposal is an intermediate-cost estimate, which I made in my memorandum of February 26. A cost estimate for the Republican proposal that is comparable with the cost estimate for H.R. 6675 shows a total cost of $3.60 billion, as compared with the $2.90 billion shown in the report (the high-cost estimate being from my memorandum of February 9).

Thus, on a comparable basis, both as to degree of participation and as to actuarial cost assumptions, the Republican proposal has a higher cost for benefit payments and administrative expenses that H.R. 6675—as should properly be the case because of the more extensive benefit protection provided (for example, it includes benefits with respect to drugs, private-duty nursing, extremely long periods of hospitalization, etc.).

The cost analysis for the Republican proposal derives the "cost to be financed by taxpayers," which is the result of subtracting the premium contributions from the total cost of the program. The result would, of course, be different when comparable bases are used—for the reasons indicated previously. However, I question the significance of this concept because there is really little difference between the premium contributions made by persons currently eligible for the benefits and the contributions for hospital insurance made by workers, most of whom are under age 65, who will ultimately receive hospital benefit protection if they attain age 65.

The cost analysis in this section also derives a net cost figure assuming 100-percent participation. If the high-cost estimate basis is used, following the conservative financing approach underlying H.R. 6675, the total annual benefit cost would be $4.55 billion. To obtain the net cost to general revenues, offset against this would be the premium contributions of $1.25 billion and the recoupment of the tax revenue loss from medical deductions in the income tax of $0.25 billion, or a net cost of $3.05 billion—as compared with $1.80 billion shown in this section. My figure does not include—as does the $1.80 billion—any reduction in Federal costs for OAA and MAA, since the provisions therefor in the bill require that State and local government funds for public assistance programs should not be reduced over present levels. Accordingly, there would be no savings in Federal funds in this connection. It is proper to follow this procedure since the Republicans have stated that they support the amendments in H.R. 6675 relating to the Kerr-Mills program.

ROBERT J. MYERS.

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MEMORANDUM OF APRIL 2, 1965

From: Robert J. Myers.

Subject: Cost estimate for financing the Republican proposal for health insurance benefits for persons aged 65 and over on a contributory social insurance basis.

This memorandum will present a cost estimate for financing the health insurance benefits under the Republican proposal through a social insurance approach that would use the same earnings bases as those in H.R. 6675. The Republican proposal is contained in H.R. 4351 and companion bills. The cost estimate made here for that proposal is on the same conservative assumptions as those used for the cost estimate for the committee bill.

The estimated level cost of the benefit payments and administrative expenses of the hospital insurance provisions of the committee bill is 1.23 percent of taxable payroll, whereas the corresponding figure for the Republican proposal is 2.21 percent of taxable payroll. If the supplementary health insurance benefits provisions of the committee bill were on a compulsory basis like the hospital insurance provisions (instead of on a voluntary individual-election basis financed by premiums from the beneficiaries and matching Government contributions), the estimated level cost of these benefits, plus that for the hospital insurance provisions would be 172 percent of taxable payroll. Accordingly, the contribution rate schedule for the Republican proposal (combined with an earnings base of $5,600 in 1966–70 and $6,600 thereafter) would be as follows for the combined employer-employee rate, as compared with the corresponding schedule for the committee bill (showing both the schedule in the bill for the health insurance benefits and that which would be included if the supplementary health insurance benefits were also included on the same financing basis):

[In percent]

| Calendar year | Committee bill | Committee bill, plus SHIB provisions | Republican proposal |
|---|---|---|---|
| 1966 | 0.7 | 1.0 | 1.4 |
| 1967–72 | 1.0 | 1.4 | 1.9 |
| 1973–75 | 1.1 | 1.6 | 2.0 |
| 1976–79 | 1.2 | 1.7 | 2.2 |
| 1980–86 | 1.4 | 2.0 | 2.5 |
| 1987 and after | 1.6 | 2.2 | 2.8 |

These schedules for the Republican proposal and for the supplementary health insurance benefits proposal are determined from the same cost and financing assumptions as that for the committee bill. The schedules would thus not only meet the cost of the benefit payments and administrative expenses, but also would build up moderate contingency funds. Furthermore, just as is the case with the committee bill, if the earnings base increases after 1971, and if all the other cost assumptions are realized, the contribution rates would not have to increase as much as is indicated in the foregoing schedules.

Under this financing basis, the Republican proposal would have contribution income of $3.2 billion in calendar year 1966 and disbursements for benefits and administrative expenses of $2.1 billion (assuming that benefit payments would first be available in July 1966). In calendar year 1967, contribution income would be $5 billion, while disbursements for benefits and administrative expenses would be about $4.5 billion.

The attached table shows the estimated progress of the trust fund that would develop under the foregoing contribution schedule under the financing basis and actuarial cost assumptions underlying the hospital insurance provisions of the committee bill.

ROBERT J. MYERS.

*Estimated progress of health insurance trust fund under Republican proposal if financed in same manner as hospital insurance proposal in committee bill*

[In millions]

| Calendar year | Contributions | Benefit payments | Administrative expenses | Interest on fund | Balance in fund at end of year |
|---|---|---|---|---|---|
| 1966 | $3,156 | $1,897 | [1] $185 | $34 | $1,108 |
| 1967 | 4,964 | 4,254 | 296 | 34 | 1,556 |
| 1968 | 5,301 | 4,553 | 316 | 51 | 2,039 |
| 1969 | 5,470 | 4,866 | 338 | 66 | 2,371 |
| 1970 | 5,668 | 5,197 | 361 | 75 | 2,556 |
| 1971 | 6,321 | 5,531 | 385 | 84 | 3,045 |
| 1972 | 6,627 | 5,875 | 408 | 98 | 3,487 |
| 1973 | 7,180 | 6,230 | 433 | 114 | 4,118 |
| 1974 | 7,490 | 6,627 | 461 | 130 | 4,650 |
| 1975 | 7,758 | 6,966 | 484 | 142 | 5,100 |
| 1980 | 10,966 | 9,145 | 636 | 266 | 9,450 |
| 1985 | 12,568 | 11,828 | 822 | 425 | 13,801 |
| 1990 | 15,803 | 15,176 | 1,055 | 581 | 15,636 |

[1] Including administrative expenses incurred in 1965.

Now, Mr. Chairman, this program costs money. Let us not think for 1 minute that this or any other program can be provided without it costing money. I have been just a little bit concerned about what was said in the report of the minority—that they could do more and provide more benefits for more people for less money than the committee bill did. Very frankly, I do not think you can develop a program with benefits of the same value from the general funds of the Treasury or through the mechanism of a payroll tax and have, if the amount of benefits is exactly the same in either approach, one cost less than the other. It is beyond my comprehension that any of us today are brilliant enough to come forward with a method of providing more benefits to more people and having it cost less money. It just does not sound reasonable or logical to me.

In developing this comprehensive health insurance program for the aged the Committee on Ways and Means was mindful that a program is no better than its administration. The committee proposals reflect a conviction that the administrative challenges brought by this new program can be met by the combined efforts of voluntary organizations and the Government. The governmental part of this challenge will nevertheless remain large. It will fall mainly to the Social Security Administration. We believe that this agency's outstanding record for service and efficiency will be carried forward into the new program.

The Social Security Administration, however, will face a major job of advance planning and preparation to bring the health insurance programs into operation by next year. Extensive negotiations will be required to complete agreements and financial arrangements with fiscal intermediaries, insurance carriers, State agencies, and others. Broad-scale consultation will also be required with professional organizations representing the Nation's hospitals and others who furnish reimbursable health services. Operational policies and recordkeeping procedures will have to be worked out on a scope never before undertaken in the health field. This will entail, among other things, putting into the hands of 19 million aged people information about the two health insurance programs, answering inquiries on the benefits of the voluntary insurance plan, setting up records for those who elect the plan, and preparing and delivering identification cards for all the eligible aged.

In addition to this vast enrollment task, the Social Security Administration will have a tremendous job of taking and developing new claims in order to establish the basic eligibility of the aged who have been uninsured for cash benefits and from all others over 65 who have not yet applied for social security benefits. This will mean a doubling of the normal old-age and survivors disability insurance claims load for a single year, at the same time that changes in the disability insurance law and other social security changes will bring a heavy volume of additional activity into social security district offices.

I am sure the Social Security Administration will stand up to the challenge. I am sure, too, that when this bill becomes law the social security people, as they have so frequently demonstrated in the past, will lose no time in getting on with all the necessary preparations. They are well aware that carrying out the new programs and the improvements in the present one will demand all the talents and skills they can muster. This effort will require that all possible measures—in the Congress and in the Executive branch—be taken to assure that any obstacles that might get in the way of effective administration will be removed. It will be important, for example, that the needed supplemental appropriations, organizational changes, and greatly increased staffing take place just as soon as possible.

One very serious obstacle is the limitation on the number of people of supergrade rank that the Social Security Administration is now permitted. I am referring to the positions above the GS–15 grade. In this organization, which already operates the biggest insurance program of its kind in the world, pays over $16 billion a year to nearly 20 million people, serves tens of thousands of people daily through a nationwide network of over 600 offices, and requires a staff of 36,000 people to conduct its operations there are today only 15 supergrade positions—2 of which are in the scientific and technical excepted group. This is 1 for every 2,400 employees. In comparison, the Railroad Retirement Board, conducting a somewhat similar program of much smaller scope, has 1 supergrade for every 211 employees—more than 10 times the percentage of supergrades now permitted the Social Security Administration. The Internal Revenue Service has 1 supergrade for every 211 employees. The Civil Service Commission has 1 for every 136. The General Services Administration 1 for every 434, and the General Accounting Office 1 for every 156. None of these agencies has less than 5 times the percentage of supergrades allocated to the Social Security Administration. From these statistics it is clear that the allocation of higher level positions to direct the social security program has failed to keep pace with the rapid growth of the program. This obviously puts the Social Security Administration at a severe competitive disadvantage in its search for qualified and competent personnel not only with private industry but with other agencies of the Government.

This is the situation as it already exists. And now, in enacting this bill, we would be aggravating it seriously if no remedy is provided. If we expect—and we do expect—the Social Security Administration to carry out these new responsibilities in a manner befitting their importance and the needs and proper expectations of the American people, any unnecessary and inequitable handicaps upon the organization ought to be removed without delay. Effective carrying out of the provisions we are making for the health and security of the Nation's senior citizens, and for helping its widows and its orphans, is far too important, and too great a challenge to warrant risking impairment of the job by failing to allow the Social Security Administration enough higher level jobs to attract and retain the required human talents and skills.

As I have indicated, it would take a hundred supergrade jobs, considering the small allowance it now has and the necessary expansion this agency faces, to put it in a comparable position with the General Services Administration and nearly 200 to put it in a comparable position with the Internal Revenue Service. I would not undertake to say the exact number needed but I believe it is clear that the needed increase is large enough to call for special legislation. As one deeply concerned with the smooth and successful carrying out of the far-reaching programs we are acting on today, I hope the appropriate committees of the Congress will see their way clear to promptly consider such legislation which I believe is required to enable the administering agency to do the job in the way we and the people of the country want it done.

I must admit that the benefits in the committee bill cost money—yes, they cost money. Let us see what they cost. Let us see what we are doing in this bill to provide for those costs.

The health care program costs include those for the supplementary program, for the basic program, and for the medical assistance for the aged improvements. The basic program, which I have said is financed by the payroll tax device, will in the first full year of its operation, 1967, produce a cost of $2,300 million on the basis of using high cost estimates, which we think is the conservative way to determine what something will cost when you have to provide a tax for it.

The voluntary supplementary health benefits program will have a cost out of the Federal Treasury, beginning July 1, 1966, of approximately $600 million per year, while for the same period there will also be a cost of $275 million for uninsured persons covered by the hospital insurance program.

The medical assistance for the aged liberalization of the program will cost about $200 million per year.

The 7-percent across-the-board increase in the old-age and survivors disability insurance benefits payments will produce in the year 1966 additional benefit payments of $1,400 million.

The child benefits to age 22 when in school will add an additional cost of $195 million to the old-age survivors disability insurance trust funds in the first year.

The reduced age for widows will cost $165 million out of those trust funds in the first year. But that is a disappearing item, because over the lifetime of the beneficiary it does not cost any additional amount to the system.

The transitional benefits at age 72 will cost, from the old-age survivors disability insurance trust fund $140 million additional in the first year.

The changes we have made in the disability insurance program will cost $105 million in the first year.

The changes we make with respect to the retirement test will cost $65 million out of the old-age and survivors disability insurance trust funds in the first year.

That means a total from those two trust funds of $1,905 million in the first year.

Public assistance amendments that increase the amount of Federal participation with the State in cash payments will cost $150 million per year out of the general fund.

The changes we make in the exclusion of assistance payments to persons in TB and mental hospitals cost $75 million per year.

The maternal and child health, crippled children part of it will cost $60 million per year.

The OAA income exemption will have an annual cost of $1 million.

Under the modified medical assistance for the aged definition, we have added $2 million per year.

Mental retardation projects will have an annual cost of $3 million.

That adds up to a total altogether out of the general fund of the Treasury of $1,366 million per year.

Every dime of that is budgeted as it affects the upcoming fiscal year.

The $875 million I referred to for payments from general funds with respect to the two health insurance programs, which will begin on July 1, 1966, is unbudgeted because we do not have the budget for the fiscal year 1967 as yet.

Now there is a further point which I should make here: the cost of administration.

Now, how do we propose to pay for the programs? We have increased both the maximum on the amount of earnings that are subject to taxes from $4,800 to $5,600 on January 1, 1966, and then again, to $6,600 on January 1, 1971, and the tax rates that would be applied to those earnings.

We have provided for increases in the tax rates over a period of years, as we have always done in the past, so that the actuary of the Department of Health, Education, and Welfare can tell us, "I can advise you that this program is actuarially sound." As he looks at it, over the forthcoming 75 years, this program of old-age and survivors disability insurance would only be out of balance by only about .08 percent of payroll.

Now as to the health part of the bill. We have worked out a separate tax and a separate trust fund. Let no one mislead you with statements, general in nature as they appear to be, and be not mis-

led by the minority views expressed in the report that this separation is illusory.

Some statements have recently been made that I have, in effect, gone back on my previously expressed position that there must be separation between the cash benefits system and the proposed hospital benefits system. I emphatically state, here and now, that this is not the case. My conviction is that there must be separation and the bill I bring to you reflects this belief. For years I have maintained that the basic difference between the two types of benefits makes it essential that we have two separate systems. During many hours of questioning the Government witnesses before our committee, particularly the Chief Actuary, I brought out the different nature of the cost assumptions which underlie the hospital program as distinguished from the cash program. I pointed out that some assumptions which were conservative under one program had exactly the reverse effect when applied to the other program. Thus, as the committee drew up the bill, at every opportunity I urged that provisions be inserted which would provide meaningful separation between the two systems.

The minority members of the committee have written in the report that this is somewhat illusory and it was stated, at the Rules Committee, that what we have in the bill is just the same arrangement which exists under current law in respect to the disability insurance program and the old-age and survivors insurance program. I respectfully beg to differ. In respect to these two programs under existing law there is no separate tax, merely an allocation of revenues between two trust funds. The fact that this is merely an allocation is illustrated by the bill before you today which provides for a redistribution of the revenues from the combined old-age and survivors disability insurance tax. This new allocation, which will put the disability insurance fund on a sound actuarial basis to make up for some unfavorable cost experience in recent years, would not be possible as to hospital benefits under your committee's bill. Under H.R. 6675 any readjustment of revenue because of either unfavorable or favorable experience will have to be done by a change in the tax rate or earnings base—or both—of the separate hospital insurance tax.

The hospital program will thus be financed from its own tax and there will be no shifting of funds—either way—from the old-age, survivors, and disability program.

Let me once again summarize the separation of program envisioned by this bill by reading from the report on page 48:

First, the schedules of tax rates for old-age, survivors, and disability insurance and for hospital insurance are in separate subsections of the Internal Revenue Code (unlike the situation for old-age and survivors insurance as compared with disability insurance, where there is a single tax rate for both programs, but an allocation thereof into two portions).

Second, the hospital insurance program has a separate trust fund (as is also the case for old-age and survivors insurance and for disability insurance) and, in addition, has a separate board of trustees from that of the old-age, survivors, and disability insurance system.

Third, the bill provides that income tax withholding statements (forms W-2) shall show the proportion of the total contribution for old-age, survivors, and disability insurance and for hospital insurance that is with respect to the latter.

Fourth, the hospital insurance program would cover railroad employees directly in the same manner as other covered workers, and their contributions would go directly into the hospital insurance trust fund and their benefit payments would be paid directly from this trust fund (rather than directly or indirectly through the railroad retirement system), whereas these employees are not covered by old-age, survivors, and disability insurance (except indirectly through the financial interchange provisions).

Fifth, the financing basis for the hospital insurance system would be determined under a different approach than that used for the old-age, survivors, and disability insurance system, reflecting the different natures of the two programs (by assuming rising earnings levels and rising hospitalization costs in future years instead of level-earnings assumptions and by making the estimates for a 25-year period rather than a 75-year one).

There is always a question of the degree to which to go in separation, but this is a separately enacted tax in an entirely separate section of the Internal Revenue Code. That is not true of the OASI and DI taxes. They are in the same section. They are levied as one tax, with authority to allocate a designated part of the total to the disability insurance trust fund. But there is a great difference in the enactment of a separate tax. There is also a separate trust fund.

The subsititute plan proposed by the gentleman from Wisconsin [Mr. BYRNES] would not maintain a separateness of financing between his health insurance plan and the old-age and survivors insurance program. Instead the gentleman from Wisconsin [Mr. BYRNES] would draw some $200 million a year from the old-age and survivors disability insurance trust fund to help finance his proposed health insurance benefits.

I can assure my colleagues who have had reservations in the past, as I have had reservations in the past about doing anything in any way that might jeopardize the cash benefit program that has developed over the past 30 years and that has become such an important part of every elderly person's life, without any hesitation, without any equivocation, that there is not one single, solitary thing in this bill which would permit or allow for $1 of the money which is set aside to go into the old-age and survivors disability insurance trust funds to ever get into the hospital insurance trust fund. It just cannot be done. Neither can the hospital insurance trust fund money be put over into the old-age and survivors disability insurance trust funds.

Call it illusory if you want to. We could have gone the full extent of separation. We could have put this hospital insurance program under the administration of an entirely new agency of Government. Then what would the critics on the outside have said, had we gone to the full extent? They would have accused the Committee on Ways and Means of having set up another elaborate 40,000-person bureaucracy. The expense of that would have been out of the question.

We could have completely separated the tax for purposes of filing the earnings record and paying the tax, but if we had done that, then they would have said that we had put the taxpayers to the unnecessary trouble of having to make two computations of taxes.

But to some it would not make any difference what was done; some argument would have been made that there would not be a separation.

This has been a bone of contention with me—and Members know it—that there must be a separation. I am thoroughly convinced that we have completed that separation in this bill.

Mr. Chairman, let me go back just a bit. On the basis of legislation that has been presented to the Ways and Means Committee, it does not appear that there is much doubt any more in the minds of many that we do have a problem of meeting medical care costs in the United States with respect to certain people in our population. These are our fathers and mothers and our grandparents who are living longer today than did their loved ones before them. We owe that to the great miracles which have been performed by medical science. But in the process of having performed those miracles, problems have resulted. Today's problems, as a result, are certainly greater in magnitude than those the generations before had, because of the greater length of time beyond retirement and before death, and because of the vicissitudes of illness of more and more of these people as a result of the length of their lives.

Thus the problem seems to be established in the minds of most. There is no argument on the part of my distinguished friend from Wisconsin [Mr. BYRNES] that there is this problem, for he introduces a bill to help, with respect to that problem, produced by himself, from that very great capacity that he possesses, and incorporating within his bill everything that is within the committee bill except with respect to the one matter of how do we finance the cost of taking care of this problem.

I have said consistently that I did not think that all of the medical costs that are incurred by those over 65 could be financed only through a payroll tax, because conceivably the payroll tax would be so high finally as to interfere with our capacity to compete in the world, with the payroll tax being charged as a cost of doing business. I have said repeatedly that we cannot run the risk of bankrupting the Federal Treasury once and for all by putting this entire cost upon the general fund of the Treasury. I think that the program has to be dealt with in a combination approach of two things: use of payroll tax and use of general fund revenues. That is what the committee has done. That is the only difference, apparently, that exists today between my distinguished friend

who has offered his bill and the committee's proposition.

Just how do we finance the proposal? Because his proposition would be voluntary, with no compulsion under a payroll tax, it would be financed by the payment of the individual and from the general funds of the Treasury. In total, his plan would be financed just as our supplementary plan would be.

Now, how did we divide the health insurance provisions of H.R. 6675? Which did we put in which pocket and out of what account does it come and why? There are very, very important reasons why we propose to finance the benefits the way we do. It is the way that has been debated completely but which has been disregarded by the very people with whom we were trying to work. What did we do? We picked this single biggest element, namely, the cost of being in a hospital, and we financed that by the payroll tax to let the person during his working years, through small amounts of money paid per week, per month, or per year, make advance payments to that trust fund entirely on his own and from his employer and by the self-employed on their own account.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLS. Mr. Chairman, I yield myself 5 additional minutes.

To take care of those expense during his working years so that when he reached retirement at 65 he would not then have to undertake the great burden of defraying the cost of the premium for that particular type of benefit. The proposal differs from H.R. 1. We took out of it every scintilla of payment to a physician—every scintilla of payment to a physician. Every safeguard has been placed so that no physician can be paid out of the trust fund created by the payment of a payroll tax. Now, what is it that you understood or that I understood had so greatly disturbed this great, wonderful medical profession that we have here in the United States? That we would finally, in time, put physicians' fees under a system where there would be a payroll tax, because they felt that if ever we did that, we would in time regulate the relationship between the physician and the patient by saying that this physician you can go to and this physician is not on our list; or by saying that we will pay out of this fund only this amount in the way of physicians' fees and thus control and regulate physicians' fees.

Now, what have we done? In this committee bill in that respect we have done the same, identical thing that the gentleman from Wisconsin has done in his bill. And yet I understand that many of you have received telegrams as late as this morning urging you to vote for his motion to recommit because there is something unholy about the committee bill, whereas his bill, from their point of view, is perfect. How do we treat the physicians in both bills?

In both bills in the same identical way. Under both they would be paid out of the fund established under the voluntary enrollment program. In both instances the physicians would be paid from the same type of fund in the same, identical manner. And how would we pay them? In identically the same way. Not a payroll tax, but money contributed by the individual participant who would enroll after he got to be 65 and put up half of it, with the Treasury, out of its general funds, putting up the other half.

I thought that was exactly what it would take. I thought that was exactly what was required to remove this threat to medical practice in the United States and regardless of what anybody on the outside says to you, we have done it—we have done it. There is nobody in this Congress, I do not care who he is, who is any more cognizant or any more desirous of not changing the orderly practice of medicine than the gentleman speaking to you today. I am convinced in my own mind, as much as I have ever been convinced of anything, that there is not one solitary thing in this committee bill that carries any threat to the medical profession of this country that could not be said equally of the bill offered by the gentleman from Wisconsin [Mr. BYRNES]. And I do not think there is anything in either bill that jeopardizes the profession in any way. Why? How are we going to handle this thing? We are not going to deal with physicians direct; there is no intention to deal with them direct; there is no intention to tell them what they may charge their patients; we are not going to say to a patient, "You have got to go to Dr. X; you cannot go to to Dr. Y."

How are we going to pay them? We are going to contract with somebody—Blue Shield, insurance companies, or other insurance carriers, and we express the desire that it be more than one. We should divide the program up somehow and let various organizations handle it—they are the ones who are going to pay the bills. But we even go to this extent because we recognize the sensitiveness of this issue: We say, "We will leave to the election of the doctors, whether they are paid directly by the insurer, or whether the insurer pays the amount to the patient and the patient then pays the doctor.

If there is a doctor in your area who does not like the insurer and who does not want to have anything to do with it and does not want to carry its check to the bank, all he has to do is say to his patient, "You accept the benefit payment for this service, and you and I will settle the bill."

And, what if the doctor says that what the insurer is paying, before he ever operates, is not sufficient to satisfy him? He might say "My fee is so much, $2,000, but this cost that you are indemnified against is only $1,000." What then? We pay 80 percent of that $1,000 to the patient, and the patient pays the doctor $2,000, including the payment under the plan. If in the community where he lives, the sum of $1,000 is the customary prevailing and reasonable fee against which we are indemnifying the patient, the doctor still makes the arrangement with his patient, or the patient makes it with his doctor to pay the difference.

Thus, Mr. Chairman, we have done everything that our minds were capable of conceiving to eliminate what appeared to us to be justifiable fears without these changes that we make.

Mr. Chairman, now very briefly—because it would take hours to discuss it all, but I have very briefly discussed even the medical portions of this bill—I would want you to know that finally it has been possible for us, after all these years, to develop a proposition that I could wholeheartedly and conscientiously, with every bit of the energy at my command, support. That has not been the case with reference to propositions in the past. Here, Mr. Chairman, I believe we have finally worked out a satisfactory and reasonable solution of an entire problem, not just a partial solution of a major problem. I feel that we have done it in a way, Mr. Chairman, that will commend it to the people for whom we do it and that they will realize that in spite of all that has been said in the past, in spite of all the ways that have been suggested in the past, finally the Committee on Ways and Means has produced the proper way to do it and that is the way that good legislation is developed.

Mr. Chairman, there is not a member of the Committee on Ways and Means whom I could not name today who has not made a major contribution to this bill by the inclusion of ideas of his own.

Mr. Chairman, where did we get the idea of the supplementary health benefits plan? Out of that fertile brain of the distinguished gentleman from Wisconsin [Mr. BYRNES].

Where did we get this idea and that idea? Out of the fertile brain of some other Democratic member or some other Republican member of the Committee on Ways and Means.

My distinguished friend, the gentleman from Virginia [Mr. BROYHILL], right at the last moment called to our attention a situation about which none of us had thought. However, as a result of the gentleman's many years of experience on the Committee on the Post Office and Civil Service, he thought about it. It was fair and equitable, and we put it in.

Mr. Chairman, every member of the committee has made his contribution. On top of that, Mr. Chairman, the people in the Department of Health, Education, and Welfare worked with us faithfully from morning until night through all of these many days during which we have been in hearings and executive session and have made their contribution.

Mr. Chairman, those on the legislative counsel's staff of the House of Representatives and those who are staff members of both the joint committee and of the Committee on Ways and Means on both sides of the aisle have made their contribution.

Therefore, Mr. Chairman, I believe that there is sufficient ground within this bill for all of us to take pride and take credit.

I would suggest, therefore, that when tomorrow comes, we not toy with the bill by considering a motion to recommit, but that we take the bill as reported to the House from the Committee on Ways and Means and pass this bill as we have passed every other bill dealing with amendments to the Social Security

Act in the past—by an overwhelming majority.

SUMMARY OF MAJOR PROVISIONS OF H.R. 6675

Mr. Chairman, I will include at this point for the convenience of the members a summary of the major provisions of H.R. 6675:

BRIEF OVERALL SUMMARY

The bill establishes two coordinated health insurance programs for persons 65 or over under the Social Security Act: (1) A basic plan providing protection against the costs of hospital and related care, financed through a separate payroll tax and trust fund; and (2) a voluntary supplementary plan covering payments for physicians' and other medical and health services financed through small monthly premiums by individual participants matched equally by a Federal Government general revenue contribution.

Undergirding the two new insurance programs would be a greatly expanded medical care program for the needy and the medically needy. This program would combine all the vendor medical provisions for the aged, blind, disabled, and families with dependent children now in five titles of the Social Security Act under a uniform program and matching formula in a single new title. The Federal matching share for cash payments for these needy persons would also be increased; services for maternal and child health, crippled children, and the mentally retarded would be expanded; a 5-year program of special project grants to provide comprehensive health care and services for needy children of school age, or preschool, would be authorized; and present limitations on Federal participation in public assistance to aged individuals in tuberculosis or mental disease hospitals would be removed under certain conditions.

With respect to the old-age, survivors, and disability insurance system the bill would increase benefits by 7 percent across the board with a $4 minimum increase for a worker, cover certain currently uncovered occupations and wages (doctors, and income from tips), continue benefits to age 22 for certain children in school, provide social security tax exemption of self-employment income of certain religious groups opposed to insurance, provide actuarially reduced benefits for widows at age 60, and pay benefits, on a transitional basis, to certain persons currently 72 or over now ineligible; liberalize the definition for disability insurance benefits, increase the amount an individual is permitted to earn without suffering full deductions from benefits, revise the tax schedule, and increase the earnings counted for benefit and tax purposes so as to fully finance the changes made, and make certain changes in allocations to the old-age and survivors insurance and disability insurance trust funds.

MORE DETAILED SUMMARY

*I. Health insurance for the aged*

The bill would add a new title XVIII to the Social Security Act establishing two related health insurance programs for persons 65 or over: (1) A basic plan providing protection against the costs of hospital and related care; and (2) a voluntary supplementary plan covering payments for physicians' services and other medical and health services to cover certain areas not covered by the basic plan.

The basic plan would be financed through a separate payroll tax and separate trust fund. Benefits for persons currently over 65 who are not insured under the social security and railroad retirement systems would be financed out of Federal general revenues.

Enrollment in the supplementary plan would be voluntary and would be financed by small monthly premium ($3 per month initially) paid by enrollees and an equal amount supplied by the Federal Government out of general revenues. The premiums for social security and railroad retirement beneficiaries who voluntarily enroll would be deducted from their monthly insurance benefits. Uninsured persons desiring the supplemental plan would make the periodic premium payments to the Government. State welfare programs could arrange for uninsured assistance recipients to be covered.

A. Basic Plan

General description: Basic protection, financed through a separately identified payroll tax, would be provided against the costs of inpatient hospitals services, posthospital extended care, posthospital home health services, and outpatient hospital disgnostic services for social security and railroad retirement beneficiaries when they attain age 65. The same protection, financed from general revenues, would be provided under a special transitional provision for essentially all people who are now aged 65, or who will reach age 65 before 1968, but who are not eligible for social security or railroad retirement benefits.

Benefits would be first effective on July 1, 1966 (except for services in extended care facilities which would be effective on January 1, 1967).

Benefits: The services for which payment would be made under the basic plan include—

1. Inpatient hospital services for up to 60 days in each spell of illness with the patient paying a $40 deductible amount; hospital services would include all those ordinarily furnished by a hospital for its inpatients; however, payment would not be made for private duty nursing or for the hospital services of physicians except services provided by interns or residents in training under approved teaching programs;

2. Posthospital extended care (in a facility having an arrangement with a hospital for the timely transfer of patients and for furnishing medical information about patients) after the patient is transferred from a hospital (after at least a 3-day stay) for up to 20 days in each spell of illness; 2 additional days will be added to the 20 days for each day that the person's hospital stay was less than 60 days (up to a maximum of 80 additional days)—the overall maximum for posthospital extended care could thus be 100 days in each spell of illness;

3. Outpatient hospital diagnostic services with the patient paying a $20 deductible amount for each diagnostic study (that is, for diagnostic services furnished to him by the same hospital during a 20-day period); if, within 20 days after receiving such services the individual is hospitalized as an inpatient in the same hospital, the deductible he paid for outpatient diagnostic services (up to $20) would be credited against the inpatient hospital deductible ($40); and

4. Posthospital home health services for up to 100 visits, after discharge from a hospital (after at least a 3-day stay) or extended care facility and before the beginning of a new spell of illness. Such a person must be in the care of a physician and under a plan established by a physician within 14 days of discharge calling for such services. These services would include intermittent nursing care, therapy, and the part-time services of a home health aide. The patient must be homebound, except that when equipment is used the individual could be taken to a hospital or extended care facility or rehabilitation center to receive some of these covered home health services in order to get the advantage of the necessary equipment.

No service would be covered as posthospital extended care or as outpatient diagnostic or posthospital home health services if it is of a kind that could not be covered if it were furnished to a patient in a hospital.

A spell of illness would be considered to begin when the individual enters a hospital and to end when he has not been an inpatient of a hospital or extended care facility for 60 consecutive days.

The deductible amounts for inpatient hospital and outpatient hospital diagnostic services would be increased if necessary to keep pace with increases in hospital costs, but no such increase would be made before 1969. For reasons of administrative simplicity, increases in the hospital deductible will be made only when a $5 change is called for and the outpatient deductible will change in $2.50 steps.

Basis of reimbursement: Payment of bills under the basic plan would be made to the providers of service on the basis of the "reasonable cost" incurred in providing care for beneficiaries.

Administration: Basic responsibility for administration would rest with the Secretary of Health, Education, and Welfare. The Secretary would use appropriate State agencies and private organizations (nominated by providers of services) to assist in the administration of the program. Provision is made for the establishment of an Advisory Council which would advise the Secretary on policy matters in connection with administration.

Financing: Separate payroll taxes to finance the basic plan, paid by employers, employees, and self-employed persons, would be earmarked in a separate hospital insurance trust fund established in the Treasury. The amount of earnings (wage base) subject to the new payroll taxes would be the same as for purposes of financing social security cash benefits. The same contribution rate would apply equally to employers, employees, and self-employed persons and would be as follows:

| | *Percent* |
|---|---|
| 1966 | 0.35 |
| 1967–72 | .50 |
| 1973–75 | .55 |
| 1976–79 | .60 |
| 1980–86 | .70 |
| 1987 and thereafter | .80 |

The taxable earnings base for the health insurance tax would be $5,600 a year for 1966 through 1970 and would thereafter be increased to $6,600 a year.

The schedule of contribution rates is based on estimates of cost which assume that the earnings base will not be increased above $6,600. If Congress, in later years, should increase the base above $6,600, the tax rates established can be reduced under the cost assumptions underlying the bill.

The cost of providing basic hospital and related benefits to people who are not social security or railroad retirement beneficiaries would be paid from general funds of the Treasury.

B. Voluntary Supplementary Plan

General description: A package of benefits supplementing those provided under the basic plan would be offered to all persons 65 and over on a voluntary basis. Individuals who enrolled initially would pay premiums of $3 a month (deducted, where possible, from social security or railroad retirement benefits). The Government would match this premium with $3 paid from general funds. Since the minimum increase in cash social security benefits for retired workers under the bill would be $4 a month ($6 a month for man and wife receiving benefits on the same earnings record), the benefit increase would fully cover the amount of monthly premiums.

Enrollment: Persons aged 65 before January 1, 1966, will have an opportunity to enroll in an enrollment period which begins on the first day of the second month after the month of enactment and ends March 31, 1966.

Persons attaining age 65 subsequent to December 31, 1965, will have enrollment periods of 7 months beginning 3 months before attaining 65.

In the future general enrollment periods will be from October to December 31, in each odd year. The first such period will be October 1 to December 31, 1967.

No person may enroll more than 3 years after close of first enrollment period in which he could have enrolled.

There will be only one chance to reenroll for persons who are in the plan but drop out, and reenrollment must occur within 3 years of termination of previous enrollment.

Coverage may be terminated (1) by the individual filing notice during enrollment period, or (2) by the Government, for nonpayment of premiums, after a grace period.

A State would be able to provide the supplementary insurance benefits to its public assistance recipients who are receiving cash assistance if it chooses to do so.

Benefits will be effective beginning July 1, 1966.

Benefits: The voluntary supplementary insurance plan would cover physicians' services, home health services, hospital services in psychiatric institutions, and numerous other medical and health services in and out of medical institutions.

There would be an annual deductible of $50. Then the plan would cover 80 percent of the patient's bill (above the deductible) for the following services:

1. Physicians' and surgeons' services, whether furnished in a hospital, clinic, office, in the home, or elsewhere;

2. Hospital care for 60 days in a spell of illness in a mental hospital (180-day lifetime maximum);

3. Home health services (with no requirement of prior hospitalization) for up to 100 visits during each calendar year;

4. Additional medical and health services, whether provided in or out of a medical institution, including the following:

(a) Diagnostic X-ray and laboratory tests, electrocardiograms, basal metabolism readings, electroencephalograms, and other diagnostic tests;

(b) X-ray, radium, and radioactive isotope therapy;

(c) Ambulance services (under limited conditions); and

(d) Surgical dressings and splints, casts, and other devices for reduction of fractures and dislocations; rental of durable medical equipment such as iron lungs, oxygen tents, hospital beds, and wheelchairs used in the patient's home; prosthetic devices (other than dental) which replace all or part of an internal body organ; braces and artificial legs, arms, eyes, etc.

There would be a special limitation on outside-the-hospital treatment of mental, psychoneurotic, and personality disorders. Payment for such treatment during any calendar year would be limited, in effect, to $250 or 50 percent of the expenses, whichever is smaller.

Administration by carriers, basis for reimbursement: The Secretary of Health, Education, and Welfare would be required, to the extent possible, to contract with carriers to carry out the major administrative functions relating to the medical aspects of the program such as determining rates of payments under the program, holding and disbursing funds for benefit payments, and determining compliance and assisting in utilization review. No contract is to be entered into by the Secretary unless he finds that the carrier will perform its obligations under the contract efficiently and effectively and will meet such requirements as to financial responsibility, legal authority, and other matters as he finds pertinent. The contract must provide that the carrier take necessary action to see that where payments are on a cost basis (to institutional providers of service), the cost is reasonable cost. Correspondingly, where payments are on a charge basis (to physicians or others furnishing noninstitutional services), the carrier must see that such charge will be reasonable and not higher than the charge applicable, for a comparable service and under comparable circumstances, to the other policyholders and subscribers of the carrier. Payment by the carrier for physicians' services will be made on the basis of a receipted bill, or on the basis of an an assignment under the terms of which the reasonable charge will be the full charge for the service.

Financing: Aged persons who enroll in the supplemental plan would pay monthly premiums of $3. Where the individual is currently receiving monthly social security or railroad retirement benefits, the premiums would be deducted from his benefits.

The Government would help finance the supplementary plan through a payment from general revenues of $3 a month per enrollee. To provide an operating fund at the beginning of the supplementary plan, and to establish a contingency reserve, a Government appropriation would be available (on a repayable basis) equal to $18 per aged person estimated to be eligible in July 1966 when the supplementary plan goes into effect.

The individual and Government contributions would be placed in a separate trust fund for the supplementary plan. All benefit and administrative expenses under the supplementary plan would be paid from this fund.

The provision in the income tax law which limits medical expense deductions to amounts in excess of 3 percent of adjusted gross income for persons under 65 would be reinstituted for persons 65 and over. Thus, provision is made for partial or full recovery of the Government contribution from enrolled persons with incomes high enough to require them to pay income taxes. A special deduction (for taxpayers who itemize deductions) of one-half of premiums for medical care insurance would be added, however, which would be applicable to taxpayers of all ages. Such special deduction could not exceed $250 per year.

Premium rates for enrolled persons (and the matching Government contribution) would be increased from time to time in the event that costs rise, but not more often than once every 2 years. The premium rate for a person who enrolls after the first period when enrollment was open to him would be increased by 10 percent for each full year he stayed out of the program. It would also be increased for any period that he had terminated his coverage.

C. Costs of the Basic and Supplementary Plans

Benefits under both plans would first become payable for services furnished in July 1966, except for services in extended care facilities, for which benefits would first become payable in January 1967.

Basic plan: Benefits under the basic plan would be about $1.0 billion for the 6-month period in 1966 and about $2.2 billion in 1967. Contribution income for those years would be about $1.6 and $2.6 billion, respectively. The costs for the uninsured (paid from general funds) would be about $275 million per year for early years.

Supplementary plan: Costs of the supplementary plan would depend on how many of the aged enrolled.

If 80 percent of the eligible aged enrolled, benefit costs of the supplementary plan would be about $195 million to $260 million in the 6 months of 1966 and about $765 million to $1.02 billion in 1967. Premium income from enrollees for those years would be about $275 and $560 million, respectively. The matching Government contribution would be the same.

If 95 percent of the eligible aged enrolled, benefit costs of the supplementary plan would be about $230 to $310 million in 1966 and about $905 million to $1.22 billion in 1967. Premium income from enrollees for those years would be about $325 and $665 million, respectively. The Government contribution would be the same.

*II. Improvement and extension of Kerr-Mills program*

Purpose and scope: In order to provide a more effective Kerr-Mills program and to extend its provisions to other needy persons, the bill would establish a single and separate medical care program to replace the differing provisions for the needy which currently are found in five titles of the Social Security Act.

The new title (XIX) would extend the advantages of an expanded medical assistance program not only to the aged who are indigent but also to needy individuals on the dependent children, blind, and permanently and totally disabled programs and to persons who would qualify under those programs if in sufficient financial need.

Inclusion of the medically indigent aged would be optional with the States but if they are included comparable groups of blind, disabled, and parents and children must also be included if they need help in meeting necessary medical costs. Moreover, the amount and scope of benefits for the medically indigent could not be greater than that of recipients on the cash assistance programs.

The current provisions of law in the various public assistance titles of the act providing vendor medical assistance would terminate upon the adoption of the new program by the State but no later than June 30, 1967.

Scope of medical assistance: Under existing law, the State must provide "some institutional and noninstitutional care" under the medical-assistance-for-the-aged program. There are no minimum benefit requirements at all under the other public assistance vendor medical programs. The bill would require that by July 1, 1967, for the new program a State must provide inpatient hospital services, outpatient hospital services, other laboratory and X-ray services, skilled nursing home services, and physicians' services (whether furnished in the office, the patient's home, a hospital, or a skilled nursing home) in order to receive Federal participation in vendor medical payments. Other items of medical service would be optional with the States.

Eligibility: Improvements would be effectuated in the program for the needy elderly by requiring that the States must provide a flexible income test which takes into account medical expenses and does not provide rigid income standards which arbitrarily deny assistance to people with large medical bills. In the same spirit the bill provides that no deductible, cost sharing, or similar charge may be imposed by the State as to hospitalization under its program and that any such charge on other medical services must be reasonably related to the recipient's income or resources. Also important is the requirement that elderly needy people on the State programs be provided assistance to meet the deductibles that are imposed by the new basic program of hospital insurance. Also where a portion of any deductible or cost sharing required by the supplementary voluntary program is met by a State program it must be done so in a manner reasonably related to the individual's income and resources. No income can be imputed to an individual unless actually available; and the financial responsibility of an individual for an applicant may be taken into account only if the applicant is the individual's spouse or child who is under age 21 or blind or disabled.

Increased Federal matching: The Federal share of medical assistance expenditures under the new program would be determined upon a uniform formula with no maximum on the amount of expenditures which would be subject to participation. This currently

is done for the medical assistance for the aged program. The Federal share, which varies in relation to a State's per capita income, would be increased over current medical assistance for the aged matching so that States at the national average would receive 55 percent rather than 50 percent, and States at the lowest level could receive as much as 83 percent as contrasted with 80 percent under existing law.

In order to receive any additional Federal funds as a result of expenditures under the new program, the States would need to continue their own expenditures at their present rate. For a specified period, any State that did not reduce its own expenditures would be assured of at least a 5-percent increase in Federal participation in medical care expenditures. As to professional medical personnel, the bill would provide a 75-percent Federal share as compared with the 50–50 Federal-State sharing for other administrative expenses.

Administration: The State agency administering the new program would have to be the same as that administering the old-age assistance program. As some States have done under existing law, such an agency could delegate its function relating to the medical aspects of the program to the State health agency. The bill specifically provides as a State plan requirement that cooperative agreements be entered into with State agencies providing health services and vocational rehabilitation services looking toward maximum utilization of these services in the provision of medical assistance under the plan.

Effective date: January 1, 1966.

Cost: It is estimated that the new program will increase the Federal Government's contribution about $200 million in a full year of operation over that in the programs operated under existing law.

*III. Child health program amendments*

Maternal and child health and crippled children: The bill would increase the amount authorized for maternal and child health services over current authorizations by $5 million for fiscal year 1966 and by $10 million in each succeeding fiscal year, as follows:

| Fiscal year | Existing law | Under bill |
|---|---|---|
| 1966 | $40,000,000 | $45,000,000 |
| 1967 | 40,000,000 | 50,000,000 |
| 1968 | 45,000,000 | 55,000,000 |
| 1969 | 45,000,000 | 55,000,000 |
| 1970 and after | 50,000,000 | 60,000,000 |

The authorizations for crippled children's service would be increased by the same amounts. Such increases would assist the States, in both these programs, in moving toward the goal of extending services with a view of making them available to children in all parts of the State by July 1, 1975.

Crippled children-training personnel: The bill would also authorize $5 million for the fiscal year 1967, $10 million for fiscal 1968, and $17.5 million for each succeeding fiscal year to be for grants to institutions of higher learning for training professional personnel for health and related care of crippled children, particularly mentally retarded children and children with multiple handicaps.

Health care for needy children: A new provision is added authorizing the Secretary of Health, Education, and Welfare to carry out a 5-year program of special project grants to provide comprehensive health care and services for children of school age, or for preschool children, particularly in areas with concentrations of low-income families. The grants would be to State health agencies, to the State agencies administering the crippled children's program, to any school of medicine (with appropriate participation by a school of dentistry), and any teaching hospital affiliated with such school, to pay not to exceed 75 percent of the cost of the project. Projects would provide screening, diagnosis, preventive services, treatment, correction of defects, and aftercare, including dental services, for children in low-income families.

An appropriation of $15 million would be authorized for the fiscal year ending June 30, 1966; $35 million for the fiscal year ending June 30, 1967; $40 million for the fiscal year ending June 30, 1968; $45 million for the fiscal year ending June 30, 1969; and $50 million for the fiscal year ending June 30, 1970.

Mental retardation planning: This title would authorize grants totaling $2,750,000 for each of 2 fiscal years—the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967. The grants would be available during the year for which the appropriation is authorized and during the succeeding fiscal year until June 30, 1968. They are for the purpose of assisting States to implement and follow up on plans and other steps to combat mental retardation authorized under section 1701 of the Social Security Act.

*IV. Old-age, survivors, and disability insurance amendments*

Benefits

1. Seven percent, across-the-board benefit increase in old-age, survivors, and disability insurance benefits: The bill provides a 7-percent, across-the-board benefit increase, effective retroactively beginning with January 1965, with a minimum increase of $4 for retired workers age 65 and older. These increases will be made for the 20 million social security beneficiaries now on the rolls.

Monthly benefits for workers who retire at or after 65 would be increased to a new minimum of $44 (now $40) and to a new maximum of $135.90 (now $127). In the future, creditable earnings under the increase in the contribution and benefit base to $5,600 a year (now $4,800) would make possible a maximum benefit of $149.90.

The maximum amount of benefits payable to a family on the basis of a single earnings record would be related to the worker's average monthly earnings at all earnings levels. Under present law, there is a $254 limit on family benefits which operates over a wide range of average monthly earnings. Under the bill, until 1971, the family maximum would be $312.

Under the second-step increase in the wage base to $6,600 to be effective in 1971, also provided in the bill, the worker's primary insurance amount would range from a minimum of $44 to a future possible maximum of $167.90 a month. Maximum family benefits up to $368 would also be payable.

2. Payment of child's insurance benefits to children attending school or college after attainment of age 18 and up to age 22: The bill includes the provision adopted by both House and Senate last year which would continue to pay a child's insurance benefit until the child reaches age 22, provided the child is attending public or accredited schools, including a vocational school or a college, as a full-time student after he reaches age 18. Children of deceased, retired, or disabled workers would be included. No mother's or wife's benefits would be payable on the basis of a child who has attained age 18 but is in school.

This provision will be effective January 1, 1965. It is estimated that 295,000 children will be able to receive benefits for a typical school month in 1965 as a result of this provision.

3. Benefits for widows at age 60: The bill would provide the option to widows of receiving benefits beginning at age 60 with the benefits payable to those who claim them before age 62 being actuarially reduced to take account of the longer period over which they will be paid. Under present law, full widow's benefits and actuarially reduced worker's and wife's benefits are payable at age 62.

This provision, adopted by both Houses last year, would be effective for the second month after the month of enactment. It is estimated that 185,000 widows will be able to get benefits immediately under this provision.

4. Amendment of disability program: (a) Definition: The bill would eliminate the present requirement that a worker's disability must be expected to result in death or to be of long-continued and indefinite duration, and instead provide that an insured worker would be eligible for disability benefits if he has been totally disabled throughout a continuous period of at least 6 calendar months. Benefits payable by reason of this change would be paid for the second month following the month of enactment.

(b) Waiting period: The waiting period during which an individual must be under a disability prior to entitlement to benefits is reduced by 1 month by the bill. It provides that disability benefits would be payable beginning with the last month of the 6-month waiting period rather than with the first month after the 6-month waiting period as under exising law. This change would be applicable to all cases in which the last month of the waiting period occurs after the month of enactment.

It is estimated some 155,000 disabled workers and dependents will be benefited by these provisions.

Certain changes are also made in the provision terminating disability benefits and waiving subsequent waiting periods so as to make them more restrictive when applied to shorter term disabilities.

(c) Entitlement to disability benefits after entitlement to benefits payable on account of age: Under the bill, a person who becomes entitled before age 65 to a benefit payable on account of old age could later become entitled to disability insurance benefits.

(d) Allocation of contribution income between OASI and DI trust funds: Under the bill, an additional one-fourth of 1 percent of taxable wages and three-sixteenths of 1 percent of taxable self-employment income would be allocated to the disability insurance trust fund, bringing the total allocation to three-fourths of 1 percent and nine-sixteenths of 1 percent, respectively, beginning in 1966.

5. Benefits to certain persons at age 72 or over: The bill would liberalize the eligibility requirements by providing a basic benefit of $35 at age 72 or over to certain persons with a minimum of three quarters of coverage which can be acquired at any time since the beginning of the program in 1937. To accomplish this, a new concept of "transitional insured" status is provided. Present law requires a minimum of six quarters of coverage in employment or self-employment.

(a) Men and women workers: The concept of "transitional insured" status which would make an individual eligible for an old-age or wife's benefit provides that the oldest workers will receive benefits with only three quarters of coverage, under the bill. These three quarters may have been acquired at any time since the inception of the program in 1937. For those who are not quite so old, the quarters of coverage requirement would increase until the requirement merges with the present minimum requirement of six quarters.

The following table illustrates the operation of the "transitional insured" status provision for workers:

*Workers benefits*[1]

| Men | | Women | |
|---|---|---|---|
| Age (in 1965) | Quarters of coverage required | Age (in 1965) | Quarters of coverage required |
| 76 or over | 3. | 73 or over | 3. |
| 75 | 4. | 72 | 4. |
| 74 | 5. | 71 | 5. |
| 73 or younger | 6 or more. | 70 or younger | 6 or more. |

[1] Benefits will not be payable, however, until age 72.

(b) Widows: Any widow who is age 72 or over in 1966, if her husband died or reached age 65 in 1954 or earlier, can get a widow's benefit if her husband had at least three quarters of coverage. Present law requires six quarters.

If the husband died or reached 65 in 1955, the requirement is four quarters. If he died or reached 65 in 1956, the requirement would be five quarters. If he died or reached 65 in 1957 or later, the minimum requirement would be six quarters, the same as present law.

For widows reaching age 72 in 1967 and 1968, there is a "grading in" of coverage requirement of four or five quarters of coverage, respectively. Widows reaching age 72 in 1969 or after would be subject to the requirements of existing law of six or more quarters of coverage.

The table below sets forth the requirements as to widows:

*Insured status provisions with respect to widow's benefits as to quarters of coverage required*

| Year of husband's death (or attainment of age 65, if earlier) | Present quarters required | Proposed quarters required for widow attaining age 72 in— | | |
|---|---|---|---|---|
| | | 1966 or before | 1967 | 1968 |
| 1954 or before | 6 | 3 | 4 | 5. |
| 1955 | 6 | 4 | 4 | 5. |
| 1956 | 6 | 5 | 5 | 5. |
| 1957 or after | 6 or more | 6 or more | 6 or more | 6 or more. |

(c) Basic benefits: Men and women workers who would be eligible under the above-described provisions for workers would receive a basic benefit of $35 a month. A wife, aged 72 or over (and who attains that age before 1969) would receive one-half of this amount, $17.50. No other dependents' basic benefits would be provided under these provisions.

Widows would receive $35 a month under the above-described provision.

These provisions would become effective for the second month after the month of enactment, at which time an estimated 355,000 persons would be able to start receiving benefits.

6. Retirement test: The bill liberalizes the social security earned income limitation so that the uppermost limit of the "band" of $1 reduction in benefits for $2 in earnings is raised from $1,700 to $2,400. Under existing law the first $1,200 a year in earnings is wholly exempted, and there is a $1 reduction in benefits for each $2 of earnings up to $1,700 and $1 for $1 above that amount. The bill would increase the $1 for $2 "band" so that it would apply between $1,200 and $2,400, with $1 for $1 reductions above $2,400. This change is effective as to taxable years ending after 1965.

The bill also exempts certain royalties received in or after the year in which a person reaches age 65 from copyrights and patents obtained before age 65 from being counted as earnings for purposes of this test effective as to taxable years beginning after 1964.

7. Wife's and widow's benefits for divorced women: The bill would authorize payments of wife's and widow's benefits to the divorced wife aged 62 or over of a retired, deceased, or disabled worker if she had been married to the worker for at least 20 years before the date of the divorce and if her divorced husband was making (or was obligated by a court to make) a substantial contribution to her support when he became entitled to benefits, became disabled, or died. The bill would also provide that a wife's benefits would not terminate when the woman and her husband are divorced if the marriage has been in effect for 20 years. Provision is also made for the reestablishment of benefit rights for a widow or a wife who remarries and the subsequent marriage lasts less than 20 years. These changes are effective as to second month following month of enactment.

8. Adoption of child by retired worker: The bill would change the provisions relating to the payment of benefits to children who are adopted by old-age insurance beneficiaries to require that as to any adoption after the worker becomes entitled to an old-age benefit (1) the child be living with the worker (or adoption proceedings have begun) in or before the month when application for old-age benefits is filed; (2) the child be receiving one-half of his support for a year before the worker's entitlement; and (3) the adoption be completed within 2 years after the worker's entitlement.

COVERAGE

The following coverage provisions (contained in the House-passed bill last year) were included:

1. Physicians and interns: Self-employed physicians would be covered for taxable years ending after December 31, 1965. Interns would be covered beginning on January 1, 1966, on the same basis as other employees working for the same employer.

2. Farmers: Provisions of existing law with respect to the coverage of farmers would be amended to provide that farm operators whose annual gross earnings are $2,400 or less (instead of $1,800 or less as in existing law) can report either their actual net earnings or 66⅔ percent (as in present law) of their gross earnings. Farmers whose annual gross earnings are over $2,400 would report their actual net earnings if over $1,600, but if actual net earnings are less than $1,600, they may instead report $1,600. (Present law provides that farmers whose annual gross earnings are over $1,800 report their actual net earnings if over $1,200, but if actual net earnings are less than $1,200, they may report $1,200.) This change would be effective for taxable years beginning after December 31, 1965.

3. Cash tips: Coverage of cash tips received by an employee in the course of his employment as wages would be provided, effective as to tips received after 1965.

(a) Reporting of tips: The employee would be required to report to his employer in writing the amount of tips received and the employer would report the employee's tips along with the employee's regular wages. The employee's report to his employer would include tips paid to him through the employer as well as those received directly from customers of the employer. Tips received by an employee which do not amount to a total of $20 a month in connection with his work for any one employer would not be covered and would not be reported.

(b) Tax on tips: The employer would be required to withhold social security taxes only on tips reported by the employee to him. Unlike the provision in last year's House bill, the employer would be required to withhold income tax on such reported tips. The employer would be responsible for the social security tax on tips only if the employee reported the tips to him within 10 days after the end of the month in which the tips were received. The employer will be permitted to gear these new procedures into his usual payroll periods. The employer would pay over his own and the employee's share of the tax on these tips and would include the tips with his regular reports of wages. If at the time the employee report is due (or, in cases where the report is made earlier—if between the making of the report and the time it is due), the employer does not have unpaid wages or remuneration of the employee under his control sufficient to cover the employee's share of the social security tax applicable to the tips reported, the employee will pay his share of the tax with his report.

If the employee does not report his tips to his employer within 10 days after the end of the month involved, the employer would have no liability. In such a case the employee alone would be liable not only for the amount of the employee tax but also an additional amount equal to the employer tax.

4. State and local government employees: Alaska and Kentucky would be added to the list of States which may cover State and local government employees under the divided retirement system provision. This provision allows current employees desiring to do so to elect coverage; future employees are covered compulsorily.

Another opportunity would be provided, through 1966, for the election of coverage by people who originally did not choose coverage under the divided retirement system provision.

Coverage would be made available to certain hospital employees in California whose positions were removed from a State or local government retirement system.

New coverage provisions in the bill (not contained in last year's bill) are:

1. District of Columbia employees: Coverage would be extended to employees of the District of Columbia who are not covered by a retirement system. About 600 substitute teachers would be involved. The District of Columbia Commissioners also could shift the coverage of temporary and intermittent employees from the civil service retirement system to social security. The earliest date on which coverage could become effective would be the first day of the calendar quarter following the calendar quarter of enactment.

2. Exemption of certain religious sects: Members of certain religious faiths may be exempt from social security self-employment taxes and coverage upon application which would be accompanied by a waiver of benefit rights. An individual eligible for the exemption must be a member of a recognized religious sect (or a division of a sect) who is an adherent of the established teachings of such sect by reason of which he is conscientiously opposed to acceptance of the benefits of any private or public insurance, making payments in the event of death, disability, old-age, or retirement, or making payments toward the cost of, or providing services for, medical care (including the benefits of any insurance system established by the Social Security Act). The Secretary of Health, Education, and Welfare must find that such sect has such teachings and has been in existence at all times since December 31, 1950, and that it is the practice for members of such sect to make provision for their dependent members which, in the Secretary's judgment, is reasonable in view of their general level of living. The exemption for previous years (taxable years ending prior to December 31, 1965) must be filed by April 15, 1966. The exemption would be effective as early as taxable years beginning after December 31, 1950.

3. Nonprofit organizations: Nonprofit organizations could provide coverage for employees retroactively for up to 5 years (1 year under present law); also, validation of certain erroneously reported wages would be permitted.

MISCELLANEOUS

1. Filing of proof: Extends indefinitely the period of filing of proof of support for dependent husbands, widowers and parent's benefits, and lump-sum death payments

where good cause exists for failure to file within initial 2-year period.

2. Automatic recomputation of benefits: The benefits of people on the rolls would be recomputed automatically each year to take account of any covered earnings that the worker might have had in the previous year that would increase his benefit amount. Under existing law there are various requirements, including filing of an application and earnings of over $1,200 a year after entitlement.

3. Military wage credits: Replaces present provision authorizing reimbursement of trust funds out of general revenue for gratuitous social security wage credits for servicemen so that such payments will be spread over the next 50 years (now 10 years).

*Number of persons immediately affected and amount of additional benefits in the full year 1966*

| | | |
|---|---|---|
| 7 percent benefit increase ($4 minimum in primary benefits). | 20 million persons | $1.4 billion. |
| Child's benefit to age 22 if in school | 295,000 children | $195 million. |
| Reduced age for widows | 185,000 widows | $165 million (no long-range charge to system because of actuarial reduction). |
| Reduction in eligibility requirement for certain persons aged 72 or over. | 355,000 persons | $140 million. |
| Liberalization of disability definition | 155,000 workers, and dependents. | $105 million. |
| Liberalization of retirement test | | $65 million. |

FINANCING OF OASDI AMENDMENTS

The benefit provisions of the bill are financed by (1) an increase in the earnings base from $4,800 to $5,600 (effective January 1, 1966), and $6,600 (effective 1971), and (2) a revised tax rate schedule.

The tax rate schedule under existing law and revised schedule provided by the bill for OASDI programs follow:

[In percent]

| Years | Employer-employee rate (each) | | Self-employed rate | |
|---|---|---|---|---|
| | Present law | Bill | Present law | Bill |
| 1965 | 3.625 | 3.625 | 5.4 | 5.4 |
| 1966 | 4.125 | 4.0 | 6.2 | 6.0 |
| 1967 | 4.125 | 4.0 | 6.2 | 6.0 |
| 1968 | 4.625 | 4.0 | 6.9 | 6.0 |
| 1969-72 | 4.625 | 4.4 | 6.9 | 6.6 |
| 1973 and after | 4.625 | 4.8 | 6.9 | 7.0 |

*V. Public assistance amendments*

1. Increased assistance payments: The Federal share of payments under all State public assistance programs is increased a little more than an average of $2.50 a month for the needy aged, blind, and disabled and an average of about $1.25 for needy children, effective January 1, 1966. This is brought about by revising the matching formula for the needy aged, blind, and disabled (and for the adult categories in title XVI) to provide a Federal share of $31 out of the first $37 (now twenty-nine thirty-fifths of the first $35) up to a maximum of $75 (now $70) per month per individual on an average basis. The bill revises matching formula for aid to families with dependent children so as to provide a Federal share of five-sixths of the first $18 (now fourteen-seventeenths of the first $17) up to a maximum of $32 (now $30). A provision is included so that States will not receive additional Federal funds except to the extent they pass them on to individual recipients. Effective January 1, 1966. Cost: About $150 million a year.

2. Tubercular and mental patients: Removes exclusion from Federal matching in old-age assistance and medical assistance for the aged programs (and for combined program, title XVI) as to aged individuals who are patients in institutions for tuberculosis or mental diseases or who have been diagnosed as having tuberculosis or psychosis and, as a result, are patients in a medical institution. Requires as condition of Federal participation in such payments to, or for, mental patients certain agreements and arrangements to assure that better care results from the additional Federal money. Provides that States will receive no more in Federal funds under this provision than they increase their expenditures for mental health purposes under public health and public welfare programs. Also removes restrictions as to Federal matching for needy blind and disabled who are tubercular or psychotic and are in general medical institutions. Effective January 1, 1966. Cost: About $75 million a year.

3. Protective payments to third persons: Adds a provision for protective payments to third persons on behalf of old-age assistance recipients (and recipients on combined title XVI program) unable to manage their money because of physical or mental incapacity. Effective January 1, 1966.

4. Earnings exemption under old-age assistance: Increase earnings exemption under old-age assistance program (and for aged in the combined program) so that a State may, at its option, exempt the first $20 (now $10) and one-half of the next $60 (now $40) of a recipient's monthly earnings. Effective January 1, 1966. Cost: About $1 million first year.

5. Definition of medical assistance for aged: Modifies definition of medical assistance for the aged so as to allow Federal sharing as to old-age assistance recipients for the month they are admitted to or discharged from a medical institution. Effective July 1, 1965. Cost: About $2 million.

6. Retroactive benefit increase: The bill adds provision which would allow the States to disregard so much of the OASDI benefit increase as is attributable to its retroactive effective date.

7. Economic Opportunity Act earnings exemption: The bill also provides a grace period for action by States that have not had regular legislative sessions, whose public assistance statutes now prevent them from disregarding earnings of recipients received under the Economic Opportunity Act.

8. Judicial review of State denials: The bill provides for judicial review of the denial of approval by the Secretary of Health, Education, and Welfare of State public assistance plans and amendments and of his action under such programs for noncompliance with State plan conditions in the Federal law.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I regret that we must consider a bill of this proportion, dealing as it does with such sensitive and far-reaching matters, all in one bill. As a result, we are required to consider the good and the bad, with no opportunity to separate, as it were, the wheat from the chaff. Instead of considering one single bill, Mr. Chairman, we should be considering at a minimum two separate bills. The chairman of the Committee on Ways and Means has suggested that it could even be divided further when he states there are four monumental sections to this omnibus bill we are considering. I would have been well pleased and well satisfied if he would have earlier limited it to two and said: "Let us consider two separate monumental aspects of this bill. First. That part making necessary changes in the old-age, survivors, and disability insurance section, the cash benefit program, and the various welfare programs; and, second, another bill dealing with the medical care proposals." It seems to me that the House and its Members should have some opportunity to really work their will on this legislation.

The medical provisions should stand or fall on their own merits, and the amendments to the old-age, survivors, and disability insurance system, the cash benefit program, should stand or fall on the merits of those amendments. But as it is we are forced to accept the bad with the good, or reject the good with the bad.

This is not, in my judgment, a good way for a democratic body—and I use a small "d"—to function. It is not the way to get a full expression of the will of the House of Representatives.

I proposed earlier this year when the committee first began its consideration of this matter, that we consider and consider promptly amendments to the old-age and survivors disability insurance system and the other welfare programs, and get that on its way. We had already done the groundwork on that. We had passed in this House last year a bill providing necessary amendments and changes. It had gone through the Senate; it had been practically through conference; we could have acted speedily, and it could have been enacted into law long before this. In fact, I might review just a little history to point out that the amendments to the old-age survivors disability insurance sections of this bill could have been passed last fall if the word had not come down, and the insistence made that "Oh, no, you have to tie all of these together because of the fear that the medical part of this program could not stand on its own merits."

Let me point out this at the very beginning, that we on the committee, Democrats and Republicans alike, are in general agreement with respect to those provisions in the bill as reported by the committee relating to the old-age and survivors system, the disability system, and even as far as the Kerr-Mills system is concerned. That is not to say we have agreed on everything that is in the bill today, but generally we could have accepted them and they could have passed this House without a dissenting vote if we had limited it to that.

Yes, and we are in agreement in the committee, Democrats and Republicans alike, that our aged people face a problem with respect to providing for their medical care. We acknowledged that as far back as 1950, when we authorized the Federal Government to participate in subsidizing the benefit payments made by States to certain of its aged people who were in need.

We recognized it again when we enacted in the first instance the Kerr-Mills bill, and we still recognize that this is a problem of our older people.

We all feel, Democrats and Republicans alike, that something should be done, that action is called for. Our difference, and it is an important difference, is as to how. How do we do it? How do we meet the problems of these people in a way that is best for them and is best for this Nation and in the best interests of all of our people?

Let me, in my discussion of the bill before us and the issue before us, say a few words about the changes that have been made in the basic Social Security Act. I am most pleased at some of the changes that are made because they are changes that I have been advocating for some time. We finally are moving in this bill to correct what I consider to be some very serious inequities and some injustices.

I would mention first the benefit level. It was last year when this matter of increasing the level of benefits under the old-age and survivors and disability insurance was under consideration that I proposed, and in fact, moved in the committee that the benefit level be increased by 7 percent. We were told at that time by the administration, and this position was supported by the majority on the committee, that it had to be held to a 5-percent increase and that it had to be held there in order to accommodate a medical care program under the social security system.

Do not forget that history because it is important to remember when the proponents of the committee bill say the medical program can have no effect on the cash benefits, that we do not have to worry about superimposing a medical care program on the old-age and survivors insurance system.

It was as recent as last year that we were told—yes; the cost of living has increased 7 or 8 percent since we last increased the cash benefit level, but you cannot increase benefits by 7 percent and still have enough of the payroll tax left to finance a medical care program under social security.

That, my friends, is what is also going to happen again in the future if we tie a hospitalization program to the old-age and survivors insurance system, as is done in this bill as reported by the committee.

There is going to come a day when you will recognize the need for increased cash benefits in that program and you will be foreclosed from doing so because you will have preempted the payroll tax and the source of revenue from that source for the purposes of medical care, and you will not have sufficient left to do what should be done with respect to cash benefits.

I am pleased at the change that is involved in this bill over the bill last year, and I am pleased by the 7-percent increase.

There is a provision in this bill and the chairman has referred to it, of paying benefits on a transitional basis to certain persons 72 years of age and over who are not now eligible for cash benefits. We have had, in my judgment, a very serious inequity in the old age and survivors insurance system in that we completely ignored the plight of many of our older people, a large percentage of whom are widows, who because they were born too soon, you might say, or because the Congress acted too late, do not receive the benefits of the old age and survivors insurance system.

In 1960 I first introduced in the 80th Congress a bill to provide benefits for these people. I am most pleased today to see the committee at least in part moving to solve this problem by the provision that has been added to the bill to include and provide benefits for those over 72 years of age in certain circumstances.

Another item that was of some interest to me and which I encouraged the committee to include—and I think I can at least take some credit for having it included—is the item providing for increasing the amount an individual is permitted to earn without losing benefits. That was not in the bill when it was sent to us by the administration. It was not in the King-Anderson bill and it was not in the preliminary draft of the bill that was submitted to the committee prior to the final action. But we did insert in the bill, during the latter days, this provision increasing the amount an individual can earn and still not lose his cash benefits.

Then also there is a provision that I would point out that liberalizes the income treatment for the self-employed farmer. This corrects a problem I brought to the attention of the committee last year.

Then there is another provision that I think we all should be acquainted with because it is of considerable significance and also moves toward the correction of a problem which I have felt existed in our tax laws through the years. This is not an item relating specifically to our aged and to those over 65. This is an item that relates to all of our people. It is the provision which will permit a person no matter what his age, in determining his income tax and his tax liability, to deduct 50 percent of the cost of the premiums for a health insurance policy up to a maximum deduction of $250 without being limited by the 3-percent floor. This provision moves in the direction of encouraging our people to provide insurance against the risks of medical costs.

I first proposed legislation to remedy this problem in 1962, in the 87th Congress. I believe it will be of considerable help and encouragement toward greater expansion of private insurance for the mass of our population, and therefore a move in the right direction.

Now let me come to the parts of the bill which are in controversy, to that part of the bill which the proponents are unwilling to let stand on its own feet and rise or fall on its own merits, but which they have to tie to the now controversial amendments to the Social Security Act.

Perhaps I could best discuss this aspect of the bill and the problem by pointing out in the first instance what I would propose to replace the provisions of the bill as reported by the committee relating to medical care for the aged over 65.

The bill I propose, which I have introduced, includes all of the social security amendments, all of the public welfare amendments, all of the amendments to the Kerr-Mills Act, to which I have, however, added specifically the option for the States to adopt the eldercare program. The only difference between the bill I have proposed and will offer as a substitute and the bill as reported by the committee is in the approach to the problem of health insurance for the aged.

The substitute bill provides a program of health insurance which is admittedly the most comprehensive available today. The substitute adopts the approach used by the private insurance industry and it is patterned after the system of insurance that we have provided for our own Federal employees. The benefits are patterned on the high option of the Government-wide indemnity contract negotiated between the Civil Service Commission and private carriers for the benefit of Federal employees. It makes no distinction between medical services in the hospital or out of the hospital and it thus avoids placing unnecessary reliance on hospitalization, as I feel the committee bill does, which is the area admittedly where the costs are the greatest and the most likely to rise in the future.

The program is also patterned after the program we make available to our Federal employees in that we provide for a sharing of premium costs. The individual participates on a voluntary basis. He has the choice as to whether he wants to take the insurance policy or not. He pays a part of the premium costs. The Federal Government pays the balance of the premium costs.

For parts 1 and 2 of title I of the committee bill—these are the sections which provide for the hospitalization and related medical services—I substitute a single comprehensive program of Federal insurance. The program incorporates the medical program of the committee bill into a single package of benefits, with more extensive coverage—yes, and a savings in costs.

Now, there is nothing complicated about the proposal. We rely upon and adopt the procedures which are followed by private carriers in their contracts with the Civil Service Commission for our Federal employees.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself 10 additional minutes.

All persons aged 65 or over would be eligible—eligible on a uniform basis—for insurance and protection equivalent to the Government-wide indemnity benefit plan of the Federal Government. Their participation would be voluntary. There would be no means test. Enrollment would be during an initial enrollment period followed by periodic enrollment periods. This is the same system we use for our own Federal employees. For those under social security or the railroad retirement, enrollment would be exercised by the assignment of a premium contribution or a checkoff against the individual's current social security benefits. Those not under social security, would execute an application accompanying it with their initial premium

contribution. State agencies would be granted an option to purchase the insurance for their old-age assistance and medical assistance for the aged recipients at a group rate. Premium contributions by the individual would be based on the cash benefits which they receive under the OASDI.

Premium contributions by individuals would be based upon the cash benefits which they receive under the OASI system. The premium would be 10 percent of the minimum social security benefit and 5 percent of the balance. Those receiving the lowest social security benefits would pay the least. The average premium contribution on the basis of the bills' benefit levels would be $6.50 per month per person.

Persons not under social security would pay a premium equivalent to the maximum contribution of an individual under social security. The remainder of the cost of the insurance would be paid by the Federal Government out of general revenues.

Benefits would be paid out of a National Health Insurance Fund. The fund would receive as deposits the contributions of individuals, assignments from the social security system and railroad retirement board on behalf of individuals who have authorized a checkoff of their cash benefits, State contributions for OAA and MAA recipients, and annual appropriations from the Federal Treasury.

The Secretary of the Treasury would administer the fund.

The insurance program would be administered by the Department of Health, Education, and Welfare, which would be charged with general administration, recordkeeping, and so forth, but would not process the claims or bills of hospitals, physicians, and the like.

The Surgeon General would contract with private agencies, Blue Cross-Blue Shield, for example, which would process and pay the claims of those furnishing services and would then be reimbursed from the National Health Insurance Fund.

The Surgeon General would contract with private agencies and insurers just like we do in the Federal health insurance plan, which would then pay the claims of those furnishing the services, such as doctors and hospitals, and would be then reimbursed from the National Insurance Fund.

The chairman has suggested and others have suggested that this is a more costly method. It is not a more costly method. I hope we can show you in terms of cost to the Government—in terms of cost to the taxpayers—that we offer a plan here which is less costly to the taxpayers than that of the committee bill.

Let me say this: The estimates of the cost of this program have been made by the chief actuary of the Department of Health, Education, and Welfare, who has also made the estimates of the cost of the committee bill. On February 9, shortly after I introduced the bill embodying the provisions of this alternative plan, the actuary, in whom I have a great deal of confidence, estimated that this program would cost on an average of $20 a month for each participant. That is the premium you would have to charge if the program were fully financed by premiums.

On February 16, a week later, however, the same actuary gave us an estimate of $16. Now I am told that if the same assumptions were used that have been used in estimating the cost of the committee bill, the estimate might be back up to $20 per month. There has been a new estimate of the cost of our program on the same actuarial basis, using the same conservative assumptions; and the estimate now comes to a benefit level cost of approximately $20 per month per individual. That is the benefit side.

But where do we have the savings? Where is the difference in the cost between the two plans? In the first place, the program I advocate is voluntary, whereas the hospitalization program under the committee bill is compulsory.

The voluntary aspect of the program automatically reduces the cost; it reduces the cost of the voluntary program of supplemental benefits in the committee. I believe, the estimate of utilization under that program is something like 85 or 90 percent.

Mr. MILLS. Eighty to ninety-five percent.

Mr. BYRNES of Wisconsin. Eighty to ninety-five percent; that is the estimate that is used for the voluntary system in the committee bill. Of course, as you reduce the number of people participating, the basic cost is reduced; and, using the same fundamental estimate of utilization for our overall package, the general revenue cost is $2 billion a year. The premium cost is $1 billion. So you come to a benefit cost of $3 billion and you come to a taxpayer cost of $2 billion under the comprehensive bill that I have proposed.

Let us look at the cost of the committee bill. We have to look at both packages; not just the hospital package, and not just the doctors' service package. What is the combined cost in dollars to the taxpayers. As far as cost to the taxpayers is concerned it is $2,860 million under the present estimate of which $835 million is from the general fund, and $1.25 billion is from the payroll tax. They tell you how sufficient it is to have a proposal that would finance hospital benefits out of the general fund, which is programed separately and is not tied in with social security.

Let me call your attention to the fact that the hospital program, largely financed by the payroll tax, still uses an appropriation from the general fund to finance a part of the hospital program. For the first full year of operation the estimate—and the tables appear in the committee report—shows that the cost to the general fund will be $275 million in that year for the hospitalization program.

This in effect is the manner in which the hospitalization program is financed: For those over 65 today who are drawing a social security cash benefit, their hospitalization will be financed from the payroll tax; for those over 65 who are not eligible for social security benefits, their hospitalization will be financed from the general fund.

Now, Mr. Chairman, I ask you, if the medical care program is separate from the social security system and the payroll tax, how can you draw a distinction between those who have already retired who are not drawing a social security benefit and those who are?

Mr. Chairman, you cannot logically draw such a distinction. There is none. Those presently retired have had no connection with the tax for hospitalization which is imposed under the committee bill. This is true whether they are drawing social security benefits or not. Why then should their hospital benefits be financed on a different basis?

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself 5 additional minutes.

But where do you end up? Where do you end up as you add up the cost of the committee bill?

The cost of the hospital and the voluntary supplemental services under the committee bill in the first full year of operation is $2.8 billion of taxpayers' funds, either payroll taxpayers or general taxpayers. Under our substitute, the total cost as far as the general taxpayer is concerned in the first full year of operation is $2 billion. There is where the difference in cost is, Mr. Chairman, and it is there in black and white. We do not have to do any searching for it. A large part of the savings results from the fact that the substitute program is on a voluntary basis. Hospitalization under the committee bill is compulsory. In addition the substitute bill is contributory. I believe experts in the field will agree that the contributory factor is a substantial element in reducing abuses; namely, excessive utilization of benefits.

Then, finally, Mr. Chairman, I would also point out that the bill I propose provides for a special recoupment of the subsidy from those who are well able to pay the full cost of their subsidy. We do it by way of a special tax applied to those people with an individual income of over $5,000 a year and we recoup $10 for each $100 of income is excess of $5,000 up to a recoupment of $100 which represents the amount of subsidy contained in the policy that they purchase from the Government. Therefore, no one can contend that we are providing a benefit for the rich and a benefit to those who can well afford to take care of themselves.

But may I point this out, Mr. Chairman? My objection to the committee bill is not on the basis of the cost. My objection is to the means used to finance the benefits; namely, the payroll tax.

The committee bill would finance the major cost of medical care for the aged—the hospitalization program—through the social security system. One hundred percent of that cost will be paid for by today's workers—and tomorrow's workers—for 19 million persons over age 65. These 19 million persons will pay nothing. This amounts to approximately

two-thirds of the total cost of the combined package of benefits.

The administration bill would finance the balance of its package—the medical services—one-half out of general revenues and one-half by premium contributions.

In summary, the committee bill finances two-thirds of the cost through the social security system, one-sixth of the cost through general revenues, and one-sixth of the cost by premium contributions.

The substitute bill would finance two-thirds of the cost through the general revenues and one-third of the cost by premium contributions.

The committee bill would finance the major cost of medical care for the aged and the hospitalization program through the social security system, and you cannot get away from it.

The chairman of the Committee on Ways and Means has suggested that because they are stated separately that there is a practical separation. Mr. Chairman, we did the same thing in establishing the disability program a number of years ago. We know what that tax is producing in revenue. We know how much it is short, if it is short.

We just recently in the committee discussed the whole issue of what we had to do in order to bring the tax up and balance out the disability part of the system, because we keep separate records.

Mr. MILLS. Mr. Chairman, will my friend yield to me at that point?

Mr. BYRNES of Wisconsin. Yes, I yield to the gentleman from Arkansas.

Mr. MILLS. Permit me to ask the gentleman if the statement I made was not correct, that the OASI and the DI taxes are levied together, and then an allocation is made between the OASI and the DI trust funds?

We have done exactly that very thing in this bill before the committee today with regard to those two programs, but it could not happen with respect to the hospital insurance tax.

Mr. BYRNES of Wisconsin. It is bound to, when you are assessing it against the same taxpayer, on the same basis; you are combining the taxes. Look at the tables in your committee report. You have done that.

Mr. MILLS. No, we did not combine it. There is no combined table in the report except in the minority views. It is in an entirely separate section of the Internal Revenue Code, and there cannot be a transfer to one from the other. The proceeds of the hospital insurance trust fund have to be kept legally separate. The gentleman knows we did not do that with respect to the disability program. In the latter case, we provide for separation of funds, not a separation of tax.

Mr. BYRNES of Wisconsin. I know the gentleman has gone to great lengths to make it appear that there has been a separation; but wait and see, when this bill is enacted the tax that will be applied against the employees and the employers will be the total tax, a tax assessed to take care of the hospitalization and the tax that is required, the percentage rate that is required, to take care of the old-age survivors and disability insurance system. There is not going to be any separation, in point of fact, at the taxpayer level or even in the Treasury. When it comes to keeping records, sure, you will know what each fund has collected, but we know that today on the disability side.

Mr. MILLS. I think the gentleman is talking about one point with respect to separation, and I am talking about another point. We do not go to the extent, and the gentleman is right, as I said a few minutes ago to him, of requiring the taxpayer to make two separate computations. I am talking about separation of the tax and the trust fund from the point of view of the preservation of the OASDI Trust Funds from any inroads or intrusion by the Hospital Insurance Trust Fund. The gentleman must admit that. Permit me to again refer to page 48 of the report which reads:

> The hospital insurance program would be completely separate from the old-age, survivors, and disability insurance system in several ways, although the earnings base would be the same under both programs. First, the schedules of tax rates for old-age, survivors, and disability insurance and for hospital insurance are in separate subsections of the Internal Revenue Code (unlike the situation for old-age and survivors insurance as compared with disability insurance, where, there is a single tax rate for both programs, but an allocation thereof into two portions). Second, the hospital insurance program has a separate trust fund (as is also the case for old-age and survivors insurance and for disability insurance) and, in addition, has a separate Board of Trustees from that of the old-age, survivors, and disability insurance system. Third, the bill provides that income tax withholding statements (forms W–2) shall show the proportion of the total contribution for old-age, survivors, and disability insurance and for hospital insurance that is with respect to the latter. Fourth, the hospital insurance program would cover railroad employees directly in the same manner as other covered workers, and their contributions would go directly into the hospital insurance trust fund and their benefit payments would be paid directly from this trust fund (rather than directly or indirectly through the railroad retirement system), whereas these employees are not covered by old-age, survivors, and disability insurance (except indirectly through the financial interchange provisions). Fifth, the financing basis for the hospital insurance system would be determined under a different approach than that used for the old-age, survivors, and disability insurance system, reflecting the different natures of the two programs (by assuming rising earnings levels and rising hospitalization costs in future years instead of level-earnings assumptions and by making the estimates for a 25-year period rather than a 75-year one).

Mr. BYRNES of Wisconsin. You have made provision so as to prevent borrowing from the other funds. I recognize that. But the same thing exists today with respect to the disability insurance fund, they have to come back for an increase in the tax rate if they run short.

Mr. MILLS. What do we do? In the case of the disability fund, we allocate from the total tax of OASDI an amount in addition to that. That could not happen under this bill for the hospital insurance trust fund.

Mr. BYRNES of Wisconsin. I understand you are not doing it, but when you come down to the nub of the question you are tying it into the social security taxpayer. You have the same taxpayer, you have the same rate base.

Mr. MILLS. What about the railroad employees? They are not under social security, yet they are taxed, and the employers taxed for this purpose.

Mr. BYRNES of Wisconsin. That is of little consequence as far as I am concerned, and as far as practicability is concerned, whether it runs through the railroad retirement system, then gets into the Treasury, or whether it goes directly from the railroad and the employee into that fund. The difference, Mr. Chairman, as far as I am concerned, and I think any practical person who looks at it must admit it, the effect is you are tying this into the social security system. You can put in gimmicks that look like you are separating it, you can do all of the rationalization you want to, but you still have them both tied together.

The mere fact, Mr. Chairman, that you are going to deny hospitalization benefits to those who become 65 after 1968 unless they have paid social security taxes shows how you tie the two programs together. You cannot qualify for health benefits without also qualifying for the cash benefits under social security. If you are eligible for cash benefits you are eligible for hospital benefits.

My primary concern—and I am certain the chairman of our committee shares that concern—is to protect cash benefits under social security. That is the foremost and basic need of the elderly. Cash benefits will be secure only so long as we do not overburden the payroll tax system which is used to finance those benefits.

The payroll tax is a very regressive tax. It can be carried to the breaking point. Let me just read you from the speech which the chairman of our committee made as recently as September 28 last year. He said:

> I have always maintained that at some point there is a limit to the amount of a worker's wages, or the earnings of a self-employed person, that can reasonably be expected to finance the social security system. Not only is this a gross income tax, but it adds to the cost of American goods and services and thus affects our competitive position. I do not believe that the American people will support unlimited taxation in the area of social security.

Again in December of last year, he added a note of caution. Because he so well summarizes my views of the dangers inherent in such a tax, I would like to read a paragraph from that speech:

> I hasten to add, however, that the concept of a payroll tax cannot be judged adequately without reference to, what kind of payroll tax. A major point to be considered in this regard is, what effect does the tax proposed have prospectively on other sources of revenue. Specifically in regard to the aged, we must remember that the primary needs of our senior citizens are for adequate cash benefits. The amount must be sufficient to produce a dignified standard of living when added to other spendable assets characteristic of the aged. Further, the

amount must be raised periodically to keep in step with decreasing purchasing power of the dollar. A payroll tax to pay for health benefits, as I have stated before, should not be added to or harnessed with one to pay for cash benefits. Health expenses are less predictable and they are rising considerably faster. Within a tight coupling, the cash benefit would, in all probability, be compromised and the danger increased of stressing health care at the expense of the root-factors of food, shelter, and clothing.

If we pass the committee bill, we will be taking an unprecedented step in the field of social security. We will be tying into the social security system a service benefit. Not the payment of a specified amount of dollars at some future date, but payment for a specified service—hospitalization—regardless of what that service might cost.

That is why I am unalterably opposed to financing hospitalization through the social security system. You have been told that this is a separate tax with a separate fund, and everyone will know what the hospitalization program costs in terms of the payroll tax.

Once we embark on the program, will that make any difference?

I would like to remind you again that we followed precisely the same format when we set up disability benefits under social security. What has happened?

Today, the disability benefit and the regular cash benefit are linked together—we call it the old-age survivors and disability insurance system—OASDI.

Once we tie the hospitalization program to the payroll tax we are only kidding ourselves when we say that it can be separated from the cash benefits.

The same worker, the same employer, the same wage, all must finance both programs. Every percentage point that we levy as a tax for hospital benefits means that much less available as a tax to finance cash benefits. That is the crux of the matter.

No one can honestly say that in levying this tax to finance hospital benefits we are not jeopardizing our ability at some future date to provide for an increase in cash benefits. And I happen to believe—and I believe our chairman shares my belief—that the most important consideration should be our ability to maintain cash benefits at a level which will preserve the purchasing power of those benefits to our aged citizens.

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

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. Does my friend who sees such a threat to the OASDI program, which I do not see, see no danger at all to the general fund in his proposal?

Mr. BYRNES of Wisconsin. There is no question that we all have to cope with a most serious problem as far as the fiscal situation of our Nation is concerned, but that fiscal situation faces us whether the funds come through the general fund or payroll taxes. It is a burden we are placing on our taxpayers. The decision is apparently made that we are going to have a program for our older people that is going to be subsidized by the taxpayers of this country. That subsidy will be in the neighborhood of between $2 and $3 billion a year. That is the burden; that is the problem. You can raise it from the regressive payroll tax or on an ability-to-pay base. We can use the most regressive tax we have, which is what the committee bill proposes, falling on the workers and the low-income people, or you can rely on the progressive tax rates which we use for our general fund.

Mr. MILLS. I am sure the gentleman and I are in accord that these benefits will grow in cost in the future for no other reason than the growing number of our people over 65; but has the gentleman no fears at all of the growth of a program under the general funds of the Treasury compared to the growth of a program under dedicated or trust fund taxes?

Mr. BYRNES of Wisconsin. I would say to the gentleman I would have less concern where the program remains flexible than I would where a program is rigid as far as the practical opportunity of Congress to revise the benefit package or the method of financing. Under the payroll tax, an erroneous concept has been sold to the people that they have paid for their benefits, that they have bought something as a matter of right, under such a concept there is no flexibility to make changes because the people tell you, "We have bought this, and you cannot make any change except to liberalize it."

Under the alternative we propose, you can change the contributions by the individual and the benefit package to the individual at each period of enrollment. You can maintain flexibility, just as you do today with respect to the insurance program for Federal employees. We would not discontinue having a program of hospital and medical care benefits for Federal employees, but we do have an opportunity to change either the nature of the package or the contributions or the subsidy that will be provided. I say to you as far as I am concerned, I see more protection for the future in something that has flexibility as compared to something that is rigid.

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

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. MILLS. The social security old-age, survivors, and disability system is actuarially sound and has been for the last 30 years. How many times have we had a balanced budget of the general fund of the Treasury into which the gentleman proposes to put this system? I am trying to say this, to emphasize the point I have made repeatedly—a payroll tax will tend to limit the growth of the benefit and will tend to do so to a greater extent than will be the case if that benefit cost is placed in the general fund of the Treasury.

Mr. BYRNES of Wisconsin. I just disagree with the gentleman. There should be no more reason for a limitation based on who the taxpayers happen to be or to whether you put it on a regressive tax basis or put it on a progressive tax basis. It seems to me that justice requires we put it on the basis of those most able to pay rather than on those who are least able to pay.

Mr. Chairman, I have used more time than I should. I would summarize by saying that the differences of opinion—the point of conflict in our whole discussion is with reference to the medical provisions as contained in the committee bill. I propose a voluntary system instead of a compulsory system. I propose a contributory system. I propose that it be financed not on the regressive payroll tax but that it be financed on the basis of our progressive tax system. I propose a system that is more comprehensive as far as the benefits are concerned.

Under the alternative proposal, the matter of need is recognized by a recoupment provision. We make sure that you are not just giving a gratuity to those who are well able to take care of their own medical needs.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield briefly to the gentleman.

Mr. JONES of Missouri. The gentleman brought out a minute ago the benefits cost being estimated by the actuary at $20 a month. Will the gentleman explain that a little clearer to me? I cannot get that through my head.

Mr. BYRNES of Wisconsin. That is the benefit package.

Mr. JONES of Missouri. What do you mean by the benefit package? Do you mean that is the cost of service to be rendered to the person who enters the hospital and that that will average out at the rate of $20 a month?

Mr. BYRNES of Wisconsin. No, no.

Mr. JONES of Missouri. That is what I want to find out.

Mr. BYRNES of Wisconsin. If you were to sell a particular package of insurance benefits, which provides for many days in the hospital and coverage of doctor bills, drugs, and the like, you would have to charge a premium of $16 to $20 a month. That is what we are talking about—the premium cost.

Mr. JONES of Missouri. But you are not going to collect that much under the additional money that is going to be raised by the increases in payroll taxes; are you?

Mr. BYRNES of Wisconsin. The gentleman is talking about the provisions in the committee bill. I am talking about my substitute. There is no payroll tax involved in the substitute. Now suppose an individual pays a premium, an average premium of $6.50 a month. The balance is subsidized out of the general revenues. On this basis of 80 to 90 percent of utilization or participation by the group over 65 years of age and the cost would average out about $2 billion of Government subsidy and about $1 billion of premium cost to the group.

Mr. JONES of Missouri. In other words, am I to understand, and let me get this straight—am I to understand you are saying that a premium of $20 a month will provide hospitalization, drugs, and doctor bills?

Mr. BYRNES of Wisconsin. Yes, sir.

Mr. JONES of Missouri. I thank the gentleman.

Mr. BYRNES of Wisconsin. The same program that is provided for our Federal employees.

I would hope that this committee in this House would exercise its good judgment in saying:

First. Let us do nothing that would jeopardize in any degree our ability to maintain the cash benefit program which is the underlying basis of protection that our older people rely on.

Second. Let us do something for our aged people and make sure that there are none of our older people who want for medical care and that they have assurance they will have their medical needs taken care of.

If we are to do those two things, then we will vote for the substitute as opposed to the bill reported by the committee.

Mr. MILLS. Mr. Chairman, I yield 20 minutes to the distinguished gentleman from California [Mr. KING].

Mr. Chairman, will the gentleman yield to me?

Mr. KING of California. I am pleased to yield.

Mr. MILLS. I wanted to take this occasion to pay deserved tribute to the gentleman from California.

It has been my privilege to sit next to the gentleman for several years on the Committee on Ways and means. I know of no one for whom I have a deeper affection or any greater respect and higher regard than the gentleman from California. Throughout the years we have served on the committee together—while I have been the chairman and he has been the ranking Democrat—it has been a source of great satisfaction to me to know that at all times I have had his full and complete cooperation. I wanted the membership of the House and the people of the country to know that he has made a major contribution in the development of the legislation which is presently before the House. In fact, many of the provisions he introduced in his bill, H.R. 1, in addition to the provision which is in the bill on the basic plan for hospitalization insurance with which he is most closely identified, are contained in the pending bill.

The gentleman has made many contributions in many fields, but I doubt if he has made any greater contribution ever than in the development of this bill, H.R. 6675.

I want it to be known that I had such a feeling about the gentleman's contribution and the part that he played in this matter over the years that, after the committee directed me to introduce the committee bill—that is why it is in my name, because I happen to be chairman of the committee and the committee directed me to do so—I asked the gentleman from California to introduce an identical bill accompanying this one—H.R. 6676—because certainly he is entitled to the commendation of the American people as much as any man here today for much of what is in this bill.

I take my hat off to him again. I have done so on many occasions in the past.

In spite of all the many admirable features of the gentleman, I must say his intense loyalty to his purpose, to his people, to his country, and particularly to his colleagues here impresses me as much as any other of his many fine attributes.

Mr. Chairman, will the gentleman yield further?

Mr. KING of California. I am pleased to yield.

Mr. MILLS. My distinguished friend from Wisconsin was very kind to yield and I appreciated the fact that he did, though I took too much of his time. He and I so often find ourselves in agreement that it is difficult for me to find us in disagreement factually about two matters in this bill. One has to do with the question of separation of hospital insurance from the present social security insurance system itself. We went into the matter in the report on pages 33 and 48, as my friend from California knows, and pointed out five distinct differences in the operation of the OASDI system and this new program of hospital insurance.

My friend used an argument to say that they were one and the same because the hospital insurance matter included a lot of people not under social security.

I think he misled me as to what he meant, or maybe he misspoke himself, because I did not quite understand that as the reason. The fact that more people are in the health insurance program than the social security program I do not believe is a justifiable argument for saying the two are identical.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman from California yield to me?

Mr. KING of California. I yield to the gentleman.

Mr. BYRNES of Wisconsin. I am sorry I did not make myself clear.

Mr. MILLS. You did to everyone but me, I am sure.

Mr. BYRNES of Wisconsin. What I was pointing out to the chairman was that we have today a group of people who are over 65 who are not under social security or railroad retirement—the so-called uninsured. Under the committee bill they will all be made eligible and are all automatically eligible except—for a reason that I cannot quite understand—except for Federal employees who retired after July 1, 1960, the effective date of the Federal Employee Health Benefits Act of 1959. They are the only people put in a separate category, and you say, "No, you cannot qualify for hospitalization, but everybody else over 65 is going to be eligible for hospitalization."

Mr. MILLS. But that is not the case.

Mr. BYRNES of Wisconsin. But the cost of the benefits for those over age 65 is not all paid out of the same source of revenue. The bill makes a distinction in how you are going to pay for some of these people. For those who are drawing social security benefits, the benefits are paid out of funds derived from the payroll tax levied under the hospitalization program, but for those who are not drawing a social security benefit, the benefits are paid out of the general fund. My point is, if the hospitalization program is separated from the social security system—and none of these people over age 65 will have paid 1 cent of the tax imposed for the hospitalization phase of this program—then why should their benefits be paid from two different sources of revenue? Why should any of the benefits be paid out of general revenues if it is not tied in with the social security system?

Mr. MILLS. The gentleman put his finger on one of the very things that points up the difference between the hospital insurance trust fund and the old-age, survivors, and disability insurance trust fund. The fact that we take more people into the hospital program than are eligible under social security should be convincing to the gentleman that there is some distinction.

Mr. BYRNES of Wisconsin. Why do you pay the benefits from a different source?

Mr. MILLS. Because they come from different areas. Some come from railroad retirement, some come from social security, and some—the uninsured—come without any coverage under either program. My friend knows we have taken in far more people than are just eligible for social security benefits.

Now, will my friend from California yield further?

Mr. KING of California. I am pleased to yield to the gentleman.

Mr. MILLS. The other point of disagreement is in regard to cost estimates and assumptions. The gentleman said that his program, so far as the general fund and the Treasury are concerned, would cost $2 billion in the first year. I thought I understood him to say that it represented a per capita cost of $20 per month for a person who went into the system. Was that the figure the gentleman used—$240 a year?

Mr. BYRNES of Wisconsin. That would be the highest cost estimate.

Mr. MILLS. That is right.

Mr. BYRNES of Wisconsin. There is an intermediate cost estimate of $16 per month and a low cost; $20 is the high cost.

Mr. MILLS. We used the high-cost estimate for the committee bill, and I wanted to ask the gentleman about that. The gentleman would still let them pay $6 per month out of their pocket for the health benefits?

Mr. BYRNES of Wisconsin. An average payment would be $6.50.

Mr. MILLS. That would be the average payment?

Mr. BYRNES of Wisconsin. Yes.

Mr. MILLS. That would produce something like $1.22 billion of revenue per year, as I estimate it.

Mr. BYRNES of Wisconsin. That is at 100 percent. The gentleman is using 100 percent.

Mr. MILLS. No. That is at 90 percent participation. It is 90 percent, because 90 percent of the total population aged 65 or over adds up to 17 million people, and I am just multiplying here $240 by 17 million, and I come up with a total cost of $4.08 billion in the first full year of operation.

If we take from that the amount that the persons themselves will contribute, Mr. Myers tells us in his memorandum to you and to the committee that was

sent us while we were in executive session, using the high-cost estimates now, however, that your program providing benefits and taking care of administrative expenses, would cost the general funds of the Treasury in its first year of operation $2.86 billion, not the $2 billion the gentleman comes up with when he uses intermediate cost estimates.

Mr. BYRNES of Wisconsin. Why do we not just quote from the letter of February 26, taking the third paragraph of the letter, where Mr. Myers estimates the cost of my program?

Mr. MILLS. But what I wanted to point out is that maybe some of the basis for this conclusion of the gentleman from Wisconsin that I just could not anticipate or understand or believe, that you can do more under one program than you do under another program, but that the program that does the most is going to cost the least. Maybe that results from the fact that in one instance a high-cost estimate is used, while in the other instance an intermediate-cost estimate is used, and in the other a low-cost estimate is used. If you do that, you can get a program providing a lot more benefits that appears to cost less, but the facts are that they are going to cost whatever they cost, and we are going to have to make it available from some source.

I am somewhat amazed by the inferences from the separate views of the minority in the committee report that the hospital benefits program is not adequately financed by the bill. The minority states that there are safety factors in the cash benefits system, but that this is not the case as to the hospital benefits program. This is strange because the minority members were at the very committee meetings where, time after time, I requested that additional safety factors be placed in the assumptions.

The current assumptions as to hospital utilization, both in the early years and over the long run, reflect these added safety factors. The actuarial assumption that the earnings base would be kept up to date was replaced with an assumption that the base will not rise after 1971. This is very conservative, and if the base is subsequently raised by Congress above this amount, the tax rate can be reduced under this conservative assumption. As to the future increases in hospital costs relative to wages, the committee assumption is more conservative than that presented by the actuaries representing the insurance industry.

To put this all into perspective, I would like to insert into the RECORD at this point a memorandum from Robert J. Myers, chief actuary of the social security system, whose competency and integrity is unquestioned by Members on both sides of the aisle, commenting on the safety factors in the bill. He states, in summary:

The actuarial cost estimates for the hospital insurance system that would be established by H.R. 6675 are based on assumptions that are not only reasonable, but also conservative (in the sense that they tend to be either "high-cost" assumptions or else assumptions that have a built-in safety margin in regard to future changes in economic conditions).

The memorandum is as follows:

APRIL 1, 1965.

From: Robert J. Myers.

Subject: Principal aspects of actuarial assumptions underlying cost estimates for hospital insurance benefits of H.R. 6675.

The actuarial cost estimates for the hospital insurance system that would be established by H.R. 6675 are based on assumptions that are not only reasonable, but also conservative (in the sense that they tend to be either "high-cost" assumptions or else assumptions that have a built-in safety margin in regard to future changes in economic conditions). This may be indicated by considering the four most important cost factors involved in these estimates—namely, hospital utilization rates, the current level of reimbursable average daily hospitalization costs, future trend of hospitalization costs, and future changes in the maximum taxable earnings base for the program. Each of these factors will be considered in turn.

A. Hospital utilization rates: The rates used in the current cost estimates are 20 percent higher than those used in the cost estimates for the administration proposal of 1965 in the initial years of operation, and 10 percent higher in the long run. The rates used previously were reasonable and were developed from extensive analysis of survey data, with appropriate adjustments being made for the effect of "insurance benefits" being available to the entire eligible population and for deceased persons who were omitted from the survey.

B. Current level of reimbursable average daily hospitalization costs: The 1966 figure used as the base point has been projected from the most recently available actual data (for 1963) by assuming that hospitalization costs would increase at the same average rate as in the past decade, even though there is clear evidence that the rate of increase has slackened off some. The downward adjustments that have been made in the basic data obtained from the American Hospital Association [1] have been analyzed further on the basis of a number of sources of information, and I believe that the aggregate effect is that the reduction made is conservative.

As compared with the procedure for previous estimates for Hospital Insurance proposals, the current method in regard to this factor is more conservative. This is the case because it begins with the estimated figure that will actually occur in the first year of operation, rather than with the lower figure based on an earlier year; namely, that for the earnings assumptions for estimating the contribution income (1963).

C. Future trend of hospitalization costs: It is assumed that hospitalization costs will increase more rapidly than the general level of wages in the first 5 years—namely, by the same average differential that has prevailed on the average in 1954–63, even though there has been clear evidence of a downward trend (i.e., the rate of increase of hospitalization costs becoming more nearly the same as the rate of increase of the general wage level). After the first 5 years of operation, the differential of the increase in hospitalization costs over the increase in wages is assumed to lessen, and following 1975, hospitalization costs and wages are assumed to rise at the same rate. This is a much more conservative assumption than was used in earlier cost estimates for administration proposals—namely, that over the long run, from the inception of the program, hospitalization costs would increase at exactly the same rate as wages. Also, it is somewhat more conservative than the corresponding assumptions recommended by the Advisory Council on Social Security Financing, and slightly more conservative than the assumptions that the insurance business made in its estimates.

D. Future changes in maximum taxable earnings base for program: The conservative assumption is made that, despite the assumption that the general wage level will rise by 3 percent annually during the 25-year period considered in the cost estimates, the maximum taxable earnings base will not be changed from the pertinent provisions in the bill (namely, an earnings base of $5,600 in 1966–70 and of $6,600 thereafter). In essence, this is a built-in safety factor in the hospital insurance program, because it seems most likely that if wages continue to rise steadily after 1971, then at some time thereafter the earnings base will be adjusted upward. Under such circumstances, the contribution schedule developed could, if all other cost assumptions are exactly realized, be reduced.

In all cost estimates made previously, it was assumed that the earnings base would be increased from time to time in a proportionate manner with changes in the general earnings level. If such changes did not occur, then the cost of the program would be higher than in the estimate.

Finally, it may be mentioned that there is still another conservative element in the cost estimates that is present both in regard to H.R. 6675 and also has always been present—namely, that the proposals are to be financed by a certain amount of advance funding, rather than being on a completely (or nearly) pay-as-you-go basis. Thus, for example, under H.R. 6675, in the first year of operation the estimated contributions are 61 percent in excess of benefit payments. In the next 3 years of operation, this differential averages about 15 percent each year.

ROBERT J. MYERS.

I would think that the gentleman would better proceed in a more conservative fashion on the basis of a high-cost estimate for his program, just as we have used in the committee bill. If he does, the first-year cost will not be $2 billion out of general revenues, but rather a higher figure—by $860 million in the first full year of operation.

Mr. BYRNES of Wisconsin. Mr. Chairman, I hate to use so much of the time of the gentleman from California, but I do think the gentleman is perfectly right, that we should get this whole cost matter thrashed out so everybody understands it.

Mr. MILLS. That is right.

Mr. BYRNES of Wisconsin. If the gentleman will allow for half a minute, I should like to quote the last estimate made by the actuary, in a letter dated February 26. I believe this is the last estimate.

Mr. MILLS. April 5 is the last I have. It refers to the one of February 26.

Mr. BYRNES of Wisconsin. Mr. Myers is talking about the cost estimates for the Byrnes bill—revised. This is the third paragraph in the memorandum which is at the heart of it. It says:

If there were 100 percent participation, in Federal cost for the first full year of operation (which could be assumed to be fiscal year 1966 to 1967) it is estimated at $2.4 billion, while the participants themselves would contribute about $1,250 million. With 80 percent participation, the Government

[1] The adjustments have been made to allow for the inclusion of non-reimbursable items (such as the cost of operating restaurants and gift shops, the cost of outpatient clinics, etc.), the lower average daily cost for persons aged 65 and over (because of their longer average stays), and the adjustment to allow for exclusion of all physicians' services.

cost would be $1.9 billion while the participants would pay $1 billion; and with 50 percent participation the corresponding figure would be $1.2 billion and $0.6 billion, respectively.

I point out in my remarks that it is not anticipated that you would have 100 percent participation under a voluntary program. We have people who already have a system that is adequate for their needs and would not participate.

All I can do, Mr. Chairman, is cite to you the language of the actuary on whom you rely and, frankly, on whom we rely. At least we do not have a difference of opinion of two different actuaries.

Mr. MILLS. We have the same actuary, and we all have great confidence in him. I want to suggest that when we get back in the House, the gentleman, at this particular point in the RECORD, insert the memorandums from the actuary dated February 9 and 26. And let me at the same time include what he has supplied me in the form of a memorandum dated April 5, 1965, in which he says that if we use high-cost estimates—compared to the intermediate-cost estimate used in the memorandum of February 26—for your plan on a 90-percent assumption of enrollment, and high-cost estimates for the committee plan, that we bring the costs of the two together on a comparable basis.

Mr. BYRNES of Wisconsin. I would certainly like to see the revised estimate. I thought I was receiving the material relating not only to the cost of my bill but the cost of the committee program. I did not know that there was an undercover change in the estimates. I relied on the first two estimates made by the actuary.

Mr. MILLS. This is the same actuary that the gentleman has great confidence in. If the gentleman will let me explain the April 5 memorandum I have, it does nothing more than refer to the February 6 and 26 memorandums and explains those memorandums with relationship to a high-cost actuarial estimate as we asked for toward the end on the committee bill. I will show this to the gentleman, and I will also show him a memorandum prepared today that uses the same $6.50 average monthly premium payable by the participants that the gentleman cites, instead of the average premium of $6 that is used in the April 5 memorandum. I include at this point in the RECORD the memorandums of Mr. Myers dated February 9, February 26, April 5, and April 7:

MEMORANDUM OF FEBRUARY 9, 1965

From: Robert J. Myers.
Subject: Cost estimate for the Byrnes bill.

This memorandum will present a cost estimate for the first full year of operation of the Byrnes bill, H.R. 4351, which would establish a program of voluntary comprehensive health insurance for all persons aged 65 or over. In making a cost estimate for this proposal, it is impossible to predict with any exactitude what proportion of the eligible persons will actually elect to participate. Three different participation assumptions are made—namely, 100 percent, 80 percent, and 50 percent. Although it is recognized that complete 100 percent participation will never be possible because of the parallel existence of the plan for persons under the civil service retirement program and because of low-income persons not on old-age assistance but who could possibly qualify for medical assistance for the aged under an adequate State plan not electing to participate.

If there were 100-percent participation, the Federal cost for the first full year of operation is estimated at $3.3 billion, while the participants themselves would contribute about $1¼ billion. With 80 percent participation, the Government cost would be $2.6 billion, while the participants would pay $1 billion, and with 50 percent participation the corresponding figures would be $1.7 billion and $0.6 billion, respectively.

It should be mentioned that dollar costs in future years will be increasingly higher than those for the first full year of operation. As to the participant contributions, this will be the case because of the larger number of eligible persons and because of higher benefit amounts (since those currently coming on the roll tend to have somewhat larger benefits than those who retired in previous years). The Government cost would increase at a more rapid rate than the cost for participants because of the anticipated more rapid rate of increase of medical costs than will be true for wages, which in turn will increase more rapidly than benefit amounts.

One of the cost aspects of the proposal should be mentioned—namely, the increased cost to the OASDI system as a result of the liberalization of the earnings test. In fact, an amount of benefit equal to the monthly health contribution is made exempt from the earnings test for all persons aged 65 and over (regardless of whether or not retired). The estimated level-cost of this change in the earnings test is 0.07 percent of taxable payroll.

ROBERT J. MYERS.

MEMORANDUM OF FEBRUARY 26, 1965

From: Robert J. Myers.
Subject: Cost estimate for the Byrnes bill.

This memorandum will present a cost estimate for the first full year of operation of the Byrnes bill, H.R. 4351, which would establish a program of voluntary comprehensive health insurance for all persons aged 65 or over, effective January 1, 1966. In making a cost estimate for this proposal, it is impossible to predict with any exactitude what proportion of the eligible persons will actually elect to participate. Three different participation assumptions are made; namely, 100 percent, 80 percent, and 50 percent. Although it is recognized that complete 100-percent participation will never be possible because of the parallel existence of the plan for persons under the civil service retirement program and because of low-income persons not on old-age assistance but who could possibly qualify for medical assistance for the aged under an adequate State plan not electing to participate.

The current cost estimate uses a figure of $16 per capita for benefits and administrative expenses (or 79 percent above the H.R. 1 cost of about $9). It may be noted the insurance industry uses a figure of $19.40 for the Byrnes bill—$18.50 for benefit costs, plus 5 percent for administrative expenses (or 55 percent above its estimate of $12.50 for H.R. 1).

If there were 100-percent participation, the Federal cost for the first full year of operation (which could be assumed to be fiscal year 1966–67) is estimated at $2.4 billion, while the participants themselves would contribute about $1¼ billion. With 80-percent participation, the Government cost would be $1.9 billion, while the participants would pay $1 billion, and with 50-percent participation the corresponding figures would be $1.2 and $0.6 billion, respectively.

It should be mentioned that dollar costs in future years will be increasingly higher than those for the first full year of operation. As to the participant contributions, this will be the case because of the larger number of eligible persons and because of higher benefit amounts (since those currently coming on the roll tend to have somewhat larger benefits than those who retired in previous years). The Government cost would increase at a more rapid rate than the cost for participants because of the anticipated more rapid rate of increase of medical costs than will be true for wages, which in turn will increase more rapidly than benefit amounts.

One of the cost aspects of the proposal should be mentioned; namely, the increased cost to the OASDI system as a result of the liberalization of the earnings test. In fact, an amount of benefit equal to the monthly health contribution is made exempt from the earnings test for all persons aged 65 and over (regardless of whether or not retired). The estimated level cost of this change in the earnings test is 0.07 percent of taxable payroll.

ROBERT J. MYERS.

MEMORANDUM OF APRIL 5, 1965

From: Robert J. Myers.
Subject: Cost estimate for the Byrnes bill, H.R. 7057.

This memorandum will present a cost estimate for the first full year of operation of the Byrnes bill, H.R. 7057, which would establish a program of voluntary comprehensive health insurance for all persons aged 65 or over, as well as make revisions in the OASDI program. I have presented cost estimates for the almost identical proposal that Mr. BYRNES of Wisconsin made previously, as contained in H.R. 4351, for which I gave cost estimates in my memos of February 6 and 26. I am assuming a participation rate of 90 percent, since this is what Mr. BYRNES of Wisconsin hypothesizes in his explanation of the bill in the CONGRESSIONAL RECORD for April 1, pages 6784–6786.

Under this participation assumption, there would be about 17 million persons who would participate in the program in the first full year of operation. The average contribution from the participants would be about $6 per month (higher than the figure of $5.50 used previously, because of the increase in the OASDI cash benefits resulting from title III of the bill). Accordingly, the annual rate of contributions from the participants would be $1.22 billion.

According to an intermediate-cost estimate, the monthly per capita cost of the benefits and administrative expenses would be $16 (as per my memorandum of February 26), so that the total annual cost would be $3.26 billion, thus leaving $2.04 billion as the cost from general revenues. On the other hand, if the per capita cost assumptions are high-cost ones (as per my memorandum of February 6)—thus paralleling the cost assumptions used for H.R. 6675—the annual cost for benefits and administrative expenses would be $4.08 billion, thus making the cost from general revenues be $2.86 billion. This figure may be contrasted with the estimate of $2 billion given in Mr. BYRNES' statement, which apparently is thus based on intermediate-cost assumptions that are not consistent with those in the cost estimates underlying H.R. 6675.

ROBERT J. MYERS.

MEMORANDUM OF APRIL 7, 1965

From: Robert J. Myers.
Subject: Cost estimate for the Byrnes bill, H.R. 7057, on basis of average participant payment of $6.50 per month.

This memorandum will present a cost estimate for the first full year of operation of the Byrnes bill, H.R. 7057, which would establish a program of voluntary comprehensive health insurance for all persons aged 65 or over, as well as make revisions in the OASDI

program, on the basis that the average monthly premium payments from participants will be $6.50. I have presented cost estimates for the almost identical proposal that Mr. BYRNES made previously as contained in H.R. 4351, for which I gave cost estimates in my memos of February 6 and 26 and in my memo of April 5, which was based on an average participant payment of $6. I am assuming a participation rate of 90 percent, since this is what Mr. BYRNES hypothesizes in his explanation of the bill in the CONGRESSIONAL RECORD for April 1, pages 6784–6786.

Under this participation assumption, there would be about 17 million persons who would participate in the program in the first full year of operation. Accordingly, the annual rate of contributions from the participants would be $1.33 billion.

According to an intermediate-cost estimate, the monthly per capita cost of the benefits and administrative expenses would be $16 (as per my memorandum of February 26), so that the total annual cost would be $3.26 billion, thus leaving $1.93 billion as the cost from general revenues. On the other hand, if the per capita cost assumptions are high-cost ones (as per my memorandum of February 6)—thus paralleling the cost assumptions used for H.R. 6675—the annual cost for benefits and administrative expenses would be $4.08 billion, thus making the cost from general revenues be $2.75 billion. This figure may be contrasted with the estimate of $2 billion given in Mr. BYRNES' statement, which apparently is thus based on intermediate-cost assumptions that are not consistent with those in the cost estimates underlying H.R. 6675.

ROBERT J. MYERS.

Mr. MILLS. Mr. Chairman, how much time has the gentleman from California consumed?

The CHAIRMAN. The gentleman from California has consumed 14 minutes.

Mr. MILLS. Theoretically he has, but the RECORD will show differently.

Mr. Chairman, I yield to the gentleman 14 additional minutes.

Mr. KING of California. Mr. Chairman, I hesitated to join in this discussion. I thought that I had a simple answer. I am not often asked for my opinion, but in this case I could say that a voluntary program doing less for fewer people would certainly cost less and I do not think you have to be a mathematician to arrive at that conclusion.

Mr. Chairman, the legislation which this House will pass tomorrow as debate ends—and in my opinion it will pass overwhelmingly—is the culmination of many years of public-spirited effort by many sincere and dedicated men, some of whom are here today but others of whom have passed from this scene. One thing, I believe, all of these people have had in common is a sincere and deep-seated desire to help their fellowman and a compassion for those who by fate or circumstance beyond their control face problems with which the average frugal aged citizen in this automated age are unable to cope.

One thing which is understood by openminded and farsighted legislators, and, indeed, all fairminded men of the times, is that society and our economy do not ever stand still. If Government is to keep pace with the demands of the times, then Government must develop those programs and policies which are necessary to meet the emerging needs of our citizens. So it is with this legislation today. Here we have a monument to what ultimately can be done in the face of very great inertia on the part of many and despite extended and, at times, vociferous overt opposition from those forces which always oppose change.

Those who have already spoken, including our brilliant chairman of the Committee on Ways and Means, our colleague WILBUR MILLS, have discussed in detail the changes which this legislation would make in existing law and the new programs which it will place on the statute books. I do not, therefore, feel called upon to consume the time of my fellow legislators by repeating the details of what has already been so ably discussed. What I do hope to achieve by these few brief remarks is to instill in my colleagues a sense of the importance of this day to our times and to the future and the ramifications which this legislation will have in the months and years to come.

It seems, in one sense, that it has been only a brief period of years since I first sponsored this legislation even after those who had gone before me had worked for passage of somewhat similar programs. I well recall in the late 1940's and early 1950's the efforts of my esteemed late colleague on the Committee on Ways and Means, the Honorable John Dingell, whose distinguished son, I am proud to note, is now sitting as Chairman of the Committee of the Whole House on the State of the Union who so proudly carries on today that oldtime Dingell tradition in the House of Representatives. I also well recall the courageous and extended battle fought for legislation similar to this by our colleague, the Honorable Aime Forand. In 1957, Aime Forand introduced what became known nationwide as the Forand bill, and he immediately became the target of extended and widespread abuse on the part of those who are today fighting the legislation which this House will pass.

From 1957 until this Congress, the Committee on Ways and Means on numerous occasions conducted hearings, both public and executive, on Aime Forand's bill and then, subsequently, on the similar legislation which I have had the honor to sponsor. In those hearings and some areas of the public press and in certain trade publications, I think all of you are aware that I became the target of a considerable amount of abuse. Perhaps only those Members who attended our most recent public hearings on this subject in the Congress just concluded will recall my comments when the representatives of the American Medical Association appeared and testified. At that time, I stated that what they had just said with regard to my bill was consistent with what they had been saying since similar legislation was first introduced and that the only real difference in their position was that a new set of figures had been devised to attempt to prove their case. At that time, I further recalled that the posture of opposition was one not unfamiliar to the American Medical Association since they had been consistent in opposing measures not only of this nature but also such laudable extensions of the Social Security Act as the Social Security Amendments of 1956 which for the first time provided disability insurance benefits. As I said at that time, I have never objected to fair criticism of anything which I have espoused, but the type of critical comment which was issued from some quarters of the American Medical Association far surpassed which we all except as within the bounds of reasonable critical comment.

However, I do not wish to dwell on that sort of thing. What I do want to do is to lend a sense of history to what we are doing today, by briefly reviewing the development of our social security system, and then to again say why this program in this bill is necessary.

HISTORY OF SOCIAL SECURITY PROGRAM

The 1935 social security legislation provided only old-age insurance benefits, and these were paid only to the worker himself. The amendments of 1939 put the protection of the program on a family basis by adding monthly benefits for the worker's dependents and survivors. Not only the aged and retired worker but his widow as well could therefore look to an assured but modest income in old age. The 1939 amendments also provided that the monthly benefits that were to be paid under the social security system should be paid beginning in 1940, and in this way realized the potential of social insurance to provide full-rate benefits without awaiting the buildup of huge reserves many years in the future as under private insurance.

During the 1950's, adjustments were made in the benefits and the earnings base of the program that were needed to keep social security in step with our economy. Also, the coverage of the program was greatly improved during the past decade. In 1956, benefits were provided for disabled workers between the ages of 50 to 65. These benefits were, of course, made immediately effective for workers who had become disabled previously. In 1958 benefits were added for dependents of disabled workers; and in 1960 the law was changed to provide benefits to disabled workers at any age and to their dependents.

NUMBER OF PERSONS INSURED

At the beginning of 1965 over 92 million people had worked long enough to be insured under the program, with the result that 9 out of 10 people now becoming 65 will be eligible for monthly benefits under social security when they retire. In the years to come, over 95 percent of the elderly will be insured. The total number of people of all ages receiving monthly benefits is now about 21 million—more than the number of people who live in my State of California, our Nation's most populous State. Benefits now total over $16 billion a year.

HEALTH BENEFITS A LOGICAL EXTENSION

While social insurance has evolved from a program of old-age security to one protecting orphans and their mothers and the disabled and their dependents, it still has its major impact in old

age. Ironically, it is in the old-age security part of the program that the greatest gap in protection now exists—the absence of any provision for meeting large health costs.

Protection against the health costs in old age is a logical and necessary extension of the retirement protection furnished by the present social security program. Monthly cash benefits can meet the regular recurring expenses of food, clothing, and shelter but such benefits alone cannot give economic security in old age. It is also necessary that older people have protection against the unpredictable and unbudgetable costs of expensive illness. A person may go on for a long time with little in the way of medical expenses, and then in a very short period have a hospital bill running into thousands of dollars. Cash benefits are not a practical way to meet this need. The only way that effective retirement protection can be furnished is through a combination of a cash benefit and insurance against the costs of major illness. Our country's system of social insurance simply cannot do the job it was set up to do until it provides this dual protection.

The legislation now before us would close the last remaining gap in the social insurance protection of the older American. I am proud that I have been privileged to have introduced H.R. 1—as well as its predecessors—and thus to play a part in bringing the needed health cost protection to our elderly citizens.

While virtually every committee member has contributed to the development of the health benefits legislation, one man, the gentleman from Arkansas, Chairman MILLS, deserves major credit as the architect of this monumental proposal.

As the Members of this body know, the chairman does not sponsor legislation which has not received the most careful and painstaking consideration. During the more than 7 years he has served as chairman of the Committee on Ways and Means, Mr. MILLS has seen to it that every piece of legislation bearing his name represents the best thinking, the best construction, the best techniques for dealing with the problem at hand. He has examined every view that has been offered in connection with this proposal by both proponents and opponents and explored with painstaking care every comment and criticism. All of this has been distilled with the intent to retain only the most constructive suggestions. The result is one which, like social security itself, embodies values and ideals with which few in this body can seriously dispute. The bill before us will, I am certain, be a lasting monument to Chairman MILLS' expertise, his energy, and his skill as a legislative craftsman.

We also owe a debt of gratitude to Secretary Celebrezze, Assistant Secretary Wilbur J. Cohen, Commissioner of Social Security Robert M. Ball, and Chief Actuary Robert J. Myers. These men worked diligently with the committee and were of great assistance in developing a proposal which would be socially desirable, medically and actuarially sound, and administratively feasible.

NATURE OF THE HEALTH BENEFITS PROPOSAL

The health benefits legislation recommended by the committee would utilize various resources which can, each in its own way, contribute the most to combat the insecurity that stems from high health costs in old age. The health insurance provisions of the bill would establish two separate programs—one basic, the other supplementary; one compulsory, the other voluntary; one financed through a special tax on earnings, the other financed through premiums and general revenue contributions.

The basic plan would provide hospital insurance protection for virtually all older people. Because of the relatively high cost of hospital insurance for older people, provision is made for workers to pay in advance, before they reach age 65, toward the cost of their benefits just as they now pay while working toward their cash social security benefits.

Coverage under the basic plan would be provided in a fashion like that of the present social security system, because hospital costs pose so widespread a threat to the economic security of elderly people that it should be certain that virtually all the aged will have hospital insurance protection. Medical expenses for hospitalized aged people are five times greater than for the aged not hospitalized. Nine out of ten aged people who reach age 65 will be hospitalized at least once—two out of three, at least twice—before they die.

In addition to meeting hospital care costs, payments would be made under the basic program for less intensive services and levels of care appropriate to the hospitalized patient's needs as his condition changes, and which can be substituted in many cases for inpatient hospital care. These ancillary benefits would cover posthospital care in an extended care facility and posthospital home health services. In addition, outpatient diagnostic studies would be covered.

With the cost of the individual's old-age hospital benefit protection financed during his working years, he would be in a position to make a substantial contribution in old age toward the relatively low-cost supplementary protection which would be provided by the bill on a voluntary basis.

The voluntary supplementary plan would meet the costs of physicians' services and provide other benefits which are designed to build upon and fit together with the protection that would be afforded the aged under the basic hospital insurance program. The combined coverage of the two insurance programs would result in protection for the elderly of a quality that only a few older people can now afford.

Coverage of physicians' services would be a particularly valuable supplement to the hospital insurance provided under the basic plan. According to the National Health Survey, payments for physicians' services represent about 30 percent of private health expenditures for aged persons. The annual $50 deductible under the supplementary plan would limit physicians' coverage under that plan to cases where costs are appreciable.

ADMINISTRATION

In developing the basic and the supplemental plans, a great deal of thought was given to their administration. The conclusions reached represent, I believe, a reasonable approach which promises to be efficient and, because of the selection of private organizations to carry out some of the more sensitive tasks, acceptable to the providers of health services.

In assigning administrative functions it was recognized that each of the services covered under the basic program is provided by institutions or organizations which are accustomed to receive payment on a cost basis for the services they furnish from Blue Cross organizations and from public agencies and programs. The committee concluded that it would be feasible to provide in the administration of the basic program for the use of fiscal intermediaries selected by hospitals and other providers of services.

This would permit the same organizations or agencies which now reimburse providers of services on a cost basis to be used to perform a similar function under the basic hospital insurance program.

On the other hand, the services selected for coverage under the supplementary plan are primarily those provided by individuals or organizations that are paid for their services on the basis of established charges. The bill provides for payments to physicians on a charge basis to be made by private carriers under contract with the Secretary. The private carrier would have the responsibility for determining the amount that physicians and others who would furnish services covered by the supplemental plan should be paid.

While an important role would be reserved for private organizations, I fully expect the Department of Health, Education, and Welfare to exercise leadership in seeing to it that these federally financed programs are being carried out with efficiency, that the rights of beneficiaries and providers of health care are observed and that high quality in medical care for the aged is a primary goal.

BENEFITS AND BENEFIT BASE

While health insurance for the aged is the major achievement of this legislation, it is monumental also in its provision of improved protection for the totally disabled, in its recognition of the plight of the orphaned child of college age, in its improvement of the fiscal framework of the program by going far to reestablish a proper base of earnings to be taxed for its support, in its recognition of the need of the average and higher earners to have more of their earnings credited toward future protection, and in its great improvement in the provisions for medical and other aid to the poverty stricken of the Nation. For all these improvements, too, Chairman MILLS and others will deserve the gratitude of many.

CONCLUSION

Mr. Chairman, the health benefits proposal represents a practical solution to

a particularly difficult problem. It would provide the extensive health cost protection that older people need—thus overcoming perhaps the strongest objection that our friends from the American Medical Association have raised in connection with some of the proposals with which I have been associated in the past.

This broad protection would be financed in a way that would enable the individual to contribute substantially to the cost of his protection. This contribution from the worker means that he can expect the benefits to be paid as a matter of right and in a manner that safeguards his dignity and privacy. Also, because the benefits and the contributions are so closely connected, an attitude of responsibility toward the cost of program changes will be preserved where they might have been lost had benefits been provided largely or entirely from general revenues.

Finally, the State-Federal programs of medical assistance for the needy aged, relieved of a substantial part of their burden and otherwise strengthened by the proposed legislation, will be better able to meet the medical needs and other needs of our indigent elderly citizens.

This three-way approach promises to make financial security in old age an obtainable goal for the great majority of older Americans in a way that should be acceptable to all. This monumental approach deserves the support of every Member of this House.

What greater satisfaction could there be for those of us privileged to serve in this distinguished body than to know we have provided a means of securing the benefits of the accomplishments and tremendous strides that have been made in modern medicine for millions of our elder citizens.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, I opposed the rule, before the Rules Committee and here on the floor, on two grounds: First, there is not the climate in this country or in this House to conduct an intelligent debate on this subject, and, second, because the House and the Committee on Ways and Means did not gain the knowledge, not having done the necessary research in this area, to conduct a meaningful debate.

I might add a third reason, that it is very obvious that this is not a debate. There is no decision going to be made in the well of the House. This is a farce. There are scarcely 100 Members on the floor of the House now. There were not 100 here at the time the gentleman from California [Mr. KING], the author of the bill, was making his remarks. There was not even a quorum of Members during the discussion of the chairman of the committee, for the simple reason—and this is not said in criticism, I might say of the Members of the House who are not present, although I might say it is a commendation for those of you who are here; it is not criticism for this reason—everyone knows that the decision has been made outside the well of the House.

The Congress in this instance is no longer a study and a deliberative body. This is a rubberstamp operation, just as we saw last week. These decisions have been made, possibly wisely or unwisely, through a different process for rendering judgments in our society. So I am not going to take a great deal of time indulging in this farce because what I might say, even though it might have merit and might bring out some wisdom, makes no difference, any more than what the chairman of the committee had to say makes any difference, or the gentleman from Wisconsin.

Mr. ARENDS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-six Members are present, not a quorum. The Clerk will call the roll.

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

[Roll No. 68]

| | | |
|---|---|---|
| Ashley | Duncan, Oreg. | Roosevelt |
| Baldwin | Evins, Tenn. | Smith, Calif. |
| Berry | Jones, Ala. | Springer |
| Bolling | Mailliard | Stalbaum |
| Bonner | Moorhead | Steed |
| Daddario | Morrison | Sweeney |
| Dent | Powell | Teague, Tex. |
| Diggs | Rhodes, Ariz. | Toll |

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. ALBERT) having assumed the chair, Mr. DINGELL, 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. 6675, and finding itself without a quorum, he had directed the roll to be called, when 409 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, before the rollcall I was making the point that, in my judgment, this matter was not ready for debate and deliberation on the floor of the House. The point is well made, because the Members themselves have already made up their minds as to what they are going to do; apparently they know what is in these 296 pages. In my judgment we do not know these things and we cannot, of course, move forward with any intelligent discussion of the bill.

There are reasons for that. The point was made by the gentleman from California [Mr. KING], and also during the debate on the rule by the gentleman from Indiana, that the propaganda of the American Medical Association had confused the issue. This point was raised in the Rules Committee, and I stated that perhaps there has been some confusion by this propaganda. But even a more serious problem is the climate created by the propaganda campaign which has gone on for years, financed, I would point out, contrary to the law, by Federal tax money and the use of Federal employees' time in order to promote it. I am referring to the action of certain employees of the Department of Health, Education, and Welfare. I have made these charges of lobbying with Federal funds on numerous occasions. I have documented them. There is no question but what the matter is confused as far as the public is concerned, and as far as the Members of Congress are concerned. The Government's propaganda is such that the people have been given a constant dose of misinformation rather than accurate information.

Let me go on to the second part, which is equally serious, and that is that this committee, the Committee on Ways and Means on which I serve, is not in a position to present accurate information to the House that will enable it to conduct an intelligent debate on this very important and controversial issue. As the gentleman from Wisconsin [Mr. BYRNES] stated, the issue of controversy, of course, is in the area of health care.

The Committee on Ways and Means did bring out a bill last year in regard to improvement of the social security program and, as has been pointed out, this passed the House almost unanimously. One part of this bill therefore contains matter about which there was adequate study and discussion in the Committee on Ways and Means. The committee was in a position to present that matter to the House for proper debate and its full consideration. But the controversial aspects of this present bill are not ready for debate and deliberation. That was very well demonstrated at the time the gentleman from California [Mr. KING], had the floor, and the chairman of the Committee on Ways and Means [Mr. MILLS], engaged in a colloquy with the gentleman from Wisconsin [Mr. BYRNES], in regard to the cost estimates of one important health aspect of the bill. The gentleman from Arkansas [Mr. MILLS], referred to some later figures on cost estimates, dated around April 5, as I recall. I am a member of this Committee on Ways and Means, and I have never seen these new cost estimates. I might say I doubt if anyone else on the committee has seen these new cost estimate figures.

When we began hearings there were discussions behind closed doors on January 27. There has been a constant revision upward of the cost estimates, but all of this was done behind closed doors. The chairman of the Committee on Ways and Means knows I have a very high regard for him, although we have a fundamental difference of opinion on the procedures the committee followed in trying to look into the aspects of this very controversial issue.

I urged that there should be open hearings and people with knowledge in our society on this subject should be given the opportunity to come before us. This was not a military operation we were studying. This was a matter of public information, and it should have been of great interest to the public and to the press, if they have been inclined to report it, for example, to report the colloquy which went on between the actuary of the committee, for whom I have a great regard, and the actuary of some of the health insurance companies. And after this, the actuaries revise their estimates on this. But the public does not have any knowledge on this. Many of

the Members of the Committee on Ways and Means know nothing about it. The Members of the House know little about it. The Members are permitted to vote for or against a label, not a piece of legislation.

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

Mr. CURTIS. I yield to the gentleman from Missouri.

Mr. HALL. Is it not true that at one time the same actuaries' calculations for the original King-Anderson or administration hospital care bill were found by the chairman of the Ways and Means Committee itself to be 100 percent off base?

Mr. CURTIS. It is more than 100 percent. It is difficult trying to figure out what the costs in this area would be, and there is still serious dispute on the part of health actuaries as to whether we are still not underestimating the cost in the H.R. 1 part of the bill, let alone the cost in the Byrnes package, either as contained in the bill or the Byrnes package as contained in the motion to recommit.

Mr. HALL. Is that not true because we are dealing with service benefits instead of cash benefits?

Mr. CURTIS. That is the problem. We are fundamentally changing the concept of social security, one which has been a cash program, to one which is a hybrid, which includes cash and certain services. But how can we estimate what services will cost over a period of years?

There were witnesses that we failed to hear. Let me pin this point down. The chairman of the committee told the House how many hours of hearings the Ways and Means Committee has had over the past years on this general subject. Indeed we have, but each time we held these hearings they were in relation to a particular bill. After we held the hearings we concluded that these were ill conceived proposals and did not stand up under the kind of testimony we received. So we have had version after version of King-Anderson proposals, we are now at about the tenth version. We have not had public hearings on this new bill, H.R. 1 the tenth version. No one who is knowledgeable on this subject has had an opportunity of testifying on it publicly.

It is true that we did call in a few expert witnesses—quite limited I might say—and there are some hearings now available, if the House is interested in looking at some of the testimony. This is quite limited testimony. But this is a far cry from calling in the very industries and professions that are responsible for our having the greatest health care system of any society in the world. Our problem in the field of health care for the aged, as I often point out, is not the result of failure—it is the result of success. We have been so successful in our society and in our methods of handling health care not just for the aged but for our entire society that people are living 10 or 15 years longer. It is success in this field that has created the problem—the economic problem that we are now trying to cope with. But it is not the failure of our health care system. It is its success. The people responsible are the drug industry, the hospitals, the doctors, the health insurance companies, the nursing homes, the visiting nurses, businesses or labor organizations with their pension plan programs. It is hard for this body to realize, I believe, that these groups most of which have opposed this kind of legislation and have recommended that we not move forward in this way were not permitted to testify before us so we received no benefit from their advice or their criticism under cross-examination—and I might add with the advice of rebuttal witnesses on the part of those who might disagree with them. This is the committee process. This is the way the Congress is supposed to gather knowledge and wisdom on an issue to apply it to its solution. But these were not the procedures that we followed and we do not have the benefit of the advice that these groups could give. The advice we have received has been received largely on an ad personam basis by the chairman of the committee, for which I commend him and to some degree by the gentleman from Wisconsin [Mr. BYRNES] and myself to a very limited degree to the extent that we could personally meet and talk with these people in our offices. But that is not the committee process. If the chairman of the committee wants to interrogate the top people in the Blue Cross in regard to a program, let him do so that the rest of us on the committee can get the benefit of those discussions because these are not easy matters. This is a committee process. But we are before the House today without that benefit.

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

Mr. CURTIS. I yield to the gentleman.

Mr. LANDRUM. I am reluctant to challenge the gentleman's statement.

Mr. CURTIS. I should think you would be.

Mr. LANDRUM. But I went to the committee this year as a new member and I participated in the hearings over there for a great number of days—I do not know just how many. But as I recall, there were between 2 and 3 weeks devoted to hearing experts from the insurance industry; Blue Cross and Blue Shield; the Hospital Association; the American Medical Association, which was represented by, among others, its president, Dr. Donovan Ward; the American Nursing Home Association, the pathologists, the labor unions, and so on. I do know that it took two rather thick volumes to print these hearings. In addition, we received a great volume of written communications including material from drug industry representatives, physicians, hospitals, and others.

Mr. CURTIS. Yes; I saw you there.

Mr. LANDRUM. And I listened intently and questioned for a little bit of the time officers from various carriers of insurance in particular, including Blue Cross and Blue Shield. I listened intently to the actuaries from that organization and to the president of that organization as well as to the actuaries from the insurance industry. I listened to what the Social Security Administrator and the social security chief actuary had to say and I heard the gentleman question them, and I listened to a lot of his questioning and received a great deal of benefit from it.

Mr. CURTIS. All right, I want to thank the gentleman. But the point I made is still accurate. I did point out that there were a limited amount of expert witnesses called in before the committee. I pointed it out, if the gentleman had been paying attention—and if he would pay attention now—that there were some limited hearings that had been published that would show some of this information. But I am trying to point out the procedures that did go on, and I know the gentleman would recognize this.

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

Mr. CURTIS. I yield to the gentleman.

Mr. HALL. The gentleman mentioned the pharmaceutical industry being heard and their testimony being made a part of the hearings. I did not notice where they were heard to any extent or whether any part of the pharmaceutical associations were heard, yet I notice that there were the HEW experts testifying as to what the pharmacists thought. Were they ever given a chance to rebut it?

Mr. CURTIS. No; they were not. As a matter of fact, the committee sat there throughout all of these executive sessions with the officials of the Department of Health, Education, and Welfare constantly present. The usual occurrence was for the HEW officials to state what the various industries—the pharmaceutical industry or the hospitals or the nursing homes or visiting nurses associations thought. Many is the time, and I think the record will show it, I said I am interested in interrogating these people myself and I chided the chairman of the committee on occasions when he said, "Here is what they told me." And I said, "But, Mr. Chairman, what I want to do is to interrogate them myself."

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

Mr. CURTIS. I yield to the gentleman.

Mr. MILLS. The gentleman from Missouri [Mr. HALL] raised a question about whether the pharmaceutical people appeared before the committee.

Mr. CURTIS. That is right.

Mr. MILLS. They did appear before the committee in connection with the hearings on the bill we had under consideration in 1963–64.

Mr. CURTIS. Yes.

Mr. MILLS. They did not appear in 1965.

I believe my friend from Missouri who is in the well of the House should call the attention of the gentleman from Missouri to the fact that the quarrel with the Pharmaceutical Association was over the fact that we had limited available drugs under this program to those drugs listed as being all right by the publications used in the professions or those that are passed on by medical staffs of hospitals. This is spelled out on page 24 of the report. They wanted to go

beyond that, and we did not believe it appropriate to do so.

Mr. CURTIS. I might say to the chairman that there were many points they made. I read from a letter in the committee one of the points they did make which was ignored.

The chairman is verifying, in essence, the manner in which we proceeded. That is the very area as to which we have a quarrel and disagreement on procedures.

What I am trying to bring out for the benefit of the House, but also to make a record here in the CONGRESSIONAL RECORD, at any rate, is the procedures we did follow and why I am suggesting that this matter is not ready for debate on the floor of the House. We lack the information we should have acquired in public hearings if these knowledgeable people had been permitted to testify not on a general subject but on the specific proposals. There was H.R. 1, which was a new bill, 139 pages long, and the confidential print which the chairman had made up for the committee, of some 250 pages, which many of us had not seen until it came in. Under the orders of the chairman, this print was not to be taken out of the committee room. I told the chairman that I certainly intended to take it out, and to at least allow some of the people who had knowledge in this field an opportunity to comment on some of the language.

This is the procedure we did follow. I submit we are not in a position under these kinds of circumstances, for a measure of this importance, to move forward to debate it with intelligence.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield for a question?

Mr. CURTIS. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Can the gentleman tell me upon whom we must rely for the estimates of the increase in the hospital patient load under either one of these plans?

Mr. CURTIS. Yes. It is essentially on the testimony of Mr. Myers and his associates. He is the chief actuary of HEW. In addition, the colloquys and conversations he in turn has had with some of the top actuaries of the health insurance organizations, all of this I might add was behind closed doors.

Mr. JONES of Missouri. My apprehension has been that I know, in the locality in which I live, our hospitals are filled to capacity all of the time. Observing the hospital insurance plans which are in effect, are we in danger of creating an obligation which cannot be met by the physical hospital facilities, under this plan?

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 additional minutes to the gentleman from Missouri.

Mr. CURTIS. The answer to that question is, I believe there is a real danger. There is a real concern not so much over the facilities as over the skills; the available nurses and doctors.

Mr. JONES of Missouri. The nurses and technicians, but even the physical plant. I know that in my area we do not have sufficient hospitals to take care of any additional load at all.

Mr. CURTIS. That is a real concern of the limited facilities and one of the factors we need to go into.

I offered a bill which has been law for some time, to provide FHA guarantee for private nursing homes, which did produce about 100,000 beds and we are now building about 50,000 new beds capacity a year.

Mr. MILLS. Mr. Chairman, will the gentleman yield on that point?

Mr. CURTIS. I wanted to finish two or three points, but I will yield. The point is that we are not in a position to talk with intelligence, Mr. Chairman, because we did not call in the people who know the answers.

Mr. MILLS. My friend from Missouri and I can always talk with intelligence.

Mr. CURTIS. Not always. I cannot talk with intelligence without studying these things first. I try to, but what constitutes study?

Mr. MILLS. The work both you and I do.

Mr. CURTIS. We try to get knowledge from people in the particular fields of their excellence by interrogating them.

Mr. MILLS. On the point made by the gentleman from Missouri, I thought my friend believed as I have believed over the years, that most of the people who need hospitalization and who need the care of a doctor, in your country and in my country and in the country that the gentleman from Missouri [Mr. JONES] serves, get it, whether they are in a position to pay for it or not.

Mr. CURTIS. That is correct.

Mr. MILLS. If they get it, then how does this bill which provides the means of making payment for these services bring about this undue overutilization which the gentleman is talking about?

Mr. CURTIS. The gentleman is fully aware of why, because we devoted a lot of time to this problem of hospital overutilization. The emphasis in this bill on hospital utilization boards and the concern many people express when we go to this kind of a program there will be this overutilization. However, let me go on to finish my points.

Mr. MILLS. All right.

Mr. CURTIS. All I am making a point about is this: I am not trying to engage in a debate on the substantive issues of this bill because we are not in a position as a committee to advise this House with any intelligence. We have failed to obtain the information and what information we obtained in the past we have not kept up to date. We do not know what we are talking about in this area. However, let me go on to the three other points that I want to make.

What concerns me so deeply about moving forward in this important area in ignorance is that we do not know; but this we do know: the payroll tax has a limitation, just as we have now found that the Federal income tax has a limitation, and we all recognize the economic damage it is creating.

Senator RIBICOFF, when he was the Secretary of Health, Education, and Welfare, advised this committee in one of our public hearings under cross examination that he was concerned with the limitation of the King-Anderson bill, which was to give benefits that were less than 25 percent of the cost to the older people. I said, "Why did you limit it?" and he said, "Even to pay for these we have to get the payroll tax to where it is 10 percent of the payroll, and when it reaches that it creates real danger for the social security system itself."

Now, this bill has 11.2 percent ultimately with a base of $6,600. I tried to engage and I did engage in a limited colloquy with the Director of the Budget, Mr. Gordon, and I put in the RECORD, excerpts from the hearings, a colloquy on the economic consequences involved if we load too much on the payroll tax. The unemployment insurance system is based on that tax, too. In effect, so is workmen's compensation. We are moving ahead here without the benefits of the wisdom and the knowledge that experts in this field might have given us. Just because there is a popular label on this bill it will be passed. This is the kind of a climate that has been created, and in which we cannot conduct an intelligent debate.

The second point is the compulsion and the comprehensiveness of medicare. If you look at the bill, right at the very beginning there is a great big label on page 9. It says "Prohibition Against Any Federal Interference." It says there will be no Federal interference, and that free choice by the patient is guaranteed. Then the next 70 pages tell you how the Federal interference will be carried out. Let us not kid ourselves about it. It has to be. I am not arguing against that. If we use Federal funds, we have to have Federal regulations. The provisions are that the Department of Health, Education, and Welfare must enter into contracts or agreements with hospitals and nursing homes, and if your nursing home or your hospital which you want to go to does not agree with the officials in Washington on their charges and what they can charge for, then the older person cannot go to that hospital or nursing home.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNES of Wisconsin. I yield to the gentleman 5 additional minutes.

Mr. CURTIS. Then the older person cannot go to that hospital. Where is the ultimate decision in the event of a controversy between the hospital board or the nursing home and the great Department of Health, Education, and Welfare? The ultimate decision is in Washington. There is a lot of machinery in between provided, of course, but in the event of a difference of opinion, the ultimate decision is vested, as it has to be, in the Department of Health, Education, and Welfare. I am happy that I was able to improve this bill to some degree by getting judicial review. So that there could be at least an appeal to the courts from the arbitrary decisions of the Department of Heath, Education, and Welfare. So we have the basis for what many of us believe will lead to socialized medicine, moving into a socialization in this area.

My concluding remarks are these: In our society we have always taken care of those in need. The Kerr-Mills Act took this approach.

The American Medical Association has not been falsely propagandizing eldercare by saying it will provide up to 100 percent of medical cost. Eldercare is really only a modest improvement of Kerr-Mills. In my judgment it probably would only cost about $100 to $200 million in addition to what we are doing under Kerr-Mills. Kerr-Mills, which has been so badly misrepresented by the officials of the Department of Health, Education, and Welfare actually was saying this: We know the people on relief now are being cared for. However, there are some people who are not on relief. They own their own little home, have their pension, but if they get hit with a major medical cost, they could be thrown on relief.

Kerr-Mills in effect says to the States: You tell those people to bring in their medical bills and we can take care of them up to 100 percent if that is what they need, so they stay off relief.

Right, Mr. Chairman? Is not that the thrust of Kerr-Mills, so people would not go on relief? It is not the other way around, and so what eldercare says is this: Let us not wait until these people get hit with a major medical. Let us cover them with health insurance, and if they have difficulty in meeting the premium cost then we can help them to pay the premium. This is the approach, and why eldercare and Kerr-Mills is really not very costly. It is taking care of up to 100 percent of all the medical costs. But it only relates to 15 or 20 percent of the older people in our society. But this compulsory program in the bill before us is to cover 100 percent of our older people—the rich, the medium income, as well as the poor, whether they can afford it or not, and cover about 25 percent of their average health costs.

As the chairman of our committee has often pointed out—and I agree with him—we should not use general revenues for welfare matters unless we have a means test; because, if we ever went to that there would be no end to it. That is why I am pleased that in the Byrnes bill, in a limited way—not the way I would like to, because it is too lush a means test—but at least we do say that in using general revenues as to people over $5,000 of income there shall be a recoupment.

My concluding remarks are those that I began with, that this matter is not ready for debate. It is obvious that this House is not in a mood to debate and deliberate. The decision which was made outside of the well of the House, outside the deliberative process, is going to prevail. Members have already made up their minds. They are voting on a label.

What the chairman of the committee might say—and he is eloquent and is a student and I have great respect for him; and what Congressman BYRNES might say, and I have a similar respect for him, or what I in a small way might say, or the author of the King-Anderson bill, Mr. KING, might say, makes no difference.

Is it not obvious, Mr. Chairman, what has happened? The Congress of the United States has become a rubberstamp.

Mr. Chairman, under permission to extend my remarks, I am including a discussion of another point in the bill, namely the amendment to the disability program.

AMENDMENT OF DISABILITY PROGRAM

During the committee discussion of the medicare legislation the processes for procedural and substantive action, namely the hearings and public discussions of the proposals contained in the legislation, were so lacking that many important changes were made without proper consideration.

To illustrate, Mr. Chairman, I refer to the committee action in changing the definition of disability in the Social Security Disability Act system. The definition under the present law declares a person eligible for benefits if he has an impairment "which can be expected to result in death or to be of long continued and indefinite duration." The amendment in the bill would make a person eligible for benefits if he suffered a total disability for a period of 6 months.

This change would affect thousands of persons and cost additional millions of dollars. In fact, the Social Security Administration estimates that 155,000 persons—other sources estimate a much higher figure—will be added to the disability rolls immediately upon enactment of this amendment. The important national effect and import of this amendment apparently was unimportant to the sponsors because no public notice nor any public hearings at any time have been made upon this subject.

The additional cost of this disability definition change was never considered in the financing of the medicare legislation although a great amount of time and thought was given to the matter of adequate financing of other aspects of the bill. This change made in the last several days of committee meetings with its additional millions of dollars of cost will serve only to make the original finance figures more unreliable.

Furthermore, such a change in adding thousands of persons to the disability rolls will compound the injury already being done in the State workmen's compensation programs by the lack of coordination in Social Security Disability Act. Since 1958 disabled persons under the Federal and State programs have been receiving dual benefits as a result of the repeal of the offset provision in the act that year. Prior to repeal the Federal disability benefits were reduced by amounts received under the State workmen's compensation programs. These dual benefits generally exceed the takehome pay of the worker which he received as an ablebodied workingman on the job. It is a simple deduction then that by changing the disability definition and bringing more persons into the category of receiving dual benefits, the Federal program reduces the effectiveness of the State programs. Already some States have acted upon the suggestion of those in the Federal Government to reduce the benefits under the State programs by the amounts received from the Federal Disability Act. I do not believe that the Congress in its creation of the Social Security Disability Act ever intended it to water down or replace the State programs—yet, this is the actual happening.

The area of most serious concern is the rehabilitation of the disabled persons. Those most experienced in the field of rehabilitation point out that motivation is the key factor in bringing about rehabilitation. There is no question that cash benefits greatly motivate a person's desire to be or not to be rehabilitated. Commonsense dictates that a person receiving more income while disabled than when on the job will minimize, if not eliminate, the incentive to be rehabilitated. Opening up the disability rolls to thousands of additional persons without careful study and control will increase the difficult problems inherent in the rehabilitation programs.

An argument has been made by the proponents of social security replacing the State programs that the cost is on a 50–50 basis. Once the benefits become high enough, this method of sharing does not hold true. Witness the Italian program where 52 percent of payroll goes for social benefits and the employer pays 42 percent and the employee pays 8 percent of the costs.

Also in some countries, notably England, where the workmen's compensation program has been nationalized, the right to sue at common law by the employee against the employer has been made available again. Under the State compensation programs the employee gives up his common law rights to sue the employer for any injury received on the job in exchange of a definite amount of compensation. Should the State programs in this country be superseded by the Federal program, there is every reason to believe that we will return to the chaos, confusion, and suffering that existed under the common law operation. I believe that such a development will have both labor and management up in arms all over the Nation against the possibility of such a happening.

There have been some statements that under the present definition, doctors cannot easily determine a total and permanent disability of long duration. However, doctors under the State programs have been able to make such determinations medically, conveniently, and wisely for 50 years.

It is also argued that the present definition creates hardship cases. Informed persons in this field tell me that proper administration and the courts in their rulings take care of any hardship cases which may arise and whenever we draw a line there will be argument, and propertly so, as to just where the line should be. This is inherent in all legislation.

The report of the committee calls for the Health, Education, and Welfare Department to make a study of this problem and report no later than December 31, 1966. The Social Security Advisory Council made a recommendation for a study of this problem area in its report

last year. It is amazing in the light of these two recommendations that the committee would legislate prior to the findings of the study rather than afterward. It is inconceivable that action would be taken prior to the fact rather than after the fact.

Mr. SCHNEEBELI. 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 Pennsylvania?

There was no objection.

Mr. SCHNEEBELI. Mr. Chairman, I join my Republican colleagues in supporting many of the provisions in the social security bill. Like them, I have felt that many of these amendments are long overdue.

I am in full accord with the amendments in the bill that would increase benefits by 7 percent across the board with a $4 minimum increase for a worker, continue benefits to age 22 for certain children in school, provide tax exemption of certain religious groups, provide actuarially reduced benefits for widows at age 60, and pay benefits, on a transitional basis, to certain persons currently 72 or over now ineligible; liberalize the definition for disability insurance benefits; and, increase the amount an individual is permitted to earn without suffering full deductions from benefits. These social security amendments were agreed upon by the conference committee in the 88th Congress. A bill containing these amendments could have been enacted long ago, and with unanimous support on the part of the Republican members of the committee.

During the consideration of the so-called King-Anderson bill—H.R. 1—in the 88th Congress, the Way and Means Committee also tentatively agreed upon amendments to improve and enlarge the Kerr-Mills Act. I am glad to find these amendments in the bill. I am certain that the committee would have reported out similar amendments last year, except for the fact that the proponents of medicare—lacking support for their program—asked that the committee pass over all amendments dealing with medical care for the aged. These Kerr-Mills amendments would be in the law today, with the full support of the Republicans, were it not for that fact. I know that these amendments will enable my State—the Commonwealth of Pennsylvania—to improve its already extensive Kerr-Mills program.

There are other fine amendments in the bill providing for medical aid to dependent children, the blind, and the disabled; services for maternal and child health, crippled children, and the mentally retarded; and a 5-year program of special grants for health services for children. I fully support these amendments.

I also have no objection to the voluntary program of supplemental insurance added to the original medicare proposal. The Republicans have consistently pointed out that the original hospitalization program proposed by the administration was wholly inadequate. This inadequacy would have resulted in deception and confusion for some 18 million of our elder citizens—the overwhelming majority of whom had been led to believe that the so-called medicare bill, H.R. 1, provided what that term implied; namely, complete medical care.

Not only do I find nothing wrong in the voluntary approach to insure the elderly for doctors' charges and other medical services, I believe that the bill would be immeasurably better if that concept had been applied to the entire hospitalization program.

Our committee should take pride in the fact that with the exception of the compulsory payroll deduction aspect, the bill has broad support among Democrats and Republicans alike. Why should we have this one large negative feature in the bill—and by this I refer to the hospitalization program—financed by a payroll tax automatically and compulsorily extended to everyone over age 65 regardless of need. In using the term "need," I do not refer to a "needs test" or "means test." I refer to the fact that there are many of our elder citizens who are already being covered in increasing number at no cost to themselves under adequate programs of group health insurance, provided for by their employers, their unions, or by other organizations. Those people have no need for a Government program; for them, it is superfluous.

In opposing the financing of the hospitalization program, I am not unmindful of the increased cost of health insurance for those over age 65. On the contrary, I believe that the comprehensive health insurance program embodied in a bill which I introduced—H.R. 4354—and in similar bills introduced by other Republicans, will provide more adequate health insurance for the aged, at a lower cost, and without imposing a regressive payroll tax upon tomorrow's workers.

The payroll tax is one of the most unfair and regressive taxes in the entire Federal tax system. It applies to the first dollar of earnings. There are no exemptions, no deductions, no exclusions, and no tax credits. The president of a large corporation pays the same tax as his workers earning as little as $5,600 per year.

Under the committee bill, a worker earning a mere $3,600 wage, with a wife and two children to support, will be taxed on his first dollar of earnings—not for his future benefit—but to pay current hospital benefits for a retired couple with the same or more income, who pay no Federal taxes at all. I just do not think that this is fair and proper.

Under the tax rates in the committee bill, a 21-year-old worker and his employer will pay the equivalent of $8,590—during the employee's working years—and those rates may be inadequate.

Under the Republican program a participating individual will pay only when he reaches age 65—not for 44 years in advance—and under present assumptions he can expect to pay $874.50 in premiums during his retired years. Although this figure is only about 10 percent of the amount that must be paid on behalf of an individual worker, under the committee bill the benefits greatly exceed those financed by the committee's compulsory social security program.

Not only does the Republican proposal avoid this regressive payroll tax, but on the other hand its voluntary aspects and broad coverage provide additional advantages over the committee bill.

The basic hospitalization program in the committee bill is extended to all eligible persons over age 65 automatically and compulsorily.

The Republican program would be wholly voluntary. When coupled with the payment of a premium contribution, this reduces the duplication of coverage for those already covered under private programs. It preserves the insurance concept.

The Republican program requires the participants, including those presently over age 65, to make a contribution toward the cost of their insurance. This reduces the cost which is passed on to taxpayers under age 65. It also acts as a deterrent to excessive utilization of benefits on the part of those enrolled.

The hospitalization program in the committee bill is, in fact, a part of the social security tax system. An additional liability of $133 billion is imposed on the social security tax structure by the adoption of that program.

The Republican program is financed wholly apart from the social security system. It does not jeopardize future increases in cash benefits.

In financing the hospitalization program through the payroll tax, as a part of the social security system, the committee bill gives rise to the concept of "entitlement." It creates the erroneous impression that the wage earner is "prepaying" for a specific hospital benefit. This precludes any revision of benefits in the future, except to increase the scope of the program.

The Republican program preserves a high degree of flexibility. When the insured is required to pay a premium for the benefits, both premiums and benefits can be modified as the need arises. Pressures for increased benefits will be minimized if such increases are charged against the insured through higher premiums.

The committee bill does not meet the problem of catastrophic illness. Benefits of the combined hospitalization program and medical services program in the committee bill fall short of the benefits provided for in the Republican program.

The Republican program covers the catastrophic illness up to a lifetime maximum of $40,000 in benefits. The Republican bill also covers prescribed drugs, while the committee bill excludes this item.

By eliminating duplication of coverage and combining all medical benefits in a single comprehensive insurance program, the Republican program will provide more protection for less dollars.

The Republican proposal provides for premium contributions related to cash benefits under social security, coupled with a tax recoupment of the subsidy attributable to individuals with incomes of over $5,000 and married couples with incomes of over $10,000. This eliminates

"need" as a basis for qualification without extending benefits to those who are, in fact, able to pay the full cost of their own insurance.

The Republican proposal also incorporates the amendments to the social security laws proposed in the eldercare bills, thus making more specific the right of the States to enter into private contracts of insurance to cover the State-administered OAA and MAA programs.

I am also critical of the committee bill in another respect—not for what the bill does—but for what it fails to do with regard to the overcharge on the self-employed.

On several occasions, I proposed that the committee amend the social security tax schedules in order to remove an obvious inequity with respect to the self-employed. Under existing law—and under the schedules in the bill—the self-employed will be paying 1½ times the tax paid by the employee for the same benefits. I have not been able to get a reasonable explanation for this difference.

Time and time again, we have been told by the Department of Health, Education, and Welfare that the tax paid by the employer should not be credited to or attributed to any individual employee. The Department takes the position that the employer's tax should be treated as a part of the general fund to finance benefits for those who have only paid a nominal social security tax. If we accept that proposition, there is even less basis for taxing the self-employed any differently than we tax the employee. The self-employed is the "forgotten man" in our payroll tax structure.

This extra tax on the self-employed becomes particularly onerous as the tax rates increase. Under this bill, a self-employed person whose earnings equal the tax base will over his productive years—age 21 to 65—have paid total social security—OASDI—taxes of $19,712 as compared with taxes of $13,467 paid on the same wage base by an employee. When compounded at 3½ percent interest—the rate used by the Department—the self-employed OASDI tax comes to $45,032 compared with $30,679 for the employee. Forty-five thousand dollars is a lot of money to a small farmer, a small shopkeeper, a member of the clergy, a barber, and the many millions of self-employed in our service industries.

This additional tax on the self-employed cannot be justified either by the benefits they receive or by their ability to pay. Benefits are the same both for the self-employed and the employee. In the payroll tax, ability to pay is completely disregarded. The president of a large corporation pays only two-thirds the tax of the self-employed barber—and we can be certain that there are more barbers, small shopkeepers, filling station operators, and the like, than there are affluent professional people among the self-employed.

Of the approximately 7 million taxpayers who file returns as self-employed, more than one-half report adjusted gross income of less than $5,000 per year. This is the group which pays 50 percent more in social security taxes than do the executives of our large corporations. They are the farmers, ministers, barbers, taxi owners, filling station operators, small grocers, newsstand operators, and the like. Many have no employees at all, other than occasional family or part-time help.

A minister in my district wrote:

> So far this year I have paid or owe $587 in taxes on my 1964 income (which is slightly over $4,800). This total figure for taxes includes $139 in local taxes, $189 in Federal income tax, and $259 in social security tax. The figure, of course, does not include the Pennsylvania sales tax and the various hidden taxes.
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> There are three children in our family (the youngest is 5 years of age and the oldest, 12 years of age). I find it extremely difficult at the present time to set aside one-eighth of my income to cover these various taxes. If the social security tax is increased, the payment of the increase will not only be extremely difficult, but it will become virtually impossible without depriving the five members of the family of adequate food, clothing, and dental and medical care. Doubtless many other clergymen and other persons classified as self-employed find themselves in this same predicament.

In rejecting my proposal that we take action in this bill to remove the penalty on the self-employed, I was told that it would cost too much. I am not impressed with the answer. Actually, the initial cost to adjust this tax would amount to 0.05 percent of payroll at a $5,600 base. With the projected increases in both the tax and wage base, which are provided in the bill, I am confident that the shifting of this extra burden—now paid by the self-employed—to all wage earners and employers, including the same self-employed, would not have a significant impact on the social security trust fund. And this impact could well be spread over a period of years, just as the committee bill spreads the cost of increased cash benefits and the cost of the hospitalization program.

The additional tax to finance the health insurance program provides the same rate for the employer, the employee, and the self-employed alike. If the principle of this new tax is right, there is no justification for continuing to tax the self-employed at a much higher rate to finance cash benefits.

I earnestly hope that the other body, on passage of the bill, will face up to this problem. The self-employed need help; and all I ask is that they be given the same consideration as everyone else.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN. Mr. Chairman, my colleague from Missouri complains that the decision on the medical care bill was made outside of this House. The gentleman from Missouri and I do not often agree, but I am inclined to agree with him to a certain extent in this instance.

Under our system of government it is the people themselves every election who determine the kind of government we shall have and how much government we shall have. By the largest majority in history the people last November elected a President who campaigned on a program of medical care for the aged. And, the Committee on Ways and Means in reporting this bill is carrying out the wishes of a great majority of the American people.

Now, Mr. Chairman, insofar as hearings are concerned it has been my privilege to serve on the Committee on Ways and Means for over 10 years. To my personal knowledge medical care for the aged has been the subject of public hearings at almost every session during that period of time. In the current session there are two volumes of hearings consisting of 898 pages of testimony. If there is one matter that has been thoroughly discussed by the Committee on Ways and Means, it has been the subject of medical care for the aged.

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

Mr. KARSTEN. I yield to the gentleman from Arkansas.

Mr. MILLS. Is the gentleman from Missouri making it clear that those two volumes of hearings consisting of 898 pages occurred at this session?

Mr. KARSTEN. I made that statement, Mr. Chairman, and we have had a similar record for almost every session of Congress since I have been a member of the committee.

I am glad that the moment is at hand when the House of Representatives will have an opportunity to vote on legislation to provide medical care for the aged.

The struggle for a program of this kind began about 20 years ago. There have been outstanding advocates like the late John Dingell, our former colleague, Amie Forand, and more recently, our distinguished colleague, the gentleman from California, CECIL KING. On the other side of the question we have also had humane and considerate men but their views and their approach to this problem set them far apart from the advocates. This resulted in a stalemate on legislation to provide medical care for the aged, with the votes on the Committee on Ways and Means pretty evenly divided between those for and those against.

Stalemates have to await the arrival of a peacemaker. So it has been in this case. The distinguished chairman of the Committee on Ways and Means, the gentleman from Arkansas, has been the peacemaker. He has brought together the divergent viewpoints of the present as well as the past, and the bill before us is a tribute to his ingenuity, skill, and dedication to a task which seemed almost insurmountable.

Perhaps there are still imperfections in the legislation but I believe it is far better than any single bill heretofore introduced in the House. This measure is a consolidation of the best of all that has gone before. While the many provisions in its 296 pages are complex and technical, basically the legislation establishes the principle of providing a way for our elder citizens to take care of their major health needs.

The bill is divided into four principal parts. First, it provides a basic insurance program of hospital care based on H.R. 1, the King-Anderson bill. This will be financed in a manner similar to the regular social security program, by

a tax on employees and employers. This program will provide 60 days of hospitalization and related nursing home service for all persons when they attain the age of 65.

The second part is voluntary and it covers doctor's fees in and out of the hospital. Aged persons who elect this coverage will pay a $3 monthly premium which can be deducted from their social security cash benefits and this will be matched by a similar contribution from the Government. Hospital and medical benefits under these programs will be available beginning July 1, 1966.

The third major provision of the bill includes a 7-percent increase in social security monthly cash benefits. Under this provision, no primary beneficiary will receive less than a $4-a-month increase so all of the aged may purchase the optional medical program with no loss of income.

Finally, the bill makes many substantial improvements in the Kerr-Mills program and also includes more liberal financing of health care services to needy children, the blind, and the disabled. It also strengthens and expands the maternal and child health and crippled children's programs.

As good as this bill is there are still some who oppose it. I have read the Republican minority report and to me the conclusions are not surprising. The minority report declares that the health care plan for the aged is too costly, inadequate, illusory and some kind of a terrible threat.

The reason I am not surprised at the minority report is that these are the same charges the Republican Party has been making since the inception of the original cash benefit social security program in 1935. It was my privilege to serve as a House committee employee at that time and I well remember the dire predictions of the Republican spokesman on social security both in and out of Congress.

There was the late Allen T. Treadway, of Massachusetts, the then ranking minority member of the Committee on Ways and Means. Here is what he had to say on February 2, 1935, on the general subject of social security:

> The greatest single threat to recovery * * * many businesses * * * probably will be unable to continue in operation.

Then there was the late Harold Knutson, who later became chairman of the Committee on Ways and Means. Here is the gloomy prediction he made in the well of the House on April 12, 1935:

> The passage of this proposed legislation will further and definitely increase unemployment.

Mr. Knutson felt so strongly against social security that in the minority report he amplified his views with this condemnation of the social security program:

> There are certain provisions of this bill so obnoxious to me that I cannot support it. * * * The measure is wholly inadequate. * * * The two payroll taxes which the bill imposes will greatly retard business recovery by driving many industries, now operating at a loss, into bankruptcy.

The late Republican minority member, Daniel A. Reed, of New York, who like Mr. Knutson before him, also became chairman of the Committee on Ways and Means, described social security this way:

> The lash of the dictator will be felt. And 25 million free American citizens will for the first time submit themselves to a fingerprint test and have their fingerprints filed down here with those of Al Capone and every jailbird and racketeer in the country.

Our former colleague, John Taber, of New York, made a stirring speech on the floor on April 19, 1935, and here are his kind words about the social security program:

> Never in the history of the world has any measure been brought in here so insiduously as to prevent business recovery, to enslave workers, and to prevent any possibility of employers providing work for the people.

Republican opposition to the principle of compulsory social security was not confined to the Congress. There were many otherwise responsible Republican leaders going about the country making speeches condemning the entire social security program.

Here is a copy of the New York Times, for November 1, 1936, and listen to what the Republican National Committee chairman, John D. M. Hamilton, had to say about social security:

> HAMILTON PREDICTS TAGS FOR WORKERS—REPUBLICAN CHAIRMAN WARNS THAT NEW DEAL WOULD REGIMENT 27 MILLION
>
> If the Roosevelt administration is returned to power * * * 27 million men and women * * * will be forced to report to a politically appointed clerk. * * * In European countries, people carry police cards and are subject to police surveillance. So far, American citizens have not been subject to these indignities.

If Chairman Hamilton was not speaking for his party, perhaps the Republican candidate for President, Alfred Landon, was on September 27, 1936, when he had this to say. Here is a copy of the front page of the St. Louis Post-Dispatch for that date. Let me read the major headline: "Landon Calls Social Security Act Cruel Hoax on the Worker—Urges Repeal of Compulsory Old-Age Section of New Deal Program as Unjust and Stupidly Drafted."

A few weeks later, he came to St. Louis, and told us more of what he thought about social security. Here are the choice remarks he made in St. Louis which were reported in the Post-Dispatch for November 1, 1936:

> How could any administration keep track of these 26 million of our fellow citizens? Imagine the vast army of clerks that would be necessary. Imagine the boost for bureaucracy. Imagine the field open for Federal snoopings. Are these 26 million going to be fingerprinted * * * or are they going to have identification tags put around their necks? * * * We must repeal the present tax on pay envelopes.

But let us return to the present. The minority report indicates our Republican friends today are trying to make the same mistakes as our late and former Republican colleagues of the 74th Congress. The real basis of Republican opposition today is the role of the Government in collecting a compulsory tax and serving as trustee for the aged. That is the same principle the Republicans opposed 30 years ago. I hope my friends on the left of the aisle will profit by the mistakes of their predecessors and I urge them to vote for the bill.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL of Virginia. Mr. Chairman, I want to repeat what has already been said in abundance on many occasions this afternoon, and will be said repeatedly before we conclude debate on this bill, and that is I, as well as most Members, support many of the provisions contained in this bill we have before us for consideration. In fact, I advocate the passage of many of these provisions as being not only desirable but necessary. I will go further and say that I support all of the broad objectives of this legislation if those objectives are to liberalize and broaden the Social Security Act. We approved a similar bill last year with a number of these same provisions in it. I also support any effort to correct some of the inequities that exist in the Social Security Act and that always exist in a law such as this that is so far reaching.

I support the objectives of this bill if it means we are trying to provide adequate—the best possible—health and medical treatment to all people over 65 who cannot afford adequate medical treatment. I am for providing this medical help without any embarrassment or humiliation to them; in other words, to eliminate all suffering, among all people, for that matter, and certainly for those over 65 which is the age group covered by this bill.

I support those objectives. All of us do. And we should support it. I think most of the people think that these are the objectives of this legislation. That is the reason why it has such broad support among the American people. But I feel that this legislation we have before us fails to meet those objectives.

This brings up a very interesting thing about our political system. It may be a good thing. That is, that all of us may see a problem which exists. Some see it a little earlier, some a little later than others. Some see the problem from their own point of view. But all of us can agree that a problem exists and that something should be done about it, that a solution is desirable. In fact we can agree that a solution is necessary. But we can disagree and honestly disagree as to what is the best method of solution or the best plan of solution.

Yet, under our political system we often shout and charge that the fellow that does not agree with our own method of solution, or has another plan or method, is not sympathetic to the problem or is not aware that the problem exists. Of course, some of us are often too anxious to claim the political credit for coming up first with an answer to the problem rather than finding the best answer.

I believe that is the situation that may cause some of the difficulty in the consideration of this bill. It has been said and agreed to before by both the chairman of the committee and the ranking minority member that a problem does

exist in this area and that the people over 65 need help in arriving at a better solution of this problem. We all agree, therefore, a problem exists in this area, but we do disagree as to the method of approach. I disagree and seriously disagree with the approach for a solution contained in this bill, but I do not question the honesty and sincerity of any of the supporters of the bill. I commend the Committee on Ways and Means for the work they have done, the detailed and thorough manner in which all parts of the bill were considered. This thorough procedure was discussed by the gentleman from New York [Mr. KEOGH] earlier in the day.

I was impressed by the amount of time taken by the committee in discussing every detail of the bill. I found it difficult to be at all the committee hearings because they met so often. They met morning and afternoon, day after day. I will admit that many alternatives were discussed in the committee deliberations even though public hearings were not held this year as some of us felt should have been. All alternatives were considered, all amendments were considered but most of them, particularly those offered by the minority side, were voted down. My objection or criticism is not against the Committee on Ways and Means or the way it considered the legislation but against the plan contained in the bill.

I hope that my criticism will be considered as constructive criticism, because we are concerned, seriously concerned, that this bill does not contain the best solution to this problem. We feel that it will not solve the problem as we would like to have it solved. We feel it would injure the medical services and conditions we enjoy here today. There is no finer medical system anywhere in the world.

It was said earlier that the old-age, survivors, and disability insurance provisions in the bill are noncontroversial. There was a little give and take in the committee's consideration of that part of the bill. It did not go so far as some of us wanted it to go. It went a little further than others wanted it to go in other parts of the program, such as bringing doctors under the program, and tips. By and large however, it was a package all of us could support. The provisions of the bill which are amendments to the old-age, survivors, and disability insurance program, are listed on pages 2 and 3 of the report. Therefore, a detailed discussion of these provisions is not really necessary.

But I would like to discuss the treatment of the Federal employees in this bill—or maybe the mistreatment of the Federal employees. We have for many years in the Congress, and I understand in the Committee on Ways and Means, been discussing the relationship between the social security system and the civil service system. The question we have been asked repeatedly is: Are Federal employees being treated fairly by not being brought under the social security system? The question has been asked if they were brought under the social security system, would it impair the civil service retirement system, and because of the fear that it might impair the civil service retirement system, Federal employees by and large have not pushed and insisted on being brought under it.

Many of us feel they should be permitted to come under it voluntarily and therefore have the same additional benefits as other employees in private industry, and I have actually introduced legislation in order to have this matter formally brought up before the committee. But I will confess this is a most complicated problem and needs a great deal of study. In fact, on page 103 of the committee report, it makes reference to the fact that in 1960 when the Committee on Ways and Means was considering the social security amendments, they discussed the problems of the relationship between social security and civil service and directed the executive branch to make a study of this particular problem and report back to the committee. Interestingly enough, that report came back to the committee just before we took final action and final consideration of this bill—actually, too late to have the benefits of that study that took 5 long years.

In the meantime we are told that the executive branch wants to make a complete study of the civil service retirement system before any further action is taken by the committee in this area and a report is due from them on December 1, 1965.

But the committee did recognize that there was a gap in the relationship between social security and civil service that did need immediate action. That was the group of Federal employees who have less than five years of service. Under the present civil service system, an employee does not have and is not entitled to civil service benefits during the first 5 years nor does his survivor in the event of death become entitled to any survivorship benefit. Yet, during those 5 years he is having withheld for retirement, whether he likes it or not, 6½ percent from his pay. We feel, and the committee felt, that these people during the first five years should be brought under social security automatically in the event they left, resigned or retired from the Federal service or died within the first 5 years. The funds are there. The funds can easily be shifted from the civil service retirement system to the social security system and it would cost the Federal Government no extra money. So we would then treat Federal employees equal with employees in private industry.

As I said, the committee did discuss this proposal and the committee favorably considered it. It would be in the bill at this time except that there was a technical problem of drafting the language of the amendment. We had been on the bill for many months and we were coming to the conclusion of our deliberation. The technical language of the bill had to be drafted and the report had to be written. It was feared the additional time required to draft the technical aspects of this amendment might delay the bill being brought to the floor. So for that reason this provision was not included in the bill. I regret this action and this decision was not discussed in detail in the report. But the minutes of our executive session, I am certain, will show that. I am bringing it up here now to make abundantly clear in the RECORD the intention and the desire of the committee on this subject. I therefore can assure the membership of the House that the committee would be willing to take action on it in the very near future.

If I have stated the situation incorrectly, I would be very happy for any member of the Committee on Ways and Means to stand up and correct me at this time. But that is the impression I have and I want the record to show that was the action taken by the committee. In fact, this afternoon the gentleman from New York [Mr. KEOGH] and I introduced a bill that would accomplish just the objective that I have been discussing here for the past few minutes.

We did include in the bill a similar provision to bring the substitute schoolteachers of the District of Columbia school system under social security. Up to this time they have been excluded.

We have heard a great deal about the Federal employees who retired after 1960 not being included in this legislation. On top of page 23 of the report, in the paragraph near the top of the page, Members will notice that the only people excluded from the basic medical benefits of this bill are aliens who have not resided in the United States for 10 years, some subversives, and Federal employees who retired subsequent to July 1, 1960. That is a grouping which I am sure the Federal employees will not like.

We did, however, include the Federal employees who retired prior to July 1, 1960. That was not proposed in the original bill. That was included as a result of an amendment in the committee.

Why did we bring those who retired prior to July 1, 1960, under the act? When we passed the Health Insurance Benefits Act of 1959, which became effective July 1, 1960, this was after years and years of study and deliberation. We included in that bill all active Federal employees as of that time and those who would retire in the future. We did not include those who had retired in the past, because that would have made the cost of the health insurance program excessive.

We did come back with a separate action a year later, and in a separate bill we brought in those employees retired prior to July 1, 1960. It was a great deal more costly, because they were people of the average age of 67 or 68. Obviously the cost of insurance was going to be a great deal higher. The Federal Government was not going to put any more into the program, basically, than for active employees. In fact, the entire insurance program for this group of people is inadequate. It provides only about $15 a day for hospital benefits and a proportional amount for medical benefits. That type of program, basic and major, cost the employee $29 for the family group plan and the Federal Government's contribution is only $7. Therefore, it cost the former

employee, who retired prior to July 1, 1960, approximately $23 a month for something that is not adequate. He needs help in meeting the cost of his present plan as well as supplemental benefits.

There were about 400,000 retired employees at that time who were not brought under the original act, and only 235,000, or roughly 59 percent, of those actually chose to come under the system which was provided for them. This proved a defect in the program provided and therefore we felt that certainly this group did deserve some further consideration in this bill (H.R. 6675).

What were the reasons why the committee did not include the Federal employees who retired after July 1, 1960? I said a moment ago that we did enact a fairly good plan for the Federal employees in 1959. In fact we gave them a choice of 40 plans. The employee had an option of 40 plans—major medical or basic medical, a service-type plan or an indemnity-type plan. Ninety-five percent of the employees did take advantage of that, and, as I understand it, 95 percent of them actually kept the program into the years of retirement. I also understand that the vast majority of them came under the high-option plan, which did give reasonably full coverage. In fact, there were 2.2 million employees who came under the system, with 4.5 million dependents, making a total of 6.7 million people under this voluntary health and hospitalization system, which made it really the biggest health insurance system in the world.

The committee felt, since the Federal employee had an adequate plan, which was true, that they should not be brought under this particular bill and this particular program. But what about the private industry employees who had a similar health insurance plan? If the voluntary plan for Federal employees. being a sound and reasonable one, is a reason for exclusion from this bill, then do we not actually admit that we do not need to blanket the employees in private industry who have similar systems? This actually proves the point, I feel, that many of us have been trying to make, namely, we should not have a payroll tax or any tax system for those who do not actually need health insurance benefits.

No one who has been retired prior to the enactment of this bill will have paid one quarter into this basic health insurance program being provided in this bill whether he is a former Federal employee or not. Yet the former Federal employee is the only one excluded from the bill, and to that extent I think it is unfair. Yet I have recognized, as have many Federal employees, that we do run a risk by insisting that we be brought under the plan, because we might also get trapped into the compulsory payroll deductions which will come later on.

There is another inequity which exists or which could exist in this particular proposal affecting Federal employees, which I believe can easily be corrected. Everyone will get the supplemental health insurance benefits under this bill, including Federal employees, whether they are under social security or not. Everyone can get this supplemental plan at a cost of $3 for each individual, which will be matched dollar for dollar by the Federal Government, and that will come from the general revenues of the Treasury and not the payroll tax. It will be matched by the Government as a Federal Government and not an employer. It will not be a prepaid insurance plan where people are paying into it prior to the years of retirement and will benefit all citizens alike. Here is how the supplemental plan could be unfair to the Federal employees.

I mentioned a moment ago that we have a reasonably good plan for the Federal employees now which they can take into the years of retirement. It is not free, but it is just a reasonable, good, sound employer-employee voluntary health insurance plan. The Government actually pays one-half of the minimum basic medical cost for each employee, individual or family. In other words, the Federal Government will pay $2.82 a month for an individual in the basic plan or $6.76 for a family plan. As I said a moment ago, also, most employees have a supplemental plan or a comprehensive plan which can run as high as $35.51 a month, but the average plan and the cost of the average plan for most Federal employees runs from $23.51 to $23.83 a month. That is the family type comprehensive health insurance plan to which the Federal Government makes a contribution of $6.76 or roughly 28 percent. As I say, he could carry that program into retirement.

Now let us look at the Federal employee's neighbor who might have a similar plan during his years of employment.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BROYHILL of Virginia. Now, the non-Federal employee at the time of retirement will, of course, come under the basic payroll tax plan that is contained in this bill, and if he retires prior to the enactment of the bill, he will have it free of charge and also have the supplemental plan I have been discussing at a cost of $3 per person. He will probably have a private plan which he will be able to blend into the medicare plan and into the supplemental plan, but if the Federal employee takes the supplemental plan—and it is there for him and it is there for his neighbor as well as the Federal employee—he may find he will really be duplicating the payments for the same benefits he has under his voluntary plan. Or he would have a lot of complications in going back to the insurance carrier and saying they should recast his health plan at the age of 65, which will undoubtedly run into some actuarial problems, because the cost of health insurance at the age of 65 is a great deal greater than it is prior to that.

Here is my plan or my suggestion of how we might prevent this inequity from occurring. I am also introducing a bill to try to do this immediately. In fact, it is being prepared right now.

That is to take the Federal employee when he reaches the age of 65, and have the Federal Government as the Federal Government and not as an employer make this $3 supplemental contribution into the voluntary health plan that the Federal employee already has and which the Federal Government already has approved of; just add that to the Government's share. This would not cost the Federal Government 1 additional penny. Since the Federal employee has his own health insurance plan, it would avoid the necessity of complicating, or changing his insurance plan or of the Federal employee having two insurance programs.

We already recognize the Federal employee as being in a different category because he is the only individual—it is the only group of individuals—other than some of these subversives and aliens, not included in the basic medical provisions of the act. So we are not being inconsistent to recognize that even further and provide a separate way, another way for him to get the same benefits under the supplemental program. Why should we not make the system a little more convenient to the Federal employee at no extra cost to the Federal Government?

I have a couple more comments about the social security provisions of this bill. I know that many Members will be asked the question as I have already: why did we not increase the benefits by more than 7 percent? that the $4 minimum is not sufficient, that we must help many people who need a great deal more money to live on. There has always been a great deal of criticism about the $1,200 maximum that a person may earn from other sources without having his social security benefits reduced. We discussed that in the committee. In fact, the gentleman from Massachusetts [Mr. BURKE] offered an amendment to increase that limitation to $1,500.

These are good questions that will be asked of you by your constituents and the committee is mindful of the fact that these are not overliberal increases of benefits. But there is a problem of financing the cost of these benefits. Every increase in benefits has got to be related to an increase in the payroll tax. So the committee had to weigh the problem of increasing the payroll tax, the ability of the wage earner to pay the additional money, the additional hardship that this would impose on the wage earner and the possible shock to the economy.

As has been pointed out here several times before, we have caused a substantial increase in payroll taxes in this bill for these limited benefits that we have provided, including medical care benefits. Right now the total payroll tax under social security is $348 a year on $4,800 of income. That is for the employers and employees. But under this bill that total payroll tax will go up to $739.20 per year on an income of $6,600, increasing the percentage of the payroll tax up to 11.2 percent of the payroll.

Are we reaching the limit that we can afford to add to the cost of the payroll tax? How can we be sure? Some of us feel that we may already have reached

the danger point when this rate does get to 11.2 prcent—and it is going to get that high—whether we increase benefits later on or whether the cost of this medical care program goes up or not.

I will agree that there is going to be some increase in the payroll taxes for the social security program whether we pass the bill before us or not. It is going to go up in 1968 to $444 per person in the total payroll. I think we can consider this as a tax increase bill because it does increase taxes as well as provide benefits.

It is not an insignificant tax increase bill, either. In fact the cost of the present social security program is not insignificant. It is not insignificant even though the rate seems rather small, 3⅝ percent of the payroll of each employee and employer. But this year of 1965 that system will bring in $17.2 billion in taxes and under the bill, starting next year, 1966, with these increases in this bill it will bring in a total of $21.9 billion. In other words, a tax increase of $4.7 billion and by 1972—this is only 7 years from now—without any action taken on the part of our committee, the total tax take under this bill will be $33.2 billion a year or $14 billion a year more than is being taken in right now.

The medical costs, of course, or the cost of the medicare program are included in these figures I have given you. We are adding $1.6 billion to the payroll tax next year for medicare, and by 1990, without any increase in costs, we will have a total intake each year of $9 billion for the cost of medicare.

Mr. Chairman, I submit—and this has been mentioned before by a couple of the previous speakers—that this cost of medicare, this $1.6 billion next year and which goes up to $9 billion a year in 1990, will prevent further liberalization of these old-age, survivors, and disability benefits now and is going to prevent more liberal increases in the future.

Mr. Chairman, this is one of the major objections that we have to this plan of providing the cost through payroll taxes for this medicare program. It will place a ceiling on the cash benefits or additional cash benefits that the recipients of old-age and survivors insurance will receive in the future.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Chairman, I want to take this occasion to commend the chairman of our committee, the gentleman from Arkansas [Mr. MILLS], for the dedicated work that he has performed with reference to this issue for the past many years, and for the masterful manner in which he has handled the committee during the writing of this most important piece of legislation.

I also would like to pay my respects to the gentleman who was in Congress before my time, the late Honorable John Dingell, who was the father of the gentleman who now occupies the chair, and who was one of the pioneers in this field and who long ago saw the need for this kind of legislation.

Mr. Chairman, I also want to pay my respects to another gentleman, Aime Forand, who is not in this House now but who was dedicated to the purposes of this bill for many years and who led the fight in this House for it. Also, I want to commend the gentleman from California [Mr. KING] who spoke earlier this afternoon for his dedicated efforts in behalf of this legislation.

Mr. Chairman, the program that we bring to you today is a uniquely American approach to this complicated and difficult problem of providing adequate medical care for our older citizens. It is America's answer to that problem. There is no prototype anywhere in the world to the kind of program we bring you here.

Mr. Chairman, this program is the assurance that we will not have socialized medicine in America, because we have over the years studied this problem and analyzed it and we have had hearing after hearing before our committee. I know of no comparable piece of legislation since I have been in Congress that has been studied more and that has received wider consideration by any committee than the legislation that we bring you here today.

The package that we have put together makes sense. It makes sense from the point of view of the administration; it makes sense from the point of view of financing; it makes sense to the older citizens of America, and to every citizen of America from the point of view of a benefit which fills a need, a demonstrated need in our society.

Let us look at a few specifics. I can understand some confusion about this legislation because of the expensive campaign of opposition to it that has been conducted, not just in recent months, but over the course of many years. Much of this campaign has been dedicated to stirring up confusion in the minds of American citizens.

First, why do we single out the hospital benefit portion of the bill to be financed under the social security program? Was this just a willy-nilly decision, or does it have some real substantive basis?

I want to tell you it does have a real basis, and it does make sense.

What we have done is separate the institutional benefits in this bill from the physician service-type benefits. There is a real distinction between these benefits, and that distinction merits different consideration. We have said here that the institutional services that are so important in health care—basically hospital care outpatient diagnostic services, posthospital skilled nursing home care, and home health care—are admirably adapted to the social security type of financing, the payroll type of financing that we have provided in this bill.

At the same time we have very rigidly kept out of the "basic" package, which is supported by the payroll tax, any benefits with respect to physicians' services because it is not easy to fit the latter into reasonable or precise actuarial estimates.

We have, however, in this legislation, built a voluntary supplemental package providing for payments for physicians' services. This makes sense. And I want to pay tribute to the gentleman from Wisconsin who originally proposed the legislation that took this approach to the problem. Most of us on the committee, and people generally, recognized that the need of our older citizens will not be met until you take into consideration physicians' services as well as institutional care.

What are the weaknesses of the so-called Byrnes package which will be presented to this committee in the form of a motion to recommit? It has very basic weaknesses. One of the weaknesses is this matter of a needs test. The gentleman said there was no "needs" test, but there actually is. May I say this problem of a needs test has been the greatest stumbling block in this whole area of legislation.

It was the problem which was almost insurmountable in the Kerr-Mills approach to the problem, where every State imposed a different kind of "means" test, so that you wound up with totally uneven and inadequate care for our older citizens. But the Byrnes' package provides that your individual amount of contribution depends on your status in the social security system.

I say this is inadequate and a totally unjustifiable form of a "means" test, because who is to say that because someone is receiving a minimum social security benefit he has any greater need than anyone else? What about the doctor who has enough wage earnings in his lifetime to establish a minimum social security contribution? He is going to get the maximum amount of benefit under the program at the minimum contribution.

This is only one of the weaknesses in the substitute proposal you have before you. A second weakness in this proposal is that the total governmental cost is borne by the general Treasury.

If you are going to hold down the program, hold down this cost, a far better way of doing it is to establish an actuarially sound social insurance system. That is what we do in the committee bill by establishing a fund, a separate fund, an isolated fund, and getting actuarial estimates that are accurate. You cannot afford to do otherwise. Since the social security system has been established, these actuarial estimates have been good and the estimates we have in this bill are also based on conservative assumptions. The best way to hold down a program is to tailor it to finance a particular benefit package, knowing all the time that when you put in a benefit you have to match it with the increased payroll deduction.

Mr. Chairman, on the other hand, when you take a program such as you find in the substitute proposal and finance it from the general Treasury, you have no such assurance that the cost will be limited in any manner, shape, or form. All of us know from our legislative experience that the best way to build a program is to put it on an open-ended basis, financed by the general Treasury. Then each time you get pressure for increased benefits, that pressure is going to build up on the Congress to provide those benefits irrespective of the costs.

The Byrnes' package will put a burden on the Treasury of the United States, ac-

cording to the best actuarial estimates, of $2.8 billion in the initial year. This $2.8 billion increase in general revenues is being recommended by the very people who year after year have come before this body and have argued against increasing the ceiling on the public debt.

The committee bill we have before you is more conservative, more soundly financed by far, than the substitute proposal that is being presented.

Then I want to say that there is a third basic weakness in this substitute motion that is going to come before you. The amount of the individual contribution that the gentleman from Wisconsin would impose on our older citizens would have the effect of increasing the incentive for them to drop out of the program and cause them to fall back on the welfare rolls for their benefits in their later years. We want to accomplish exactly the opposite. We want to decrease their dependency on welfare payments, but by putting all of our older citizens under a basic hospital benefits program and financing it sensibly under a payroll tax. And then putting it alongside the supplementary program for physicians' services, financed part out of the Treasury and partly by the individual, we are encouraging the maximum participation of our older citizens. With these coordinated programs we would rely to a minimum on our welfare program to carry our older citizens through their later years.

Again the "needs" test has been the stumbling block. In the committee package that we bring before you in the first two layers, we have no "needs" test whatsoever. It is the great strength of this program—you can waste all kinds of funds and all kinds of administrative effort in trying to administer a "needs" test. We do not have that test in the basic or supplementary program. In the case of the voluntary program, what we have said is this—we are going to reestablish for our older citizens the 3-percent floor on medical deductions. We are putting all the taxpayers in this regard on the same basis. We are eliminating a complication in our internal revenue structure and we are also eliminating a needs test, thus providing for a maximum of efficient operation of this total overall program.

Now there has been some talk about the long-range cost of the social security system. I am not going to go into it at any great length because it is a complicated picture. But I want to tell you this, as the chairman has told you, that the social security system is sound and that the tables that you have in your report have been prepared by the best actuary in the business. I urge all of you to take the time to look at the study by Robert Myers, the Social Security Administration actuary, who presented to us a complete set of actuarial tables that are available to you. I hope you will take the time to examine them because he is, in my opinion, the finest actuary in the whole insurance field. Time after time after time, we had him before our committee with the best actuaries in the private insurance field, and I have never seen an instance where he has not come out on top.

What we have done in the long range estimates is to have gone up to a point in time—1971—and established a wage base ceiling of $6,600 and have assumed that wage base will not go up any further. When you look ahead and make actuarial estimates of what the fund is going to be in the future, you have several variables to work with. One is a wage base, the maximum amount of taxable earnings, which is $4,800 today. In this bill it will be $5,600 next year and then we increase it to $6,600 after 1970. Then we assume that it remains at that figure. Well, if you keep that a fixed figure, then you are going to a tax rate for the hospital program which appears in the committee bill. But the sound way to finance a social insurance program in the long run is to keep that wage base increasing with the wage level over the years. I predict the Congress will do that and by doing that you will exactly be able to reduce the hospital tax rate that appears in the bill. So do not let them make a bugaboo about this 10 percent limit or 11 percent limit or any limit because it is going to be up to the Congress in the future as to how to keep this system balanced. In my opinion the fair way of doing it is to spread the cost throughout the wage earners of this country on an equitable basis by keeping the same ratio between the wage level and the wage base that we have established in this bill now before us. I think the Congress will do it in the future and by doing it, we will hold down the tax rate that you see in the tax schedules in the report.

I want to speak for just a second about the self-employed and the separate fund. A lot has been said about the fact that this is not a separate fund. It is a separate fund and I want to point out one very distinct difference in this separate fund that involves the self-employed.

We are treating the self-employed exactly the same way as we are treating the employee under the hospital insurance program. In other words, the amount of the contribution by the self-employed will be exactly the same as that by the employee. All Members know that under the social security system, the contribution paid by the self-employed is 150 percent of that paid by the employee. So this is a very important distinction in the way that these funds will operate, and I believe it is an important principle.

One of the reasons why we established this principle of separation is because of the basic differences between this program and the social security cash benefit program as a whole.

We have heard a lot of nit picking on the part of the opposition. I wish to conclude by saying that this is a sound program. This program has been studied by the committee for many years. Last year we spent month after month after month on it. We have held public hearing after public hearing. There have been independent studies by Presidential committees for years. There is no proposed legislation that has been studied more than this one.

The formula which we have arrived at is uniquely sound. It is uniquely American. It is a milestone in legislation in this area. All of us will find, as the years go by, this is going to be considered landmark legislation, as much so as the legislation originally passed when we established the social security system.

I urge all Members to vote against the motion to recommit because it is not a sound proposal, and to vote for the committee bill, which is sound, which is creative, and which is uniquely American.

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

Mr. ULLMAN. I yield to the gentleman.

Mr. MILLS. The gentleman mentioned some of the points he believes are weaknesses in the suggested substitute. I wonder whether the gentleman feels that the development of any plan for the benefit of our older people must take into consideration the feasibility of compliance and the economic situation of these people in connection with it.

What I am thinking about is this: does the gentleman find any weakness in the proposed motion to recommit, in that there is no contribution to be made either on a voluntary basis or otherwise by an individual until that person is living in retirement or on retirement income? Is it not more fair to these people to spread the cost of their hospital benefits, as we propose to do in the committee bill, over the time when they are working and before the time when they are in retirement?

Mr. ULLMAN. This certainly should be one of the points of weakness, because it is a basic weakness. What the gentleman suggests, and what we do in the bill, is much more fair, much more equitable, and will provide a much stronger program for our older citizens than trying to finance it all after the citizen gets to be 65.

I am sure, however, that if we wished to extend this business of finding weaknesses in the motion to recommit of the gentleman from Wisconsin, we could carry this on for a long time. I believe we have pointed out the basic weaknesses which exist in the motion to recommit.

Mr. JOELSON. 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 Jersey?

There was no objection.

Mr. JOELSON. Mr. Chairman, it is with a sense of being a participant in a great event in the social and economic history of the United States that I rise in support of H.R. 6675.

It is a humane measure whereby Americans will be able to show our concern for our senior citizens and our respect for individual dignity. Far from being a socialistic measure as its opponents charge, it will in the best American tradition provide the machinery to allow millions of Americans to help themselves.

It has been said that a civilization is to be judged by the way it treats its elderly citizens. Up until now, we have failed this test but I am thankful that

at long last we are facing up to our responsibility. No society can be truly great which coldly turns its back on the plight of its aging members.

Not only is H.R. 6675 a humane measure, it is also a practical one. It will furnish a workable plan whereby the bills of our senior citizens for hospital and medical care can be met with self-respect.

We must not overlook the fact that this measure also attends to the much-needed increase in social security benefits other than hospital and medical care. In view of the cost of living, those people in retirement have experienced great difficulty in making ends meet and the bill we are considering will be helpful in this respect.

Mr. Chairman, I will have a deep sense of gratification all my life to have been a Member of the 89th Congress which is apparently about to write into law one of the great social measures of our century.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself 3 minutes.

I simply cannot refrain from getting into this colloquy on the matter of whether there is a prepayment by the current workers, so that they really will have paid for the benefits they will receive upon retirement. That is the implication of the statement of the chairman of the committee and of the gentleman from Oregon.

Mr. MILLS. No, I disagree with the gentleman.

Mr. BYRNES of Wisconsin. Is it not better to have people start paying during their lifetime, rather than when they get to retirement?

Mr. MILLS. Mr. Chairman, will the gentleman yield at that point?

Mr. BYRNES of Wisconsin. If the gentleman will correct this picture, I will appreciate it very much.

Mr. MILLS. I would not want the gentleman to think I was referring to those in retirement. The gentleman remembers the committee majority part of the report clearly says that with respect to those people presently retired who would receive this benefit there is no prepayment.

Mr. BYRNES of Wisconsin. I am glad at least that we admit somebody will get the benefit tomorrow without having prepaid anything.

Mr. MILLS. I am sure the gentleman remembers that in the report. We very honestly admitted that for them there is not prepayment as such.

Mr. BYRNES of Wisconsin. At least in that area you have no alternative.

Mr. MILLS. That is right.

Mr. BYRNES of Wisconsin. Because you could not by any stretch of the imagination suggest that anybody who was getting a benefit for which they would make no additional payments of any kind had made a prepayment. However, my point here is this: if you will look at your table—and you have the table there—showing the revenues that will be produced by the payroll tax that is assessed in each year, and then you show the total you anticipate will be paid out for those hospital benefits in that year, you will find throughout that they are pretty much in balance. I will agree that there is some slight surplus that exists as far as the income to the fund is concerned, but that certainly the chairman would not contend is a funding.

Mr. MILLS. Oh, no.

Mr. BYRNES of Wisconsin. That reserve, as I understand it, is to take care of any contingencies which might occur as a result of a miscalculation of what the benefits will be or what the revenue return will be from the payroll tax. Am I correct?

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

Mr. BYRNES of Wisconsin. Yes. I yield to the chairman.

Mr. MILLS. I will certainly admit, just as I would admit about the OASDI trust funds that they will not—and they have not—operate on a funding basis; but they do operate on a prepayment basis. There is a difference between prepayment and funding.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. BYRNES of Wisconsin. I yield myself 1 additional minute.

Mr. MILLS. If the gentleman will yield further, if we operated the system on a funding basis, as my friend from Wisconsin knows, we would have to maintain several hundred billions of dollars in the funds.

Mr. BYRNES of Wisconsin. I must confess, Mr. Chairman, that I get considerably confused at some of the mental gymnastics going on where now we can rationalize that the hospitalization program is not under social security and it is separate from the OASDI insurance system and now we have the mental gymnastics that you prepaid for something even thought what you are doing is simply paying a tax which is used in order to pay a benefit to someone else. That is the way the system works. To me, if I pay such a tax, I am not prepaying for any benefit that I am going to get in the future, but I am simply hoping, because I paid a tax during my lifetime for the benefit of today's retired, that tomorrow when I am retired those people who are then working and their employers will pay for the cost of my benefits. But I am not able to rationalize as to how that becomes a prepayment.

Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. BETTS].

Mr. BETTS. Mr. Chairman, throughout this debate speakers on both sides have ably presented arguments for and against the bill now before us. While I want to voice briefly some of my own thoughts on the issue, I would first like to pay tribute to two friends of mine.

These two men, Amy Forand and CECIL KING, with whom I have served on the Ways and Means Committee, have made a great contribution to the welfare of persons over 65. Although I disagree with the program they have advanced, they have alerted the country to the need for health care for the aged. As a result of their persistence, there has been action in many areas. Insurance companies have brought forth new plans. States have legislated to permit State 65 programs. Medical associations and hospitals have concentrated attention in the area. In Congress we have acted with new programs such as Kerr-Mills. As a result, the protection of persons over 65 against the financial drain of sickness has expanded fantastically. If no more legislation were ever passed in this field, this age group is in a much-improved position mainly because of these two men, and I think a word of commendation is due them regardless of our positions on this bill.

I also want to pay my compliments to my colleague from Ohio [Mr. Bow]. A long time ago he saw the need of exploring the possibility of medical care with a different method of financing. He deserves much credit for keeping alive the idea of finding an alternative to the payroll tax approach, an effort which has finally resulted in the Byrnes bill.

In a measure consisting of 300 pages, naturally there are parts which are acceptable and some that are objectionable. It is for that reason that I object to so-called omnibus bills. This is true not only with H.R. 6675, but the same complaint can be directed to foreign aid bills, agriculture bills, and tax bills, to mention only a few. With only one single vote, the Member must accept proposals with which he disagrees in order to express his approval of provisions in which he is in agreement. Conversely, if he votes no to voice his objection to certain portions of the bill, he is forced to reject those provisions which he favors. This situation is especially true in this measure.

Probably the most outstanding example in this bill of a provision which has always had my support is the proposed increase in social security benefits to bring them in line with the cost of living. Last year I voted for such increases in a bill which unfortunately never became law. Benefits were thereby delayed for at least a year to persons who were justly entitled to them. I would support a bill now which dealt only with this subject. As a matter of fact, I will support it now in the motion to recommit which will be offered together with the Byrnes bill as a substitute for the compulsory payroll tax approach in part A.

Many objections have been raised to this part of the bill which is the hospital benefits provision. Among them is that it is compulsory, and therefore incompatible with the traditional free enterprise concept of the American economy. Another is that it benefits the rich as well as the poor—a feature which burdens its administration and removes it from the classification of a welfare measure. Americans have always taken care of the needy but a Government program to care for millionaires is illogical to say the least. Also impressive is the argument that the payroll tax method is retrogressive and that it creates situations where persons receive help who have not contributed to the program and where many contribute who will not be benefited.

In the Washington Post of February 11, 1965, Columnist John Chamberlain commented on this as follows:

The principle of regressive taxation that is embodied in the administration's current

medicare proposal is an affront to every young couple in the lower middle income brackets. Why, in terms of their incomes, should they be called upon to pay a wildly disproportionate share of the cost of taking care of the old? Do we start the Great Society by grabbing the same amount of medical insurance money from the $5,600-a-year kids that we take from people named Harriman, Kennedy, or Rockefeller? Why not be decent about it and pay for medicare out of the general tax funds?

But the one objection which has seemed overriding is the increasing burden on the payroll tax. In 1987 this will rise to 11.2 percent on a base of $6,600. The Republican members of the Ways and Means Committee have stressed their concern about this in their separate views in the committee report. We say there:

We believe that the reliance on a payroll tax to finance a hospitalization program jeopardizes the cash benefit program under the social security system by imposing upon that system a liability to finance undetermined future service benefits. The magnitude of that liability should cause concern to anyone dedicated to the preservation of social security cash benefits.

A payroll tax is one of the most unfair and regressive taxes in our entire tax system. It applies to the first dollar of earnings. There are no exemptions, no deduction, no exclusions and no tax credits. No consideration is given to the taxpayer's ability to pay. The president of a large corporation pays the same tax as his worker. The justification for this type of tax rests upon the basic premise of the social security system that the benefits, for which the tax is levied, are wage related. The financing of a hospital service benefit by a payroll tax represents a basic departure from that principle.

I simply state that I concur in these objections. They are reasons for opposing this bill. And, to further substantiate this position, I would point out that on at least two occasions, in 1962 and 1964, after weeks of exhaustive and painstaking consideration, the Ways and Means Committee rejected the concept of health and hospital care through payroll financing. These objections should not be obscured by the fact that politically attractive amendments now have been added and that the bill is labeled "Social Security Amendments of 1965." The plain fact is that the hospital insurance program in this bill, at an estimated initial cost of $2.6 billion annually, is basically the same proposal which the Ways and Means Committee has repeatedly rejected and it is my purpose to maintain the same position which the great committee of which I am a member has consistently maintained until now.

Aside from the merits or objections to the bill, many think of its passage in political overtones. For example, the Johnson election has been interpreted as a "mandate" to pass the health and hospital programs. I think this was effectively answered by an editorial in the Toledo, Ohio, Times of November 19, 1964, which said in part:

It would be a great mistake if President Johnson interprets his landslide victory as, in part, a mandate to resurrect the by now discredited medicare scheme. There were many reasons for his lopsided election, but as far as we have been able to determine medicare was never one of the issues and, for that matter, was scarcely mentioned by either candidate. One would think that medicare as a political issue or a social panacea had been effectively disposed of by the three congressional sessions in a row which refused to enact it.

As a matter of fact, the mail coming to my office on this subject is overwhelmingly against medicare—the name by which the payroll tax plan is known to the public. It is interesting to note that much of the mail is from older folks, the very people whom proponents of the bill seek to help. Most of the mail is from individuals, but groups are also represented. For example, the Eighth District of Ohio is predominantly rural and one of the most important farm organizations, The Farm Bureau, has always been against this type of financing health insurance.

In my opinion, if Congress had been left alone to work its way in the normal course of events, this bill would never be here today. But obviously the pressure of the administration and the political realinement of the Ways and Means Committee have brought this about. Until now this committee has been a bulwark which millions of people have relied on to stem the tide against oppressive increases of payroll taxes. Now that is over, and most of my constituents are fearful of the future. They understand, more than many politicians realize, that along with talk of reducing income taxes, the bite grows bigger and bigger out of payrolls.

What will be the amendments to this bill in 2 years—or 5 years after it becomes law? Anyone who has followed Federal legislation knows the answer. There will be amendments expanding the law. And how will it be expanded? There is only one way I see, and that is by extending the payroll tax provisions to include both hospital and medical care, and thus the whole program compulsory. That was the original intention, and commonsense would conclude it is the end purpose.

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

Mr. BETTS. Yes, I yield to the gentleman from Iowa.

Mr. GROSS. Would the gentleman like an audience to hear him, instead of the few Members who are now present?

Mr. BETTS. I am practically completed. I would like to have just 1 further minute and I shall be finished. I do not wish to take advantage of some of the other Members who have not had audiences.

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

Mr. BETTS. I yield to the gentleman from Missouri.

Mr. CURTIS. I would like to advise the gentleman from Iowa that the audience we have here is the usual attendance throughout the day. I tried to point out during debate that it is obvious this is a farce. The decision has been made and whatever the chairman of the committee might say and the gentleman from Ohio who is making a very fine statement might have to say, or any of us, will make little difference.

This is not a deliberative body on this important issue.

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

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

Mr. GROSS. Does the gentleman have any estimate of how many there are on the House floor at this time?

Mr. BETTS. I would not care to make an estimate. I am not a good counter. I think the gentleman, who has been here a long time, is much better at that.

Mr. GROSS. Would the gentleman say 40 or 50, perhaps?

Mr. BETTS. I think so.

Mr. GROSS. Will the gentleman yield to me for a question or two when he completes his statement?

Mr. BETTS. Yes.

Mr. Chairman, I want to conclude my remarks by saying that I have great concern, and I call attention to the plight of the small businessman. I have never been at a hearing of this committee or any other committee, or even on the floor of the House, but what it seems the plight of the small businessman is mentioned.

As a matter of equal concern, I want to call attention to the plight of the small businessman. How can he continue to meet the employer's share of increasing social security taxes? It is a situation which is spelling doom to many of these great figures in our economy. They have been fighters in the frontlines for our free enterprise system and I, for one, do not want to be a party to their economic extinction.

These, then, are some of the reasons why I cannot support this bill. Each Member, of course, must himself weigh the good against the bad in it. I only hope that before he casts his vote, he will give serious thought to the possible consequences of this legislation—the damage it could do to our social security system, our national economy, and to that basic right of every American—individual freedom.

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

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

Mr. GROSS. Can the gentleman give us any idea of what this bill will cost?

Mr. BETTS. The report of the committee fixes it at about $6 billion.

Mr. GROSS. Six billion dollars?

Mr. BETTS. That includes all four parts of the bill that the chairman mentioned this morning.

Mr. GROSS. I thought it was $5.5 billion, but the gentleman says it is $6 billion?

Mr. BETTS. I am quoting the committee's report.

Mr. MILLS. That is approximately correct for the first full year. That is $4.2 billion out of trust funds, $1.4 billion from general funds, and about $500 to $600 million in contributions from individuals for the voluntary supplemental insurance.

Mr. BETTS. That includes the social security amendments?

Mr. MILLS. Yes, everything.

Mr. BETTS. In addition to hospital and medical care.

Mr. MILLS. And cash benefits.

Mr. BETTS. And cash benefits; also the increases.

Mr. GROSS. Is all this coming from taxes?

Mr. BETTS. About $2.6 billion or $2.8 billion comes from a payroll tax.

Mr. MILLS. Would the gentleman yield?

Mr. BETTS. I yield to the gentleman from Arkansas.

Mr. MILLS. About $4.25 billion would come from the payroll tax supported trust fund, and $1.366 billion would come from the General Fund of the Treasury under the committee proposal. The rest comes from persons enrolling in the supplemental plan.

Mr. GROSS. It would all have to come out of the pockets of the taxpayers?

Mr. BETTS. It has to be met by a payroll or income tax and from subscribers to the voluntary supplemental plan.

Mr. GROSS. Will the gentleman yield for me to read a brief statement?

Mr. BETTS. Yes.

Mr. GROSS. Going back to February 24, 1964, dealing with the implications of the Revenue Act of 1964, and the fiscal policy of the United States, a Member of the House of Representatives, made this statement:

> In enacting this revenue bill * * * we are choosing tax reduction as the road toward a larger, more prosperous economy and we are rejecting the road of expenditure increases. We do not intend to try to go along both roads at the same time. If we fail to limit the growth of Federal expenditures, we will be leaving the tax reduction road. Even a 1-year detour may make it extremely difficult to get back on it.

Does the gentleman recognize the author of that statement?

Mr. MILLS. Mr. Chairman, will the gentleman yield so that I can plead guilty as the author of that statement?

Mr. BETTS. I will be glad to yield to my chairman.

Mr. MILLS. I said that, and we are still trying to follow that in the committee bill. That is why I had to oppose the substitute coming from the gentleman's side, and I hope the gentleman joins me in doing it.

Mr. GROSS. Any time a bill costs $6 billion, we are not exactly following the road to tax reduction and economy. Would the gentleman agree with that?

Mr. BETTS. I would agree that any Federal program costs money and somebody has to pay for it. This represents an increase in taxes.

Mr. GROSS. This is not the road to economy, is it?

Mr. BETTS. I do not think you can call it the road to economy, no.

Mr. GROSS. Last year, Congress reduced taxes by $11.5 billion, and now it proposes to turn around and increase taxes by $6 billion.

Mr. MILLS. The gentleman from Iowa, the great student of legislation that he is, is aware of the fact that this bill includes the expenditure of approximately $6 billion but provides for an increase in taxes to offset this $4 billion and more we are spending out of the trust fund.

The gentleman is not accusing me of being for tax reduction one year and raising taxes in another year.

Mr. GROSS. The revenue has to come from somewhere. I do not know how else I could figure the gentleman's position today as compared with his position in cutting taxes last year.

Can the gentleman give me any idea as to how many people will be put on the payroll to administer this program?

Mr. MILLS. I am not certain whether it will be in a 12- or 24-month period, but undoubtedly in assuming the initial responsibilities which are imposed upon the Social Security Administration under the bill, as I recall there would have to be somewhere in the neighborhood of 2,500 to 3,000 additional employees for the basic plan and about the same number for the supplemental plan scattered throughout the United States to carry out this program.

Mr. HARVEY of Indiana. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. HARVEY of Indiana. Mr. Chairman, I recently received a letter from Dr. Frank Green, of Rushville, Ind., a general practitioner.

The questions he raises are worthy of Members' consideration.

The letter referred to is as follows:

RUSHVILLE, IND.,
*April 2, 1965.*

Congressman RALPH HARVEY,
*Capitol Hill, Washington, D.C.*

DEAR CONGRESSMAN HARVEY: There are several conditions which will be created with the passage of H.R. 6675 that I would like to bring to your attention.

1. How and in what manner of precedence will available beds be assigned to those in need of hospital care?

2. Once an unoccupied bed in the hospital is assigned in the approved way, who will have the responsibility of dismissal?

At the present time, the average stay in our Rush County Hospital is 7 days. Under bill H.R. 6675, what is to prevent this occupancy in the hospital from going up $x$ number of days to the limit of 60 days as provided in H.R. 6675?

It is now a fact that by only using beds the minimum number of days we are still unable to accommodate our paying needy sick. What will happen when they have it guaranteed by Government finance?

Who will have to say that the bed should be vacated when not really needed? Who will say this or that patient must get up and go home, short of the full utilization as guaranteed by law?

There cannot be a nonmedical committee in control of dismissals for here may be a very touchy area. There is no hospital committee of doctors, or hospital personnel, or management able to do this job. Only a physician who knows the patient's condition and who is willing to assume this responsibility is really able to say when a patient may be sent home against their wishes.

But reprisal or fear of reprisal is a reason why the committee idea of usage of beds cannot be depended upon. Dismissal of any patient who wants to stay might lead to a suit against the physician or hospital for abandonment or neglect.

In my opinion there is here an upset of reasonable humane and orderly procedures that will be bad for all concerned. It could destroy the present fine patient-doctor relationship.

To disrupt this fine doctor-patient relationship or use it to bail out a bad arrangement would be imprudent when it could be avoided or controlled before the contract for service is entered into and guaranteed by national law.

A contract for service between a patient and a hospital and physician should arrange for the control of overstaying the time needed for the necessary care of the patient. Overuse of a bed by a patient beyond the time needed for necessary care should place this excessive cost on the patient. This would then give bargaining power to the institution to control and better use available bed space for others who need hospitalization.

Any body politic when attempting to do good must surely be aware of the obvious rebound from joy to resentment when the offered becomes impossible only because of ill-layed plans.

Sincerely,

FRANK H. GREEN, M.D.

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

Mr. GROSS. Mr. Chairman, I have in my hand a newspaper clipping datelined Washington, D.C., which says, speaking of the proposed erection of a social security building in Minneapolis, Minn., that it will cost $722,400. Apparently preparations are already being made for this bill.

Mr. MILLS. This group of employees would not all be located in Minnesota or Washington. They would be in the gentleman's State of Iowa as well.

Mr. GROSS. That leads me to ask how many employees will be added as a result of this bill?

Mr. MILLS. Between 2,500 and 2,700 additional, I think.

Mr. GROSS. Of course, they would not all be located in Minneapolis. Continuing this news story, we are told that there will be a 20-percent increase in the social security payroll. What is the reason, and is that under the committee bill if enacted?

Mr. MILLS. It would not amount to a 20-percent increase. There are over 25,000 employees already.

Mr. GROSS. As of last February there were 34,783 persons on the payroll of the social security setup.

Mr. MILLS. I think that is right.

Mr. GROSS. A 20-percent increase would add about 7,000.

Mr. MILLS. It is my understanding it will not amount to that increase.

Mr. GROSS. I wonder where the newsmen get this information.

Mr. MILLS. I would like to know sometime where all the information that is written is produced.

I raised the question in the committee with the Social Security Administration as to what employees would be involved if we proceeded as we did. Under the committee bill, in reposing responsibility on the Social Security Administration, he told me it would be a maximum of around 2,700 employees for the basic program.

Now had we gone the other way, I would call to my friend's attention, and set up an entirely different agency to administer it, it prob-

ably would have taken 2,500 to 3,000 employees.

Mr. GROSS. I hope the gentleman has the right estimate of the increased number of employees.

Mr. MILLS. If the gentleman will yield, I do believe I may be unintentionally misleading the gentleman and, of course, I would not do that for anything.

Mr. GROSS. I yield to the gentleman.

Mr. MILLS. Let me get the facts straight. This may be nearer what the gentleman is talking about. With respect to the basic plan, anywhere between 2,500 to 3,000 employees would be needed. That is what I was talking about. I was overlooking the fact that there would be an additional administrative problem with respect to this program that we wrote in, taken from the idea of "voluntary" of our colleague, the gentleman from Wisconsin [Mr. BYRNES]. There would be additional employees involved in that and they might run anywhere from 2,500 to 3,000.

Mr. GROSS. So that would bring it pretty close to a 7,000 increase?

Mr. MILLS. It would not bring it up to quite 7,000—no.

Mr. GROSS. Well, it would not be very far from that, I will say to the gentleman.

Mr. MILLS. The point is this—if I can get the gentleman to see my point—by using the Social Security Administration, undoubtedly, we bring about the creation of fewer jobs than if we gave it to an entirely different and newly established bureaucracy.

Mr. GROSS. I have one other question since the gentleman is on his feet. How much longer do you anticipate going on this evening in order to get the T. & T. Club, the out-on-Thursday, back-on-Tuesday Club on the road this week?

Mr. MILLS. It is not for that purpose at all that we are here this evening. I want to get the gentleman straight on that. We are simply trying to give as many Members as possible an opportunity to speak today.

Mr. GROSS. I might say to the gentleman that there might be something going on this evening—I do not know. Perhaps there is a repeat performance at the Ebony Table.

Mr. MILLS. I am not certain of anything going on this afternoon. I have not been invited. Now if there is, I wish the gentleman would advise me.

Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. BURKE].

Mr. BURKE. Mr. Chairman, I take particular pleasure in supporting the provision of H.R. 6675 under which benefits will be paid to children age 18 to 22 who are in full-time school attendance. This is an especially fine and forward-looking provision. It will extend the survivorship protection of the social security program and enhance the educational opportunities we offer our young people.

A child who has lost parental support through the retirement, disability or death of his mother or father is considered dependent under the present social security program if he is under age 18 or if he has a disability which began before he reached age 18. I strongly concur in the committee's view that a child who is in full-time school attendance after reaching age 18 is similarly dependent. It is simply not realistic today to stop a child's benefits on his 18th birthday and tell him that he is now presumed to be able to go to work and to support himself. While some children can and do become economically independent by the time they are 18, most children cannot be financially independent at 18 because they have not finished high school, and they must look for a living to an economy that has little use for the untrained, unskilled, and uneducated worker. It is time we recognize that this is the situation, that this situation will continue, and that a child who has reached age 18 and is still continuing his education is as dependent on social security benefits to replace lost parental support as he was when he was younger.

Under the bill about 295,000 children age 18 to 22 would get benefits this September, when the school year begins. In a full year these benefits will add up to $195 million. Many of these youngsters would not be able to continue their education without the benefits this bill will provide. It will mean a great deal to them and to their parents, so many of whom have written to us asking that the benefits be continued.

THE ECONOMIC IMPACT OF H.R. 6675

When we consider social security we tend to focus on its effect on people as individuals—the needs of the individual retired worker, disabled worker, widow, and orphan—and this is as it should be. For the social security program is first and foremost a program that affects almost every American family in a very personal way and under changed circumstances—when the worker retires because of age or disability or when the family loses him in death.

But there is another side to social security. In providing an assured and regular income currently to 20 million of the most economically vulnerable people in the Nation, it provides a steady source of consumer demand that helps prevent deflation. Let us consider the bill before us today from this standpoint.

The provisions of the bill affecting cash benefit payments will become effective this year; the across-the-board benefit increase and benefits for children in school up to age 22 will be effective from the start of the year, and most of the other changes will be effective in the second month after enactment. It is estimated that these changes will increase benefit disbursements under the program by $1.5 billion over the amount that would be paid out in 1965 under present law. In 1966, when all of the provisions of the bill affecting the cash benefits will be in operation for the full year, an estimated $2.1 billion will be paid out in benefits over the amount that would be paid out under present law. In addition, an estimated $1 billion will be paid out under the basic hospital insurance plan, and $200 to $300 million under the voluntary supplementary health insurance plan, in the last 6 months of 1966. In 1967, the first full year in which all of these benefit provisions will be in effect for a full year, an estimated $2.4 billion will be paid out in benefits under the cash benefits program over the amount that would be paid out under present law, an estimated $2.2 billion will be paid out under the new hospital insurance program, and $700 million to $1.2 billion will be paid out under the voluntary supplementary health insurance plan. All of these funds will be paid either for health care services or as income to beneficiaries, who, for the most part, will use it to meet their day-to-day living expenses. Thus the bill will not only increase the effect of the social security program as a source of assured purchasing over the long run, but will provide an immediate boost in consumer purchasing power to stimulate the economy in the next several years.

This economic stimulus will, of course, be offset to some extent by the additional social security taxes that will be collected under the bill. However, this counterbalancing effect is limited by two factors. First, the new social security tax rate schedules in the bill have been designed to avoid the excessive build-up of trust fund assets that would take place in the next several years under present law by providing for a more gradual attainment of the full rates needed to support the program over the long-range future.

In 1965 the amount paid in cash benefits will increase by an estimated $1.5 billion without any increase in social security tax payments over the amount that would be paid under present law. In 1966 the estimated increase in benefit payments over the amount estimated under present law, including the benefits paid under the new hospital insurance program, will be about $3.1 billion, while the additional amount collected in social security taxes is estimated to be about $2.2 billion. In 1967 the increase in benefit payments is estimated to be about $4.6 billion over the amount expected under present law, while the additional amount to be collected in social security taxes is estimated to be about $3.7 billion.

The other factor limiting the effect of the higher social security taxes in counterbalancing the economic stimulus of the increase in benefits is the fact that while the beneficiaries who would receive the additional income generally must use all of their disposable income to meet their day-to-day living expenses, the workers and employers who would pay the additional taxes use only part of their disposable income for immediate consumption. As a result, even that part of the additional benefits paid out under the bill that is offset by higher social security taxes will tend to increase consumer demand.

While our main concern in enacting this bill then, is the welfare of the millions of American families who look to the social security program for protection against dependency and want when the worker's earnings are cut off by retirement, disability, or death, a side effect of its enactment will be to strengthen the American economy. The bill will not only add to the social security program's

long-range effect of providing a regular flow of consumer demand among the aged, the disabled, the widowed, and orphaned of the Nation, but will also provide an immediate stimulus to the economy that will help us sustain our economic growth in the next several years.

It is important to stress these facts, because this is not an entire drain on the Treasury of the United States. This money is going into the economy. The Government will reach back and get part of the money and keep the money in circulation, which will keep our economy going, while taking care of the needs of our aged.

Mr. MILLS. Mr. Chairman, I yield such time as he may require to the distinguished gentleman from Ohio [Mr. SECREST].

Mr. SECREST. Mr. Chairman, I believe this bill, H.R. 6675, which has replaced the old so-called medicare bill, is one of the greatest pieces of legislation to come before the Congress in this century.

I am confident that this bill, designed to benefit millions of our citizens 65 years of age and over, will also benefit doctors, hospitals, and insurance companies. In my opinion, this bill will greatly accelerate the sale of additional hospital and medical insurance just as record sales of retirement insurance followed enactment of the original social security law.

I was in Congress and supported the original social security legislation in 1935. I supported and voted in 1950 for the proposal to place independent businessmen under social security. I was a leader in the fight in 1954 to get farmers the same benefits under social security that had for years been enjoyed by factory workers and others.

With such a longtime interest in this legislation, I am anxious that Congress do nothing that will endanger the soundness of the social security system. I want to be sure that a young man 20 years of age today will find the system as solid as the Rock of Gibraltar when he is ready to retire many years from now.

The Ways and Means Committee made a wonderful decision when it let the regular social security system alone and set up a separate tax and trust fund for the hospital insurance provided under this bill. Hospital insurance stands on its own two feet wholly apart from the regular retirement provisions of the long-existing Social Security Act. This is the way it should be. Neither program can weaken the other. Both will be sound and dependable.

Under this bill, a new title is added to the Social Security Act providing for basic hospital care to be financed by a comparatively moderate contribution by employers and employees. For persons 65 and above, 60 days of inpatient services will be provided for each spell of illness. The patient pays the first $40 of his hospital bill.

In addition to the regular hospital service, drugs and biologicals will be provided. Under this title of the bill, private duty nurses and the first 3 pints of blood are not furnished. For each spell of illness, from 20 to 100 days of posthospital care in a nonhospital facility will be provided.

Outpatient hospital diagnostic services will be provided for a 20-day period. The patient will pay $20 for each diagnostic study and the remainder will be paid under the basic hospital plan. After the patient returns home, the basic plan will pay for 100 visits to provide him posthospital care, home health services, including intermittent nursing care, therapy, and part-time services of a home health aid. This will include speech therapy for those whose illness results in impairment of speech. The cost of services under the basic hospital plan for people not under social security will be financed from general revenues.

In addition to hospital care, the bill establishes a voluntary supplemental plan to provide payment to physicians for services rendered in the hospital, the office, or the home. Such payments will include diagnostic X-ray and laboratory tests, electrocardiograms, basal metabolism readings, and X-ray, radium, and radioactive isotope therapy. Prescriptions are not covered but drugs furnished by the doctor are provided.

When used in the patient's home, this section of the bill will pay rental for iron lungs, oxygen tents, hospital beds, and wheelchairs. It will also provide for artificial legs, arms, eyes, and so forth. Under this plan, 80 percent of medical costs will be paid for each calendar year after payment by the patient of the first $50 of his total yearly medical bills. The cost of this voluntary supplemental plan will be $3 per month for each individual who enrolls. For those under social security or railroad retirement, this amount will be deducted from his regular check. A person 65 or over will be able to deduct all medical and hospital expenses in excess of 3 percent of his gross income. This will result in limited recovery of the Government's premium contributions.

The bill provides for a 7-percent increase in all social security payments, and in every case will be sufficient to pay the individual's cost for his insurance. The Federal Government, from the general treasury, will pay an additional $3 premium on each person who signs up for the insurance. It is expected that insurance under this voluntary plan will be furnished by Blue Cross and private insurance companies. Persons not covered by social security could make periodic payments of their half of the premium. The whole package is somewhat similar to that now provided by law for employees of the Federal Government.

In addition to furnishing hospital care and providing substantial payment toward medical bills, this legislation contains many other excellent features.

For instance, under the Kerr-Mills Act, expanded medical assistance is provided for aged persons who are indigent and help is extended to needy dependent children, blind persons, and totally and permanently disabled persons who qualify for assistance under the Act.

Each indigent old person will be judged by his own resources. The income of his children will no longer bar him from benefits. Ohio is not now under the Kerr-Mills Act, but each State is given until June 30, 1967, to qualify for this vastly expanded program which includes in-patient hospital services, out-patient hospital services, laboratory and X-ray services, skilled nursing home services, and physicians services either in a physician's office, the patient's home, or a skilled nursing home.

The whole Kerr-Mills program is vastly expanded by increasing the Federal Government's contribution by some $200 million each year. The bill also expands the program for maternal and child health, crippled children and health care for needy children. It also includes grants for mental retardation planning.

In this bill many excellent amendments are made to the existing Social Security Act. In addition to the 7-percent increase in social security payments, the maximum family benefits under social security will be gradually raised from the present $254 limit to $368 effective in 1971.

Under present law, payment for children's insurance ceases at age 18. This bill raises the age to 22 providing the child is attending public or accredited schools, including a vocational school or a college, as a full-time student. The new age limit of 22 also applies to children of deceased retired or disabled workers. It is estimated that 295,000 children will benefit under this provision in 1965.

Another amendment will permit widows to receive retirement benefits at age 60 at slightly reduced rates. It is estimated that 185,000 widows will take advantage of this provision in 1966.

Another excellent amendment applies to the disability program. Under present law, a worker cannot retire unless his disability is expected to result in death or to be of long, continued and indefinite duration. This new bill would make an insured worker eligible for disability benefits if he has been totally disabled throughout a continuous period of 6 calendar months. Benefits will be payable for the last month of the 6 months' waiting period and for subsequent months until recovery from the disability. It is estimated that 155,000 workers and individuals will benefit from this amendment.

Also, under present law, no worker can retire under social security without a minimum of six quarters of coverage. The new law will permit a person 72 years of age or over to qualify for social security with three quarters of coverage acquired at any time since the beginning of the program in 1937.

This bill also provides that a widow who will be 72 or over in 1966 will be eligible for social security payments if her husband died or reached the age of 65 in 1954 or earlier. This liberalization will benefit many widows.

The bill also liberalizes the social security earned income limitation. For example, a person retired under social security will be permitted to earn $2,400

per year and lose only $600 annually in his social security pay. This is far more liberal than the present law.

Another provision deals with divorced women. Too often a divorce will leave a wife of long standing without social security retirement. This bill will provide retirement to a divorced wife at the age of 62 if she was married to the husband at least 20 years before the date of the divorce. It also provides that a wife's benefits will not terminate when a woman and her husband are divorced if the marriage has been in effect for 20 years.

The bill has another good provision for the benefit of small farmers with relatively low incomes. If a farmer has a gross income of $2,400 or less, he can pay his social security tax on two-thirds of his gross earnings rather than his net earnings. This will enable the small farmer to retire with a larger social security pension.

The bill also exempts self-employed members of the Amish and other religious sects from payment of social security taxes upon application and by signing a waiver of benefit rights.

Self-employed physicians and interns are brought under coverage of the social security act for the first time.

Long ago I stated that I could not support a bill that would place doctors on the Federal payroll or take from a patient the right to pick his own doctor and his own hospital. This bill in no way violates these principles. The insurance from which doctors will receive their customary fee is voluntary and the traditional practice of medicine is not interfered with in any way. This is an excellent bill, and I have attempted to discuss the major provisions in it.

We have come a long way since the days when the old and sick, who could not keep pace with the wandering tribe, were given a 3 days' supply of food and left on the trail to die. Never in the history of mankind has a generation heard so clearly and responded so magnificently to the commandment to "Honor thy father and thy mother, as the Lord thy God hath commanded thee; that thy days may be prolonged, and that it may go well with thee, in the land which the Lord thy God giveth thee."

For the older people of this Nation and many, many others this bill is a sonic boom of decency, hope, and respect. Never have I voted for any legislation with more pride and satisfaction.

Mr. MILLS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. DINGELL, 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. 6675) "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," had come to no resolution thereon.

## ADJOURNMENT TO 11 A.M. ON THURSDAY, APRIL 8

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

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

There was no objection.

## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 5721) entitled "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, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. HOLLAND, Mr. TALMADGE, Mr. JORDAN of North Carolina, Mr. YOUNG of North Dakota, and Mr. COOPER to be the conferees on the part of the Senate.

## APPRECIATION TO AMBASSADOR FROM JAPAN FOR OFFER TO PRESENT NATION'S CAPITAL WITH 4,000 CHERRY TREES

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

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

There was no objection.

Mr. PICKLE. Mr. Speaker, my purpose in rising is to extend a warm thanks and appreciation to the Ambassador from Japan for his kind offer to present our Nation's Capital with another beautiful forest of some 4,000 cherry trees to border the Washington Monument.

I know that we speak the sentiments of all Americans in expressing our deepest gratitude to Ambassador Ryuji Takeuchi for this friendly gesture he has made in behalf of Premier Eisaku Sato and all the people of Japan.

Through the years the beautiful blossoms of the cherry trees that bloom so magnificently at this time of the year have greatly enhanced the beauty of our Nation's grand Mall. No shrine about us so beautifully symbolizes the everglowing friendship of Japan and the United States.

It is most fitting and appropriate, too, that we take this opportunity to extend a special thanks and commendation to our First Lady, Mrs. Lyndon Johnson, for the personal efforts she has undertaken in this project to magnify the magnificent beauty of the Mall.

The proposed planting of these additional cherry trees will most certainly serve to cement further the friendly relations between all Americans and the people of the Rising Sun.

I know that every Member of the House joins me in this sincere expression of heartfelt gratitude.

And, Mr. Speaker, may I also state that it has been a personal privilege for me to visit with Ambassador Takeuchi and his lovely wife, and I have been enriched and impressed with their dedication and support of ideals so common to those democratic principles that made our two countries great.

## LAUNCHING OF COMSAT'S EARLY BIRD

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

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

There was no objection.

Mr. HARRIS. Mr. Speaker, yesterday afternoon I was privileged to witness by closed-circuit television at the headquarters of the Communications Satellite Corp. here in Washington, the launching of Comsat's Early Bird. The launching of this communications satellite constitutes a milestone in the development of a worldwide satellite communications system contemplated by the Communications Satellite Act of 1962.

Many of the Members of this House will remember the policy battle which preceded the enactment of this legislation. You may recall that this battle was fought so heatedly in the other body that a prolonged discussion—sometimes referred to as filibuster—ensued with regard to the policies to be adopted by the Congress.

President Kennedy approved this legislation on August 31, 1962. It provides for a very unusual private corporation created by the Congress, owned 50–50 by communications common carriers and public stockholders. Under this legislation, the President of the United States nominates three directors to sit with the other directors elected by the stockholders. In other words, the legislation provides for unusual teamwork between the private and public sector in this country.

In order to make a worldwide satellite communications system a reality, teamwork, however, is required not only here at home but also among all nations interested in participating in this worldwide communications system. In order to achieve this objective first of all, it was necessary to secure the allocation of radio frequencies to be used for communications satellite purposes. This was achieved by the Space Radio Communications Conference held in Geneva in the fall of 1963 and I had the great honor of serving as a member of the U.S. delegation to that Conference.

Following that Conference, international negotiations ensued looking toward the establishment of an international consortium for the purpose of operating the initial stages of the worldwide satellite system. It is a great tribute to the representatives of the nations who participated in these negotiations that their will to succeed was able to overcome all of the many difficulties which stand in the way of such international operation.

The launching of the Early Bird satellite yesterday was a technical miracle not because it was unusual in any respect, but because within a relatively few years the launching of communications satellites has become a routine technical maneuver executed to perfection. A greater miracle perhaps was the circumstance that 45 nations have cooperated to launch this satellite as a result of their joint efforts to create improved international telecommunications.

In the coming weeks tests will be conducted with regard to the effectiveness of the new Early Bird satellite. Some of these tests will make possible the international exchange of television programs between Europe and the United States. Following these tests the satellite may be used occasionally for the transmission of television programs, but primarily its function will be to supply communications facilities for voice, record, and data transmission. This satellite will provide badly needed additional circuits for these purposes since the existing undersea cables are badly overloaded.

Mr. Speaker, I am happy to report to the House on this successful launching and I feel that our committee and this House have been vindicated once again in urging the adoption of the Communications Satellite Act of 1962 which constitutes the basis on which the present success has been built. Of course, these fine achievements would not have been possible without the outstanding work done by Mr. Welch, the chairman of the board, and Dr. Charyk, president of Comsat, to whom I want to extend my heartiest congratulations.

## HALF-TRAINED AMERICAN PERSONNEL IN VIETNAM

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

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

There was no objection.

Mr. WOLFF. Mr. Speaker, I am calling today for an investigation of the Department of State because I have learned of the shocking fact that the United States has no more than six State Department people in Vietnam who can speak the local dialect.

I have visited Vietnam twice during the past year. On each occasion I returned with increased alarm at our deteriorating position there.

Last week, a group of Congressmen including myself were briefed by officials from the Department of State. In light of the hundreds of millions of dollars we are pouring into Vietnam each day, I asked these people to what extent we have direct language communication with the average Vietnamese outside of Saigon.

The answer is a national disgrace.

After 10 years of involvement, we still have only 6 State Department people there who can speak the local dialect, and only 25 currently receiving language training.

The Vietcong and the Communists are masters of persuasion and subtle indoctrination as well as vicious fighters. They have propaganda teams accompanying every combat unit, people fluent and facile in subverting the spirit and purpose of the free Vietnamese.

Mr. Speaker, how can we hope to bring peace to this area if we cannot even communicate directly with the people in the provinces whose understanding of our purposes and commitment is vital, if freedom is to prevail.

We have committed our prestige, our wealth, and American lives. Yet, we have neglected a fundamental—we have failed to train our people to get our message across—the message of hope that must be understood if freedom is to prevail in the long run.

Mr. Speaker, I am calling for a study of this inexplicable situation. I want to know the reason why the Department of State has overlooked so primary a factor in the tragic war that has engrossed the attention and concern of all Americans.

That Americans in Vietnam cannot even speak the language of the people we are helping is appalling. It is time the American people knew of this amazing situation.

## CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

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

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

There was no objection.

Mr. KEE. Mr. Speaker, I have today introduced a bill which will amend the Consolidated Farmers Home Administration Act of 1961 to provide:

First. An authorization for the Consolidated Farmers Home Administration to participate in grants and loans for waste disposal systems under the same provisions which have made it possible, through the Farmers Home Administration, for rural areas to have an adequate water system and, second, to specifically designate rural areas with a population of not more than 5,000 residents as communities, rather than the present administrative determination of 2,500.

In this connection, it is my privilege to include for the attention of the House the outstanding accomplishments of the Farmers Home Administration in the Fifth Congressional District of West Virginia:

SUMMARY—MONROE SWIMMING POOL ASSOCIATION

A $35,500 soil and water association loan is being made by the Farmers Home Administration to develop a recreational area at Union, W. Va. The loan will be closed on April 9, 1965.

Construction of the project will provide 250 man-days of labor for plumbers, electricians, masons, and other construction workers and remove 4 acres from agricultural production. Approximately three new jobs will be provided in the operation and maintenance of the area.

The loan was obtained from the Farmers Home Administration by the Monroe Swimming Pool Association, a nonprofit organization of 115 rural families living in and near Union. Members will pay annual dues and fees to support the facility. In addition, income will be received from fees charged of guests and a concession stand.

Approximately 600 people will use the facilities each year, association officials estimate.

Loan funds will finance the purchase of land previously in agricultural production and pay the costs of constructing a swimming pool, bathhouse and other related facilities.

The association will serve the communities of Union, Sinks Grove, Pickaway, Gap Mills, Greenville, and surrounding farm areas. Approximately 3,000 people live in the area to be served.

The project is supported by the Rotarians, Ruritans, Home Demonstration Clubs, Masons, and other civic clubs in this area.

Recreation projects of this type boost rural areas development. Such endeavors bring new jobs to rural communities and provide much needed recreational facilities for urban and rural families. In addition, these facilities help develop the type of rural community that encourages young people to remain in their hometown, attracts industry, and promotes tourism. These projects also utilize land not needed for crop production.

The loan will be repaid over a 25-year period. Members of the association are contributing $9,500 to the cost of the project development.

Officers of the association are: H. L. Sarver, Jr., president; G. C. Mitchell, Jr., vice president; and G. C. Shanklin, Jr., secretary-treasurer, all of Union, W. Va.

SUMMARY OF LOAN ACTIVITIES OF FARMERS HOME ADMINISTRATION—FIFTH CONGRESSIONAL DISTRICT OF WEST VIRGINIA

USDA Farmers Home Administration, during fiscal 1964, made 111 loans totaling $955,763 in West Virginia's Fifth Congressional District.

These loans strengthened family farms and rural communities. Assuming that each dollar loaned passed through at least five hands as it was spent and respent these loans had a cumulative economic impact of $4,770,000. In addition, the funds increased the earning capacity of family farmers, broadened the tax base, made rural communities even more attractive.

The Farmers Home Administration program has been greatly expanded and improved during the past 4 years. The Agriculture and Housing Acts of 1961 and 1962, plus new leadership, revitalized every phase of its operations.

Most of the loans made by the Farmers Home Administration are from funds advanced by private lenders on an insured basis

and from collections of loans made in previous years.

FARM DEVELOPMENT, IMPROVEMENT

Some of the Farmers Home Administration funds were used to strengthen the position of the family farmer through operating and farm ownership loans. A total of 57 farmers borrowed $152,690 from the Farmers Home Administration in fiscal 1964 in operating loans to pay for equipment, feed, seed, livestock, for other farm and home operating needs, and to refinance chattel debts.

Farmers received $96,883 through 10 farm ownership loans to enlarge, develop and buy family farms, and to refinance debts.

Fifteen farmers and rural residents received loans from the Farmers Home Administration totaling $161,800 to build or improve their homes or essential farm buildings. In addition, a loan for the construction of an individual housing unit for a senior citizen totaled $5,100.

Grants to 40 low-income rural residents for minor repairs and improvements to existing housing totaled $35,800.

A total of $202,700 was advanced for rural housing in 1964.

EMERGENCY LOANS

Emergency loans amounting to $26,290 were made to 26 farmers to assist them in maintaining normal farming operations following natural disasters.

MULTIPURPOSE DAM, WATER SYSTEM FINANCED BY FHA CREDIT

A group of more than 2,400 rural people in West Virginia's Fifth Congressional District will soon be served by the water system being constructed in Mercer County's Green Valley and Glenwood communities with two Farmers Home Administration loans and a community facilities administration grant made during fiscal 1964. The borrowing group was the Green Valley-Glenwood public service district.

A $388,000 FHA loan and a $338,000 CFA grant are being used to construct and install the water system while a $125,000 watershed loan is being used to construct a multipurpose dam for providing a source of water. These loans were closed during April 1964.

The system—now well under construction—includes a filtration and treatment plant, a booster station, storage for 275,000 gallons of water and 20 miles of pipeline.

ANOTHER FHA FINANCED SYSTEM BEING BUILT IN MERCER COUNTY

Over 4,300 farm and rural residents in the Brush Fork, Bluewell and Montcalm communities of Mercer County in West Virginia's Fifth Congressional District will soon be enjoying an ample supply of safe water for the first time as the result of a $768,460 insured loan made in fiscal 1965.

Farmers Home Administration supervised credit extended the Bluewell public service district and a $481,500 community facilities administration grant are being used to finance construction of a 400-gallon-per-minute capacity purification plant, the installation of a 75-gallon-per-minute booster station, a 2,000-gallon storage and the laying of some 22 miles of pipe. Also to be constructed are two storage reservoirs having a total capacity of close to 52 million gallons of water.

APPROVAL GIVEN TO COMMUNITY RECREATIONAL LOAN

Monroe Swimming Pool Association, Union in Monroe County, has received approval for $35,500 in Farmers Home Administration supervised credit to finance a complete outdoor recreational facility including a swimming pool. When constructed, this recreational center will include a picnic area and tennis court and will serve over 550 farm and rural residents.

ALL FIFTH CONGRESSIONAL DISTRICT COUNTIES SERVED BY FHA OFFICES

Farmers Home Administration offices serve all rural counties in West Virginia's Fifth District. Loans are made only to applicants who are unable to obtain credit from conventional lenders and are accompanied by technical assistance in farm and financial management.

## FARM LABOR IN CALIFORNIA

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a letter from the Yolo Growers Association.

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

There was no objection.

Mr. LEGGETT. Mr. Speaker and Members of the House, I take this time to comment on a colloquy which occurred yesterday on the issue of farm labor in California.

Mr. Speaker, I am not at all ashamed of our program out there.

As Members of the House will recall, last year I said that we paid these impoverished foreign workers that come to our State at the rate of $1.35 an hour, which I understand is about 35 cents an hour higher than the national average paid to such workers.

Mr. Speaker, we use 60 percent of this bracero force in the harvesting of tomatoes in California and one-third of that production is in the congressional district which it is my privilege to represent.

Mr. Speaker, I polled my district last week to ascertain the current attitude of my constituents and I found out of 14,866 acres that were planted for the 1963–64 crop that they plan to plant this year 10,230 acres, provided adequate assurances are forthcoming by the Secretary of Labor that a supplemental labor force of some size will be provided for our State.

Mr. Speaker, for those Members of the House who think that these producers are all large corporate growers—and I remind them that this survey covers a total of 14,866 acres or approximately 50 percent of the tomato acreage planted last year—I insert the following tabulation, together with the covering letter:

YOLO GROWERS., INC.,
*Woodland, Calif., March 26, 1965.*

Congressman ROBERT L. LEGGETT,
*House Office Building,*
*Washington, D.C.*

DEAR BOB: We are enclosing, for your information, a survey just concluded by members of our staff pointing out the contemplated tomato acreage to be planted this year by members of this association.

The results of the survey show a 31-percent reduction under last year's acreage and covers growers who last year planted approximately 50 percent of the county's total acreage.

We will continue to keep you advised as changes occur, which we feel certain will happen, as the situation becomes more settled.

Sincerely yours,

RUBEN J. LOPEZ,
*Secretary-Manager.*

*Yolo Growers, Inc., Woodland, Calif., Mar. 26, 1965—Tomato acreage*

| Name | 1964 | 1965 | Machines |
|---|---|---|---|
| D. Argumedo | 110 | 110 | |
| G. L. Avilla | 200 | 200 | |
| M. B. Avilla | 280 | 230 | |
| N. Aoki | 128 | 130 | 1 |
| T. Barrios | 340 | 300 | |
| Buchignani & Hughes | 40 | 80 | |
| T. L. Burke | 160 | 180 | |
| R. L. Button | 250 | [1] 70 | |
| | | *125 | 1 |
| Chew Bros | 450 | 600 | |
| T. Combs | 150 | 0 | |
| J. Contreras | 150 | 135 | |
| Danielson & Danielson | 220 | 140 | |
| Damsen Bros | 85 | [1] 10 | |
| Dela Torres Bros | 500 | 35 | |
| V. Eriksen | 150 | [1] 140 | |
| L. Eveland | 550 | 300 | |
| M. B. Flores | 400 | [1] 100 | |
| | | *100 | |
| Frates & Shimada | 150 | [1] 40 | |
| Donald Fong | 300 | 300 | |
| M. Sandoval | 435 | 430 | |
| Harlan & Dumars | 300 | [1] 80 | |
| | | *140 | 2 |
| Hatanaka Bros | 250 | 240 | 2 |
| Heidrick Farms, Inc | 750 | 350 | |
| N. Hitomi | 190 | 200 | 2 |
| P. Hoppin | 350 | 270 | |
| R. Howald | 400 | 130 | |
| J. Jackson | 100 | 0 | |
| Ed Jang | 230 | [1] 150 | |
| C. Kimura | 360 | 200 | 1 |
| Lenel Farms | 80 | 0 | |
| L. Knight Co | 120 | 0 | |
| C. Low | 175 | 140 | |
| Meek & Lemaitre | 500 | 230 | 1 |
| Martinelli Bros | 40 | 120 | |
| K. Matsumoto | 350 | 300 | 2 |
| H. S. Matsumura & Son | 250 | 250 | 1 |
| June Morita | 250 | 150 | |
| T. Y. Morita | 220 | 175 | |
| S. Nakagaki | 120 | 100 | |
| Nishi Bros | 350 | 150 | |
| Orth Bros | 80 | 0 | |
| Ojima Farms | 400 | 340 | |
| Mas Ojima | 220 | 180 | |
| Parella Farms | 200 | 0 | |
| J. Pena | 100 | [1] 100 | |
| M. Pereyra | 140 | 100 | |
| R. W. Pollock | 265 | [1] 85 | |
| Harley Rominger | 55 | 0 | |
| Roth Bros | 105 | 0 | |
| R. Rumsey | 70 | [1] 40 | |
| Shimada Bros | 200 | [1] 160 | |
| Sagara Bros | 230 | 0 | |
| T. Sakata (Sakata Bros.) | 0 | 155 | |
| P. Stephens & Son | 100 | 130 | 1 |
| H. Takimoto | 122 | 120 | |
| Ed Ullirch | 200 | [1] 150 | 1 |
| Jim Ward | 100 | 160 | 1 |
| F. Warner | 150 | [1] 140 | |
| M. Wakida | 150 | 130 | |
| G. B. Weiss, Jr | 40 | 0 | |
| Wetzel Bros | 450 | [1] 140 | |
| | | *200 | |
| Don Wilson | 116 | 0 | |
| E. N. Winters | 80 | 100 | 1 |
| Joe Yeung | 200 | 200 | |
| Carl Hahn | 560 | 470 | |
| St. Regis Paper Co | 100 | 0 | |
| Total | 14,866 | 10,230 | 17 |

[1] These growers upon being contacted indicated they would not plant any acreage unless assured of labor within the next 2 weeks. A few growers have committed themselves to some acreage but will follow the same policy as above on the acreage indicated. The actual commitment is indicated by an asterisk (*).

The remainder of the growers listed will plant or have planted the number of acres indicated under 1965.

66 members farming in Yolo County were contacted out of total of 75 or 88 percent.

According to the Crop Reporting Service approximately 30,000 acres were planted in Yolo County in 1964.

This survey covers a total of 14,866 acres or approximately 50 percent of the tomato acreage planted last year.

The acreage this year of the growers who planted the above-mentioned 14,866 acres is down to 10,230 acres or a drop of 31 percent.

## AN HONEST, EXTRA EFFORT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter sent to the Secretary of the Department of Agriculture.

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

There was no objection.

Mr. ASPINALL. Mr. Speaker, I have listened to and read with great interest the many comments that have been made in this body and in the press concerning the problem of making available agricultural labor for our farmers. It distresses me that there are those who take a very authoritative view of the matter when their knowledge is confined to just one segment of the entire problem.

The shortage of agricultural labor, both present and anticipated, is not confined to the large, corporate farms. On the contrary, it is the family farm, the farm with the small to modest income, the farm that cannot afford the high cost of mechanization that will suffer if manual labor is not available.

When I speak of the farm laborer, Mr. Speaker, I wish to make it clear that all producers that I know of would prefer to hire qualified domestic farm labor if it is available. I use the word "qualified" for a very good reason. Today's farm laborer must have more to offer, other than the fact that he happens to be unemployed. Physical stamina, manual dexterity, attitude toward work, and proper motivation are all essential qualities that every producer has the right to expect in his workers if he is to maintain an efficient and competitive operation in an industry where the margin of profit is no more certain than the weather.

As one who has dealt directly with this matter of agricultural labor, I find myself wondering why we had greater human efficiency among the domestic farm laborers of 20 and 30 years ago who worked without many of our modern conveniences. I would never deny to our workers whatever aids our technology can produce, but must it be at the expense of steady and efficient application by the laborer?

There has been a great deal of emphasis placed on the question of wages. In the case of the sugarbeet producers in Colorado and elsewhere the wages paid are those determined by the Secretary of Agriculture, but the question is raised: Just where does the burden of increased wages fall? Consumer resistance to high food prices makes it obvious that the cost will have to be borne, in a great measure, by the producer—a man who is faced with some very definite economic limits.

I join with all those who deplore the reported substandard working conditions that are offered in some areas, but, because there are laws which deals with these problems directly, I regard it as an issue separate from this question of the availability of labor.

I have directed a letter to the Secretary of Labor in which I have advised him of the agricultural labor situation as it will affect the sugarbeet and other farm production in the State of Colorado. I submit it as evidence that an honest, extra effort is being made by agricultural interests, to obtain farm labor for the State of Colorado.

The letter follows:

APRIL 5, 1965.

DEAR MR. SECRETARY: I wish to take this opportunity to advise you of my grave concern over the very real possibility that the sugarbeet and other agricultural producers in the State of Colorado will experience a critical labor shortage this year and a resultant economic loss of serious proportions.

I know that you have been contacted by many others in this regard and I, myself, have been in touch with some of your very cooperative assistants, but I feel the urgent need to bring this matter to your personal attention.

If I appear to place a special emphasis on the plight of the sugarbeet producer, it is only because they will meet this problem sooner than the other row-crop farmers in the State.

In just one portion of the Fourth Congressional District which I represent, there were 153,780 acres planted to sugarbeets and under contract to the Great Western Sugar Co. I call your attention to the following figures which relate to the labor that was required to work that acreage in 1964:

| Types of workers | Acreage worked | Number of workers | Average acres per worker |
|---|---|---|---|
| Growers' families | 1,068 | | |
| Resident labor | 17,446 | 1,703 | 10.24 |
| Youth groups | 16 | 5 | 3.20 |
| Indians | | | |
| Out-of-State domestics | 46,908 | 4,116 | 11.40 |
| Mexican nationals | 88,342 | 4,665 | 18.94 |

You will note, Mr. Secretary, that Mexican nationals made up a little less than half of the total workers employed, and yet they worked nearly half again as many acres as all the domestic workers combined. This, of course, is not startling news, for the higher production records of the Mexican nationals is an established fact. What it does mean, however, is that, if we are to continue working the 88,342 acres handled by foreign labor last year, we must recruit almost 9,000 domestic workers to do the same work turned in by the 4,665 Mexican nationals.

Mr. Secretary, every other industry is permitted to operate with a set of standards that they establish for their employees. Why is it that agriculture is now being told to go out and hire from among the unemployed, even among those found unacceptable to other more favored industries. It is no more realistic to expect everyone who is unemployed to become a valuable agricultural worker than it is to expect that every unemployed person could step up and operate a drill press or serve as a bank teller. Agricultural workers are often called unskilled laborers, but such qualifications as physical stamina, manual dexterity, attitude, and motivation must be possessed by the farm laborer, and they are certainly not possessed by all the unemployed.

I know of your sincere interest in this matter, Mr. Secretary, and I am aware that you are insisting that every effort be made to recruit domestic workers before you call for the importation of workers under Public Law 414. Knowing this, I have questioned the agricultural producers and processors in Colorado with the greatest care concerning their recruitment efforts. In addition to correspondence, I have received a verbatim account from one who has spent many years in labor recruitment activity in Texas, Oklahoma, New Mexico, Arizona, and other Southwestern States. He has described for me the stepped-up recruitment that is taking place this year. In addition, Mr. Secretary, the Colorado State employment service has long been active in the recruitment field and has stepped up its activities this year.

It is interesting to note that the combined efforts of the producers, processors, and the State in the search for domestic workers could not fully meet the needs in any of the years from 1951 to the present, and this was during a time when there was not nearly the competition for the domestic workers that there is and will be this year.

While the recruitment teams going into other Southwestern States have been expanded, the growers are turning renewed attention to the local labor and youth groups. In Sterling, Colo., beet growers have contacted the principal of the high school and the president of the junior college to see what help might be available from the student bodies. Others have been in touch with the Logan County and Weld County welfare departments to see how many of those on the roles might be available to thin beets this year.

But welfare recipients and high school workers can never supply the answer to this problem. The main effort must be made where the domestic farm laborers live, and there it will be a challenge to fight the competition just to keep the domestic workers hired in the past, let alone find the 9,000 new ones needed to replace the braceros.

However, Mr. Secretary, I am sure that I do not need to advise you concerning the recruitment of agricultural labor for this year. I am advised that the recruitment teams from your Department are ranging far and wide in the search for an adequate supply of domestic workers. Whenever I have asked what success these Department of Labor recruiting teams have had, I am told that it is still too early to say. The labor supply, Mr. Secretary, is beginning to disappear while the demand is just beginning to grow.

As I stated above, the producers, processors, and the State employment service in Colorado are continuing to make the recruitment effort you have requested. The growers have accorded to domestic workers all the benefits given Mexican nationals. The wage rates paid both types of workers have been as determined annually by the Secretary of Agriculture under the terms of the Sugar Act. There has been no discrimination in housing and the free housing furnished both domestic workers and Mexican nationals has been inspected and has met the Department of Labor's minimum standards for nationals. The sugar industry is one of the few that have provided both occupational and nonoccupational insurance coverage for domestic workers.

Mr. Secretary, as I stated previously, the agricultural interests of Colorado are making an honest, extra effort to supply their own labor needs, and they will continue that effort with increasing vigor as the growing season begins, but with the discouraging situation they have encountered, it is most distressing to hear the growers talk of the undesired and yet likely need to plow their crops under for want of help in the fields.

For this reason, I strongly urge you to make the necessary arrangements with the Mexican Government to insure that Mexican workers can be moved into Colorado promptly should the strongly based fears of Colorado agriculture prove to be unhappily accurate.

With best wishes.

Sincerely,

WAYNE N. ASPINALL,
*Member of Congress.*

## THE GRAND CANYON WILL NOT DROWN

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

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

There was no objection.

Mr. SENNER. Mr. Speaker, I read with some concern the remarks of my distinguished colleague and close friend, the gentleman from Pennsylvania, JOHN SAYLOR, in the March 16, 1965, CONGRESSIONAL RECORD, page 5111, titled "Don't Drown the Grand Canyon."

No one has greater respect or deeper admiration for the brilliant ranking minority member of the House Interior and Insular Affairs Committee than I. Only the most compelling need motivates me to respond to his remarks which, however thoughtful and sincere they may be, tend to leave a misapprehension in the minds of my colleagues.

I am deeply proud of the fact that I am the only Congressman who can say that he has the Grand Canyon in his congressional district. I have had the opportunity individually and with my family to view the magnificence of God's work in this creation of one of the seven wonders of the world.

If anyone in this Nation were to intentionally or unintentionally do any damage to so beautiful a natural phenomenon, I would be the first to rise and protest with all the energy at my command.

Yet the truth of the matter is that no damage will be done.

Construction of a dam at Marble Canyon will not touch the Grand Canyon at all, Marble Canyon Dam being located approximately 60 miles south of Glen Canyon Dam and approximately 25 miles northeast of Grand Canyon. Since water will not run uphill, not even by the strongest stretch of the imagination could one say that Marble Canyon will in any way affect the Grand Canyon National Monument.

Reference has also been made to Bridge Canyon Dam which will be located at the headwaters of Lake Mead. According to the Bureau of Reclamation, the dam would back water—assuming that we would have the dam filled to capacity—13 miles into Grand Canyon National Park. This backup water certainly will not detract from the canyon's awe-inspiring beauty. In fact, it will permit tens of thousands of families to enjoy scenic grandeur where now only a small handful of river adventurers dare to journey.

Bridge Canyon Dam and Marble Canyon Dam—integral parts of the long-awaited central Arizona project—will permit distribution within Arizona of Colorado River water to which the U.S. Supreme Court said my State is entitled. But more than that, the dams will provide that water which all the Western States that joined in the Colorado River compact have agreed is the allocation due the States of California and Nevada.

Mr. Speaker, the largest city in Arizona—the city of Phoenix—is aptly named after that legendary bird which arose from its own ashes, because Phoenix arose from the burning desert like so many other Arizona cities. Ironically enough, the name could lose its import in time. Without this new implementation and supplemental water Arizona could not rise to its greatest heights because we use more water than is now available. Arizona must receive its fair share of the Colorado River water as agreed to by the Santa Fe and Colorado River water compact of 1922. Let me emphasize here that in Arizona we have taken 200,000 acres of productive agricultural land out of cultivation simply because we either have no water or the cost of pumping is prohibitive.

To the conservationist, to all our eastern friends, and to the visitors whom we welcome with open arms to view the majesty of the Grand Canyon, let me be the first to say: Let us not damage it, let us not disturb its natural beauty, but let us be in a position, by the construction of Bridge Canyon Dam and its attendant lake, to have easy access to view and to enjoy one of the world's greatest wonders.

To those who cry "Destruction" and to those who cry "Don't drown the Grand Canyon," let them be reassured that neither will happen.

There are those who would cry that we are disturbing the great mountains of Appalachia by building roads, but I along with my colleagues, were willing to cast an affirmative vote to build roads in this great natural wonder, which was also created by our Maker, so that we may improve the living and working conditions of the people. All we Arizonans ask is that we receive the same consideration. Let us improve the living and working conditions of the people of Arizona.

I would say, without equivocation, that nothing proposed by the Bureau of Reclamation relative to the Lower Colorado River Basin project or the central Arizona project would in any way damage the Grand Canyon located in my district and which, Mr. Speaker, I will fight to protect from any harm, natural or otherwise.

## A GREAT AND HISTORIC LANDMARK

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

Mr. HECHLER. Mr. Speaker, we in this Congress are leaving more than footprints on the sands of time. We are passing legislation which raises great new standards whose effect will be felt for generation after generation yet unborn.

As a former teacher, I feel very deeply about the need for the Elementary and Secondary Education Act. When this bill is signed by the President, it will constitute a great and historic landmark. Men and women with vision, imagination and determination in and out of the Congress have fought unceasingly for this legislation. As a result, we are now on the threshold of a new era in education.

### HELP FOR STUDENTS IN NEED

Mr. Speaker, when I first had the good fortune to come to this great Congress, it appeared to me that the over-riding priority in this Nation should be legislation of this nature. Before voting for tanks, planes, and guns, and before voting funds for the space program, I felt it was necessary to place first things first and bolster our education system. That is why, on several occasions, I voted against huge defense and space appropriations because I felt that education aid was the first priority and the very basis for a strong defense and space program. When the House passed the aid to education bill in 1960, and the clerk called my name in the rollcall, I was tempted to shout "Hallelujah," instead of "Aye." Although the bill passed in 1960, it did not successfully negotiate all the legislative shoals. Like many education bills since, it failed. There followed several years of fruitless controversy over the church-state issue and other sources of deadlock. But we have now overcome these obstacles.

There are about 105,000 children from low-income families in West Virginia who will benefit from this legislation under title I, which provides $15.7 million for the State of West Virginia. I am pleased that local school administrators will decide the projects for which these title I funds will be made available.

### BOOKS AND LIBRARY MATERIALS

Some $900,000 will be provided to West Virginia schools for books and library materials. In the last school year, the average schoolchild in West Virginia shared in only about $2.19 worth of school library resources. The West Virginia school libraries contained an average of only eight books per pupil. Title II will furnish means for more closely approximating the standard figures of $4 to $6 annual per pupil library expenditures, and the 10-volume-per-pupil library content recommended by the American Library Association.

### SUPPLEMENTAL EDUCATIONAL CENTERS

The remaining titles of the bill allocate funds for establishing supplemental educational centers and services in areas where educational opportunities in the regular schools are limited; for broadening current and establishing new programs of educational research and implementing the findings of such programs; and for the improvement of State education departments throughout the Nation. The results to be expected from these measures are meritorious in themselves, and they will also influence the accomplishment of the purpose of title I: the provision of high quality education in low-income areas.

### ALLOCATION FORMULA

During our debate on this bill, attention was called to the disparity among States in the amounts of money the schools in the various States would receive, especially under title I. Such disparities are bound to exist under a formula which takes under consideration the varying population figures of the States, and more so if the amount of money per pupil spent by a State is added as a factor in the allocation formula. This, of course, was the case in the formula of H.R. 2362.

Under the formula, the amount of the grant to each State is determined by multiplying the number of school-age children from families with annual income of less than $2,000—including children from families whose income is more

than $2,000 only because they receive aid to families with dependent children relief—by one-half the average per pupil school expenditure within that State. Since some States have many eligible children and some only a few, and since there is a wide range among the States in the average per pupil expenditure, disparities are the result.

A look at the nature of these disparities should prove useful.

The grants to New York under this bill will equal about 4 percent of that State's total educational outlay before this measure. For West Virginia, the figure would amount to 12.2 percent. So while New York may receive a larger total of money than West Virginia, it is equally clear that the grant to West Virginia represents a larger proportionate addition to the funds to be expended in education than does the grant to New York.

AN EDUCATOR COMMENTS

Dr. Grant Venn, Wood County superintendent of schools, recently wrote me:

The children of this country simply cannot be educated based on the present tax system which makes local funds so scarce for this purpose, even though the local and State efforts have far exceeded local moneys in this area. This bill literally provides general education aid to each school district based on the number of low-income children in the schools. To me, this seems to be as good a criterion for judging where the money should go as any I know. However, I would be the first to recognize that it is not the only one, but it does seem to me that it would then leave within the hands of the local board of education the decision as to how this money should be spent in most cases.

OUR GREATEST RESOURCE

The young people of West Virginia are the greatest resource we possess—greater even than our coal, our rivers, or the natural God-given beauties of our mountains and our valleys—and we must invest to give our young people the very best in education. In 1965, the West Virginia State Legislature enacted a far-reaching program for the improvement of education. In his inspiring inaugural address on January 18, 1965—delivered in the snow, just as another great inaugural address was delivered in the snow by President John F. Kennedy 4 years ago—Gov. Hulett Smith pledged for West Virginia an administration of excellence. He added:

First, I am determined that excellence in education will be our No. 1 goal. A great educational system is a prerequisite to a great State.

We must continue to press forward to improve our school system in West Virginia and the Nation. I salute the teachers and school administrators in West Virginia who are working diligently toward that end, and pledge my personal efforts to help every step along the way.

## NEW LEGISLATION TO ENFORCE CONSERVATION OF NORTH PACIFIC SALMON

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

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

There was no objection.

Mr. PELLY. Mr. Speaker, the distinguished senior Senator of the State of Washington [Mr. MAGNUSON] has long taken an active part in trying to protect the fishing resources of the Pacific coast from foreign encroachment. His vigorous leadership as chairman of the Senate Commerce Committee in this respect I am proud to acknowledge and applaud.

Not long ago the Senator arranged for members of the North Pacific fishing industry to meet with Under Secretary of State Harriman and other officials of both the Department of State and the Department of the Interior. Other members of the Washington State delegation, including myself, were present as were Members of the Congress from the State of Alaska that has such a vital interest in this problem. The urgency of getting the Japanese to agree to salmon conservation on the high seas was discussed and, as I understand, following this meeting our Government did make representations to the Government of Japan, unfortunately with absolutely no results. The Japanese are not conservationists and seem content to allow their fishing fleet to ruthlessly harvest and destroy the Bristol Bay red salmon runs that originate in our Alaska streams.

Those of us who have long sought to obtain some protection for our fishermen have exhausted our patience and have reached the conclusion that legislation may be the one and only remaining solution. In line with this thinking, yesterday Senator MAGNUSON introduced a bill in the Senate and I am introducing a companion bill in the House today as an answer to the problem and to protect our North Pacific salmon resources by permitting the use of economic sanctions when this becomes necessary to assure that our conservation programs for salmon are not frustrated by destructive practices of other nations with regard to our salmon stocks on the high seas.

The chairman of the House Fisheries Subcommittee of the House Merchant Marine and Fisheries Committee tells me he plans to hold hearings on various fishery bills around the 25th of April, and I am hopeful an early hearing on this new legislation can be arranged. In this connection I am requesting that departmental reports on the bill be expedited.

## REPEAL EXCISE TAX ON HOUSEHOLD APPLIANCES

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

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

There was no objection.

Mr. BROCK. Mr. Speaker, it is time we repealed all excise taxes on necessities which were "temporarily" imposed on the American taxpayers so long ago. A prime example of the unfairness involved are taxes on household appliances such as refrigeration equipment and electric, gas, and oil appliances. Such levies are of necessity passed on to every housewife in the form of higher prices.

Therefore, Mr. Speaker, I am today introducing a bill which would repeal the manufacturers' excise tax on household appliances. I urge my colleagues on the tax-writing Ways and Means Committee to give speedy and sympathetic consideration to enactment of this measure as part of the administration's proposed reduction in excise taxes.

## CLEVELAND PRAISES REPUBLICAN LEADERSHIP ON VOTING RIGHTS ISSUE

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

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

There was no objection.

Mr. CLEVELAND. Mr. Speaker, the country owes a debt of gratitude to the House minority leader, the gentleman from Michigan [Mr. FORD] and the gentleman from Ohio [Mr. MCCULLOUGH], the ranking Republican on the House Judiciary Committee, for their forthright and courageous response to the voting rights issue.

Their constructive leadership has resulted in a Republican alternative to the administration's bill on voting rights that is superior in every respect. It is superior in that it applies equally to all parts of the country. It is superior in that it would not bar literacy tests, as the President's bill would do in certain circumstances. It is superior because it is truly responsive to the problem and would not, like the administration's bill, exclude large areas of the country where we know that discrimination exists in voting.

Earlier this session, I joined with many Republican colleagues in the introduction of comprehensive voting rights legislation substantially similar to the Ford-McCullough bill. Following that, the President made his dramatic address to the Congress and we waited with high hopes to receive his proposal, which had not been drafted at the time of his address. When his bill was submitted, however, expressions of worry and concern on both sides of the aisle rose in sharp contract to the general applause accorded the President's speech. This was because the administration's bill does not measure up to the standards set or the pledges implied in that address.

Instead, the administration's bill would establish a set of complex standards which are discriminatory in themselves in that some States would be covered while others, where there is discrimination in voting such as Texas, would be excluded. This is uneven justice, if it is justice at all.

PRESIDENT'S BILL OF QUESTIONABLE CONSTITUTIONALITY

Under certain conditions, the President's bill would abolish State literacy

tests. This is highly questionable on constitutional grounds. Under the Constitution, States have the right to set standards for voter qualifications and there is nothing illegal or wrong with literacy tests so long as they are not employed in violation of the 15th amendment—that is, so long as they are not involved with racial discrimination, or intimidation or coercion.

The Republican bills are subject to none of these objections. Without impairing any constitutional rights of the States, they provide to every citizen a swift guarantee of an equal opportunity to be registered to vote.

The full prestige and authority of the minority leader and the ranking Republican on the Judiciary Committee now have been thrown behind a fair voting rights bill. A solemn moment of decision is approaching for the House. Let us choose wisely on this issue. I am disturbed by reports that the Ford-McCulloch bill and constructive Republican proposals are to be brushed aside by the majority. This would be a grave mistake, Mr. Speaker. There is great likelihood that if we enact the President's bill without susbtantial amendment, we will have to act on this issue again, very likely after further bloodshed and riot, because it is inadequate to the need.

If this occurs, and Republicans are brushed aside in the coming debate, the majority party will have much to answer for to the American people.

## THE HONORABLE WARREN G. MAGNUSON

Mr. FARNUM. Mr. Speaker, I ask unanimous consent that the gentlewoman from Washington [Mrs. HANSEN] may extend her remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mrs. HANSEN of Washington. Mr. Speaker, it is with a great deal of pleasure and pride that I have the privilege of calling to the attention of Members of this House the April 3 article in the Wall Street Journal on my State's senior Senator, WARREN G. MAGNUSON.

Since Senator MAGNUSON is a very beloved former colleague of many Members of this House, I know they share my interest in this excellent piece of reporting.

Senator MAGNUSON began his career in the legislature of my State where I had the privilege of serving for many years. He was a distinguished prosecuting attorney for King County, the largest in our State, and was subsequently elected and reelected to this Congress, then went to the Senate where he has served with great distinction and credit to all Americans.

It has been my pleasure to campaign for him and to speak on his behalf many times.

It is not only through his seniority in the Senate and through his committee chairmanship that he has earned the affection of our Members. As the Wall Street Journal's article points out so well, it is the warm qualities of humanity; the ease, courtesies, and kindnesses which he gives to so many all of the time that has made him Washington's beloved "MAGGIE."

On behalf of my State, I am proud to call this article to the attention of my House colleagues. I am joined by my fellow Washingtonians who share with me pride and pleasure.

THE SENATE'S "MAGGIE": IN A CASUAL WAY, WASHINGTON'S MAGNUSON GETS MUCH DONE

(By Dan Cordtz)

WASHINGTON.—If a Senate poll were taken to pick that clubby group's half-dozen most popular, most influential and most anonymous Members, chances are that on all three lists would appear one name: "MAGGIE."

That's the way it would be put down on most ballots, too. For to his affectionate colleagues, the full name of WARREN G. MAGNUSON is somehow too stiff to go with his casual, unbuttoned informality. Even after 20 years as Democratic Senator from the State of Washington, he exudes an air of good-fellowship that prompts total strangers to call him by his nickname.

Presiding over a public hearing in his bluff, rambling fashion, chewing a big cigar and with his dark-rimmed spectacles slipping down his ruddy nose, he can appear a faintly comic figure. Grammatical slips, mispronunciations, and malapropisms are not unknown to him, and he persistently confuses such terms as "balance of trade" and "balance of payments."

If this manner occasionally traps an outsider into taking Senator MAGNUSON for less than he is, it doesn't deceive his peers. His name may mean little to the public outside his home State, but within the club it carries unmistakable weight. This point is being proved once more in the case of the proposed law to require health warnings on cigarette packages. The introduction of a Magnuson bill was the signal for 2 weeks of full-dress hearings which wind up today. If he cares to declare himself, the Senator from Washington will undoubtedly have a great deal to say about whether the final law applies to cigarette advertising as well as package labels.

Senator MAGNUSON'S official credentials alone guarantee attention to his views. He is chairman of the Committee on Interstate and Foreign Commerce, whose legislative jurisdiction affects an estimated 90 percent of the Nation's industry and commerce; he is chairman of the Independent Offices Subcommittee of the Appropriations Committee, which holds the purse strings of most Federal regulatory agencies; and he is chairman of the Democratic Senatorial campaign committee, which doles out contributions to colleagues at election time.

Senator MAGNUSON also enjoys the special status that goes with long service (he ranks eighth in seniority), a place on the Democratic policy committee and membership in the Senate's shadowy inner circle. He is one of the few active remnants of the fading establishment which helped Lyndon B. Johnson run the Senate for nearly 8 years. The President and Senator MAGNUSON, in fact, share a close personal friendship that goes back almost to the day in 1937 when both were sworn into the House of Representatives.

PRESIDENT WAS BEST MAN

"We came here together, went to war together, and came back together," the Senator declares proudly. He modestly omits the fact that the President served as best man last year when Senator MAGNUSON married Mrs. Jermaine Peralta, a Seattle widow.

More important than official rank and highly placed friends, though, is the all but universal fondness felt for Senator MAGNUSON by men of the most diverse political persuasion. Conservative Senator CARL HAYDEN, Democrat, of Arizona, who has spent 38 years in the Chamber, labels him "a Senator's Senator." (One popular definition: "A man who, if he can't help you win, helps you look good losing.") Majority Leader MIKE MANSFIELD, of Montana declares, "MAGGIE doesn't have an enemy on either side of the aisle." Adds liberal Democrat PHIL HART, of Michigan: "He's just one of the really nice guys in this place."

A psychiatrist might contend the 60-year-old Senator's desire for friendship reflects a childhood insecurity. Orphaned at the age of 3 weeks, he was adopted by a Swedish family in Minnesota. But at the age of 17, he worked his way west—riding freight trains and doing farm labor—until he reached Seattle. Seven years later, he had worked his way through the University of Washington and its law school and in 1933 won his first election, to the State legislature. Since then he has been in 23 more and won them all, although he received the scare of his life in 1962 when an unknown minister came within 45,000 votes of turning him out of his Senate seat.

Like many of those in the Senate, Senator MAGNUSON seems to find most of his pleasure in the company of his fellow club members. He plays poker with a congressional group almost every Thursday night, attends football and baseball games with Senator RICHARD RUSSELL, of Georgia. A good companion, he is fond of telling funny stories about his fellow Scandinavians. Before his marriage, he was one of the Capital's gayer bachelors; now he spends most evenings reading and works at painting on the weekends. He is an unabashed sentimentalist, a quality that endears him to his frequently thickskinned Senate mates.

But popularity on Capitol Hill is more than a matter of being a pleasant, amusing nice guy. To get along, goes the proverb, go along. And Senator MAGNUSON tries hard to help his colleagues wherever possible. Some outside critics suggest he is a bit too accommodating and even something of a wheelerdealer. But the most sternly moralistic among his fellow Senators deny there is anything sinister about his horse trading.

" 'MAGGIE' wouldn't compromise with principle," one realistic Senate veteran says, "but he's not one of those fellows who looks for a moral issue in every little political proposal. He's not dogmatic or doctrinaire. He can give a little on most things. Some of these birds around here see everything in such categorical terms, they never have any room to maneuver."

Placing Senator MAGNUSON within the ideological spectrum is not easy. Both the Americans for Constitutional Action and the Americans for Democratic Action rate him, on his voting record, as a solid liberal. He wears that badge proudly, but adds that he is a conservative in fiscal matters. "I helped cut $6 billion off the Federal budget in the last 10 years," he declares. Some of his friends describe him as an instinctive conservative whose natural bent is tempered by political realism and a soft heart.

Even when he is shepherding an administration proposal or one of his own through his committee, moreover, Senator MAGNUSON is always seeking the sort of consensus so dear to his friend in the White House. And if he finds it impossible to get, he's quite content to let the matter rest until a better day. "We seldom pass a bill in the Commerce Committee that isn't pretty well agreed on," he remarks.

NO ARM TWISTER

Nor is such agreement the grudging result of any arm twisting on his part. The chairman of a Senate committee enjoys broad power, and more than one has been known to

use it tyrannically at times. But not the senior Senator from Washington. His permissiveness makes the public hearings of the Commerce Committee the most relaxed in town. It encourages many members to indulge their penchant for comedy, and occasionally reduces the time schedule to a shambles. Once the doors are closed on executive sessions, committee members say, their chairman is brisker, but never domineering.

So adroitly has Senator MAGNUSON steered clear of controversy that he has really only been embroiled in a couple of bitter, knockdown battles. One was the dispute over construction of a multipurpose dam in Idaho's Hells Canyon in 1956 and the other was the 1959 wrangle over Senate confirmation of Adm. Lewis Strauss as Secretary of Commerce. (Senator MAGNUSON suffered one of his infrequent defeats when the big dam was rejected in favor of two low-level dams, but he was on the winning side as Admiral Strauss was retired to private life.)

When he is forced into the line of fire, Senator MAGNUSON usually emerges magically unscathed. He pushed the public accommodations section of the civil rights bill and the communications satellite bill through his committee without alienating either the southerners violently opposed to the first of the liberals adamantly against the second. Second-ranking committee Democrat JOHN O. PASTORE, of Rhode Island, on the other hand, was raked from both sides and lost the election for assistant majority leader partly as a result.

But his fellow Senators don't just like Senator MAGNUSON: they trust him. "Everybody knows 'MAGGIE'S' not out to do anybody in," explains a colleague of years' standing. "He has no further political ambitions, so he's not trying to take anything away from somebody else. All he wants is to be liked." This attitude, plus his acceptability to L.B.J. and the Senate's elders, was responsible for Senator MAGNUSON'S selection (over then Senator HUBERT HUMPHREY) as head of the senatorial campaign committee.

As they trust his good faith, moreover, Senator MAGNUSON'S colleagues also trust his instincts and judgment. "I doubt," asserts a strong liberal, "that 'MAGGIE' ever read the civil rights bill clear through. He doesn't have a mind that focuses on detail and niceties. But he came down hard on the right side." And if he is no deep thinker, he is also far from ill informed where his own legislative specialities are concerned.

RELIANCE ON STAFFS

He relies heavily on personal and committee staffs whose abilities are acknowledged by Democratic and Republican Members alike. (So many persons work for Senator MAGNUSON directly or indirectly that one long corridor of the Senate Office Building is known as "MAGGIE'S" Alley.) And unlike many in Congress, he does not spread himself thin. He specializes in his committee's concerns, with particular interest in fisheries, merchant marine, and the like which mean bread and butter to his home State.

It's a rare Senator, therefore, who can bring himself to turn Senator MAGNUSON down when he entreats support. "He'll go to a fellow like JOHN STENNIS, for example, and tell him how desperately the Pacific fishing industry needs help," says an admiring associate. "STENNIS won't give a damn one way or another, but 'MAGGIE' will be so earnest and so determined that he'll figure if 'MAGGIE' feels that strongly about it he must be right. Anyway, the demand is never outrageous and it never involves taking something away from somebody else. If 'MAGGIE' usually gets what he wants, it's because he usually wants what he can get."

Nonetheless, his modest goals have resulted in such legislative plums as a $10 million Federal grant for the 1962 Seattle World's Fair; a chain of dams along the Columbia and Snake Rivers; and an amendment to the food-for-peace program adding fish to the surplus foods which can be sold to foreign countries under special, easy terms. (The only fish currently in surplus in the United States just happens to be pink salmon, most of which is caught and canned in the Pacific Northwest.) And Washington, 23d State in population, collects 1 of every 6 Federal public works dollars.

Many of his contributions, his admirers say, go unnoticed because Senator MAGNUSON avoids attracting attention. In fact, his manner of operating may have been best described by President Kennedy when he spoke at a 1961 dinner honoring Senator MAGNUSON'S 25th anniversary in Congress.

"Most Members of the Senate," President Kennedy said, "have developed the art of speaking with precision and clarity and force. The secret of Senator MAGNUSON'S meteoric career has been the reverse. He may make clear speeches to you on great public occasions, but in Washington he speaks in the Senate so quietly that few can hear him. He looks down at his desk—he comes into the Senate late in the afternoon—he is very hesitant about interrupting other Members of the Senate—when he rises to speak, most Members of the Senate have left—he sends his messages up to the Senate and everyone says, 'What is it' and Senator MAGNUSON says, 'It's nothing important.' And Grand Coulee Dam is built."

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

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

There was no objection.

Mr. HICKS. Mr. Speaker, it gives me great pleasure to join with my colleagues in tribute to the Honorable WARREN G. MAGNUSON, for 20 years U.S. Senator from the State of Washington.

It is apparent that no man on Capitol Hill is better liked or more highly respected than "MAGGIE," as he is universally known. One who obtains such great respect and affection over the years it has existed in the House and Senate is surely deserving of it, for it must be earned and reearned constantly. Those Members who served with him in this body, when he first came to Washington in 1937, will remember him of old and know that this is no exaggeration.

"MAGGIE" is a living refutation of that cynical old saw that "nice guys finish last." This is doubly gratifying in that he is the least cynical of men and is truly a "nice guy" in the finest sense of the term. Not only does he not finish last, he almost invariably finishes first.

We of the State of Washington are grateful that we have had Senator MAGNUSON representing us in the Senate for the past 20 years. And we hope he will continue to represent us in that body for many, many more years.

It is extremely difficult to capture, within the disciplines of the written word, the complexities of a man of such stature. But it has been done, in the April 2 edition of the Wall Street Journal.

I join with my colleagues in including in the RECORD this profile of "MAGGIE," in order that all may know of the senior Senator from the State of Washington, truly our man in Washington, D.C.

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

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

There was no objection.

Mr. ADAMS. Mr. Speaker, I rise to add a few thoughts on the article about Senator WARREN G. MAGNUSON which appeared in the Wall Street Journal.

It has been my privilege to know, to respect, to admire, and to support our esteemed and distinguished senior Senator from the State of Washington for many years. I even had the privilege of being chairman of "Young Men for MAGNUSON" in our State during the Senator's reelection campaign of 1956. And here in Congress I have been accorded the further honor and privilege of sponsoring legislation before this honorable body that Senator MAGNUSON introduced into the Senate of the United States.

Mr. Speaker, the United States of America is indeed fortunate to have a man of Senator MAGNUSON'S stature as a statesman and accomplisher of great deeds sitting in the august halls at the other end of this edifice. Nor must we forget the long, fruitful years the Senator served in this House helping to forge much of the great legislation emanating here during his distinguished tenure.

Mr. Speaker, even as we speak here today to congratulate Senator MAGNUSON—"MAGGIE" to his countless friends—on the article that appeared about him in one of the Nation's most respected journals of news and opinion, Senator MAGNUSON is engaged in the formulation of more good laws. The Senator has written an admirable public record in his 28 years of congressional service. He has risen to the very pinnacles of responsibility, and now is a key figure in the decisions made at the top levels of Government. But Senator MAGNUSON never has been known as one who looks backward. His concerns are today's problems and tomorrow's challenges.

Mr. Speaker, it is a privilege to serve in the same Congress with this friend and confidant of Presidents; this close associate and leader of Senators; this national legislator who gets things done.

I treasure him as a friend; all who knew him consider him a fine man; his colleagues judge him a great Senator.

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

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

There was no objection.

Mr. MEEDS. Mr. Speaker, if you should run across him in Anacortes, or Seattle, in Walla Walla or Spokane, you would never know that he was one of the most powerful and influential men in the U.S. Senate. Even in his office, it is difficult to realize that this friendly, natural guy is WARREN G. MAGNUSON, chairman of the powerful Senate Commerce Committee. In over 30 years of public service, MAGGIE has not lost that com-

mon touch, while at the same time he has acquired uncommon power and importance by his able and dedicated service to this Nation.

In our State of Washington, his contributions are enormous. Perhaps the most significant accomplishments of his long career are those providing for the efficient development of the Columbia River, providing low-cost hydroelectric power for the entire Northwest and making possible, valuable reclamation projects opening vast new areas to agriculture.

But MAGGIE'S roll is not provincial. Through his Commerce Committee passes nearly all legislation affecting the Nation's business community. He was one of the leaders in the fight to pass the civil rights law of 1964. His experience and ability as a legislator makes his a significant contribution to the State of Washington, the Senate, and the Nation.

His friendship to all members of the Washington State delegation is valued and his gracious and generous help to us, deeply appreciated. It is a privilege to serve with so accomplished a public servant and so outstanding a man.

Mr. FARNUM. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FOLEY. Mr. Speaker, I am proud to add my voice to the many words of praise for our distinguished senior Senator from Washington, the Honorable WARREN G. MAGNUSON. In fact, far too little has been said about the efforts and accomplishments of this man who has been called "a Senators' Senator." The magnitude of his work in both bodies of the Congress can be seen throughout this Nation: in the development of our natural resources, in the construction of great public works, in the improvement of transportation and communications, in the advancement of science, in the exploration of space, in the improvement of medical research, and in the securing of human rights.

Mr. Speaker, the Wall Street Journal calls him a quiet man, and he is. But his accomplishments speak for him clearly and articulately.

I first met him when I was a boy. At that time, although he was a very young man, he already had a distinguished career in public service. Today he is in the prime of his life, having been a leading figure in the public affairs for over a quarter of a century. In recent years it has been my privilege to work closely with him, and these years have multiplied my respect and admiration for him.

I know that each of us who speak today shares the deep satisfaction in this privilege of common service. We salute him as he continues his magnificent service to our State and Nation.

## BILL INTRODUCED TO AMEND MERCHANT MARINE ACT OF 1936

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

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

There was no objection.

Mr. GILBERT. Mr. Speaker, I am today introducing a bill to amend the Merchant Marine Act of 1936, to protect and promote the health of seamen on vessels of the United States. My bill would provide that no Public Health Service hospital, in which seamen receive care, may be closed without approval by a resolution of the House and Senate.

I have been disturbed over the proposal to close a number of our Public Health Service hospitals. The matter of hospital care for our merchant seamen and their dependents is one of deep concern and interest to me. As a member of the Merchant Marine Committee, I have listened to sound argument against the closings from maritime and shipping groups, Government officials, and others. I have received hundreds of letters from seamen all over the country in protest. I wrote to President Johnson on February 8 asking that he review and reconsider the proposal.

Mr. Speaker, our Government has provided marine hospitalization since the late 1700's, and it is our obligation to continue to provide proper care to maintain the efficiency of this important arm of our defense. We must provide protection against the importation of diseases from abroad and promote our country's foreign commerce needs. Merchant seamen are exposed to unusual health hazards since their work takes them to all parts of the world. The hospital and medical services given them in PHS hospitals are specifically tailored to their needs and the time schedules of their ships. The PHS staffs have maintained high standards of service, in spite of budgetary limitations that have restricted some operations and prevented improvements and repairs in most of these hospitals.

I am concerned about the absence of any arrangements to care for the hospital needs of seamen if PHS hospitals are closed. I seriously doubt the adequacy of the VA hospitals to accommodate them, especially in view of the proposed closings of VA hospitals and the present long waiting lists of veterans for admission.

Mr. Speaker, I compliment my chairman, Mr. BONNER, for his foresight in asking President Johnson to include the Public Health Service hospitals in his special committee to study the closing of VA hospitals.

I call my bill to the attention of my colleagues in the House and invite their support of this proposal designed to protect and promote the hospital needs of merchant seamen.

## MUTUAL SECURITY PACT WITH ISRAEL

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

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

There was no objection.

Mr. MCGRATH. Mr. Speaker, in view of the continued threats to Israel by the Arab States which surround her as that tiny democracy prepares to irrigate its Negev Desert with water from the River Jordan, I feel it is time that the United States enter into a mutual security pact with Israel, our only reliable ally in the Middle East.

President Nasser of the United Arab Republic, the outspoken leader of the threatened Arab campaign against Israel, has left no doubt concerning the intentions of his and other Arab nations regarding Israel.

In July 1959, President Nasser said, "We want a decisive battle in order to annihilate that germ Israel. All the Arabs want a decisive battle."

And in May 1960, Radio Cairo said, "We are prepared to spill blood and destroy Israel and those who created her."

Only last month, in a speech in Cairo, President Nasser said that "1965 is the most crucial year in the Arab struggle," and on March 9, he added, "We can mobilize 5 million. We shall not enter Palestine on a path of sand and flowers; we shall enter Palestine on a path of blood."

These statements can leave no doubt as to the measures President Nasser intends to employ against Israel. He has clearly enunciated his intention to rob Israel of her water, which is literally that Nation's source of life. Preparations are already well underway to divert large quantities of water from the Jordan, Israel's principal river, before its flow reaches the Negev, and Israel can reasonably be expected to resist with force.

With the exception of her Arab neighbors, the entire world stands in admiration of Israel's creative achievements. After centuries of neglect and waste, the land has been wrested from the desert and made to bloom again by the wise use of her meager water resources.

But the Arabs, instead of adopting the methods being used by Israel only a few yards away, prefer to sit at their Israeli borders with hate in their hearts, intent on destroying the people who have proclaimed their willingness to share with the Arabs their knowledge and technology.

In the face of this growing threat to her existence, Israel recently suffered the loss of a large amount of armaments, which West Germany had agreed to supply but which it stopped sending in deference to United Arab Republic President Nasser. However, Soviet Russia is supplying Nasser with massive amounts of modern weapons, while German scientists are hard at work on a nuclear arsenal for his and other Arab States' forces to use against Israel.

It is sad to note that the United States has also contributed to the growth of President Nasser's regime and thus to his influence in the Arab world. Without American aid he could not have afforded German technicians and the materials they use.

This Congress agreed in February to fulfill an existing commitment to sell surplus foodstuffs to the United Arab Republic in order that the last door to reasoning with President Nasser might not be closed. Our reasoning has not resulted in abatement of his threats against Israel, and the time is fast approaching when Israel will begin irrigating the Negev with Jordan River waters. The result could be a renewal of the bitter fighting in the Middle East which is only in a state of truce, anyway.

On February 17, I informed the House it seems squarely up to the United States to insure that Israel will continue to receive the material necessary to deter invasion of her territory by the Arab nations surrounding it, and called for a reaffirmation of our determination to keep Israel free and to protect the integrity of her borders.

Today I urge that our Government conclude a mutual security pact with Israel, to supply her with defense weapons needed to deter President Nasser's threatened onslaught, and to stop supplying American arms to all Arab nations.

While we attempt to reason with President Nasser, we must also follow a more practical course, providing Israel with weapons in order to maintain the military balance in the Middle East. That is the only way to forestall an outbreak of war in that volatile part of the world.

## NEW YORK CITY IN CRISIS—PART XXXVIII

Mr. FARNUM. 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. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MULTER. Mr. Speaker, the following article concerns the recent hiring of municipal housing inspectors in New York City.

The article is part of a series on "New York City in Crisis." It appeared in the New York Herald Tribune of February 25, 1965.

I commend it to the attention of our colleagues:

NEW YORK CITY IN CRISIS: AFTER A YEAR OF WAITING, 26 INSPECTORS ARE HIRED

(By Tim Hutchens)

Twenty-sixty of fifty-five new municipal housing inspectors whose jobs Mayor Wagner authorized more than a year ago went to work yesterday for the city department of buildings.

According to a spokesman for the city personnel department, responsible for hiring the new men, this unusual delay was due in part to a twice-postponed civil service examination finally held January 23.

Originally, he said, the department scheduled the test for October 24, rescheduled it December 5 and, finally, last month.

The cause for both reschedulings, he said, was illness of departmental personnel supposed to conduct the tests.

The civil service commission first ordered the test last May, he said.

Deputy Buildings Commissioner Judah Gribetz said Mayor Wagner authorized the new jobs early last year.

The new men bring the department's housing division inspection team to 433 of a maximum number allowed under the current budget—462.

Moreover, Buildings Commissioner Harold Birns disclosed that he has asked for a $1 million supplement to the division's $3.8 million budget to hire 120 more investigators than presently allowed.

Like all city departments, however, building aims high, a housing official pointed out.

Although yesterday's hiring comes only a week after the start of a new city telephone service for housing complaints, Judah Gribetz, deputy commissioiner of buildings, denied any connection between the two events.

With or without the new phone number, he said, "we still get the same number of complaints."

City housing officials have conceded what dissatisfied tenants have complained about the phone number; namely, that it offers no faster satisfaction than before it was installed.

The new inspectors will be assigned to Harlem, Crown Heights, East New York, and South Bronx initially in a continuing, block-by-block inspection survey throughout the five boroughs, Mr. Gribetz said, and not to follow up on complaints.

Their starting salaries will be $6,750 which will come from funds already budgeted to the division.

Of course, if a provisional inspector scores at the top of the test list, he can keep his job.

The new men will work with trained inspectors for 2 weeks to a month, depending on how fast they learn their jobs, Mr. Gribetz said.

The 471 examinees all had a required 5-years' experience in building trades, he said.

Asked why his department had acted so hastily in filling the jobs, he said Mayor Wagner last month had ordered Buildings Commissioner Harold Birns to do so.

"The mayor's very sympathetic with our program," Mr. Birns said, following swearing-in ceremonies in the municipal building for the new men.

How long the 26 men will hold their jobs, however, is uncertain.

The city hired them provisionally, which means their names were taken from the list of January's examinees before the results of the test were known.

The men to hold the 25 positions permanently will be determined by the results of the test, according to civil service provisions.

"It is not a general practice," the spokesman for the personnel department said. When a department needs men fast, however, it is used.

Within a few weeks, the building department will fill the remainder of the 55 new jobs—29—the same way, Mr. Gribetz said, if the test results are not back then.

The personnel department spokesman said he expected the results in 2 weeks, although housing officials were skeptical. One of them said the last group of inspectors hired provisionally waited 6 months before the test results were known.

Nevertheless, civil service provisions also require a department to start dismissing provisional help immediately after the test results, although the rate of such dismissals can be worked out.

## NEW YORK CITY IN CRISIS—PART XXXIX

Mr. FARNUM. 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. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following article from the New York Herald Tribune of February 26, 1965.

It concerns the difficulties of cabdrivers in the increasingly bad crime situation in New York City.

The article follows:

NEW YORK CITY IN CRISIS: ANOTHER CABBIE MURDERED—THE SECOND IN 2 WEEKS—ALARMED FLEET OWNERS OFFER $5,000 REWARD, GIVE WIDOW $5,000

(By Bill Whitworth and Sam Rubenstein)

Yesterday was a strange day for the five young children of Wyatt Glasgow, a 39-year-old Negro who worked recently as a maintenance man at Kennedy Airport and as a part-time cabdriver.

They spent it with a white neighbor, and all of them wore their pajamas all day, and the ones of school age didn't go to school. They all just sat around and watched television.

No one explained to them the reason for the disruption of their schedule, which was that their father had been stabbed to death early yesterday and their mother was in shock.

Mr. Glasgow, who lived at 51–24 Beach Channel Road, in Rockaway Park, Queens, had gone back to cabdriving a week ago Sunday, to earn some extra money for night school. He was working toward a high school diploma, with the hope of getting a better job.

Wednesday night was his seventh night out in the cab. About 1:30 yesterday morning, just 30 minutes before he was to get off, someone wanted the $28 in his change box stuck a knife in his abdomen several times and left him draped over a front fender of his cab, at the intersection of Jefferson and Howard Avenues, Brooklyn. He died an hour later.

Statistically, the chances against this happening to Mr. Glasgow were vast. The number of drivers assaulted in New York every year is not impressively large, considering the millions of passengers they carry.

But cabdrivers and owners aren't interested in long-range statistics right now, because the short-range ones are so grim. Mr. Glasgow was the second cabdriver murdered in the city in 2 weeks. On February 13, Arthur J. Abrams, 34, a part-time driver like Mr. Glasgow, was shot to death. Both men were killed early in the morning, and both in Brooklyn.

REWARD MONEY

The taxi industry responded to the new murder yesterday with expressions of alarm, a call for more protection of the drivers and an offer of reward money.

The Metropolitan Taxicab Board of Trade, an association of taxi fleet owners, announced that it would pay $5,000 for information leading to the arrest and conviction of Mr. Glasgow's murderers.

The association also announced that it would pay $5,000 to Mr. Glasgow's widow, and that it would begin a study of devices and proposals for protecting drivers.

The association paid the same amount to Mr. Abrams' widow, and offered the same reward.

Salvatore Baron, executive director of the United Taxi Owners Guild, an association of owner-drivers, said yesterday that Mr. Glasgow's death pointed up what a "sorry situation" cabdrivers were in.

"I don't know what the answer is," Mr. Baron said "Maybe a few of the policemen

who are being used to watch for petty violations by the drivers ought to be used instead to protect the drivers."

DRASTIC STEPS URGED

The Citizens' Committee for Improved Public Transportation issued a demand that the city take "drastic steps as promptly as possible" to protect drivers. It recommended that the industry pay death benefits of $20,000 to the survivors of drivers killed while on duty. The committee is headed by Bentley Kassal, a former Democratic member of the New York State Assembly, and Richard Lewisohn, Republican leader of the ninth assembly district.

The drivers may make their strongest comment by staying home for a while, refusing to work the night shift. It is likely that there will be a shortage of drivers tonight and for several nights thereafter, according to Alfred J. Marx, managing director of the League of Mutual Taxi Owners, an association of owner-drivers.

"Something like this happens, and the wives of a lot of the drivers who work at night will talk them into staying home," Mr. Marx said.

In the last 6 years, 13 cabdrivers have been killed in the city. In addition to the two deaths this year, there were three in 1963, one in 1962, five in 1960, and two in 1959. Last year the police department received 507 complaints of robberies and assaults committed against cabdrivers.

However, many people in the industry think that only about half of the attacks on cabdrivers are ever reported to the police. If a driver loses only a small amount in a holdup, he often won't take the trouble to file a complaint, they say.

Everyone agrees that something should be done to protect the drivers, but no one knows what it ought to be.

The proposals have included glass partitions between the driver and the passenger, weapons for drivers, flashing signals that would alert the police, and permission for off-duty policemen to moonlight as cabdrivers.

The Citizens' Committee for Improved Public Transportation recommended the partitions again yesterday, but the drivers don't like the idea.

Mr. Baron, of the United Taxi Owners Guild, would like to provide weapons for taxi drivers who know how to handle them—former policemen, maybe—and who are judged psychologically fit to carry them.

The police are against this. They feel that offering any sort of resistance increases the chance of violence. They and the industry executives advise drivers to give up their money peacefully when they're robbed.

Use of off-duty policemen as cabdrivers, which is known as the Philadelphia plan, has not been permitted by the police department here. Proponents of the idea say it is a deterrent to taxi robberies. In Philadelphia, they say, robbers are given pause by the thought that any taxi driver they see might be a cop.

A proposal that has been put into effect is the use of "ghost" taxis, which are manned by a detective posing as a driver and another posing as a passenger. These taxis cruise about in areas that have high crime rates, keeping a watch out for cabdrivers in trouble. The taxis are provided by the industry. The police department won't say how many are in operation, but an industry executive said yesterday that it was a "considerable number."

DANGEROUS AREAS

Mr. Baron, of the Taxi Owners Guild, held up the latest murder as an example of why cabdrivers are hesitant to go into certain areas of the city and why they occasionally refuse to stop for a passenger. The industry has been warned against refusing to accept Negroes as passengers by the City Commission on Human Rights.

Mr. Baron said that the drivers' motivation in such incidents is fear, not bigotry. When they hear of repeated attacks in certain areas of the city, they become fearful, he said. He said that Negro drivers have the same fears in this regard as white drivers, and that bias complaints often are made against Negro drivers.

In the latest murder, both the driver and his attackers were Negroes.

MANY AREN'T AFRAID

Mr. Marx, of the League of Mutual Taxi Owners, denied that this was a widespread problem in the industry.

"For every single driver you can show me who is afraid to go to Bedford-Stuyvesant or who pass up some passengers, I can show you hundreds who aren't afraid and who don't pass anyone up," he said. "When I was a driver, I worked exclusively in Harlem and never had any trouble. Of course, I can understand why a man might not want to be on Morningside Drive at 3 a.m."

Though he shared the concern of other taxi officials, Mr. Marx also said it was surprising that New York cabdrivers did not encounter even more violence, considering the number of passengers they carry. Most holdups do not involve any physical injury to the cabdriver, he said.

ANONYMOUS CALL

Police were summoned to the scene of Mr. Glasgow's murder by an unidentified telephone caller who said only that he had seen some sort of disturbance. The police are asking now that the person who made the call come forward with any information he may have. They have set up a special telephone number—GL 5-8484—to receive the information, which will be kept confidential.

Mr. Glasgow lived long enough after his stabbing to tell the police that he had been attacked by two Negroes. The one who stabbed him, he said, was about 30 years old, weighed about 145 pounds, and stood about 5 feet 4 inches tall. He wore a black bandanna on his head, Mr. Glasgow said.

The police think a third man may have driven the car in which the attackers escaped.

They suspect that Mr. Glasgow, a big man, resisted being held up and that this led to his death.

More than 50 patrolmen and detectives were assigned to the case.

The search is continuing for the murderers of Arthur Abrams, the driver killed earlier this month. The police do not think there is any connection between the two killings.

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## RIGHT-TO-WORK PROPAGANDA

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

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

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, ever since President Johnson called for repeal of section 14(b) of the Taft-Hartley Act in his state of the Union message, Members of Congress have been inundated with copies of a report by the Council for Economic Development expressing disapproval of the union shop.

Most of this mail emanates from the National Right To Work Committee, a group of professional antiunion agitators. Some originates from the National Association of Manufacturers and still more from the Chamber of Commerce of the United States.

I am sure we are all interested in the views of the Committee for Economic Development. It is an association of many of our industrial executives.

But I am equally certain that we in the Congress are entitled to know the whole story of what the Committee for Economic Development has done on the subject of the union shop and right-to-work laws, and not just one side of the issue as has been done in this circularization by professional propaganda organizations.

The important fact is that the Committee for Economic Development in 1961 sponsored and published an exhaustive study of labor-management relations by an impartial group of distinguished educators and authorities which not only strongly opposed the so-called right-to-work laws and upheld the union shop but also recommended repeal of section 14(b) which has permitted States to enact such restrictive legislation.

In a resolution adopted by unanimous vote, the CED board of trustees defined the objective of the study in these words:

> The study is to evaluate policies in terms of their effects upon the general public interest, rather than in terms of effects upon the interests of any particular section of the society.

President Clark Kerr, of the University of California, chairman of the study group, emphasized in presenting his report that:

> We were * * * guaranteed complete independence to express our views without any need for reconciling those views with whatever positions might be held by members of the sponsoring organization.

The Kerr group's report, result of an exhaustive 15-month study, recommended that management and labor have the right in all States of the Union to negotiate the union shop in collective bargaining and that section 14(b) be repealed by the U.S. Congress.

Other members of the study group under Chairman Kerr were Douglass V. Brown, professor of industrial management, Massachusetts Institute of Technology; David L. Cole, attorney and arbitrator, Paterson, N.J.; John T. Dunlop, professor of economics, Harvard University; William Y. Elliott, professor of government, Harvard University; Albert Rees, professor of economics, University of Chicago; Robert M. Solow, professor of economics, Massachusetts Institute of Technology; Philip Taft, professor of economics, Brown University; and George W. Taylor, professor of labor relations, Wharton School of Finance and Commerce, University of Pennsylvania.

The CED, in making public the Kerr committee report, spoke glowingly of the "spirit of objectivity" in which its first study was undertaken "to evaluate policies in terms of their effects upon the general public interest." CED said it expected opposition but stated CED would "live dangerously in the pursuit of the

national interest." With these brave words the report was made public.

But when CED's conservative management forces realized that impartiality had brought recommendations for repeal of section 14(b) a great outcry arose. "Impartiality" was quickly subordinated to self-interest and the board of trustees who had written so bravely of "adventurous pursuit of the national interest" quickly changed its tune.

The Committee for Economic Development appointed a new handpicked group solely of management executives to bring out a report that conformed to a program of preconceived opposition to the union shop and support of so-called right-to-work laws.

Instead of an impartial study group, every member of the second study group was a highly placed management executive. The study, in fact, was undertaken by the membership of the Research and Policy Committee of the CED under its chairman, Theodore O. Yntema, chairman of the finance committee of the Ford Motor Co., and a CED Labor Policy Subcommittee under chairmanship of William C. Stolk, chairman of the American Can Co.

It is the one-sided report of this wholly management executive committee made public March 30, 1964, that the National Right To Work Committee is now circulating to Members of the Congress. The antilabor propaganda forces do not mention the earlier impartial study. To them, it is better forgotten.

In the interest of accuracy and for the information of my colleagues in the Congress, I call attention to what the impartial CED Kerr group study recommended on the subject of the union shop and so-called right-to-work laws:

> The effectiveness of open and responsive unions would be enhanced by revision of prevailing national policy that permits States to adopt restrictions, more stringent than those included in Federal law, on the freedom of unions and employers to agree on a union shop. The Federal law now provides that unions and employers may negotiate agreements requiring union membership as a condition of continued employment for the duration of the agreement.
>
> We believe that management and labor should have the right to bargain over and negotiate for a union shop.
>
> Because our national labor policy is predicated on the trade union as the exclusive representative of all the members of a bargaining unit and because we feel that the participation of all members of the bargaining unit would improve the quality of such representation, we urge the elimination of the right of States to go beyond the restrictions contained in the Federal law.

I hope I have made it amply clear that the Right To Work Committee and its allies have inundated the Congress with a biased and one-sided version of the CED story—the side that agrees with their point of view.

I leave to your judgment any conclusion as to the motivation behind this failure on the part of the right-to-work advocates to mention the existence of the initial CED report which opposes the right-to-work laws and recommends repeal of section 14(b).

And I say to my colleagues in the Congress that the 158-page report and recommendations by the distinguished group that functioned under the chairmanship of President Clark Kerr provides interesting and informative reading on the union shop issue.

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## FEDERAL VOTING RIGHTS BILL

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

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

There was no objection.

Mr. LONG of Louisiana. Mr. Speaker, my very able colleague, the gentleman from Louisiana, the Honorable JOE D. WAGGONNER, JR., appeared on April 1, 1965, before the House Committee on the Judiciary, Subcommittee No. 5, speaking in opposition to the Federal voting rights bill—Voting Rights Act of 1965.

Mr. WAGGONNER, in opposing the proposal, presented to the committee a very important statement—a statement of sound thought, demonstrative of great intellect and good commonsense.

Realizing that differences of opinions do exist regarding this far-reaching proposal, I would like, with your consent, to insert Mr. WAGGONNER's testimony in the RECORD for all to examine. Mr. WAGGONNER has in his testimony information and sound arguments which should be of interest to all, especially to those who oppose this unconstitutional proposal.

The statement follows:

STATEMENT BEFORE HOUSE JUDICIARY COMMITTEE BY REPRESENTATIVE JOE D. WAGGONNER, JR.

Mr. Chairman and gentlemen of the committee, I appreciate the opportunity you have given me to appear before the committee today in opposition to the proposed Voting Rights Act. There are, unfortunately for America, a number of people who feel that anyone who dares speak up in opposition to any measure connected with so-called civil rights, is automatically a racist, a bigot, and a hater.

I appreciate the opportunity to air my views before a body which understands that this is not necessarily true; that it is certainly not true in my case; and that there are always two sides to every question. Many different solutions are available to reasoning and reasonable men, no matter how thorny or how knotty the problem may be.

The privilege of voting is a precious one and I do not for a moment advocate or condone any practice anywhere in this Nation that would bar any qualified man from the exercise of that franchise. This is a position which is instinctive with me and one I have advocated for years and one I advocate now. For the purpose of emphasis and because it is the theme of what I have to say on this subject, I would like to repeat that sentence: "The privilege of voting is a precious one and I do not for a moment advocate or condone any practice anywhere in this Nation that would bar any qualified man from the exercise of that franchise."

There are words in that sentence which cannot be changed, cannot be substituted for, cannot be omitted. They are the meat of the coconut. The words are "privilege" and "qualified."

The Constitution and any number of State and local laws in every State in the Union specifically deny that there is any right to vote. There is only a privilege to vote; a privilege which is given to some of the people of this land, but by no means, to all.

For the sake of example, consider these exceptions:

The privilege is not given to children. In all States, save one, voters must be 21 years old before they can vote. So, to those under 21, there is no right to vote. It is a privilege they are not yet old enough to have.

The privilege is not given to the unfortunate insane. To these unfortunate souls, there is no right to vote, through no fault of their own.

The privilege is not given to those convicted of certain crimes. It is held that they have relinquished their privilege of deciding upon matter affecting the law abiding. To those so convicted, there is no right to vote.

The privilege of voting in a bond-issue election is not given to those who do not own property. To the nonowner of property, there is no right to vote in bond-issue elections.

The privilege of voting in an election in New York is not given to the residents of the other 49 States. To those of us who live in Louisiana, for instance, there is no right to vote in a New York election.

The privilege of voting in New York, as another example, is not given to those citizens who cannot read and write in the English language. To those who do not read and write English, no matter how many years they may have been a citizen, there is no such thing as a right to vote.

This list of exceptions goes on and on, gentlemen, as you well know. I think, however, that I have cited enough examples to prove the point I wanted to make: that there is no right to vote; only a privilege given to the qualified. It is a privilege that we have dearly won and it is as precious to me as any possession I own.

This then, is one of the words in my statement which cannot be changed, substituted for, or omitted: the word "privilege."

The other word is "qualified." I do not believe that the unqualified should be allowed to vote.

I believe that each of the qualifications I have just listed are just, meet, and right.

Children should not be allowed to vote. The unfortunate insane should not be allowed to vote. Criminals whose citizenship has been revoked should not be allowed to vote. Non-property-owners should not be allowed to vote in bond-issue elections. Louisianians should not be allowed to vote in New York. Those who do not read and write English should not be allowed to vote in that State, either, if the laws of that State say they should not. In each of these instances, the applicants are unqualified to exercise this privilege.

And it is on this point that the Constitution and all our State and local laws now stand. It is on this point they should stand and the Federal Government has no moral or legal grounds to hold otherwise.

The argument has been made before this committee time and time again that the States have the right to establish the qualifications of their voters. No reasonable man can deny this fact. To deny it is to say that article I of the Constitution does not exist.

During the floor debate in the House last year on the civil rights bill, it was conceded by the advocates of that proposal that the only responsibility resting on the States would be to administer whatever qualifications it did prescribe without discrimination.

I daresay every Member of the Congress knows that article I section 2, clause 1 of the Constitution explicitly acknowledges the right of the States to set up their own voting qualifications, provided only that any citizen permitted to vote for the most numerous branch of a State legislature be also permitted to vote for the House of Representatives.

But, this is old hat, gentlemen. Being attorneys, you are more familiar with this proviso than I am.

The lower courts of the land know it, too; as does the Supreme Court. It has repeatedly and in recent years upheld this right of the States. As late as 1959, in a case involving the State of North Carolina, the Supreme Court decided unanimously that the States do have this right. In this particular case, the decision was unanimous, so each Justice has stated that this is his individual opinion.

Justice William O. Douglas repeats his opinion in his book, "An Almanac of Liberty": "The privilege of voting is not derived from the United States, but is conferred by the State and, save as restrained by the 15th and 19th amendments and other provisions of the Federal Constitution, the State may condition suffrage as it deems appropriate."

The point needs no further emphasis. It could not be expressed more clearly; the Constitution has not been amended since these opinions were stated. The right to set the qualifications of its voters is reserved to the States by the Constitution and to attempt to pass any law which would take away that privilege is clearly, obviously, and patently unconstitutional.

If there has been a concerted effort to deprive any man of his privilege of voting, what can be done about it?

The answer is: "plenty." And it should be done.

I do not question that there has been discrimination against some minorities where the franchise is concerned. For example, the provision that requires voters in New York to read and write English is obviously an effort by the State of New York to prevent some members of foreign minority groups from voting in that State.

We have no such discriminatory law in Louisiana, because in Louisiana there is no requirement that the applicant read and write in English. He is permitted to read and write in his mother tongue.

The President has said there is no moral issue involved in this bill. The President is, of course, capable of human error and in this, he is in error. This bill is totally immoral.

The bill before us, gentlemen, is rooted in discrimination, vindictiveness, and hypocrisy and any law made from such a bill cannot deny its parentage.

Clearly, this bill is a punitive measure aimed at six Southern States, Alabama, Georgia, Louisiana, Mississippi, South Carolina, and Virginia. It is not aimed at the other States which have eligibility tests.

This administration, the ones which have immediately preceded it, the leaders of both major parties, and the Supreme Court have all said over and over again and in every conceivable way that the 14th amendment of the Constitution guarantees equal protection of the laws to every citizen of this land.

Yet, clearly, this bill is designed to accomplish exactly the opposite: to set up standards in 6 States that do not apply in the other 44.

This discrimination, this favoritism, cannot be squared with the much-quoted 14th amendment. Nor can it be squared with section 2 of article 4 which states that the "citizens of each State shall be entitled to all privileges and immunities of citizens in the several States."

This proposal, at the whim and caprice of someone in authority, has singled out those States which on the arbitrary date of November 1, 1964, happened to have registered less than 50 percent of the persons of voting age residing in the State or in any political subdivision, or in which less than 50 percent of such residents voted in the presidential election last November.

Is there supposedly some magic to the number 50? What States would have been brought under the force of this proposal, had the magic number been 60? Or 70?

Is there supposedly some magic in last November's election? Why not the presidential election of 1960? Or 1956?

If this proposal becomes law, what happens to the American tradition of a man being innocent until he is proved guilty? Under the provisions of this bill, a governmental body not only would have to prove that it was not guilty of an act of discrimination on a specific, arbitrary date, but also that of any other such act on any other date in the preceding 10 years.

This does total violence to the precept of presumed innocence. It must not be permitted.

This bill is riddled with obvious discrimination; the same discrimination that this administration and others which have preceded it have preached against and legislated against. This bill recognizes no reluctance to discriminate against these six Southern States and make them the whipping boys for the Nation.

It is an old adage, gentlemen, but two wrongs don't make a right.

Any citizen has the right to be treated alike when the franchise privilege is at question. If he meets the age, literacy, residence, or any other qualifications laid down by the State in which he resides, he has been given the privilege of voting.

It is hypocrisy to pretend that whether 99 or 20 percent of his neighbors vote has anything to do with his individual privilege.

The entire duty of the Congress is to see to it that every man can equally exercise his privilege when he wants to if he wants to. We have no other duty. We have no duty to lay a slide rule alongside voting statistics. We have no duty to abridge the right of the States to set voter qualifications. We have no duty to enact discriminatory legislation of any kind.

It is beneath the dignity of this body. It is beneath the moral sense of this body.

It is time for reasonable men to reason together. A solution can be found to this nationwide problem that is constitutional, that treats each State in exactly the same way and that achieves what all reasonable men want: the privilege of every qualified man to vote.

What can be done to insure every qualified man the privilege of voting?

Enforce the provisions of the 15th and 19th amendments of the Constitution and the 16 Federal laws already in force. Strengthen them, if necessary. Double the penalties. Speed up the process of hearing and deciding cases. There are any number of reasonable means of enforcing these laws. There is no necessity to tear down the Constitution to enforce these laws.

We seem to be able to enforce laws against kidnaping, murder, rape, and arson without tearing up the Constitution to do it and each of these crimes must be judged as being worse than any case of voter discrimination. If we can enforce these laws, it is reasonable to believe we can enforce any other this Congress decides to enact.

Too many people, too many Members of the Congress, too many members of the clergy and the news media, have been stampeded by the hysteria of impassioned groups of citizens. We are on the verge of enacting a law that is being decried in private, and in public as unwise legislation. This committee must not and this Congress must not pass a bill that is riddled with flaws, faulty reasoning, and unvarnished hate. To do so is to invite back the violent days of the Reconstruction, drive the races further apart and, in the end, fail to accomplish the goal every reasonable man can support: the privilege of every qualified man to vote.

## NATIONAL ARTS AND HUMANITIES FOUNDATION

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

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

There was no objection.

Mr. MOORHEAD. Mr. Speaker, I rise to offer my congratulations to the distinguished gentleman from New Jersey [Mr. THOMPSON], chairman of the Special Subcommittee on Labor of the House Committee on Education and Labor, and to the distinguished members of the subcommittee, for their action yesterday in approving the bill to establish a National Foundation on the Arts and Humanities.

Members of this House well know the vigorous efforts exerted by the gentleman from New Jersey for several years on behalf of a National Arts Foundation and the National Council on the Arts which Congress, in its wisdom, established last year.

My own interest in a foundation for both the arts and the humanities dates back to last summer when I first read the report of the Commission on the Humanities which outlined the tremendous imbalance existing between support for the sciences and support for arts and letters.

Ten years ago Federal support of this kind for arts and letters would have been impossible. But a refreshing new intellectual climate has arrived, and now, I think, it is inevitable. It would not have been inevitable if it had not been for the strong support expressed for it by the more than 100 Members of the House who, in effect, are its cosponsors.

This is a consensus bill, worked out in consultations among Members of the House and Senate, administration officials, and leading practitioners in the fields of the arts and humanities.

It is a good bill and will, when enacted by this Congress this year, help this Nation provide the impetus for culture that must be a cornerstone of the Great Society.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MAILLIARD (at the request of Mr. GERALD R. FORD), for April 5 through 8, on account of official business as U.S. delegate to the International Maritime Consultant Organization.

## 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. HECHLER, for 15 minutes, today; 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. O'KONSKI and to include extraneous matter.

Mr. REUSS.

Mr. MILLS to revise and extend his remarks in the Committee of the Whole and to include extraneous matter in further explanation of those points.

(The following Member (at the request of Mr. HALL) and to include extraneous matter:)

Mr. FINO.

(The following Members (at the request of Mr. FARNUM) and to include extraneous matter:)

Mr. HOLLAND.

Mr. WAGGONNER.

## 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. 800. An act to authorize appropriations during fiscal year 1966 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluation, for the Armed Forces, and for other purposes; to the Committee on Armed Services.

## ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, wnich was thereupon signed by the Speaker:

H.R. 4527. An act to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard.

## ADJOURNMENT

Mr. FARNUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 22 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, April 8, 1965, at 11 o'clock a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

889. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to amend section 301 of title III of the act of August 14, 1946, relating to the establishment by the Secretary of Agriculture of a national advisory committee, to provide for annual meetings of such committee"; to the Committee on Agriculture.

890. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the act entitled 'An act to provide for compulsory attendance, for the taking of a school census in the District of Columbia, and for other purposes,' approved February 4, 1925"; to the Committee on the District of Columbia.

891. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the District of Columbia Traffic Act, 1925, as amended"; to the Committee on the District of Columbia.

892. A letter from the Secretary of the Interior, transmitting the interim report on the long-range economic development plan for the territory of Guam, pursuant to section 6 of Public Law 88–170; to the Committee on Interior and Insular Affairs.

893. A letter from the Under Secretary of the Interior, transmitting a schedule of additional hearings to be held in April for the public to present views, data, or arguments concerning proposed rulemaking in title 43, Code of Federal Regulations, which would implement the provisions of the Classification and Multiple-Use Act, and pursuant to 43 U.S.C. 1411–1418; to the Committee on Interior and Insular Affairs.

894. A letter from the Administrator, Federal Aviation Agency, transmitting a draft of proposed legislation entitled "A bill to provide for the alteration, maintenance, and repair of Government buildings and property under lease or concession contracts entered into pursuant to the operation and maintenance of Government-owned airports under the jurisdiction of the Administrator of the Federal Aviation Agency, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

895. A letter from the Administrator, Federal Aviation Agency, transmitting a draft of proposed legislation entitled "A bill to amend the act of October 9, 1940 (54 Stat. 1030, 1039), in order to increase the periods for which agreements for the operation of certain concessions may be granted at the Washington National Airport, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

896. A letter from the Assistant Secretary of the Air Force, transmitting a draft of proposed legislation entitled "A bill for the relief of Col. William W. Thomas and Lt. Col. Norman R. Snyder, U.S. Air Force"; to the Committee on the Judiciary.

897. A letter from the Assistant Secretary of the Air Force, transmitting a draft of proposed legislation entitled "A bill for the relief of 1st Lt. David A. Staver, U.S. Air Force"; to the Committee on the Judiciary.

898. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a copy of the annual report of the Director for fiscal year 1964 and annual and special meetings of the Judicial Conference of the United States held in 1964, pursuant to 28 U.S.C. 604(a)(4); to the Committee on the Judiciary.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CUNNINGHAM:

H.R. 7244. 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. DAVIS of Georgia:

H.R. 7245. A bill to amend the National Housing Act to facilitate sales of one- to four-family residences in locations adversely affected by airports constructed or expanded in whole or in part with Federal funds; to the Committee on Banking and Currency.

H.R. 7246. A bill to amend the Internal Revenue Code of 1954 to repeal the retailers' excise taxes, certain manufacturers' excise taxes, the taxes on admissions, dues, communications, and transportation of persons, and certain other excise taxes; to the Committee on Ways and Means.

By Mr. DONOHUE:

H.R. 7247. A bill to amend section 1498 of title 28, United States Code, to authorize the use or manufacture, in certain cases, by or for the United States of any invention described in and covered by a patent of the United States; to the Committee on the Judiciary.

By Mr. GARMATZ:

H.R. 7248. A bill to repeal section 14(b) of the National Labor Relations Act, as amended, and section 705(b) of the Labor-Management Reporting and Disclosure Act of 1959 and to amend the first proviso of section 8(a)(3) of the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. KEOGH:

H.R. 7249. A bill to amend title II of the Social Security Act to provide social security protection for Federal employees and their survivors who do not have protection under the civil service retirement system, and for other purposes; to the Committee on Ways and Means.

By Mr. BROYHILL of Virginia:

H.R. 7250. A bill to amend title II of the Social Security Act to provide social security protection for Federal employees and their survivors who do not have protection under the civil service retirement system, and for other purposes; to the Committee on Ways and Means.

By Mr. PATMAN:

H.R. 7251. A bill to amend section 8 of the Federal Credit Union Act relating to loans to directors, members of the supervisory committee, and members of the credit committee of Federal credit unions, and for other purposes; to the Committee on Banking and Currency.

By Mr. WOLFF:

H.R. 7252. 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; to the Committee on Ways and Means.

By Mr. BROCK:

H.R. 7253. A bill to amend the Internal Revenue Code of 1954 to repeal the manufacturers' excise tax on household-type refrigeration equipment and household-type electric, gas, and oil appliances; to the Committee on Ways and Means.

By Mr. BROWN of California:

H.R. 7254. A bill to amend the Internal Revenue Code of 1954 to provide for the gradual reduction and eventual elimination of the tax on communications services; to the Committee on Ways and Means.

By Mrs. GREEN of Oregon:

H.R. 7255. A bill to extend the Juvenile Delinquency and Youth Offenses Control Act of 1961; to the Committee on Education and Labor.

By Mr. HANSEN of Idaho:

H.R. 7256. A bill to amend the Internal Revenue Code of 1954 to repeal certain retailers excise taxes and to repeal the taxes on facilities and services; to the Committee on Ways and Means.

By Mr. HANSEN of Iowa:

H.R. 7257. 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. HARVEY of Michigan:

H.R. 7258. 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. HORTON:

H.R. 7259. 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. KEE:

H.R. 7260. A bill to amend the Consolidated Farmers Home Administration Act of

1961 to authorize loans for waste disposal systems and other facilities providing community services, and for other purposes; to the Committee on Agriculture.

By Mr. MATHIAS:

H.R. 7261. A bill to modify the application of section 207 of title 18, United States Code, relating to the disqualification of former officers and employees in matters connected with former duties or official responsibilities; to the Committee on the Judiciary.

By Mr. O'KONSKI:

H.R. 7262. A bill to provide for payments to processors of butter; to the Committee on Agriculture.

By Mr. REID of New York:

H.R. 7263. A bill to amend the Export Control Act of 1949; to the Committee on Banking and Currency.

By Mr. SICKLES:

H.R. 7264. A bill to extend the Juvenile Delinquency and Youth Offenses Control Act of 1961; to the Committee on Education and Labor.

By Mr. STANTON:

H.R. 7265. 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. 7266. A bill to authorize and direct the Secretary of Agriculture to classify as wilderness the national forest lands known as the Lincoln back country, and parts of the Lewis and Clark and Lolo National Forests, in Montana, and for other purposes; to the Committee on Agriculture.

By Mr. BROYHILL of Virginia:

H.R. 7267. A bill to amend the Social Security Act to provide that the Government contribution to the supplementary health insurance program may, in the case of Federal employees and annuitants who have attained age 65, be used for high-option health care plan such employees and annuitants have selected; to the Committee on Ways and Means.

By Mr. GILBERT:

H.R. 7268. A bill to amend the Merchant Marine Act, 1936, in order to protect and promote the health of seamen on vessels of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PELLY:

H.R. 7269. A bill to conserve and protect Pacific salmon of North American origin; to the Committee on Ways and Means.

By Mr. FINO:

H.J. Res. 424. Joint resolution declaring the first Tuesday after the first Monday of November in each even-numbered year to be a legal public holiday; to the Committee on the Judiciary.

By Mr. CONTE:

H.J. Res. 425. Joint resolution to authorize and request the President to issue annually a proclamation designating the third week in May as Folk Music Week; to the Committee on the Judiciary.

By Mr. BURLESON:

H. Con. Res. 383. Concurrent resolution authorizing the printing of a pocket-sized edition of "The Constitution of the United States of America" as a House document and for other purposes; to the Committee on House Administration.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

183. By Mr. MORRIS: Memorial of the Legislature of the State of New Mexico, requesting the Congress of the United States to enable a Federal survey of land grant areas in New Mexico; to the Committee on Interior and Insular Affairs.

184. By the SPEAKER: A memorial of the Legislature of the State of Arkansas, memorializing the President and the Congress of the United States relative to calling a convention for the purpose of proposing an amendment to the Constitution of the United States so that one house of the legislature may be apportioned on factors other than population; to the Committee on the Judiciary.

185. Also, a memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to provide for an increase in defense work for the Greater Boston area in order to prevent the closing of the Watertown Arsenal and the Boston Naval Shipyard; to the Committee on Armed Services.

186. Also, a memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States relative to enacting legislation granting veterans of World War I pensions comparable to grants to veterans of American wars prior to World War I; to the Committee on Veterans' Affairs.

187. Also, a memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States relative to proposing an amendment to the Constitution of the United States permitting one house of a bicameral legislature to be apportioned other than according to population; to the Committee on the Judiciary.

188. Also, a memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to amend the Federal Fair Labor Standards Act of 1938, increasing the minimum wage to $1.50 per hour; to the Committee on Education and Labor.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS:

H.R. 7270. A bill for the relief of Dr. Alfredo A. Navarro; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 7271. A bill for the relief of Mary Beatrice Shirley Easton and Irene Easton; to the Committee on the Judiciary.

By Mr. BURTON of California:

H.R. 7272. A bill for the relief of Giuliano Giusti and his wife, Nella Giusti, and their son, Walter Giusti; to the Committee on the Judiciary.

H.R. 7273. A bill for the relief of Pasquale Martini; to the Committee on the Judiciary.

By Mr. CABELL:

H.R. 7274. A bill for the relief of Irene Mitchakes (also known as Irene Mitsakis); to the Committee on the Judiciary.

By Mr. CAREY:

H.R. 7275. A bill for the relief of Guiseppina Renna; to the Committee on the Judiciary.

By Mr. COLLIER (by request):

H.R. 7276. A bill for the relief of Antonia Limberopoulos; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 7277. A bill for the relief of Zacarias de Medeiros Sa; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 7278. A bill for the relief of Mrs. Laura Turner; to the Committee on the Judiciary.

By Mr. HAWKINS:

H.R. 7279. A bill for the relief of Young Soon Shin; to the Committee on the Judiciary.

H.R. 7280. A bill for the relief of Ignacio Sierra Uribe; to the Committee on the Judiciary.

By Mr. HORTON:

H.R. 7281. A bill for the relief of Madeline R. Schreiber; to the Committee on the Judiciary.

H.R. 7282. A bill for the relief of Richard D. Walsh; to the Committee on the Judiciary.

By Mr. HOWARD:

H.R. 7283. A bill for the relief of Domenico Costagliola; to the Committee on the Judiciary.

H.R. 7284. A bill for the relief of Michael Drogitis; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 7285. A bill for the relief of Michel Peter Izmirly; to the Committee on the Judiciary.

H.R. 7286. A bill for the relief of Mrs. Marcelina Garcia Samson; to the Committee on the Judiciary.

By Mr. MATHIAS:

H.R. 7287. A bill for the relief of Suat Selim Demiray; to the Committee on the Judiciary.

By Mr. MINSHALL:

H.R. 7288. A bill for the relief of Sigmund Langer; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 7289. A bill for the relief of Gerardo D'Urso; to the Committee on the Judiciary.

By Mr. REID of New York:

H.R. 7290. A bill for the relief of Maria Stella Pezzo Calafato; to the Committee on the Judiciary.

H.R. 7291. A bill for the relief of Mrs. Karen Wood Davila; to the Committee on the Judiciary.

By Mr. REINECKE:

H.R. 7292. A bill for the relief of Miss Yong Chul Han; to the Committee on the Judiciary.

By Mr. ROONEY of New York:

H.R. 7293. A bill for the relief of Tadesse Gizaw; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII,

159. Mr. PHILBIN presented a petition of the City Council of the City of Gardner, Mass., against the closing of the Rutland Heights, Mass., Veterans' Administration Hospital, which was referred to the Committee on Veterans' Affairs.

# SENATE

## WEDNESDAY, APRIL 7, 1965

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

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

O Thou God of life and light, our glad hearts thrill at the risen glory of the awakening earth, robed in the blooming garb of spring, as—in mystic wonder—nature climbs to a soul in leaf and flower, and the earth showeth Thy handiwork.

Together we bow in the hush and joy of Thy presence, pausing midst morning tasks to listen for Thy call sounding in our ears. In the stillness, wilt Thou whisper some word of insight within our souls.

Have mercy upon us for our frantic boasts, our foolish words, and our perverse ways. Save us from small and selfish living in so great a day. In the vision splendid of divine fatherhood, and of human brotherhood, which knows no

frontiers, may we dream our dreams, enact our laws, build our Nation, and plan our world until this shadowed earth, which is our home, rolls out of the darkness into the light, and it is daybreak everywhere. Amen.

## THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 6, 1965, was dispensed with.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 70. An act to provide for the conveyance of approximately 80 acres of land to the heirs of Adams Jones, Creek Indian, not enrolled;

H.R. 1218. An act for the relief of T. W. Holt & Co. and/or Holt Import & Export Co.;

H.R. 1384. An act for the relief of Theodore Zissu;

H.R. 1487. An act for the relief of Maj. Kenneth F. Coykendall, U.S. Army;

H.R. 2166. An act for the relief of Staiman Bros.-Simon Wrecking Co.;

H.R. 2176. An act to authorize the Secretary of the Interior to convey certain property to the county of Dare, State of North Carolina, and for other purposes;

H.R. 2299. An act for the relief of Robert L. Yates and others;

H.R. 3634. An act for the relief of CWO Edward E. Kreiss;

H.R. 3638. An act for the relief of Robert O. Overton, Marjorie C. Overton, and Sally Eitel;

H.R. 3685. An act for the relief of Russell D. Harris;

H.R. 4026. An act for the relief of Lt. Col. Porter F. Sheldon, U.S. Air Force;

H.R. 5508. An act to facilitate the work of the Department of Agriculture, and for other purposes; and

H.R. 7091. An act making supplemental appropriations for the fiscal year ending June 30, 1965, and for other purposes.

## HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 70. An act to provide for the conveyance of approximately 80 acres of land to the heirs of Adam Jones, Creek Indian, not enrolled; and

H.R. 2176. An act to authorize the Secretary of the Interior to convey certain property to the county of Dare, State of North Carolina, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1218. An act for the relief of T. W. Holt & Co. and/or Holt Import & Export Co.;

H.R. 1384. An act for the relief of Theodore Zissu;

H.R. 1487. An act for the relief of Maj. Kenneth F. Coykendall, U.S. Army;

H.R. 2166. An act for the relief of Staiman Bros.-Simon Wrecking Co.;

H.R. 2299. An act for the relief of Robert L. Yates and others;

H.R. 3634. An act for the relief of CWO Edward E. Kreiss;

H.R. 3638. An act for the relief of Robert O. Overton, Marjorie C. Overton, and Sally Eitel;

H.R. 3685. An act for the relief of Russell D. Harris; and

H.R. 4026. An act for the relief of Lt. Col. Porter F. Sheldon, U.S. Air Force; to the Committee on the Judiciary.

H.R. 5508. An act to facilitate the work of the Department of Agriculture, and for other purposes; to the Committee on Agriculture and Forestry.

H.R. 7091. An act making supplemental appropriations for the fiscal year ending June 30, 1965, and for other purposes; to the Committee on Appropriations.

## LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, statements during the transaction of routine morning business were ordered limited to 3 minutes.

## COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees of the Senate may be authorized to meet during the session of the Senate tomorrow.

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

## AUTHORIZATION FOR JUDICIARY COMMITTEE TO MEET DURING SENATE SESSIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Judiciary Committee may be authorized to meet during the sessions of the Senate today and for the remainder of this week.

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

## ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 o'clock a.m., tomorrow.

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

## THE VICTORY OVER POLIOMYELITIS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 136, Senate Concurrent Resolution 30.

The VICE PRESIDENT. The concurrent resolution will be stated by title.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 30) to honor the victory over poliomyelitis.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution, which had been reported from the Committee on Labor and Public Welfare, with amendments on page 2, line 5, after the word "polio,", to strike out "and" and insert "that the Nation express its gratitude to Dr. Salk and to his colleagues concerned with this historic discovery and to the foundation and that"; so as to make the concurrent resolution read:

*Resolved by the Senate (the House of Representatives concurring)*, That Doctor Jonas Salk and the National Foundation March of Dimes be congratulated on this tenth anniversary of the announcement of the world's first effective vaccine against polio, that the Nation express its gratitude to Dr. Salk and to his colleagues concerned with this historic discovery and to the foundation and that our confidence be expressed that the work of the National Foundation March of Dimes—specifically its fight against birth defects—and of the Salk Institute for Biological Studies will bring about the blessings of better health for our society and all its citizens.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The VICE PRESIDENT. Without objection, the committee amendments will be considered and confirmed en bloc.

The concurrent resolution is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the concurrent resolution, as amended.

The concurrent resolution (S. Con. Res. 30), as amended, was agreed to.

The preamble was agreed to.

## EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate go into executive session to consider the nominations on the Executive Calendar.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

## OFFICE OF ECONOMIC OPPORTUNITY

The Chief Clerk proceeded to read sundry nominations in the Office of Economic Opportunity.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

## COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

## DEPARTMENT OF JUSTICE

The Chief Clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

## INTERSTATE COMMERCE COMMISSION

The Chief Clerk proceeded to read sundry nominations in the Interstate Commerce Commission.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

Mr. JAVITS subsequently said: Mr. President, I had the honor to be designated by the Committee on the Judiciary to report the nomination of John Doar, of Wisconsin. I listened with the greatest of interest to the oral testimony of Mr. Doar before the Committee on the Judiciary. Mr. Doar showed such an extraordinary sense of discernment as a lawyer with respect to the civil rights field as to make me feel that the United States was really getting not only a public servant of high character, but also a public servant who had done an enormous amount of homework and would serve the Department of Justice and the Nation well both with respect to the policy and legal phases of this very important and critical job to which he has been appointed.

The testimony of Mr. Doar confirmed to me that what we are trying to substitute for the need, and I emphasize that word "need," for demonstrations is a process of law by which people can very effectively express themselves without undertaking the risk of these confrontations as so many noble, self-sacrificing, and dedicated Americans have done. In order to achieve that objective, the majesty of the United States and those in power must be interposed without hesitation in order to secure for the individual his rights as a U.S. citizen. These rights are too often denied in some of our Southern States on the grounds of some established social order, or on what I think constitutes an abuse of the doctrine of States rights.

The post which Mr. Doar holds is critically important to the peace and tranquility of America and to justice in this country in a vital area of relations between the races. When a man demonstrates qualities of mind and loyalty, such as Mr. Doar demonstrated in his testimony before the committee, I think it is time to congratulate not only Mr. Doar and the Department, but also the people of the United States for having a public servant of this character.

I am very grateful, therefore, that the Senate has confirmed the nomination of Mr. Doar.

## LEGISLATIVE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate resumed the consideration of legislative business.

The VICE PRESIDENT. Morning business in in order.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## EXECUTIVE COMMUNICATIONS, ETC.

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

AMENDMENT OF SECTION 1552(c) OF TITLE 10, UNITED STATES CODE

A letter from the Comptroller General of the United States, transmitting a draft of proposed legislation 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 (with an accompanying paper); to the Committee on Armed Services.

REPORT OF FEDERAL AVIATION AGENCY

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., transmitting, pursuant to law, a report of that Agency, for the fiscal year 1964 (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION RELATING TO DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An Act to provide for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other purposes," approved February 4, 1925 (with an accompanying paper); to the Committee on the District of Columbia.

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Traffic Act, 1925, as amended (with an accompanying paper); to the Committee on the District of Columbia.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on unnecessary costs incurred because of acceptance of physically unqualified enlisted members in the Armed Forces, Department of Defense, dated March 1965 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on lack of information on construction costs incurred by sponsor-controlled subcontracts may unduly increase insured mortgages on multifamily housing projects, Federal Housing Administration, Housing and Home Finance Agency, dated March 1965 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on 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, dated March 1965 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on loss on business loan resulting from inadequate evaluation of borrower's bonding coverage requirements and from realization on collateral, Small Business Administration, dated April 1965 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on follow-up examination of reviews of right-of-way claims in the State of West Virginia Federal-aid highway program, Bureau of Public Roads, Department of Commerce, dated April 1965 (with an accompanying report); to the Committee on Government Operations.

INTERIM REPORT ON LONG-RANGE ECONOMIC DEVELOPMENT PLAN, TERRITORY OF GUAM

A letter from the Secretary of the Interior, transmitting, pursuant to law, an interim report on the long-range economic development plan, Territory of Guam (with an accompanying report); to the Committee on Interior and Insular Affairs.

LT. COL. CLAUDE E. TABOR, JR.

A letter from the Assistant Secretary of the Air Force, transmitting a draft of proposed legislation for the relief of Lt. Col. Claude E. Tabor, Jr., U.S. Air Force (with an accompanying paper); to the Committee on the Judiciary.

## PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

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

"HOUSE JOINT MEMORIAL 5

"A joint memorial 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.

"Whereas the real property embraced within the Tierra Amarilla land grant located in Rio Arriba County, N. Mex., comprises approximately 600,000 acres; and

"Whereas disputes, issues, and controversies have arisen as to whether the patent issued to Francisco Martinez in connection with said grant and the title of the said Francisco Martinez, as confirmed by the act of Congress of June 21, 1860 (12 Stat. 71) constituted a colonization grant in favor of all those that followed the said Francisco Martinez in connection with colonizing the area encompassed by said grant or whether said grant was private in nature in favor of the said Francisco Martinez; and

"Whereas on several occasions efforts have been made to determine said disputes, issues, and controversies and to define the respective interests of claimants in connection with said grant through litigation filed in the courts of the State of New Mexico and the Federal courts but that said courts have refused to determine the disputes, issues, and controversies that have arisen and have held, in effect, that the proper forum to determine

said disputes, issues, and controversies and to grant appropriate relief is the Congress of the United States of America; and

"Whereas a determination of said disputes, issues, and controversies and a resolution of the respective right, title, and interests of claimants in and to the real property embraced within said grant is a matter of great importance to the residents of Rio Arriba County, N. Mex., and to the State of New Mexico; and

"Whereas it may be that grave inequities and injustices have been perpetrated and should be corrected and that this matter should be expeditiously determined; and

"Whereas, the continuing existence of said disputes, issues, and controversies threatens the peace and prosperity of the region, casts a cloud over the security of land titles and greatly inhibits the orderly economic growth and welfare of Rio Arriba County and its residents: Now, therefore, be it

"*Resolved by the Legislature of the State of New Mexico*, That the Congress of the United States of America be and it is hereby requested to take immediate steps to investigate the disputes, issues, and controversies arising in connection with the Tierra Amarilla land grant, to ultimately determine and set at rest said disputes, issues, and controversies and thereafter to initiate such appropriate legislation as may be required in order to correct inequities and injustices found by it to have occurred; and be it further

"*Resolved*, That certified copies of this memorial be transmitted to the Honorable CLINTON P. ANDERSON and the Honorable JOSEPH M. MONTOYA, U.S. Senators from New Mexico, to the Honorable THOMAS G. MORRIS and the Honorable E. S. JOHNNY WALKER, Representatives at Large from the State of New Mexico, and to the President of the U.S. Senate and the Speaker of the U.S. House of Representatives.

"Signed and sealed at the capitol, in the city of Santa Fe.

"BRUCE KING,
*"Speaker, House of Representatives.*
"ALBERT ROMERO,
*"Chief Clerk, House of Representatives."*

A resolution of the House of Representatives of the State of New Mexico; to the Committee on Appropriations:

"HOUSE MEMORIAL 27

"A memorial expressing opposition to the measure presently under the consideration of the Congress of the United States which proposes to charge cooperators of soil and water conservation districts for technical assistance by the Federal Soil Conservation Service

"Whereas the Soil Conservation Service of the U.S. Department of Agriculture is the principal Federal agency charged with providing technical assistance, through locally organized and supported soil and water conservation districts, to landowners effecting programs of conservation measures upon their lands; and

"Whereas the Federal budget for the fiscal year of 1966 proposes to establish a revolving fund of $20 million and to charge soil and water conservation district cooperators for this technical assistance; and

"Whereas the very people who require technical assistance the most will be the ones unable to purchase it from the Federal Soil Conservation Service: Now, therefore, be it

*"Resolved by the House of Representatives of the State of New Mexico*, That opposition be expressed to the proposal before the Congress of the United States which seeks to charge cooperators of local soil and water conservation districts for technical assistance furnished by the Soil Conservation Service, and that the Congress be requested to restore the sum of $20 million to the Federal budget for the fiscal year of 1966; and be it

*"Resolved*, That the Congress be requested to appropriate additional sums to accelerate the assistance being furnished through locally organized and supported soil and water conservation districts to landowners in New Mexico; and be it further

*"Resolved*, That copies of this memorial be transmitted to the President of the United States, to the leadership in the Congress, and to the members of the New Mexico delegation to the Congress.

"Signed and sealed at the capitol, in the city of Santa Fe.

"BRUCE KING,
*"Speaker, House of Representatives.*
"ALBERT ROMERO,
*"Chief Clerk, House of Representatives."*

A resolution of the House of Representatives of the State of New Mexico; to the Committee on Interior and Insular Affairs:

"HOUSE MEMORIAL 6

"A memorial requesting the Congress of the United States to enable a Federal survey of land-grant areas in New Mexico

"Whereas land-grant rights were recognized and given status, by the treaty entered at Ciudad Guadalupe Hidalgo on February 2, 1848, between the United States of America and the United Mexican States, which was ratified at Queretaro on May 30, 1848; and

"Whereas land-grant rights were recognized and protected by the organic act establishing the Territory of New Mexico and later by U.S. courts of land claims; and

"Whereas land grants were purportedly the subject of a U.S. engineering-geographical survey, while actually land grants, particularly in Mora County, N. Mex., have never been surveyed; and

"Whereas grant lands, particularly in Mora County, without the benefit of a certain and accurate method of property description cannot be conveyed from primary holdings to smaller parcels or otherwise subdivided; and

"Whereas, because of foreign and vague land descriptions, grant lands do not enjoy accurate and uniform property description based on Federal survey as do the lands of other former territories, and which is needed to confirm and protect real property titles and to facilitate economic development; and

"Whereas economic considerations preclude the possibility of grant land owners undertaking to conform grant land survey in New Mexico into the uniform Federal survey now extant: Now, therefore, be it

*"Resolved by the House of Representatives of the State of New Mexico*, That the Congress of the United States is asked to enable a Federal engineering-geographic survey of the grant lands in New Mexico, particularly those grant lands of Mora County; and be it further

*"Resolved*, That copies of this memorial be transmitted to the Congress, to the leadership in the Congress, and to the New Mexico delegation to the Congress.

"Signed and sealed at the capitol, in the city of Santa Fe.

"BRUCE KING,
*"Speaker, House of Representatives.*
"ALBERT ROMERO,
*"Chief Clerk, House of Representatives."*

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Foreign Relations:

"SENATE CONCURRENT RESOLUTION 15

"A concurrent resolution memorializing the Congress concerning the West German Government's position relative to the statute of limitations on war crimes

"Whereas the Potsdam agreement, signed on August 2, 1945, by the leaders of the victorious Allied Powers, stated: 'War criminals and all those who took part in the planning and carrying out of Nazi measures which involved or resulted in war crimes are to be arrested and brought to justice'; and

"Whereas the decision of the Government of the Federal German Republic to invoke a 20-year statute of limitations to halt initiation of any new trials of Nazi war criminals after May 8, 1965, is contrary to this and other binding declarations of the Allied Powers; and

"Whereas the murder of 6 million Jews and millions of other peoples by the Nazis was a deliberate, genocidal policy and a crime against humanity; and

"Whereas Dr. Robert Kempner, former U.S. war crimes prosecutor in the Nuremberg trials, estimates that there are at least 10,000 Nazi war criminals who have not been prosecuted and the authoritative documentation center in Haifa, Israel, reports that there are at least 70,000; and

"Whereas should the statute of limitations go into effect on May 8, 1965, thousands of war criminals will escape paying the penalty for their crimes which shocked the world; and

"Whereas worldwide protest has been expressed of the decision of the German Federal Republic, including within Germany itself; and

"Whereas the United States and other countries have no statute of limitations on murder; and France, Belgium, and other countries have specifically lifted their statute of limitations in regard to war crimes; and

"Whereas Germany must not be permitted to evade its responsibility to the nations of the world in this matter: Now, therefore, be it

*"Resolved by the senate (the house of representatives concurring)*, That the Michigan Legislature hereby respectfully requests the Congress of the United States to urge the Parliament and Government of the German Federal Republic to rescind its decision to institute a statute of limitations on prosecution of Nazi war criminals; and be it further

*"Resolved*, That copies of this resolution be transmitted to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and to each Member of the Michigan delegation to the Congress.

"Adopted by the senate, February 18, 1965.

"Adopted by the house of representatives, March 11, 1965.

"BERYL I. KENYON,
*"Secretary of the Senate.*
"NORMAN E. PHILLIES,
*"Clerk of the House of Representatives."*

Two joint resolutions of the Legislature of the State of Alaska; to the Committee on Banking and Currency:

"SENATE JOINT RESOLUTION 32

"Urging Congress to approve pending legislation providing low-interest, long-term loans to small businesses

*"Be it resolved by the Legislature of the State of Alaska:*

"Whereas a bill, S. 915, now pending in the Congress provides low-interest, long-term loans to small businesses suffering economic injury as a result of the closing of a Federal installation or the decline of Government procurement in an area; and

"Whereas Alaska small businesses depend a great deal upon Federal spending which will be decreased by the closing and reduction of Federal offices in Alaska; and

"Whereas the closing of the Veterans' Administration office at Juneau and the substantial reduction of personnel and operations of the Bureau of Mines mineral resource development offices in Juneau and Anchorage have greatly lessened small business prosperity in these cities; and

"Whereas the development of small businesses in Alaska has always been difficult because of climatic conditions and geographical location, and the small business sector

in this State has still not recovered from the earthquake of March 27, 1964; and

"Whereas all of these factors mean that aid to small business as proposed in S. 915 is urgently needed in Alaska: Be it

*"Resolved,* That Congress is respectfully urged to pass, and the President of the United States is repectfully urged to approve S. 915; and be it further

*"Resolved,* That copies of this resolution be sent to the Honorable Lyndon B. Johnson, President of the United States; the Honorable HUBERT H. HUMPHREY, Vice President of the United States and President of the Senate; the Honorable JOHN W. MCCORMACK, Speaker of the House of Representatives; the Honorable CARL HAYDEN, President pro tempore of the Senate; and the Honorable E. L. BARTLETT and the Honorable ERNEST GRUENING, U.S. Senators, and the Honorable RALPH J. RIVERS, U.S. Representative, members of the Alaska delegation in Congress."

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"SENATE JOINT RESOLUTION 57

"Urging the enactment of a Federal reinsurance program for natural disasters

*"Be it resolved by the Legislature of the State of Alaska:*

"Whereas millions of dollars in property are lost each year from the occurrence of floods, earthquakes, hurricanes and tidal waves; and

"Whereas present disaster programs fail to compensate the many thousands of homeowners who suffer losses of equity when their homes are destroyed by these catastrophic occurrences; and

"Whereas a nationwide mandatory insurance program seems to be the only satisfactory method of acquiring commercial insurance protection against such losses at reasonable rates; and

"Whereas the operation of such an insurance program would be feasible only if the Federal Government would act as a reinsurer for a portion of the risk assumed by the various private insurance companies: Be it

*"Resolved,* That the Alaska State Legislature urges the U.S. Congress, now assembled, to enact a Federal reinsurance program whereby all recipients of Federal housing loans would be required to insure their homes against floods, earthquakes, hurricanes and tidal waves and, whereby private insurance companies could sell such insurance on the basis of a nationwide assigned risk plan similar to that used in States where automobile insurance is mandatory and could reinsure a portion of the risk with the Federal Government; and be it further

*"Resolved,* That copies of this resolution be sent to the Honorable Lyndon B. Johnson, President of the United States; the Honorable HUBERT H. HUMPHREY, Vice President of the United States and President of the Senate; the Honorable CARL HAYDEN, President pro tempore of the Senate; the Honorable JOHN W. MCCORMACK, Speaker of the House of Representatives; and the Honorable E. L. BARTLETT and the Honorable ERNEST GRUENING, U.S. Senators, and the Honorable RALPH J. RIVERS, U.S. Representative, Members of the Alaska delegation in Congress."

A resolution of the Senate of the State of Washington; to the Committee on Public Works:

"SENATE RESOLUTION NO. 1965, EX. 7

"Whereas there exist broad, valid reasons for an extension of the Alaska Marine Highway as a part of the U.S. Interstate Highway System to a southern terminus connecting with U.S. Interstate Highway No. 5, in the State of Washington among which are the following:

"An Alaska Marine Highway System gateway oriented toward the Western United States is required if Alaska is to realize maximum benefits from that system.

"Such a gateway would create significant economic gains for the entire northern area of British Columbia, as well as the States of Alaska and Washington.

"As the present Marine Highway System grows in popularity and usage, there will be created a demand for its services by travelers and shippers located farther away from Prince Rupert, resulting in an inevitable linking with the present U.S. Interstate Highway System.

"The extension of the Marine Highway System to a southern terminus is economically sound from every standpoint.

"The Alaska Marine Highway System is considered by the Alaska International Rail and Highway Commission and recognized by the Battelle Institute as a vital part of a coordinated highway system to encourage the development of tourism in the northwest part of North America. The Commission recognizes the establishment of a marine highway as the most efficient and least expensive way to provide transportation for people and things to and from the coastal cities, whether or not the coordinated highway system is constructed; and

"Whereas the State of Washington is actively engaged in a program of industrial development, and few industries offer greater opportunities for expansion and benefit to our economy than tourism; and

"Whereas studies have revealed that many advantages would accompany an extension of the Marine Highway System, accruing not only to Alaska and Washington but also to the Province of British Columbia, Canada, and the other Western States through which Alaska-bound tourists and freight would flow: Now, therefore, be it

*"Resolved by the Senate,* That the Congress of the United States is hereby respectfully requested to devise and approve legislation for the extension of the Alaska Marine Highway as a part of the U.S. Interstate Highway System to a southern terminus connecting with U.S. Interstate Highway No. 5, in the States of Washington; and be it further

*"Resolved,* That copies of this resolution be transmitted by the secretary of the senate to the President of the United States, the Senators and Representatives of the State of Washington in the Congress of the United States, the Vice President, the Speaker of the House of Representatives, the Chairmen of the Public Works Committees of the House of Representatives and the U.S. Senate, the Secretary of the Department of Commerce and the Chairman of the Alaska Rail and Highway Commission."

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

"SENATE JOINT RESOLUTION 14

"Joint resolution relating to increasing psychiatric services available through the U.S. Veterans' Administration to veterans who reside in California

"Whereas nationally and in California there are increasing demands on the U.S. Veterans' Administration for psychiatric care and this trend will continue and be intensified in the future; and

"Whereas California has the largest number of veterans of any State in the union, and its veteran population is continuing to grow although the Nation's total number of veterans is decreasing; and

"Whereas the ratio of veterans residing in California to Veterans' Administration-furnished psychiatric beds in this State has risen from 481 veterans per bed in 1959 to 515 veterans per bed in 1963; and

"Whereas among the eight States with largest veteran populations, California has the highest ratio of veterans per Veterans' Administration psychiatric bed and is the only State in which this ratio has risen; and

"Whereas the psychiatric beds allocated by the Veterans' Administration to California have increasingly fallen behind the national average number and trend of 390 veterans per bed in 1959 and 375 veterans per bed in 1963: Now, therefore, be it

*"Resolved by the Senate and the Assembly of the State of California (jointly),* That the Congress of the United States is respectfully memorialized to promptly authorize and direct the U.S. Veterans' Administration to provide and maintain in California, at least as a minimum, the Nation's average ratio of psychiatric beds to veterans; and be it further

*"Resolved,* That the secretary of the senate be hereby directed to transmit copies of this resolution to the President pro tempore of the U.S. Senate, the Speaker of the House of Representatives, and to each Senator and Representative in this State's delegation to the Congress of the United States."

A resolution of the House of Representatives of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT THE CIVIL RIGHTS LEGISLATION OF PRESIDENT JOHNSON

"Whereas today, in many States of our union there exists a denial to many of our citizens the right to vote; and

"Whereas President Johnson, in an attempt to right this injustice and insure equal rights to all citizens, has submitted civil rights legislation to Congress; and

"Whereas because of tense feeling presently existing in our country, because of this denial of equal rights, dividing neighbor against neighbor and State against State, it is expedient that this civil rights legislation be given top priority and support: Therefore be it

*"Resolved,* That the Massachusetts House of Representatives respectfully urges the Congress of the United States to take immediate action and support President Johnson's civil rights legislation; and be it further

*"Resolved,* That a copy of these resolutions be transmitted by the secretary of the Commonwealth to the presiding officers of each branch of Congress, and to each Senator and Representative from Massachusetts in the Congress of the United States.

"House of representatives, adopted March 19, 1965.

"WILLIAM C. MAIERS,
*"Clerk.*

"A true copy.

"Attest:

"KEVIN H. WHITE,
*"Secretary of the Commonwealth."*

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

"HOUSE JOINT MEMORIAL 9

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

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

"Whereas free world consumption of silver is continuing to exceed free world production by a steadily widening margin; and

"Whereas U.S. Treasury stocks of silver are being depleted at an accelerated rate to make up a major portion of the deficit; and

"Whereas these stocks may be completely dissipated in less than three years if the current rate of depletion continues; and

"Whereas this situation poses a serious threat to the Nation's silver coinage system which is now under critical review by the U.S. Treasury Department; and

"Whereas some segments of our national economy, in particular the silver-consuming industry, are exerting heavy pressure for the complete elimination of silver from our subsidary coinage; and

"Whereas this proposed adoption of a completely base-metal coinage would not only

damage the international prestige and dignity of our money, but would also involve a high risk of psychological rejection of such coins in the domestic economy; and

"Whereas a completely base-metal coinage system would also involve:

"1. A grave danger that existing silver coinage with intrinsic value would be driven into hoards, thus aggravating the current coin shortage problem;

"2. A serious disruption to the multi-billion-dollar vending machine industry and other industries utilizing coin machines which rely upon the peculiar characteristics of silver for operation of their rejection devices;

"3. Greatly increased prospects for counterfeiting; and

"Whereas the current balance of U.S. Treasury stocks, together with the extensive silver supply now circulating as silver coins and the excellent prospects for increased silver production in the immediate years ahead, provides persuasive assurance that this critical problem could readily be resolved through the less drastic alternative of retaining a silver coinage with reduced silver content; and

"Whereas such a solution would not only preserve our Nation's long tradition of a coinage with intrinsic value, but would also sustain a more favorable economic climate for one of the major segments of Idaho's economy—the mining industry: Now, therefore, be it

*"Resolved by the 38th session of the Legislature of the State of Idaho, now in session (the Senate and the House of Representatives concurring)*, That we respectfully urge the Congress of the United States and the executive department of the Federal Government to retain a silver coinage of reduced silver content in order to preserve the international prestige of our money, and public confidence therein.

"We further respectfully urge the Congress of the United States and the executive department of the Federal Government to undertake a comprehensive study of the growing strategic importance of silver in defense and aerospace applications and determine an adequate strategic stockpile objective which can be set aside from existing Treasury stocks before they are completely dissipated; be it further

*"Resolved,* That the secretary of state of the State of Idaho be, and he hereby is, authorized and directed to forward certified copies of this memorial to the President and Vice President of the United States, the Speaker of the House of Representatives of the Congress, the Secretary of the Treasury of the United States, and to the Senators and Representatives representing this State in the Congress of the United States.

"This joint memorial passed the house on the 5th day of March 1965.

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

"This joint memorial passed the senate on the 9th day of March 1965.

"W. E. DREVLOW,
*"President of the Senate.*

"I hereby certify that the within House Joint Memorial 9 originated in the house of representatives during the 38th session of the Legislature of the State of Idaho.

"DRYDEN M. HILER,
*"Chief Clerk of the House of Representatives."*

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

"RESOLUTION 689

"Resolution memorializing the Congress of the United States to adopt S. 177, H.R. 697, or H.R. 4969

"Whereas self-employed individuals have for more than 20 years been discriminated against under Federal tax law because they could not adopt retirement plans covering themselves unless they incorporated or formed associations taxable as corporations; and

"Whereas the Internal Revenue Service in November 1960, issued the so-called Kintner regulations which laid down guidelines to be used in determining whether or not groups of self-employed individuals would be eligible to be taxed as corporations; and

"Whereas the legislature of the State of Minnesota in reliance on the guidelines contained in the Kintner regulations and in order to remove the discrimination against professional persons under Federal tax law, passed in 1961 a Professional Corporation Act relating to physicians and in 1963 a Professional Corporation Act relating to attorneys; and

"Whereas the Internal Revenue Service on February 3, 1965, issued amendments to the Kintner regulations which would deny to physicians and attorneys organized under one or the other of the Minnesota Professional Corporation Acts and acts of other States similar thereto the right to be taxed as a corporation under Federal tax law and thus nullify the action of the legislature of the State of Minnesota; and

"Whereas there has been introduced into the 89th Congress S. 177, H.R. 697, and H.R. 4969, which would amend the definition of corporation in the Internal Revenue Code to make clear that professional corporations are included therein and would, as a result, require the Internal Revenue Service to recognize corporations formed under either of the Minnesota Professional Corporation Acts and acts of other States similar thereto as corporations for the purpose of the Internal Revenue Code: Be it

*"Resolved by the Legislature of the State of Minnesota,* That the Congress of the United States be urged to enact S. 177, H.R. 697, or H.R. 4969; be it further

*"Resolved,* That the secretary of the State of Minnesota send copies of this resolution to Vice President HUBERT H. HUMPHREY, to Senators MCCARTHY and MONDALE, and to all Members of the House of Representatives from the State of Minnesota.

"CLEM KEITH,
*"President of the Senate.*
"L. L. DUXBERY, Jr.,
*"Speaker of the House of Representatives.*

"Passed the senate this 11th day of March in the year of our Lord 1965.

"H. Y. TORREY,
*"Secretary of the Senate.*

"Passed the house of representatives this 30th day of March in the year of our Lord 1965.

"G. H. LEAHY,
*"Chief Clerk, House of Representatives.*

"Approved April 1, 1965.

"KARL F. ROLVAAG,
*"Governor of the State of Minnesota.*

"Filed April 1, 1965.

"JOSEPH L. DONOVAN,
*"Secretary of the State of Minnesota."*

A resolution of the Senate of the State of Hawaii; to the Committee on Public Works:

"SENATE RESOLUTION 23

"Whereas the flash flood of February 4, 1965, caused extensive property damage and loss of life on the windward side of the Island of Oahu, State of Hawaii; and

"Whereas there is the imminent possibility that such flooding may recur; and

"Whereas the residents of such flooded areas are in constant fear that such flooding will recur; and

"Whereas an appropriation of funds by the U.S. Congress for the Army Engineers to study the necessity and feasibility of a flood control project for the areas devastated by said floods and such other measures to prevent the recurrence of such floods would add to the welfare and security of the people of the State of Hawaii: Be it

*"Resolved by the Senate of the Third Legislature of the State of Hawaii, general session of 1965,* That the Congress of the United States be and is hereby respectfully requested to do and perform any and all actions necessary to expedite the undertaking of a flood control study of the windward side of the Island of Oahu, State of Hawaii, to be conducted by the Army Corps of Engineers; and be it further

*"Resolved,* That the Representatives and Island of Oahu, State of Hawaii, to be congress of the United States be requested to work toward forwarding the purposes of this resolution; and be it further

*"Resolved,* That duly certified copies of this resolution be forwarded to the President of the U.S. Senate, Speaker of the House of Representatives, and to the Honorable HIRAM L. FONG, the Honorable DANIEL K. INOUYE, the Honorable SPARK M. MATSUNAGA, and the Honorable PATSY T. MINK, the Hawaii delegation to the Congress of the United States.

"We hereby certify that the foregoing resolution was this day adopted by the Senate of the Third Legislature of the State of Hawaii, General Session of 1965.

"KAZUHISA ABE,
*"President of the Senate.*
"SEICHI HIRAI,
*"Clerk of the Senate."*

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

"SENATE JOINT RESOLUTION 12

"Joint resolution relative to the Army Corps of Engineers in the bay area

"Whereas the U.S. Army Corps of Engineers has, since 1949, contributed to the development of the San Francisco Bay area through its development of a comprehensive bay survey; and

"Whereas, to carry out its activities, the Corps of Engineers has constructed and now operates one of the world's most interesting research installations, a large-scale model of the entire San Francisco Bay; and

"Whereas the Corps of Engineers has already made significant accomplishments with respect to the effect on the bay of solid fill barriers, the major shoaling pattern of the bay for navigation, the effect on the bay of land reclamation and pollution; and

"Whereas there are several projects currently in progress, including tests on the dispersion of pollutants from the Sacramento-San Joaquin Delta, by simulating the discharge of the San Joaquin drain on the model, and investigation of the feasibility of a small craft harbor at Southampton Bay, near Benicia; and

"Whereas further tests are planned to discover the effect of channel deepening and widening on shoaling, maintenance costs and salinity intrusion; and to discover the effects of various degrees of bay fill on tides, waste disposal, salinity, sedimentation and shoaling; and

"Whereas it is proposed that the model be extended to include the Sacramento-San Joaquin Delta region so as to provide facts necessary for the coordinated development of the bay-delta regions; and

"Whereas the legislature has been informed that funds amounting to some $300,000 are needed to continue and extend the project: Now, therefore, be it

*"Resolved by the Senate and Assembly of the State of California (jointly)*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to appropriate funds necessary in order for the Corps of Engineers to carry on its current and proposed San Francisco Bay operations and also to extend the model and studies into

the Sacramento-San Joaquin Delta region; and be it further

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

The petition of E. Lucile Burns, of Baltimore, Md., relating to peace in South Vietnam; to the Committee on Foreign Relations.

A resolution adopted by the Lancaster (Va.) Teachers Association, favoring the enactment of legislation to eliminate discrimination because of race, color, or previous condition of servitude; to the Committee on the Judiciary.

A resolution adopted by the Council of the City of Richmond, Calif., favoring an amendment to the Constitution relating to apportionment; to the Committee the Judiciary.

A resolution adopted by the City Council of the City of Patterson, Calif., favoring an amendment to the Constitution relating to apportionment; to the Committee on the Judiciary.

A resolution adopted by the Common Council of the City of Gary, Ind., favoring the enactment of legislation to restore full freedom of collective bargaining as a uniform national labor policy; to the Committee on Labor and Public Welfare.

By Mr. SALTONSTALL (for himself and Mr. KENNEDY of Massachusetts):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Armed Services:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION PROVIDING FOR AN INCREASE IN DEFENSE WORK FOR THE GREATER BOSTON AREA IN ORDER TO PREVENT THE CLOSING OF THE WATERTOWN ARSENAL AND THE BOSTON NAVAL SHIPYARD

"Whereas a number of workers have been laid off and more will be laid off because of the threatened closing of the Watertown Arsenal and Boston Naval Shipyard; and

"Whereas the loss of this business and unemployment of these workers adversely affects the economy of the Greater Boston area which has contributed greatly to our national defense in the past: Now, therefore, be it

"*Resolved*, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation which will provide that this area will receive a sufficient share of the defense work from the United States in order to prevent the closing of the Watertown Arsenal and the Boston Naval Shipyard; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Secretary of the Commonwealth to the President of the United States, the presiding officer of each branch of Congress, and to each Member thereof from the Commonwealth.

"House of representatives, adopted, March 23, 1965.

"WILLIAM C. MAIERS,
*"Clerk.*

"Senate, adopted in concurrence, March 29, 1965.

"THOMAS A. CHADWICK,
*"Clerk.*

"A true copy.
"Attest:

"KEVIN H. WHITE,
*"Secretary of the Commonwealth."*

## CONCURRENT RESOLUTION OF SOUTH CAROLINA LEGISLATURE

Mr. THURMOND. Mr. President, all farmers and many other interested individuals in South Carolina are greatly concerned with the administration's proposal to change the present soil conservation program. The Legislature of South Carolina is responding to the concern which is widespread in South Carolina. Previously, the State legislature adopted a concurrent resolution memorializing Congress to protest the proposed drastic reduction in technical assistance to soil conservation districts. More recently, the State legislature has adopted a concurrent resolution memorializing the Congress to defeat the proposal for the creation of a revolving fund relating to soil conservation services. It was my pleasure to place the former of these two resolutions in the CONGRESSIONAL RECORD on Thursday, February 25, of this year. I now send the latter resolution to the desk, on behalf of myself and my colleague from South Carolina [Mr. JOHNSTON], and ask that it be printed in the CONGRESSIONAL RECORD and appropriately referred.

There being no objection, the concurrent resolution was referred to the Committee on Agriculture and Forestry, as follows:

H. CON RES. —

Concurrent resolution memorializing the Congress of the United States to defeat the proposal by the Bureau of the Budget for a revolving fund relating to soil conservation services

Whereas the Bureau of the Budget has recommended the creation of a $20 million revolving fund which shall be collected from the soil conservation districts and farmers throughout the Nation to assist in the payment of costs for soil conservation services; and

Whereas the several districts are not in position, financially or otherwise, to operate as a collecting agency; and

Whereas it is proposed that the cost of collections would probably exceed the amount raised; and

Whereas the collection of these fees would most probably deter the farmers from participating in these services and result in the exploitation and waste of natural resources: Now, therefore, be it

*Resolved by the house of representatives (the senate concurring)*, That the Congress of the United States is respectfully requested to defeat the proposal of the Bureau of the Budget relating to the creation of a $20 million revolving fund to be used for payment of costs for assistance by the Soil Conservation Service; be it further

*Resolved*, That copies of this resolution be forwarded to the Senators and Members of the House of Representatives from South Carolina.

Attest:

INEZ WATSON,
*Clerk of the House.*

## REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 1229. A bill to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects, and to provide the Secretary of the Interior with authority for recreation development of projects under his control (Rept. No. 149).

## BILLS INTRODUCED

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

By Mr. MAGNUSON (by request):

S. 1735. A bill relating to the use by the Secretary of the Interior of land at La Jolla, Calif., donated by the University of California for a marine biological research laboratory, and for other purposes; to the Committee on Commerce.

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

By Mr. HART:

S. 1736. A bill for the relief of Jennifer Ellen Johnson Mojdara; and

S. 1737. A bill for the relief of Dr. Chiyo Chiba; to the Committee on the Judiciary.

By Mr. LONG of Missouri:

S. 1738. A bill for the relief of Loung Yue Tse;

S. 1739. A bill for the relief of Yi Cheun Chiang; and

S. 1740. A bill for the relief of Chung Chao Yao; to the Committee on the Judiciary.

By Mr. McNAMARA:

S. 1741. A bill to amend the Fair Labor Standards Act of 1938 to provide for double time for overtime; to the Committee on Labor and Public Welfare.

By Mr. FULBRIGHT (by request):

S. 1742. A bill to authorize the U.S. Governor to agree to amendments to the articles of agreement of the International Bank for Reconstruction and Development and the International Finance Corporation, and for other purposes; to the Committee on Foreign Relations.

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

By Mr. WILLIAMS of New Jersey:

S. 1743. A bill to amend the Internal Revenue Code of 1954 to increase the limitations on the amounts deductible for the care of certain dependents and to provide that the amounts deductible shall be allowed as a deduction in determining adjusted gross income; to the Committee on Finance.

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

## USE BY SECRETARY OF THE INTERIOR OF CERTAIN LAND DONATED BY THE UNIVERSITY OF CALIFORNIA, AT LA JOLLA, CALIF.

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill relating to the use by the Secretary of the Interior of land at La Jolla, Calif., donated by the University of California for a marine biological research laboratory, and for other purposes. I ask unanimous consent that a letter from the Under Secretary of the Interior, requesting the proposed legislation, be printed in the RECORD.

The PRESIDING OFFICER (Mr. MONDALE in the chair). The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1735) relating to the use by the Secretary of the Interior of land at La Jolla, Calif., donated by the University of California for a marine biological research laboratory, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter presented by Mr. MAGNUSON is as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
*Washington, D.C., March 23, 1965.*

Hon. HUBERT H. HUMPHREY,
*President of the Senate,*
*Washington, D.C.*

DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill "relating to the use by the Secretary of the Interior of land at La Jolla, Calif., donated by the University of California for a marine biological research laboratory, and for other purposes."

We recommend that the bill be referred to the appropriate committee for consideration, and we recommend that it be enacted.

The Department of the Interior has recently completed the construction of a new marine biological research laboratory at the Scripps Institution of Oceanography situated on the San Diego campus of the University of California. The laboratory was constructed on 2.4 acres of land that were donated to the United States by the regents of the University of California.

When negotiations with the university were started for a new building site, local representatives of the Department first proposed that the site would be leased to the United States for 99 years. This proved to be impractical, because Federal policy does not permit the construction of public buildings on leased land without specific statutory authority. The Department then proposed that the site would be conveyed to the United States with a reversionary clause under which the title would revert to the university at the end of 99 years, or earlier if the Government ceased to use the land for the research laboratory. The Department of Justice advised us that it could not approve the title to the land if the deed contained this reversionary clause. The Department of the Interior then asked the university to convey the land without the reversionary clause, but with the understanding that the Department would seek the enactment of legislation which would authorize a reconveyance of the land to the university at the end of 99 years, or earlier if it ceased to be needed for research laboratory purposes. The university agreed.

The deed which conveyed the land to the United States requires the land "to be used exclusively for research on the living resources of the sea or their environment; or for purposes compatible with activities of the said Scripps Institution of Oceanography, or for any other purpose expressly approved by the grantor."

The deed also recited the following understanding: "the Secretary of the Interior has pledged himself to seek the introduction of and to support legislation * * * empowering an officer of the United States to execute a deed reconveying the property to the grantor in the event of failure to use the property as specified herein; or failure to build a laboratory facility within 5 years from the date hereof; or at the expiration of 50 years from the date hereof, unless it is determined that the land is needed by the United States for specified purposes; or at the expiration of 99 years from the date hereof."

The deed was executed on March 22, 1962, after the following assurance was given in a letter dated February 15, 1962, from the then Under Secretary:

"We recognize that the university does not wish to surrender its campus properties permanently. In view of this I am prepared to recommend strongly that the administration seek from the Congress special legislation to meet the requirements of the board of regents.

"I consider this a grave moral commitment and hereby so indicate to my successors."

The legislation now recommended will carry out the understanding on the basis of which the land was donated and the laboratory was constructed, with one modification.

The United States now holds the title to the land subject to a limitation which prohibits the use of the land for any purpose other than specified kinds of research, or purposes compatible with the activities of the Scripps Institution, or for other purposes expressly approved by the regents of the university. If that use should be discontinued, the Government would have only two alternatives under the terms of the deed, aside from the understanding with the university: it could try to sell the land to someone else who would use the land for the limited purposes, or it could let the laboratory stand idle and unused. The first alternative is not a realistic one; moreover, it would be unfair to the university because another research organization should not be placed on the campus of the university without the university's consent. The second alternative is wasteful because it involves continuing expense to the Government in the form of maintenance, or it involves allowing the buildings to deteriorate and become unsightly, which in addition to being wasteful would also be unfair to the university.

We therefore believe that if the Government's use of the land for the specified purposes should be discontinued the only reasonable and fair procedure is to reconvey the land to the university. The buildings would be included in the reconveyance. The Government would have received all of the benefit from the building that it could receive, inasmuch as it could not use them for any other purpose, and removal of the buildings would be impractical. The buildings would not in fact have any value to the Government at that time. The university was not responsible for placing the buildings on the land and should not be asked to pay for them.

The understanding with the university also contemplated that the title will be reconveyed at the end of 99 years, regardless of whether the Government has a continuing need for the property at that time. We have discussed further this understanding with the university, and with its concurrence have omitted the 99-year provision from the proposed legislation. If at the end of 99 years the Government has a continuing need for the property for the uses permitted by the deed, obviously there is no public interest that would be served by a reconveyance of the property to the university, because the Government would then need to acquire substitute property and facilities at additional cost in order to continue its program.

The original understanding was based on an assumption that the Government would get full value out of its investment over a 99-year period, and in a realistic sense would suffer no economic loss by reconveying the property at the end of that period. The arrangement would be equivalent of construction of the laboratory on a 99-year leasehold, which is an accepted commercial practice. The difficulty with this assumption is that Federal governmental programs are not undertaken as economic ventures, with an amortization or write-off of the capital investment at the end of a fixed period. If all governmental construction were undertaken on that basis, the entire construction program would need to be refinanced at fixed intervals.

In this respect the Federal Government and the various State educational institutions have a comparable need. When they construct buildings designed to be used by future generations they do so on land that will be available as long as their program continue.

The university has agreed that its primary purpose will be accomplished by a reconveyance of the property when it ceases to be needed or used for the purposes permitted by the deed.

The proposed legislation amounts to a reciprocal application of the policy followed by the Federal Government when conveying Federal land to a State or public agency for educational, recreational, or conservation purposes. That policy is to restrict the use of the land to the specified purposes, and to provide for a reversion of title to the Federal Government if the land ceases to be used for those purposes. That policy was applied to the University of California by the act of September 14, 1962 (76 Stat. 546), which conveyed the former Camp Matthews to the university. The proposed legislation would permit the same policy to be applied by the State in the case of the land which it donated to the Federal Government for marine biological research purposes.

The Bureau of the Budget has advised that there is no objection to the presentation of the proposed legislation from the standpoint of the administration's program.

Sincerely yours,

JOHN A. CARVER, JR.,
*Under Secretary of the Interior.*

## TO AUTHORIZE THE U.S. GOVERNOR TO AGREE TO AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE INTERNATIONAL FINANCE CORPORATION, AND FOR OTHER PURPOSES

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference, a bill to authorize the U.S. Governor to agree to amendments to the articles of agreement of the International Bank for Reconstruction and Development and the International Finance Corporation, and for other purposes.

The proposed legislation has been requested by the Secretary of the Treasury and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from the Secretary of the Treasury and with a comparative type showing changes in the existing law made by the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, letter, and comparative type will be printed in the RECORD.

The bill (S. 1742) to authorize the U.S. Governor to agree to amendments to the Articles of Agreement of the International Bank for Reconstruction and Development and the International Finance Corporation, and for other purposes, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the

Bretton Woods Agreement Act, as amended (22 U.S.C. 286–286k–1), is amended by:

(1) Deleting paragraphs (5) and (6) of subsection (b) of Section 4 (22 U.S.C. 286b), and substituting therefor the following:

"(5) The Council shall transmit to the President and to the Congress an annual report with respect to the participation of the United States in the Fund and Bank.

"(6) Each such report shall contain such data concerning the operations and policies of the Fund and Bank, such recommendations concerning the Fund and Bank, and such other data and material, as the Council may deem appropriate."

(2) Substituting a comma for the period at the end of section 5 (22 U.S.C. 286c), and adding the following: "if such increase involves an increased subscription on the part of the United States."

(3) Adding at the end thereof the following new section:

"SEC. 20. The United States Governor of the Bank is authorized to agree to an amendment to the Articles of Agreement of the Bank to permit the Bank to make, participate in, or guarantee loans to the International Finance Corporation for use in the lending operations of the latter."

SEC. 2. The International Finance Corporation Act, as amended (22 U.S.C. 282–282g), is amended by adding at the end thereof the following new section:

"SEC. 10. The United States Governor of the Corporation is authorized to agree to the amendment of the Articles of Agreement of the Corporation to remove the prohibition therein contained against borrowing from the International Bank for Reconstruction and Development, and to place limitations on such borrowings."

The letter and comparative type presented by Mr. FULBRIGHT are as follows:

THE SECRETARY OF
THE TREASURY,
*Washington, March 30, 1965.*

Hon. HUBERT H. HUMPHREY,
*President of the Senate,*
*Washington, D.C.*

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill, "To authorize the U.S. Governor to agree to amendments to the Articles of Agreement of the International Bank for Reconstruction and Development and the International Finance Corporation, and for other purposes."

The proposed legislation would amend the Bretton Woods Agreements Act, as amended, to authorize the U.S. Governor of the International Bank for Reconstruction and Development and the International Finanance Corporation to vote in favor of proposed amendments to the Articles of Agreement of each institution, to enable the Bank to make, participate in, or guarantee loans to the International Finance Corporation for use in its lending operations. The Bank would not be permitted to lend, nor the Corporation to borrow, an amount in excess of four times the unimpaired subscribed capital and surplus of the Corporation.

It has long been a policy of the Bank to attempt to stimulate private investment, particularly in the less-developed countries. However, the Bank has concluded that there exists a need for assistance to private borrowers which existing facilities cannot satisfy at the present time. After a study of how best this need could be met, the Executive Directors of the Bank and the Board of Directors of the Corporation agreed that the most desirable and effective way would be for Bank funds to be channeled through the Corporation, which was brought into existence especially to supplement the activities of the Bank by investing without Government guarantee in productive private enterprises. Accordingly, they have recommended, in a report dated August 6, 1964, approved by the Boards of Governors in September 1964, that the Bank make loans to the Corporation for relending. Such loans would supplement the funds available for the loan operations of the International Finance Corporation and would enable it to expand its lending activities to private enterprises.

The United States was instrumental in obtaining the establishment of the International Finance Corporation in 1956, and has actively supported the growth in its activities since that time The stimulation to private enterprise abroad which the Corporation provides is fully in line with overall U.S. policy in the field of development. The Corporation helps mobilize both local and foreign private capital, thus relieving some of the demands on the limited supply of official funds. The expansion of its activities contemplated by the proposed legislation would be fully in accord with U.S. policy.

The bill would also amend the Bretton Woods Agreement Act to allow the U.S. Governor of the International Bank for Reconstruction and Development to vote in favor of proposed increases in the capital stock of the Bank when such increases do not involve an increased subscription on the part of the United States. On two previous occasions it has become necessary for the Bank to increase its subscribed capital in order to provide for the admission of new members and increases in subscriptions of other members. It is anticipated that another such increase will be necessary in 1965. Where the U.S. subscription is not affected in such an increase and hence its action in voting in favor thereof becomes routine, no congressional action should be necessary. It seems reasonable, therefore, to provide that the U.S. Governor may vote in favor of such increases without each time seeking legislation.

The proposed legislation would also eliminate the requirements of the Bretton Woods Agreements Act that the National Advisory Council on International Monetary and Financial Problems transmit every 6 months and every 2 years, reports to the President and to the Congress concerning the International Monetary Fund and the International Bank for Reconstruction and Development. These reporting requirements apply also to the International Finance Corporation, the International Development Association, and the Inter-American Development Bank. As a result of a review made at the request of President Johnson of the necessity for continuing periodic reports required by law, the National Advisory Council concluded that it would be desirable and in the interest of economy in Government to substitute an annual report for the 2-year and 6-months reports now required. Such a report could contain the significant data now contained in the present reports and, at the same time, there would be reduced from five to two the number of reports made each 2 years.

It is believed that the proposed use of Bank funds to provide for expansion of international lending activity to private enterprises through the International Finance Corporation, as well as the other changes contained in the proposed legislation, are desirable and in the best interests of the United States. It is recommended that they be enacted into law. There will be transmitted separately a special report of the National Advisory Council on International Monetary and Financial Problems, on the subject of the proposed bill.

It will be appreciated if you would lay the proposed bill before the Senate. A similar proposed bill has been transmitted to the Speaker of the House of Representatives.

There is enclosed for your convenient reference a comparative type showing the changes in existing law that would be made by the proposed bill.

Sincerely yours,

DOUGLAS DILLON.

COMPARATIVE TYPE SHOWING CHANGES IN EXISTING LAW MADE BY BILL

Changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in brackets; new matter in italic):

BRETTON WOODS AGREEMENTS ACT, AS AMENDED (22 U.S.C. 286–286k–1)

Section 4. (a) * * *

(b) [(5) The Council from time to time, but not less frequently than every six months, shall transmit to the President and to the Congress a report with respect to the participation of the United States in the Fund and the Bank.

[(6) The Council shall also transmit to the President and to the Congress special reports on the operations and policies of the Fund and the Bank, as provided in this paragraph. The first report shall be made not later than two years after the establishment of the Fund and the Bank, and a report shall be made every two years after the making of the first report. Each such report shall cover and include: The extent to which the Fund and the Bank have achieved the purposes for which they were established; the extent to which the operations and policies of the Fund and the Bank have adhered to, or departed from, the general policy directives formulated by the Council, and the Council's recommendations in connection therewith; the extent to which the operations and policies of the Fund and the Bank have been coordinated, and the Council's recommendations in connection therewith; recommendations on whether the resources of the Fund and the Bank should be increased or decreased; recommendations as to how the Fund and the Bank may be made more effective; recommendations on any other necessary or desirable changes in the Articles of Agreement of the Fund and of the Bank or in this Act; and an overall appraisal of the extent to which the operations and policies of the Fund and the Bank have served, and in the future may be expected to serve, the interests of the United States and the world in promoting sound international economic cooperation and furthering world security.]

*(5) The Council shall transmit to the President and to the Congress an annual report with respect to the participation of the United States in the Fund and Bank.*

*(6) Each such report shall contain such data concerning the operations and policies of the Fund and Bank, such recommendations concerning the Fund and Bank, and such other data and material, as the Council may deem appropriate.*

* * * * *

Section 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall on behalf of the United States (a) request or consent to any change in the quota of the United States under article III, section 2, of the Articles of Agreement of the Fund; (b) propose or agree to any change in the par value of the United States dollar under article IV, section 5, or article XX, section 4, of the Articles of Agreement of the Fund, or approve any general change in par values under article IV, section 7; (c) subscribe to additional shares of stock under article II, section 3, of the Articles of Agreement of the Bank; (d) accept any amendment under article XVII of the Articles of Agreement of the Fund or article VIII of the Articles of Agreement of the Bank; (e) make any loan to the Fund or the Bank. Unless Congress by law authorizes such action, no governor or alternate appointed to represent the United States shall vote for an increase of capital stock of the Bank under article II, section 2, of the Articles of Agreement of the Bank [.], *if such increase involves an increased subscription on the part of the United States.*

* * * * *

*Section 20. The United States Governor of the Bank is authorized to agree to an amendment to the Articles of Agreement of the Bank to permit the Bank to make, participate in, or guarantee loans to the International Finance Corporation for use in the lending operations of the latter.*

* * * * *

THE INTERNATIONAL FINANCE CORPORATION ACT, AS AMENDED (22 U.S.C. 282–282g)

*Section 10. The United States Governor of the Corporation is authorized to agree to the amendment of the Articles of Agreement of the Corporation to remove the prohibition therein contained against borrowing from the International Bank for Reconstruction and Development, and to place limitations on such borrowings.*

## AID TO WORKING MOTHERS

Mr. WILLIAMS of New Jersey. Mr. President, it has been suggested that he who has children gives "hostages to fortune." That wise old saying holds true for nations as well as individuals. We are now, as a nation, beginning to honor that adage as we redouble and intensify our efforts in every field to fully develop the God-given potential of every child in our Nation.

We have demonstrated our commitment to this ideal in many different ways. Under our recently enacted program, we are seeking to raise the standard of living of the poor so that their children can be helped to share in the fruits of our society.

If we enact the ideas embodied in the pending education bill, we will be supplying additional and novel tools to develop the learning capacities and potentials of our youngsters.

But there are many paths to the Great Society—some more obvious and well trod than others. Today, I am introducing legislation which I think will smooth one of the less spectacular but just as serviceable of those paths.

Because of their profound effect on the structure and fabric of American society, our revenue laws are a significant element in the Great Society. They too can be used constructively and creatively to accomplish the goals we have set ourselves.

The amendment of section 214 of the Internal Revenue Code, which I am introducing today, presents a perfect example of the constructive use of tax legislation to reach a stated goal.

The section now allows, as part of itemized deductions from adjusted gross income, expenses incurred by working mothers for the care of their children. A maximum deduction of $900 is now allowed—$600 for one child and $900 for two or more—for the actual amounts spent to care for children under 13 while their mother is gainfully employed. This deduction is only permitted in full so long as the joint income of the woman or married couple remains below $6,000. For every dollar a wife and husband earn over $6,000, they must subtract $1 from their maximum allowable deduction. Thus, the deduction vanishes entirely when joint gross income reaches $6,600 if the couple has one child and $6,900 if there are two or more.

These amounts I submit, Mr. President, are plainly inadequate and fall far short of achieving our real objective—to give genuine tax relief to those who need it most.

There is no need to argue at length here for the necessity of first-rate, adequate child care services. Not only is it essential to the peace of mind and working productivity of all mothers who either must work to provide the necessities for their families or who wish to work to provide for the future education and needs of their children.

High-quality, sensitive, knowledgeable care for children of mothers who spend their days at outside jobs is hardly a luxury item—it is an absolute essential for the growth and future of these children. Studies are now making clear that the preschool years for children are as important for their future educability as the quality and quantity of the education they actually receive during their in-school years.

As responsible politicians, it is our obligation to make full use of all our legislative tools, to make sure that the children of working parents are cared for by competent and trustworthy individuals rather than left to roam the streets and shift for themselves until dinnertime each evening.

In 1961 President John F. Kennedy appointed a noteworthy Commission on the Equal Status of Women to investigate the myriad problems and opportunities open to women in American society. One of the major recommendations made when the report was submitted to President Kennedy in October of 1963, was a liberalization of the then-existing child-care deductions. The Revenue Act of 1964 made certain strides forward in this area, but I am convinced that the statistics demonstrate the need for further tax relief for families affected by this problem.

The extent of the problem of providing care for children of working mothers is indicated by a special census sample study conducted in June 1958.

This study showed that at that time there were almost 2.9 million mothers who were working full time and had children under 12 years of age. Of the 5.1 million children under 12, about 2 million were under 6 and 3 million between the ages of 6 and 12. The study showed that 58 percent of the children were cared for in the home—46 percent by the father or other relative and 12 percent, or about 600,000, by nonrelatives who presumably were paid to care for the children. An additional 22 percent were cared for away from home, of whom 9 percent, or 450,000, were cared for by nonrelatives and slightly over 2 percent, or 121,000, received group care in day nurseries, and so forth. There were no arrangements for the care of 400,000, or 8 percent of the children, and it was impossible to classify the arrangements for 650,000, or 13 percent.

In summary, almost one out of four, or over a million of the children under 12, received group care or care from nonrelatives, most of which involved expenditures by parents.

Moreover, the situation remained virtually the same in 1960 when only 57 percent of the children of America were cared for at home—which means that some sort of provision for outside day care had to be made for nearly one-half of our children.

From these figures, I think we can get a fair idea of the dimensions and significance of this problem. It is readily apparent that the daily care of one-half of our children under the age of 13 is a concern of the greatest immediacy to us all.

More than one-third of our working force is already composed of women. As President Kennedy remarked to his Commission in 1962, this group of women despite their jobs has "a primary obligation to their families and to their homes." Most of these women work because they have to. Our first concern, unquestionably, is providing meaningful tax relief to that segment of our working-mother population which works out of necessity.

In 1954, the median income of families with both husband and wife in the labor force was approximately $5,336; by 1961, it had risen to $7,188; and in 1963 it was up to $7,789. Thus, even with the 1964 raise in income ceiling to $6,000, the majority of working couples are ineligible to take advantage of the deduction.

The Commission concluded, in its 1963 report, that "tax deductions for child care expenses of working mothers should be kept commensurate with the median income of couples when both husband and wife are engaged in substantial employment." Consequently it was then recommended that "the limitation on the joint income of working wives and their husbands, above which the deduction for care of children and disabled dependents is reduced, be commensurate with the median income of couples when both are engaged in substantial employment."

Mr. President, the amendment to section 214 which I am introducing today will follow through on that recommendation and raise the joint income under which this deduction can be claimed to $7,500.

This figure not only reflects the Commission's recommendation for approximating the median income of couples where both husband and wife are engaged in substantial employment, but presents a far more realistic and equitable income ceiling. Rather than giving relief to only the very poor, the ceiling of $7,500 will allow many middle-income families, where the mother may work in order to provide for the higher education of her children or to put aside a nest egg for unexpected or extraordinary bills which may arise, to also share in the deduction.

The additional $100 allowance for a third child which is included in my amendment will also benefit those many households with three or more children.

Clearly, the care of a third child—and more than 76 percent of our families with $3,000 incomes have three or more children—adds a substantial amount to the cost of securing skilled and trustworthy day care help.

In originally suggesting the extra $100 for three or more children, President Kennedy's Commission cited a 1961 study in which expenditures for nursery and

babysitting services averaged $58.22 per month or about $700 a year, for mothers with children 16 years old and under who reported any such expenditures. The expenditures increased with the rise in the mother's income up to incomes of $400 a month. For those with incomes of $301 to $400, the average expenditure for nursery and babysitting services was $76.90 a month, or about $925 a year.

Any working mother knows that a significant portion of the extra income she brings home must be allotted to either a nursery school, a regular nurse, or a neighbor in the business of babysitting, if that mother is to set foot out of the house in the morning and do her job without constant nagging doubts about the whereabouts of her children.

Thus, I think that the liberalizing amendments which I am submitting to section 214 will alleviate two related problems: That will allow working mothers—especially those in lower and lower-middle income families—to provide decent, and in some cases, more reliable and more qualified day-care services for their children, and will enable these mothers, with their minds then at ease about their children, to perform their jobs more satisfactorily and with less strain on all concerned.

Finally, the amendments would convert section 214 from an itemized deduction to an excludable business expense. Instead of having to tediously itemize all deductions for this as well as other miscellaneous expenses—and only about half of all taxable returns take the itemized deductions—the taxpayer would just subtract the costs from adjusted gross income. In addition to thus giving the child-care deduction to many taxpayers who ordinarily would not or could not itemize it, this change would permit many taxpayers now eligible for the deduction to shift to the minimum standard deduction with consequent tax savings to themselves.

Let me illustrate the latter point—under the present arrangement for itemizing deductions, a three-children family with a joint income of $6,000, $600 in child care expenses and $400 in medical expenses, would merely take a $1,000 itemized deduction—since it is greater than the 10-percent standard deduction of $600 in their case—and would end up with taxable income of $3,200. Whereas, under my proposed amendment, that same couple would deduct the $600 day-care cost as a business expense from their adjusted gross income of $6,000, would then deduct their standard 10 percent deduction of $600, and their $1,800 exemptions for three children, and would be left with only $3,060 as taxable income.

Back in 1962, President Kennedy outlined "the problem of how a mother can meet her responsibilities to her children and at the same time contribute to society in general" as one of the most sensitive and important issues facing American society. It is my hope that with passage of these amendments to the tax bill, we will have contributed a bit toward resolving that problem and insuring that when mothers work, their children do not become hostages to neglect, indifference, and mistreatment.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1743) to amend the Internal Revenue Code of 1954 to increase the limitations on the amounts deductible for the care of certain dependents and to provide that the amounts deductible shall be allowed as a deduction in determining adjusted gross income, introduced by Mr. WILLIAMS of New Jersey, was received, read twice by its title, and referred to the Committee on Finance.

## AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938 TO PROVIDE FOR ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to 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 support provisions of the Agricultural Act of 1949, as amended, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JORDAN of North Carolina. Mr. President, I move that the Senate insist on its amendments and agree to the request of the House for a conference thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. HOLLAND, Mr. TALMADGE, Mr. JORDAN of North Carolina, Mr. YOUNG of North Dakota, and Mr. COOPER conferees on the part of the Senate.

## ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965—AMENDMENTS

AMENDMENT NO. 70

Mr. ERVIN (for himself and Mr. COOPER) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 2362) to strengthen and improve educational quality and education opportunities in the Nation's elementary and secondary schools, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 72

Mr. TOWER submitted amendments, intended to be proposed by him, to House bill 2362, supra, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 73

Mr. PEARSON. Mr. President, we are being asked today to consider giving Federal assistance to education—to "strengthen and improve educational quality and educational opportunities in the Nation's elementary and secondary schools."

With this in mind, can we do otherwise than help out those communities which are suffering staggering blows to their educational systems because of the closures of defense installations and resultant loss of impacted area funds? I think not. It is my firm conviction that we must help all communities which are experiencing a cutback until they can reestablish their economies and revitalize their school systems. The relaxation of the phase-out schedule for Public Law 874 funds would be a significant step toward the achievement of this goal.

Therefore, I am today offering on behalf of myself and the Senator from Texas [Mr. TOWER] an amendment to H.R. 2362 to assist school districts in areas throughout this Nation where defense installations are being closed down.

This is the same as S. 1256, which the Senator from Texas and I sponsored in February of this year and which is still pending before the Committee on Labor and Public Welfare.

Individual communities are working resolutely to offset the economic slack caused by base closures, loss of families, and loss of income. However, these areas still have hosts of problems due directly to the closures. This amendment would extend the tapering off period of Public Law 874—the so-called impacted areas law—and would, as a result, cushion some of the impact by relieving a heavy burden of educational costs incurred directly as a result of the presence of defense installations.

Under the terms of this amendment, the original cutoff point at which 3 percent of the total number of students enrolled are required to be connected with a Federal installation would be reduced so that only 1 percent of the total number of students would be required to be in the federally impacted classification.

Furthermore, the percentage reduction in funds would be graduated over a 3-year period, with the funds being cut off at the end of the fourth year. This amendment would liberalize, therefore, the phaseout portion of Public Law 874, and would give a community the benefit of funds for a longer period of time, even though the number of students identified with the federally impacted program was diminishing.

Mr. President, because so many of us here are vitally concerned with the effects of defense installation closures, I ask unanimous consent that my amendment be set out in full at this point in the RECORD for the information of my colleagues.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 73) was ordered to lie on the table, as follows:

At the end of the bill add a new section as follows:

"AMENDMENT TO PUBLIC LAW 874, EIGHTY-FIRST CONGRESS, TO PROVIDE FOR MORE GRADUAL REDUCTION OF PAYMENTS AS A RESULT OF TERMINATION OF ACTIVITIES OF THE DEPARTMENT OF DEFENSE

"SEC. 6060. (a) Clause (B) of paragraph (2) of subsection (c) of section 3 of the act of September 30, 1950, as amended (20 U.S.C. 238(c)(2)(B)) is amended to read as follows:

"'(B) amounts to 3 per centum or more of the total number of children who were in

average daily attendance during such year and for whom such agency provided free public education, except that—

"'(i) such 3 per centum requirement need not be met by such agency for any period of two fiscal years which follows a fiscal year during which such agency met such requirement and was entitled to payment under the provisions of this section, but the payment under the provisions of this section to such agency for the second fiscal year of any such two-year period during which such requirement is not met, shall be reduced by 50 per centum of the amount thereof; or

"'(ii) in the case of any local educational agency which fails for any fiscal year (following a fiscal year in which such agency met such 3 per centum requirement) to meet such 3 per centum requirement because of the termination of activities of the Department of Defense, the per centum requirement pursuant to this paragraph for such year and thereafter shall be 1 per centum; or

"'(iii) in the case of any local educational agency which fails for any fiscal year (following a fiscal year in which such agency met the per centum requirements of this paragraph) to meet such 1 per centum requirement because of the termination of activities of the Department of Defense, such agency need meet no per centum requirement pursuant to this paragraph for such year and the three succeeding fiscal years, but the payment under the provisions of this section to such agency for such year shall be computed as though such agency had exactly met such 1 per centum requirement, and for the first such succeeding fiscal year when such agency does not meet any per centum requirement pursuant to this paragraph, such payment shall be reduced by 50 per centum of the amount thereof, for the second such succeeding fiscal year by 66⅔ per centum of the amount thereof, and for the third such succeeding fiscal year by 75 per centum of the amount thereof.'

"(b) The amendment made by this section shall be effective on and after July 1, 1964."

## HOUSING AND URBAN DEVELOPMENT ACT OF 1965—AMENDMENT (AMENDMENT NO. 71)

Mr. JAVITS submitted an amendment, intended to be proposed by him, to the bill (S. 1354) to assist in the provision of housing for low- and moderate-income families, to promote orderly urban development, to improve living environment in urban areas, and to extend and amend laws relating to housing, urban renewal, urban mass transportation, and community facilities, which was referred to the Committee on Banking and Currency and ordered to be printed.

## ADDITIONAL COSPONSORS OF BILLS

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bills:

Authority of March 25, 1965:

S. 1625. A bill to amend the Internal Revenue Code of 1954 so as to permit certain tax-exempt organizations to engage in certain activities for the purpose of influencing legislation directly relevant to the purposes which qualify such organizations for tax exemption, without losing certain benefits under that Code: Mr. HART.

Authority of March 29, 1965:

S. 1636. A bill to clarify the relationship of interests of the United States and of the States in the use of the waters of certain streams: Mr. BARTLETT and Mr. BENNETT.

Authority of April 1, 1965:

S. 1648. A bill to provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions: Mr. BARTLETT, Mr. BAYH, Mr. BREWSTER, Mr. BURDICK, Mr. BYRD of West Virginia, Mr. CLARK, Mr. COOPER, Mr. FULBRIGHT, Mr. GORE, Mr. HARRIS, Mr. HART, Mr. HARTKE, Mr. INOUYE, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of New York, Mr. LONG of Missouri, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCGOVERN, Mr. MCINTYRE, Mr. METCALF, Mr. MONDALE, Mr. MONTOYA, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mrs. NEUBERGER, Mr. PASTORE, Mr. PELL, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of Ohio.

## NOTICE OF HEARING ON THE NOMINATION OF SHERMAN J. MAISEL TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. ROBERTSON. Mr. President, I should like to announce that the Committee on Banking and Currency will hold a hearing on the nomination of Sherman J. Maisel, of California, to be a member of the Board of Governors of the Federal Reserve System. The hearing is scheduled to be held on Thursday, April 15, 1965, in room 5302, New Senate Office Building, at 9:30 a.m.

Any persons who wish to appear and testify in connection with this nomination are requested to notify Matthew Hale, chief of staff, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, telehone 225–3921.

## LET US STOP CIVIL DEFENSE WASTE

Mr. YOUNG of Ohio. Mr. President, for more than 14 years taxpayers' money has been wasted on an utterly outmoded, useless, civil defense program that has not added one measure of protection to the civilians of this country in the event of nuclear war. Over $1,500 million dollars of taxpayers' hard-earned money has gone down the drain in one futile silly civil defense or civil defense shelter scheme after another.

For fiscal year 1966, officials of the Department of Defense have requested an appropriation of almost $200 million for civil defense purposes. This, in addition to municipal and State funds spent for civil defense, so-called. At a time when municipalities and States are in dire need of new sources of revenue for vital public services—schools, streets and highways, urban renewal, and a multitude of others—it seems unconscionable for the Federal Government through matching grant programs to encourage them to spend scarce dollars to continue the civil defense boondoggle.

Most of this money is spent on salaries for local political hacks and courthouse politicians who have found a safe haven in the political storm enjoying high salaries and setting around waiting for the bombs to drop; in the meantime, making speeches before citizens groups and talking about survival and the need for fallout protection, concerning which they know very little. In addition to those on local and State payrolls there are almost a thousand civil defense employees feeding at the Federal trough. Nearly half of them receive between $13,336 per year up to $27,500 per year. Seven of the luckier ones receive more than $23,000 a year. The Director is paid $27,500 per year.

Mr. MORSE. Mr. President, will the Senator from Ohio yield?

Mr. YOUNG of Ohio. I yield.

Mr. MORSE. I commend the Senator for his speech again this year in opposition to the terrific waste that is involved in the so-called civil defense program. I have associated myself with the Senator from Ohio in past years; I associate myself with him again this year and commend him and congratulate him for his courage and foresight in trying to check this shocking waste of taxpayers' money.

Mr. YOUNG of Ohio. I thank the distinguished Senator from Oregon, who is regarded as one of the ablest and most noted public servants in the Nation.

Mr. President, since my election to the Senate in 1958, I have been carefully watching and studying the operation of the various agencies charged with the responsibility for the defense of our civilian population in event of nuclear war. I have been unable to find any justification whatever for these tremendously high-salaried "fancy Dans" feeding at the public trough. The return to taxpayers for the millions of dollars spent on their salaries has been nil. Many are castoffs from other departments and agencies. They have not contributed one whit to the defense of our Nation. They do very little for their money except to concoct plans, prepare memoranda for one another, cause sirens to be blown periodically to the distress of most citizens, and think up various silly schemes to annoy residents of our cities and towns. They promulgate their plans and issue propaganda releases and handouts. There is no excuse whatever for this waste of money and personnel.

When the bill containing the civil defense appropriation is before the Senate for debate and vote, I intend to offer amendments to cut drastically the funds requested for this purpose. I am hopeful that a majority of Senators will agree to the urgent necessity for doing this. Why add to the tremendous sum of money already wasted?

Mr. President, on April 1, 1965, an excellent editorial entitled "The Civil Defense Budget" was broadcast over WHIO AM–FM and WHIO television in Dayton, Ohio. This outstanding editorial is another example of the growing concern of citizens generally over the civil defense boondoggle. I commend it to Senators and ask unanimous consent that it be printed at this point in the RECORD.

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

THE CIVIL DEFENSE BUDGET

We have frequently disagreed with the thinking of Ohio Senator STEVE YOUNG, but

we admire his rather consistent critical comment about the Federal civil defense program, or perhaps we should say the lack of an intelligent program. This is not an indication that we are against civil defense. Civil defense falls into a category that everyone favors like motherhood and an early spring.

In the past 14 years the Federal Government has spent $1.3 billion in stockpiling supplies, promoting the building of fallout shelters in back yards, erecting signs and printing millions of pamphlets. The present budget for the coming fiscal year is almost $200 million to be spent by the almost 1,000 Washington employees in the Federal office of civil defense.

Some of the ideas and programs developed by this office in the past indicates that the planners have little knowledge of human nature, or they were scratching the bottom of the barrel for ideas in how to spend tax dollars. One example was the pretty green signs installed a few years ago on all the major highways across the Nation proclaiming that the highway was restricted in case of emergency. In the event of a bombing those little green signs would have meant nothing to the drivers of cars attempting to get their families out of danger. The purchase and installation of these signs must have involved millions of dollars.

Another example of ridiculous planning was the program to provide a mass exodus from cities when the sirens indicated attack was near. In this program everyone was to leave their home and place of employment and proceed immediately to the country by the nearest exit from the city, leaving the center of the city free of people and traffic, thus reducing the number of casualties. The Washington planners were naive indeed to believe that a man working at the National Cash Register Co., for example, would immediately drive south out of the city when he heard an air raid siren, leaving a wife and two or three children in their Dayton View home to start walking north to get out of the city. Hundreds of thousands of dollars were spent printing and passing out plans to promote this procedure.

We do not question the value and need of an intelligent and practical civil defense operation. We do object to spending almost $200 million of tax money in the coming fiscal year for the same lack of such a program we have experienced in the past. In addition to the Federal tax dollars, local city and county tax dollars are added in most metropolitan areas of the country.

With all of the imagination at work in Washington these days on how to spend money, certainly some Federal bureaucrat should be able to think up a practical civil defense program. Until such a plan is developed we think it is time to reduce both the budget and the number of employees by about 99 percent.

## OUR DEFENSE POSTURE WITH RELATION TO THE SOVIET UNION

Mr. MANSFIELD. Mr. President, on April 12 of this year an interview with Secretary McNamara on the state of our defense appeared in U.S. News & World Report. It is an excellent summary of our defense posture, especially with relation to the Soviet Union. The interview illustrates clearly the qualities of clear-sightedness and precision which have made Secretary McNamara such an exceptionally efficient administrator of the Defense Department. One does not have to agree with all of his conclusions in order to recognize that his detailed knowledge of the many programs of his department is astounding.

Mr. President, I think that this interview with Secretary McNamara may be of interest and use to the Senate, and I ask unanimous consent that it be printed in the RECORD at this point.

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

IS RUSSIA SLOWING DOWN IN ARMS RACE?

What's happened to the balance of military power between the United States and Russia?

Exactly how strong are U.S. defenses, and the U.S. ability to punish an attacker?

To get official answers, members of the staff of U.S. News & World Report invited the man in charge—Defense Secretary Robert S. McNamara—to the magazine's conference room for the following exclusive interview.

In his answers are precise facts and figures—some hitherto undisclosed—on how the arms race stands now, and the outlook for years ahead.

Conclusion: Russia has fallen far behind the United States and shows no sign of trying to catch up.

Question. Mr. Secretary, is it just a matter of time before the Russians catch up with the United States in strategic nuclear forces?

Answer. There is no indication that they are catching up or planning to catch up.

Question. Do you mean that the Russians have given up the race?

Answer. I'm simply saying that there is no indication they are in a race at this time.

They do have the capability to catch up by 1970. Therefore, I cannot give you any final estimate what their 1970 force will be, because next year they could change their plans. But I can only say their rate of expansion today is not such as to allow them even to equal, much less exceed, our own 1970 force.

Question. Just what does that mean?

Answer. It means that the Soviets have decided that they have lost the quantitative race, and they are not seeking to engage us in that contest. It means there is no indication that the Soviets are seeking to develop a strategic nuclear force as large as ours.

Question. How big is this U.S. force you're talking about?

Answer. By June 30 we will have a total of 1,270 long-range missiles, plus 935 intercontinental bombers. We are approaching those figures today.

Question. Can you break those totals down?

Answer. Yes. We will have 800 Minuteman intercontinental ballistic missiles in hardened and dispersed silos underground. Also 54 Titan II ICBM's.

We will have 416 Polaris missiles in submarines, of which we can keep 60 percent under the sea on station at all times.

We will have 630 B–52 bombers, 80 B–58 bombers and the remainder, B–47 bombers—a total of 935.

Question. How do the Russians stack up against that?

Answer. I won't give you exact figures, but I can say that we have a superiority of approximately 3 or 4 to 1. It's roughly the same measure of superiority in almost every class.

That's in numbers. In qualitative terms, it's impossible to come up with a precise evaluation, but it far exceeds 3 or 4 to 1. They have no solid-propellant strategic ballistic missiles, for example. If our force were all liquid-propellant missiles, we'd feel severely handicapped.

Question. So you're not worried about the security of the country——

Answer. No, there is no question about our security today and our security for the future.

The weapons systems we have in being are the result of research and development programs initiated as long ago as 10 to 15 years, and we believe that the programs we have underway are more than adequate to assure our superiority in the years ahead.

Question. In what field does American dominance mainly lie?

Answer. Across the entire range of power, actually. This is one of the interesting developments of the last several years.

I think we all agree now that strategic nuclear superiority, which is the absolute foundation of our deterrent power, will not deter all the types of political and military aggression that we face from Communist powers. We must have more than strategic nuclear superiority to deter lesser forms of aggression. We therefore have, both now and planned for the future, power other than strategic nuclear power.

Question. Is that in smaller weapons?

Answer. It is in large-scale conventional power, whether aircraft or ground arms, and it extends clear down into the paramilitary forces of the type that are being used in Vietnam today.

Question. Do you think we have adequate strength in all those fields?

Answer. I do indeed.

Question. Does the United States command the seas?

Answer. Oh, without question. I don't think anybody disputes that. And there's no doubt about control of the air, either.

The more important questions relate to mobility and rapidity of response for ground operations, and even there we have vastly increased our capability.

Question. How about small guerrilla ground operations?

Answer. We've increased about eightfold the strength of our counterinsurgency forces in the last 3 or 4 years. It's through that increase that we have been able to respond in Southeast Asia.

Question. Mr. Secretary, criticism is often heard that you're not developing a new manned system to replace the B–52 bomber.

Answer. In the first place, we are developing new manned aircraft systems. We have several alternative systems under development at present. What we have not done is to decide to produce such a system. I think it's important to recognize that the Joint Chiefs have not recommended that we produce and deploy a follow-on bomber to the B–52.

Question. You mean they haven't decided on the particular type?

Answer. Not only that. They have not decided as a matter of principle that we should produce a follow-on bomber.

They have stated that we should retain the option of a mixed force—that is to say, a missile and bomber force—indefinitely, and we have that option. The B–52's will be capable of operation not only throughout the remainder of this decade, but well into the 1970's, depending upon the degree of modification. It is not necessary now—as a matter of fact, I firmly believe that it would be foolhardy now—to make a decision to produce a follow-on aircraft, just as it would, in retrospect, have been foolhardy 3 years ago to decide to produce the B–70.

Question. Why is that?

Answer. The example of the B–70 is instructive, and should be a lesson to us of what not to do. That plane, on which we already have spent about $1.5 billion, would have been a major error—an economic and technical and military error—had we proceeded to produce it.

Today we have one B–70 flying. We have had all kinds of technical problems with it. There is no military requirement for it. It would have cost between $10 and $15 billion to produce it. There isn't a single senior military or civilian official that I'm aware of in the Department of Defense who today would recommend production. It would

have been a serious error to have gone ahead 3 years ago to produce that airplane.

It's always an error to make these decisions earlier than necessary, because, between the time of a premature decision and the time when circumstances necessitate a decision, the situation will change, as it did with the B–70.

Question. What is it that has changed?

Answer. The technology has changed; our appraisal of the Soviet threat has changed; our appraisal of the defense capabilities of the Soviet Union has changed.

These changes now make it clear that, had we decided 2 or 3 years ago to produce the B–70, by the time it came into operation—that is to say, in 1967—it would have been obsolete and of little military value, and we would have wasted $15 billion of this Nation's resources.

We're in the same position today with respect to these options we have open to us for a follow-on to the B–52.

Question. What are the likely choices for a follow-on?

Answer. I don't want to go into details because they're classified. But one is a concept known as the AMSA—Advanced Manned Strategic Aircraft. Another is a modification of a plane now aproaching production. There is a third possibility as well.

Each has its advantages—in cost or speed or range or load-carrying capability. No one of them requires a decision today in order to achieve production before the end of the life of the B–52. All of them require some expenditure on technology, development work, which we have planned and have incorporated in the 1966 budget.

Question. Then what is the big disagreement with the Air Force?

Answer. The only disagreement between those in the Air Force who have made recommendations and myself lies in the amount of money we should spend in the coming fiscal year. I recommended about $76 million for work related to these aircraft, and the Air Force would add perhaps another $50 to $60 million.

Question. If you do give a production order eventually, how long would it take to get the new plane?

Answer. The leadtimes vary. One of the aircraft I mentioned has a leadtime of about 5 years between decision to produce and deployment of the force. One of the others has a total leadtime of between 7 and 9 years. We are engaged in development work that is now eating into that leadtime. The long-lead item is a completely new engine, and we are expending funds with both Pratt & Whitney and General Electric for its development.

Question. What will happen to our strength during this leadtime, as the B–52's are phased out?

Answer. We don't propose to phase out the B–52 during the leadtime. As a matter of fact, the bulk of the B–52 force is capable of operation into the mid-1970s. So the period of remaining useful life of the B–52's is longer than the leadtime required for the development of the follow-on aircraft.

That is the reason why the decision need not be made today to produce those planes, and why making a decision today would be undesirable.

Question. Is U.S. bomber power now as great as it was, say, five years ago?

Answer. The question really is irrelevant. Five years ago our strategic forces included *only* bombers. Today they include hundreds of missiles as well. No one today would suggest we use the bombers without the missiles. The missiles are the foundation of our strategic nuclear force today, not the manned aircraft. There is no disagreement on this any place in the military establishment that I'm aware of.

The capability of the total strategic nuclear force today is far greater than it was 5 years ago. In terms of numbers of warheads in the alert force, we have about 2,700 today, and 4 years ago we had 850. So we have about three times the number of warheads that we had then. Even that isn't a full measure of the increase in capability, because about 800 or 900 of these warheads can be on target in half an hour, whereas 4 years ago only a very, very few could have been on target in less than several hours.

Question. Is that the big advantage with missiles?

Answer. Exactly. And this is extremely important in connection with time-sensitive targets.

Furthermore, there is no defense against the 800 to 900 missile-delivered warheads that are in our alert force today, whereas both today and 4 years ago there was a very strong antiaircraft defense in the Soviet Union against the bomber-delivered warhead.

So, in terms of quantity, we have a 3-to-1 superiority today as against 4 years ago. In terms of quality, it's a far greater advance.

WHERE SOVIET IS WEAK—

Question. How do you size up the Soviet bomber threat?

Answer. The Russian intercontinental-bomber force today is very weak compared with ours. I said we have a superiority of 3 or 4 to 1. Actually, it is 5 or 6 to 1 today, in terms of true intercontinental bombers and associated tanker forces. And we will maintain that superiority, at least in that ratio, during the remainder of this decade, as best we can tell. There are no signs that the Soviets are engaging in development or production of a new intercontinental bomber.

Question. How much damage could Soviet bombers do?

Answer. They have a capability of putting over the continental United States approximately 100 bombers on two-way missions, plus perhaps another 150 medium bombers on two-way missions over Alaska, portions of Canada, and a very small segment of Northwestern United States. This is a small force compared with our tremendous power.

Question. What are the defenses against their manned bombers?

Answer. We have literally hundreds of interceptor aircraft in our antibomber defense, and literally hundreds of surface-to-air missiles as well. But the defense against manned bombers is not as material to our security as it was 5 or 6 years ago, before the Soviets had missiles. The danger today is not from the Soviet bomber force—although that is something we have to take account of—but from the Soviet missile force, even though it is much smaller than ours.

Neither the Russians nor we have a defense against an intercontinental-ballistic-missile attack. And missiles could be used not only to destroy our cities, but also to destroy our bomber defense, even though it is strong and large.

Question. Are the Soviets developing an antimissile missile?

Answer. They are working on it, as we are. There is no reason to believe they are ahead of us. There is no deployed operational system in the Soviet Union today.

Question. Are you considering production of an antimissile missile?

Answer. We are pursuing a huge development program on which we have spent about $2 billion in the last 4 years. We are requesting an additional $500 million in the latest budget. Whether we should actually produce an anti-ballistic-missile system remains to be seen. We will face that decision fully next year.

Question. How much would it cost to set up a missile defense?

Answer. To deploy a system protecting perhaps 23 of our cities would cost between $15 and $20 billion in capital investment and perhaps $1.5 to $2 billion a year in operating cost.

Question. How many lives would we save?

Answer. It depends on the kind of attack. It might reduce fatalities in the 1970's from perhaps 125 million to 100 million.

But more fundamental and more important than the anti-ballistic-missile system would be a fallout shelter program. You can see why when you recognize that, without a fallout shelter program, the Soviet force could literally fire around the antiballistic weapons and kill the population by fallout borne by the winds.

When I say that an anti-ballistic-missile system might reduce fatalities by about 25 million people, this assumes that there is a fallout shelter program in existence. If there is not, the reduction in fatalities would be much less.

Question. Are there plans to push ahead with a shelter program?

Answer. This is a question we have to address to the Congress. We have three times recommended such a program to the Congress, and three times been refused.

Question. Your figures suggest that you don't see a "missile killer" which will really be effective in blunting an attack, with or without fallout shelters—

Answer. That is correct. I see no system on the horizon, or combinations of systems, which would provide the perfect defense against a Soviet ICBM attack.

Question. How about submarine-missile attacks by the Soviets? Are you concerned about those?

Answer. Yes. The Soviets today have the capability for such attacks, and they undoubtedly will continue to expand that capability.

Again, it's far less than ours. It's interesting that our ratio of superiority in bombers and intercontinental missiles is approxmately the same as in submarine-launched missiles. As of June 30 we will have 416 Polaris missiles deployed. The Russians will have substantially fewer ballistic missiles in submarines.

Question. Are they the Polaris type?

Answer. No. There are important differences:

Each of ours is deployed in a nuclear-powered submarine. The great majority of theirs are in diesel-powered submarines. Each of ours is capable of subsurface launch. Probably none of theirs, or at most only a handful, are capable of subsurface launch. Each of ours has a range of 1,500 nautical miles or more, and many of them have ranges of 2,200 nautical miles; 95 percent of theirs have ranges under 400 nautical miles. So the qualitative difference in this case is even more important than the quantitative difference—and shows the immense superiority that we have in this field.

But numerical superiority, no matter how great, does not provide perfect protection against an attack by intercontinental ballistic missiles or submarine-launch ballistic missiles.

Question. Americans have grown up believing the United States is the greatest power on earth, and the idea that the Russians can strike and leave 100 million dead is hard to get used to. Is it really inevitable that this country must be in that position?

Answer. The purpose of our strategic nuclear force—the reason why we work so hard to maintain superiority—is to deter a strike by any other power in the world. That is the only real security you can have in the nuclear era.

No rational government would initiate a strike against us because our superiority insures that we will survive an attack with sufficient power to respond and literally destroy the attacking nation.

Question. How invulnerable is America's strategic force?

Answer. Sixty percent of the Polaris missiles are virtually invulnerable because they are dispersed and concealed under the seas. The Minutemen are hardened and dispersed underground—for all practical purposes, invulnerable. The bombers are highly vulnerable. However, 50 percent of them are on 15-minute strip alert—15 minutes being roughly the time of warning of an ICBM attack we would expect to receive from the ballistic-missile early-warning system.

We would have a lesser period of warning from a submarine-launched attack.

We expect, therefore, that half of the bombers would be destroyed by the first wave of missiles, and, depending upon how the missiles were timed and from where they were launched, perhaps more than 50 percent would be destroyed.

This, of course, is one of the great dangers. This is exactly why we are concerned about the future of bombers. The bombers are more vulnerable to attack, they are more vulnerable to the aircraft defenses of the Soviet Union, and they are far less responsive. They take hours to reach their targets.

In any event, those are the forces as of today.

Question. Are there to be any improvements in these forces?

Answer. Yes. For example, in 1967 we will have in place 1,000 Minuteman missiles instead of 800.

Now, hidden in this increase in numbers is a substantial increase in effectiveness. We have on the way a missile known as the Minuteman II—it bears the same name as the Minuteman I, but it is as different from the Minuteman I as the B–52 is from the B–47. The Minuteman II, because of increased accuracy and increased payload and increased range, has a kill capability four to eight times that of the Minuteman I. Not only will the next 200 be Minutemen II, but we will retrofit Minuteman II missiles into the Minuteman I holes, so that we will have a vast improvement all along the line.

Question. How about Polaris—more of these?

Answer. We will have a Polaris force of 41 boats, with 16 missiles per boat. Between now and 1967 we will be retrofitting the older A–1 model boats with A–3 missiles, increasing the missile range from 1,500 to some 2,200 to 2,400 nautical miles.

While missiles increase in both numbers and effectiveness, the number of bombers will decrease by the elimination of the B–47's. President Eisenhower's administration quite properly decided to eliminate these aircraft a number of years ago. We've been retiring them in accordance with that plan. In 1967 we will have about 600 B–52's and about 80 B–58's.

MISSILES: A 5-YEAR PLAN

Question. Mr. McNamara, at one time it was understood you were going to approve 1,200 Minutemen. Now, you have stopped at 1,000. Why that cutback in our strategic force?

Answer. First, let me emphasize that we have a 5-year program at all times; it is the foundation of our decisionmaking process. We examine the choices we face today against the plan for the next 5 years.

The 1,200 figure you mentioned was simply the fifth year total in the plan that we examined last year. The 1,200 tentative objective for the fifth year had no final approval associated with it—it was just a planning figure. This year we're planning on 1,000 instead of 1,200.

Why the change? Two reasons:

Our estimates of the Soviet threat have changed since last year. We now estimate that the Soviet program will lag compared with what we previously estimated, and this somewhat reduces our requirements.

Second, and far more importantly, we are finding that we can increase the capability of our Minuteman and Polaris missiles far more than we anticipated a year ago.

Question. Do the Russians have solid-fuel missiles such as Minuteman and Polaris on the horizon?

Answer. I can only assume that they must be working on it. Certainly I would be if I were in their shoes.

Question. The Russians keep boasting about 60- and 100-megaton warheads for their big liquid-fueled missiles. What——

Answer. We have no plan to develop a missile force using such large warheads because it's quite clear to us, for example, that 30 warheads of 1 megaton each offer far more offensive power than does one 30-megaton warhead.

I think you can visualize this most easily, if you just think of the targets. There are, say, 250 DGZ's—ground zeros or targets—in the Soviet Union that contain the bulk of their urban population and industry. To attack those successfully, you need a large number of relatively small warheads rather than a small number of large-yield warheads.

Question. Is there anything to reports that a superhydrogen bomb could paralyze American missiles in their silos?

Answer. No. The so-called electromagnetic flux is a problem that has been addressed frequently in public discussions, but we have protective devices against it. This is a phenomenon associated with nuclear radiation. We have protected our missiles against that.

Question. Secretary McNamara, you have been criticized for canceling the Skybolt airborne missile. On what ground was that justifiable?

Answer. That's also an interesting case. Skybolt was an extremely complex instrument. It was a missile intended to be carried on a bomber and subjected to the vibration of several thousands of miles of flight and subjected to the variability of temperature that the bomber faced, and then to be launched from a fast-moving platform of uncertain position against a target a thousand miles away.

Skybolt had all of the problems of missiles in addition to practically all the problems of a bomber. It was so complex technically that it was very unlikely to operate satisfactorily. It was extremely costly and was not required in relation to the threat we faced. Therefore we canceled it in the fall of 1962, and saved about $2.5 billion.

There was a tremendous controversy as a result. But, again, I do not know a single senior military or civilian official of the Defense Department who would recommend introduction of the Skybolt today. And there's $2.5 billion of our resources saved for some useful purpose. We don't need the Skybolt, because, as I say, we can fully absorb a surprise attack by the Soviet Union and survive with sufficient power literally to destroy their society. Now, why would we want Skybolts if we can already accomplish that?

Question. Are you trying to convince people, with that argument, that we don't need any bombers today?

Answer. No. I don't wish to go that far. At this particular time, the bombers are valuable. The easiest way to visualize their value is to recognize we're adding 440 missiles in the next 24 months, and that today we're targeting these bombers against targets that will be assigned to the missiles when they come in.

Question. The judgment of how much is enough to defend this country obviously is based on intelligence of what the Russians are doing. Is U.S. intelligence, based on past performance, that reliable?

Answer. Your basic point is that, frequently in the past, we have incorrectly estimated the Soviet forces. The most obvious example of such a case is the missile gap.

The incorrect estimates—at least those I'm familiar with—have generally been overestimates. In my opinion, these can be just as serious a handicap as underestimates. You can become musclebound—you fear using your force because you overestimate the power of your adversary—and this can be just as serious a limitation in the day-to-day administration of foreign policy as an underestimation of the threat you face.

In any event, the basic question is: Can we be assured that the estimate of the threat, on the basis of which we are determining the requirement for our own forces, is reliable?

I think the answer is that we must always recognize the possibility of error, and we do. We take the threat that we estimate; we develop the required force to offset it; and then we recognize the possibility of error and introduce an insurance factor because of it.

I am convinced the possibility of error is materially less today than it has been at many times in the past, because of the improvement in our intelligence-collection methods, which for obvious reasons I cannot discuss.

Question. How about Vietnam, then? Are Americans in Vietnam being given adequate weapons?

Answer. Yes. I think we all know that. In the Department of Defense, we have a military budget of $50 billion a year; we have 3.75 million people—2.75 million in uniform and roughly a million civilians—and we have an inventory of about $140 billion worth of equipment of various kinds. Our people in Vietnam have first claim on every dollar and every man in the entire Establishment. They have an absolute blank check to draw against, and they exercise this power freely and fully, without any restrictions whatsoever.

News stories recently indicated shortages of equipment, or distribution to Vietnam of obsolete equipment. There was no basis for them whatsoever.

The fact of the matter is that there isn't a single thing that they need in Vietnam, in relation to their requirement, that we haven't supplied.

Now, I emphasize "in relation to their requirement" because they have propeller-driven planes, for example, and somebody will say, "Well, surely propeller-driven planes aren't your most modern planes." The reason they have propeller-driven aircraft is that such aircraft are better adapted to the combat situation than jet aircraft would be.

RED BUILDUP IN VIETNAM

Question. But aren't you using some jets now? Where do they fit into the picture?

Answer. The jets fit into operations against concentrations of Vietcong in large numbers, or where we're trying to engage in area bombing—for example, in a jungle area where the Vietcong may have supplies under a canopy of trees. The jets weren't part of the picture until the enemy tactics changed and they began to concentrate in larger numbers, just in recent weeks.

Question. Do you feel that the United States has turned the tide in the last few weeks with bombings of North Vietnam?

Answer. Have we turned the tide? The answer is, "Not yet."

Question. You spoke of the change in tactics of the Vietcong. Does that suggest that they think they are winning the war?

Answer. No, but it does suggest that they are there in larger numbers today than previously, and that they are better equipped than previously.

All the evidence points to this. The evidence that we have from captured Vietcong, the evidence we have from documents we have captured, the evidence we have from enemy equipment—all indicates that the rate of infiltration has increased over the past 12 to 18 months.

This increase in infiltration has given them a capability they didn't have before, and that capability has permitted them to operate in larger units and allowed them to increase the level and intensity of their attacks, primarily in terms of great terror and harassment. However, they still don't have the capability today—on any wide scale—to openly confront the regular military units of the South Vietnamese Government.

Question. Are the Vietcong approaching that capability?

Answer. They may be approaching it, but they clearly don't have it today on any extensive scale. They can't confront the South Vietnamese in an open, overt action, defeat them, and hold the position against regular forces.

Question. Mr. Secretary, what about criticism that our forces are fighting a conventional Korean-type war in the wrong terrain?

Answer. I don't think there's substance to it. The Vietcong are waging a guerrilla war. There's only one way to stop it, and that's with a counterguerrilla war. This means providing security—physical security—to the people in the countryside.

It means flushing out the Vietcong from the countryside, clearing a land area, and then leaving behind—as the South Vietnamese forces move forward into other areas—security forces to protect the people from further raids by the Vietcong.

Question. Why are the Communists so successful?

Answer. The Vietcong are following terror and harassing tactics: They move in by night. They apply pressure against individuals, particularly the hamlet leaders, seeking to subvert them. When they succeed in subverting them, they remove the power base and the security of the hamlet and cause it to associate with the Vietcong. They then move on, leaving behind cells that control the hamlet.

Particularly, they are attacking the local officials. In terms of our own population, it's as though the guerrillas were killing several thousand—perhaps as many as 8,000—mayors and city officials a year. You can imagine what that would do to our local governments if it were occurring here.

They're kidnaping civilians by the hundreds, attempting to destroy the morale of the population, turn it away from the government.

By these means, the Vietcongs are avoiding the need and the necessity for open attack on the government units. There's only one way to counter that, and that's by effective counterguerrilla action involving the political, economic and military factors within the local hamlet.

Question. Are there any major areas in which the South Vietnamese have succeeded in clearing out the Communists and keeping them cleared out?

Answer. Oh, yes. There are many—particularly in and around Saigon. There's a special program underway there at the present time that has that as its objective, and is making progress.

The difficulty, of course, has been that, in the last 18 months, the series of changes in the government in Saigon has been translated into changes at all levels of government—province, district, hamlet—and translated into changes in the military leadership. It has injected instability into both political and military institutions.

This has made extremely difficult the development of effective counterguerrilla campaigns. Such campaigns are very complex. They involve political, economic, and military operations. They require, for success, a strong political and military leadership, and it's difficult to get that leadership when you have the number of changes that we've had in Saigon.

In one period there were changes in about 35 of 42 provincial governments in a period of 3 or 4 months. In one case there were nine changes in the government of one province within a period of a few months.

Question. Have the bombing raids to the north helped the morale of the South Vietnamese?

Answer. Yes, they have, without question.

Question. Overall, which way is the trend going, Mr. Secretary?

Answer. The situation has been deteriorating for the past year, and it's a very serious and grave situation today, but far from hopeless.

Question. As regards Red China, you said earlier that our strength is such that no rational nation would dare to attack the United States. What about an irrational nation?

Answer. China has no capability today to launch a nuclear attack.

Question. Russia didn't have, 15 years ago. Won't Red China have the means someday?

Answer. But the "someday" is far in the future.

Question. How far?

Answer. It's dangerous to make any precise estimates, but I would say it would be 10 years before China could launch any substantial number of intercontinental ballistic missiles against this country.

Question. Do you mean our present strategic force doesn't have China in mind as a possible threat?

Answer. The "damage-limiting capability" of our force doesn't need to take account of a Chinese strategic nuclear capability today. At some point in the future it must. The leadtime required for us to develop a "damage-limiting capability"—in connection with a Chinese attack—is less than the leadtime they require to develop their offensive capability. So we still have that decision ahead of us. At some point in the next 5 years, for example, we will have to consider that question.

Question. Are the Chinese technically capable of developing long-range missiles?

Answer. Without question. But they can't do it soon.

JAPAN'S NEW DEFENSE ROLE

Question. In view of the Asia crisis, why are you removing all-weather interceptors from Far Eastern bases like Japan, Okinawa, and the Philippines?

Answer. We're turning over to the Japanese certain responsibility for the protection of Japan. We don't feel we should continue indefinitely to finance their defense.

Their defense budget is far too low today in relation to their gross national product. We all understand, I think, the reasons for that. Their constitution, which we wrote and encouraged them to adopt, has limited their development of military power. That, plus the psychological aftereffects of the war, has caused them to limit their military program.

We are encouraging them to assume more of the responsibility for their defense—financial and otherwise.

Question. Are they showing an interest?

Answer. They're showing an interest, yes. We are making no new commitments for military aid to Japan, and we are encouraging them to take over functions that we have previously carried for them, particularly their own air defense. It is for that latter reason that we are moving some units out of Japan.

Question. Would you like to get out of more of these foreign bases—Spain, for example?

Answer. We are doing the same thing in Spain that we're doing in Japan. We have helped finance the defense of Spain for a considerable period, and we have begun to cut back. We've encouraged the Spanish Government and they have been willing to assume a greater role in their own defense. We are turning over to them certain air-defense installations that we formerly maintained there for their account. In the future they will operate those and they will finance them.

Question. Until you became Secretary of Defense, there seemed to be a tendency for this country to go into more oversea bases—with Thor and Jupiter missiles, and more air bases. Is your goal to pull back?

Answer. Oh, no—quite the contrary. Our power today, worldwide, is greater than it was in the past—and not necessarily because I was Secretary of Defense, but because President Kennedy and President Johnson believed it was necessary in relation to the changing threat.

We don't have Thors and Jupiters abroad today because they're poor substitutes for Minuteman and Polaris missiles, and far more vulnerable. A joint committee of the Senate and House unanimously recommended that we withdraw the Thors and Jupiters.

The same thing is true of the air bases. We are continuing to maintain air bases in many countries throughout the world in support of our bilateral and alliance commitments. We withdraw our forces from these bases when more effective ways are found to meet these commitments, and as the nations involved become capable of providing for their own defense.

U.S. ARMY IN EUROPE: WHY?

Question. Why, then, maintain an army in Europe to defend Europe?

Answer. Because our security and their security demands it. Their forces today are not sufficient to defend Western Europe against a Soviet attack without the equivalent of the six U.S. divisions that are there.

Question. Is that because the Europeans haven't built up bigger forces for their own protection?

Answer. Whatever the reason, if we were to withdraw our divisions today, we would be weakening our European allies and, in the process of weakening them, weakening ourselves.

Question. Could the Europeans defend themselves, if they really wanted?

Answer. The answer is "No," because it's not politically, economically, and militarily practical within the immediate future for them to develop a power base that is an effective substitute for the power contribution that we are making to them today.

Question. Do you mean in the form of troops?

Answer. In the form of troops and equipment and military force. We are encouraging them—insisting, as a matter of fact—to continue to add to their contribution to our mutual defense. As a result, the West German Government within the past 3 years has increased its defense budget about 55 percent. The average increase in the defense budget of the Western European nations—members of the North Atlantic Treaty Organization—in the past 3 years has been on the order of 30 percent. We have stated to them we will not continue to bear a disproportionate share of the defense of the West.

Those nations, when they were recovering from World War II, quite naturally limited their defense expenditures. But now that they have achieved recovery, to which we contributed significantly through the Marshall plan, we feel very strongly that they should play a larger role in financing their own defense, both in terms of men and in terms of money.

Question. Is what you say also true of France?

Answer. France is pursuing a policy which limits their contribution to the defense of NATO. We hope that they will modernize

their land forces; they have indicated they will. We hope that they will increase their contribution to the divisional forces in West Germany; there is some indication they may. We hope that they will be willing to move their divisions farther forward in West Germany; there is some indication they may be willing to do that.

The major increases that are being made today are being made by the West Germans. But substantial increases in military strength and military budgets also are being made by Italy, Denmark, Norway, and others of the NATO nations.

Question. Can the British do more?

Answer. In the case of the British, their defense expenditures are on the order of 6 or 7 percent of their gross national product at the present time. That's all they can afford. We would, however, like to see the British do something to increase the size of their force in terms of manpower. They could and should increase their personnel strength.

But we're talking about relatively small amounts. They can't possibly raise their force by an amount large enough to substitute for our force. The British have indicated that they will continue to maintain their forces and their responsibilities in the area between Aden and Hong Kong. And they are very effective in that area.

Just think what they did for Kuwait, for example, or East Africa, and how much stability they have been able to introduce into a very volatile situation by the application of their military power. Look at the responsibilities they're carrying in Malaysia.

We shouldn't fail to recognize the contributions that these Western European nations are making to the common defense of the free world, and I say that without in any way indicating that they are making as much as we think they should.

UPTREND IN DEFENSE COSTS

Question. Mr. Secretary, against the background of what has been discussed, what will be the trend of defense budgets in years ahead?

Answer. We were running at $45 billion a year in 1961. We've been running an average of $5 billion a year higher than that for the past 4 years—at roughly $50 billion. And we'll run essentially the same rate in 1966—roughly $4.5 billion higher than in 1961.

I believe that the defense budget in subsequent years will rise. I doubt very much it can be held to the absolute level of roughly $50 billion. There are upward pressures due to potential increases in compensation, military and civilian, and increases in the number of retired personnel. These alone will cause this figure to rise.

But I think the trend of the future, as has been the trend in the past, will be a reduction in defense expenditures as a percentage of gross national product, In terms of gross national product, expenditures in 1966 will have dropped about 1.6 percentage points from 1961, and that drop will have freed about $11 billion a year for expenditure in the private sector or on other activities in the public sector. I think this trend will continue.

In other words, while defense spending is likely to increase, it is not likely to increase at as rapid a rate as the increase in our gross national product.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## PRESIDENT SHOULD LIFT CONTROLS ON RESIDUAL FUEL OIL IMPORTS

Mr. JAVITS. Mr. President, I again address a plea to the President to lift the controls on residual fuel oil imports.

During the past several days the country has listened almost with incredulity to Secretary of the Interior Udall's statements in connection with the residual fuel oil import program.

At last month's Interior Department hearings, Secretary Udall stated flatly that he is solely responsible for the decision as to whether import controls over this commodity should be continued or abandoned. Secretary Udall now states that he cannot legally relinquish these controls since they were established by Presidential proclamation on national security grounds. Yet he admits that these controls are costing consumers—apartment dwellers, schools, hospitals—$40 million a year and that in his opinion "the national security determination, which forms the legal foundation of this program, is without substance."

Whatever the reasons are for Secretary Udall's change of view, the fact remains that this decision is causing serious hardship to millions of consumers on the eastern seaboard of the United States—not only in New England and Florida but in every State—in terms of higher electric and heating bills and slower industrial expansion. The continuation of these controls is clearly unjustified, unreasonable, and directly counter to U.S. trade policy and the administration's concern with the cost of living of millions of Americans.

I urge the President, therefore, to instruct the Director of the Office of Emergency Planning to undertake a speedy reexamination of the February 1963 report prepared by former OEP Director Edward McDermott to President Kennedy, in which Mr. McDermott found that controls on imports of residual fuel oil were not consistent with the national security, and that the difficulties confronting the domestic coal industry cannot be justifiably charged to residual fuel oil, but instead to various patterns of change in fuel uses. It is essential that the Office of Emergency Planning conclude its study well in advance of the next heating season.

I also urge the President strongly to make public the findings of the McNamara committee's study on the economic health of the coal industry. Despite official denials that such a study exists, Secretary McNamara himself released a letter to the National Coal Policy Conference last Friday in which he stated that this committee unanimously rejected the coal industry's request to maintain tighter limits on residual oil imports, and that accepting this proposal was not in the national interest.

This problem involves millions of Americans. It hurts their interests without benefiting the coal regions of the Nation in any significant way. Lifting of controls would help, not hurt, the national security. The Nation must now look to the President for action.

Mr. President, I ask unanimous consent that a Defense Department release dated April 2, containing Secretary McNamara's letter to the National Coal Policy Conference, an editorial from the New York Times of April 3, an editorial from the Washington Post of April 6, excerpts from Secretary Udall's press conference of March 31, as well as an article from the April 5 issue of the Wall Street Journal, may be printed at this point in the RECORD.

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

PRESS RELEASE FROM OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (PUBLIC AFFAIRS), APRIL 2, 1965

Secretary of Defense Robert S. McNamara today released the following letter to Mr. Walter Tuohy, chief executive officer of the Chesapeake & Ohio Railway Co. and an official of the National Coal Policy Conference:

"DEAR MR. TUOHY: As you know, I have been Chairman of a Cabinet Committee studying the proposal of the National Coal Policy Conference concerning residual oil import quotas. The Committee has studied this proposal for the past several months and has decided unanimously that it is not in the national interest to accept the proposal..

"On behalf of the Committee, I would like to express our appreciation for the excellent cooperation of the National Coal Policy Conference and its staff with the Committee. We particularly appreciate the time which you and the other officers and executives of the National Coal Policy Conference personally gave to the Committee.

"Sincerely,

"ROBERT S. MCNAMARA."

The other members of the Committee were the Secretary of State, the Secretary of Labor, the Secretary of the Interior, and the Secretary of Commerce.

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[From the Washington Post, Apr. 6, 1965]

DARK AND GUMMY

Residual fuel oil is dark and gummy, and so indeed is the administration's policy governing its importation.

In 1959 President Eisenhower was persuaded that there is a happy coincidence between national defense requirements and the protection of domestic coal and petroleum producers against imports of a low-priced fuel that is used in powerplants and large buildings. Imports of residual fuel oil—largely from Venezuela—were subjected to rigid import quotas. Thus a few domestic coal and oil producers gained at the expense of millions of consumers who live on the eastern seaboard.

Rumor had it that the Secretary of the Interior was given a green light to begin dismantling the system by lifting the quotas from New England and Florida. But the signal was reversed, presumably in the dark and gummy milieu of pressure politics. Then there is the report of a secret Cabinet committee which flatly declared that residual fuel oil controls are not in the public interest. Administration officials deny its existence, but one of its irate authors tells a different tale.

Mr. Udall, whose good intentions appear to have been dashed on the White House steps, has taken refuge from the crossfire of conflicting interest groups by asking the Director of the Office of Emergency Planning for "a searching new study" of the relationship between national security and residual oil imports. Until that new and penetrating document is released or blasted loose prospects for consumers will remain dark and gummy.

[From the New York Times, Apr. 3, 1965]

PROTECTION FOR OIL

Secretary of the Interior Udall is supposed to be responsible for the Nation's oil policy.

He favors getting rid of the controls over imports of residual fuel oil and taking a fresh look at the restrictions covering other oil imports. The Secretary is, however, unwilling to exercise his authority. He has announced merely a small increase in the amount of residual oil that can be imported and has refrained from doing anything at all about the elimination of other controls under the doubtful pretext that such a move is not legally possible because it conflicts with the President's responsibility for national security.

Mr. Udall's compromise, which seems to have been inspired by the White House, represents a victory for independent domestic oil producers and for their allies in the coal industry. They have argued that removal of quotas over imports of residual oil, a cheap petroleum byproduct used to fuel powerplants and large buildings, would work against the administration's plans to redevelop the coal-rich Appalachia region. The powerful oil lobby also campaigned for the maintenance of controls over other oil imports, insisting that the restrictions are essential to national security and the health of the oil industry.

But what is really wrong with the industry is its overcapacity and its unwillingness to meet competition from other fuels and from the pressure of foreign imports. The industry fancies itself as a bastion of competitive free enterprise; but it has sought and received a rich variety of protective devices, from production controls to depletion allowances, that have guaranteed its profits at exorbitant cost to consumers. Yet Mr. Udall, who has admitted that there are defects in the import program, evidently prefers to take refuge in an alleged legal foxhole rather than to bear the brunt of attacks that surely would be forthcoming if he chose to begin dismantling the restrictions.

The residual oil problem should not have to wait until the Johnson administration musters up sufficient courage to examine the entire elaborate protective system covering production and pricing of oil.

The east coast has the biggest stake in the fight for complete removal of controls over the importation of residual oil. But the Nation as a whole is paying too big a price to protect the special interests of the oil industry. We urge Secretary Udall to make an attempt to do away with the economic and legal restrictions that keep the oil industry from being both competitive and efficient.

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EXCERPTS FROM PRESS CONFERENCE, MARCH 31, 1965, BY SECRETARY OF THE INTERIOR, STEWART L. UDALL

Secretary UDALL. With regard to the residual oil import program, we do not have a press release or documents before you and I will try and speak slowly and we are asking the reporters to take this down so that it will be available for you in case you want to get the precise details of it.

We are working on the documents and probably some time tomorrow we will have the details in them available for you, so that we will have a new program on the line as of tomorrow but I will announce the general outlines of it today and also disclose part of the decisionmaking process on this.

I had determined last week that the best solution for the residual oil problem was, on the East Coast, to create three sub-districts. One would be in the State of Florida; another the five New England States: Maine, New Hampshire, Vermont, Massachusetts, and Rhode Island; and the third would be the remainder of the States in district I.

We had contemplated what would have amounted to an open-end program in Florida and these five New England States with a continuation of the existing program, with some modifications in the remaining area.

This represented my best judgment as a solution.

Certain legal questions were raised by the legal staff with regard to this proposal and the decision was finally reached within the last 48 hours that because of the national security basis of the program, that this was not a solution that was legally viable and therefore I had to abandon this plan which we had all drafted and worked out.

The program that I am announcing today, therefore, is basically a continuation of the existing program, with substantial increases in the imports that are allowable for both the normal increase in demand and the decrease in the domestic production of residual oil in this country, which probably two-thirds of the total can be something in the neighborhood of 45 to 50 thousand barrels a day and also for the growth factor increase that is normal. This will make an increase—I saw the UPI dispatcher earlier; it is somewhat erroneous. I think the figure, as you will find out tomorrow, will probably be somewhere in the range of 75,000 barrels a day which is somewhat comparable to the increase of last year.

There is in my judgment a very serious question whether the national security interest warrants the continuation of this program and this was reflected in the initial decision that I had made. However, a national security determination is not something that is within my power, acting alone, to make a decision on this; nor did I approach it in terms of making this type of basic decision. So that I think what we emerge with is a continuation of the existing program which admittedly has defects in it.

We have not, despite many suggestions that have been made, come up with an alternative plan. No one ever suggested a workable plan. Nor have we ever been able to devise one whereby you would not have a quota license system and this is the system which particularly in New England and Florida, I think, obviously increases the price to the consumer.

It is our judgment that there is a penalty for the consumer as a result of this program—probably something on the order of $40 million a year—and I think that this is unfortunate and this has to be weighed in the balance when one looks at the national security aspect; but this is the result we have come out with, in this instance, and we will have the documents in your hands sometime tomorrow.

Those are the two matters I wanted to discuss with you.

MEMBER OF PRESS. Mr. Secretary, who made the decision to scrap that original program?

Secretary UDALL. I'm sorry——

MEMBER OF PRESS. Was it the President—the residual oil plan that you had——

Secretary UDALL. You mean the tentative program?

MEMBER OF PRESS. Yes.

Secretary UDALL. It was the lawyers' opinion that this was not a viable approach and it would involve an approach to the administration of the program which was not legal.

If I may explain the lawyers' side of the argument on this—If you had a national program based on—and this program is founded on one thing—the fact that the national security requires it.

Then you have to approach it on a national basis and once you break it down—as we proposed to do—and in effect exempt certain areas, the whole legal basis is gone. This would be the legal argument that finally prevailed.

In other words, there are two schools of thought on it all along and this was the reason that I abandoned what was my first decision as a result of the legal aspect.

MEMBER OF PRESS. Why didn't you abandon the whole quota system?

Secretary UDALL. Well, the whole quota system will only be eliminated, in my judgment, if there is a basic determination that the national security no longer warrants the program. I think this is practically where we have come to.

There has to be a root and branch determination in regard to that.

MEMBER OF PRESS. Is it your position that residual controls must continue so long as crude oil imports continue? Is that what you are saying?

Secretary UDALL. No, no—not at all. I think the two programs are separable. I think there could be a national security determination with regard to residual oil and there could still be a strong case made for keeping the crude oil program. I definitely think the two are separate.

MEMBER OF PRESS. Did you ask for a determination?

Secretary UDALL. I think this is up to the administration as a whole. There are other members of the Cabinet, and I think the main responsibility on the national security determination rests with the Office of Emergency Planning with Governor Ellington.

MEMBER OF PRESS. The Office of Emergency Planning made a study several years ago and they said there was no national security basis for the residual program.

Secretary UDALL. Yes, I am familiar with the study. I think it was 3 years ago—or perhaps it was 2—that this study came in and they recommended at that time—as I recall—that they felt that the national security interest was getting tenuous.

I think it is probably even more tenuous today and that the program should be phased out. I think this was the recommendation.

Certainly, had I been able to take the step that I proposed to take, this would have been a step in that direction except it would not stand up legally.

MEMBER OF PRESS. Can you explain the rationale of your first decision? Why would you have essentially eliminated the controls from New England and Florida without the Middle Atlantic?

Secretary UDALL. It seemed to me—if the problem could be broken down—if you did not have to consider the Nation as a whole—that there is a very logical argument that can be made that the national security interest is less in these areas such as Florida and New England than elsewhere.

That's a degree that apparently I cannot draw—at least the lawyers tell me I cannot—and this is the reason that I had to discard this as an alternative.

MEMBER OF PRESS. Will individual company import allocations for "residual" be among the details that will be released tomorrow or will they be available today?

Secretary UDALL. This will be available—the company allocations—that is right.

MEMBER OF PRESS. Do you think the study by Mr. McNamara, of which you are a member, might have something to do with this decision in a few months?

Secretary UDALL. Well, this has not been completed. It is possible.

MEMBER OF PRESS. Mr. Secretary, does this mean that you are abandoning not just that specific tentative proposal, but any plan to change the basis of residual oil imports, now?

Secretary UDALL. Under the approach we have taken, we announce a program for a year. This is a program we have announced for this year. I think a searching review should continue of alternatives. It may be that the time is ripe for another look at the national security aspects of the problem to get to the bottom of the problem. I can assure you that we do not consider that this is anything final or long term beyond a year.

MEMBER OF PRESS. Why is national security so important when DOD buys its oil abroad?

Secretary UDALL. The national security argument is related to the importance, in terms of the economy and the national security, of having a viable petroleum industry in this country. The Defense Department purchases some of their petroleum and gasoline supplies abroad largely because we have some installations abroad and it is much cheaper—although they shifted back about 20 to 25 million recently to this country. It is part of the balance-of-payments program.

MEMBER OF PRESS. On the tentative program, I think you announced almost a year ago that you would be looking at this residual fuel oil problem again. How is it the problem of the lawyers comes up at the last minute instead of a couple of months ago and another solution could have been made?

Secretary UDALL. This is the type of solution that we only developed the various alternatives. We developed, as I recall it, six or seven different alternative approaches. This happened to be one that I was particularly interested in from the beginning when it was suggested. We developed them and a tentative decision was made about 1 week ago—after all we had the hearings 3 weeks ago—and at that time there was discussion among the lawyers right in this Department on it. It seemed to be a good solution and one that addressed itself to the realities. I wish the lawyers' result had been otherwise.

MEMBER OF PRESS. Which lawyers are you talking about—the Department of Interior lawyers?

Secretary UDALL. I am talking about the Department of Interior lawyers—the other lawyers in the Government who happen to be concerned with the proclamation—Justice, Budget, and the counsel of the White House.

MEMBER OF PRESS. I wonder if we could get the formula for allocating residual quotas from Mr. Moore?

Secretary UDALL. I would prefer that you wait. I have not signed the papers. They will be ready today. We are double-checking everything.

MEMBER OF PRESS. I did not mean the individual allocations but how they would be arrived at.

Secretary UDALL. I would ask you to discuss this with him on the side.

MEMBER OF PRESS. Mr. Secretary, did you discuss possible amendment to the Oil Control Proclamation with the President during your consideration of this program?

Secretary UDALL. No, I did not. I did not at any time discuss it with the President.

MEMBER OF PRESS. Mr. Secretary, were there any particular legal precedents, laws, or anything that settled this national security question on residual oil? Did the lawyers base their views on any particular legal precedents?

Secretary UDALL. The lawyers did not give any written opinions. I did not see any written opinions if that is what you are talking about.

MEMBER OF PRESS. Do you see any inconsistency in your nonadoption under a national security basis for the residual oil quotas and your original decision to maintain it in the Middle Atlantic States on a national security basis.

Secretary UDALL. My lawyers tell me this is inconsistent as a concept. That's why I say it seemed to me that in terms of the reality of the situation that this represented a very practical approach to the problem and one that I think would have helped eliminate what I think is the grossest inequity on the whole program. This was the attitude I would take toward it. There is no real competition between coal and residual oil in Florida or in most of the New England area.

MEMBER OF PRESS. Mr. Secretary, are you going to ask OEP to review the national security aspects of this program?

Secretary UDALL. I am sure that this is going to be discussed in the period ahead.

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[From the Wall Street Journal, Apr. 5, 1965]

UDALL, CONTINUING ATTACK ON IMPORTS QUOTAS FOR RESIDUAL OIL, QUESTIONS SECURITY NEED

(By a Wall Street Journal staff reporter)

WASHINGTON.—East coast consumers lost a bitter and decisive battle last week in their drive to end Federal import quotas on residual fuel oil. But they will likely win the war within another year.

The timing will largely depend on how long it takes Buford Ellington, Director of the Government's Office of Emergency Planning, to carry out a new study on whether national security warrants the controls.

Interior Secretary Udall is convinced that national security doesn't justify a Federal lid, and on Saturday he asked Mr. Ellington for a searching new study of the national security question.

Mr. Udall's views have wide support in the administration. A week ago Friday, he and administration staff members met at the White House and agreed on the ill-fated scheme to lift controls on some New England States and Florida. They agreed, too, that similar relief for the other East Coast States would follow in due course.

The Interior Secretary's belief that quotas aren't required by the national interest also reflects the conclusions of a Cabinet committee, of which he's a member, that recently reviewed the economic state of the coal industry.

The committee's findings haven't been published, and officials deny that any report exists despite word elsewhere to the contrary. But Defense Secretary McNamara, its chairman, informed the coal industry by letter released last Friday night, that the panel unanimously rejected the industry's request for maintaining tighter limits on rival residual oil imports. Mr. McNamara stated tersely that accepting the proposal was not in the national interest.

REGIONAL CLASHES ARE SHARP

The struggle between those who supply and use residual oil and the coal industry has produced sharp regional conflicts. Residual oil, a cheap, gummy petroleum byproduct, comes mostly from crude oil produced in Venezuela and refined there and in the West Indies. It's used to fire boilers in industrial and electric utility plants and to heat large buildings. Because of costs and handling problems, it's generally consumed near the port of entry.

East coast consumers from Maine to Florida claim that the Federal program of limiting imports to the estimated difference between demand and available domestic supply means higher costs.

But the coal industry and lawmakers from coal-producing States insists, among other things, that a free inflow of residual oil would have a "disastrous" effect on the economy of West Virginia and other Appalachian States.

Mr. Udall is finding himself in a heavy crossfire on this and other oil-import questions. He has been reassured time and again by the White House that President Johnson meant it when he told his Interior Secretary in December 1963 to take over all oil policymaking. The President evidently was sensitive that his ties to Texas, a major oil-producing State, might cause suspicions about administration oil decisions if the White House was involved.

SIGNATURE'S SIGNIFICANCE

Such suspicions can arise anyway, of course. Mr. Udall, in later discussing his talks last Tuesday with White House Counsel Lee White, which led to dropping the plan to exempt part of New England and Florida, carefully stressed that the conversation covered legal rather than political matters.

Word of the partial-exemption plan leaked out, angering lawmakers representing other east coast States. Then, when the strategy was dropped, there were loud cries from the New Englanders who had been led to expect good news. The coal industry, despite temporary continuation of controls, was upset by the quota increase and could find little joy in Mr. Udall's criticism of the program.

Though Mr. Udall may be able to formulate oil policy himself, the President must sign any changes in the White House proclamation that first established the mandatory import curbs on residual and other oils 6 years ago.

Mr. Udall insists the Presidential signature would be merely a "ratification" of his own decision. But if the Secretary proposes any major overhaul, such as dropping residual oil controls or adding some other restriction, his ability to carry out the decision apparently can be limited by the national security issue.

Mr. Udall says he was advised by his Department's legal counsel that lifting the residual quota for some States but not others wouldn't raise a question of national security. But Mr. White and others disagreed, the Secretary explains, and this caused the 11th-hour decision to continue the present program with a generous increase in the quota ceiling.

Questions remain in some quarters, however. Those familiar with the reasoning behind an Office of Emergency Planning report on residual oil imports 2 years ago insist it clearly concluded that Federal controls were not justified by the national security. These sources question the procedural need for a new OEP study.

For his part, Mr. Udall says the earlier report submitted by Edward McDermott, then Chief of the OEP, is outdated and failed to make a "clear-cut finding."

The Interior Secretary says he doesn't expect any midstream change in the new, yearlong residual oil quota program that went into effect last Thursday and continues through next March 31.

Meanwhile, however, Mr. Udall faces other tough decisions on oil. By July 1, after studying reams of testimony submitted at hearings last month, he must determine whether to change Federal import controls on crude and other oils. Independent domestic producers are clamoring for more protection against the foreign inflow.

While there's no question of dropping these other oil import controls entirely, Mr. Udall said last week he does expect to make decisions that will probably require some changes in the Presidential proclamation. One would result from allowing Phillips Petroleum Co. to estabish a petrochemical complex in Puerto Rico, a move to which he has already given tentative approval.

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## LOUIS "SATCHMO" ARMSTRONG—U.S. AMBASSADOR OF GOOD WILL

Mr. JAVITS. Mr. President, Louis "Satchmo" Armstrong, who has been touring the world winning friends for the United States for the past 15 years, scored another victory recently. With his gravel voice, his natural gift for human relations, and, most importantly, with his golden "jazz" trumpet, he was the first American entertainer to appear in East Germany. He played music which has been decried by the Communists for years as being "degenerate," and he was triumphant. Even the Communist daily newspaper was forced to review Louis' performance on page 1, and to admit that it was an outstanding success.

This is the work of an entertainer with so much humanity and so much talent that he has enthralled peoples of scores of nations and all races throughout the world. He has been called "Ambassador Satch," for his work in making the vitality of the American spirit and folk jazz music known throughout the world, both through the State Department's cultural exchange program and his own tours.

He deserves the gratitude and the thanks of the U.S. Government and all Americans. I feel that Louis Armstrong, a son of New Orleans who delivered coal and played at funerals to get his start 50 years ago, should certainly be very seriously considered for a Presidential Medal of Freedom for his services to his country, and I have suggested it to the President. He will be 65 on July 4, the day the Presidential Medal winners are to be announced.

Nobody can estimate the amount of good will for the United States that Louis Armstrong has produced with his trumpet on the wide-ranging and exhausting concert tours he has undertaken. Singing and smiling, shaking hands and signing autographs, he has won the admiration and respect of thousands throughout the world.

It would now be appropriate if this admiration were reflected in an award of the U.S. Government.

I ask unanimous consent to include in the RECORD at this point an editorial entitled " 'Satchmo' Takes Another Country," from the San Francisco Chronicle of March 23, 1965.

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

[From the San Francisco Chronicle, Mar. 23, 1965]

"SATCHMO" TAKES ANOTHER COUNTRY

Louis "Satchmo" Armstrong, the last and by all odds the greatest of the oldtime "hot" trumpet players captivated audiences on the other side of the Iron Curtain. In East Berlin over the weekend, he put his gravel voice, his matchless trumpet and his gift for human relations to such use that the Communist daily "Neues Deutschland" reviewed his performance on page one and called it triumphal.

Neither the performance nor the review were any novelty for Satchmo. For 15 years he has been touring the world and winning plaudits, either on his own or under the State Department's culture program, until he has come to be known as "Ambassador Satch." But here he was the first American entertainer to appear in East Germany, practicing an art form that the Communists had for years been decrying as a "degenerate import." And here he affected a Communist audience precisely as he has affected audiences of various races and tongues and creeds for a half century—again proving his contention that regardless of the language or political beliefs, "notes are all the same, everywhere" and "when a good old good note is blown, all the cats dig it."

How much goodwill for America has been blown by Satchmo's trumpet on his wide-ranging and exhausting concert tours cannot possibly be estimated. But it has been of sufficient quantity and substance that Senator JAVITS and other Members of Congress have sought to have it recognized through the award of a special gold medal to this unofficial ambassador for his patriotic and humanitarian achievements on a national and international level.

Singing and smiling, blowing his beautiful horn, laughing and signing autographs, Armstrong has won admiration, respect and a multitude of friends around the world. To be sure, he has been barred from appearances at the University of Alabama, but even there the campus newspaper has called him a great American.

He is also unique and a genius both as a jazz musician and an apostle of friendship. (It will be recalled that last year he played a 75-minute concert before the fourth-, fifth-, and sixth-graders at Castlewood School in East Oakland, because "the kids asked me.") Such an artist, such a man, such a representative of the United States abroad, is beyond dispute more richly deserving of national recognition than many a recipient of such honors in the past.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business?

## THE UNJUSTIFIED PURPOSE TO CLOSE THE ONLY FEDERAL VETERANS FACILITY IN ALASKA

Mr. GRUENING. Mr. President, the American Legion, Department of Alaska, on March 13 adopted resolutions opposing the closure of the Veterans' Administration regional office in Juneau.

Alaska members of the American Legion at their western district convention recommended "that the VA office be retained within the State of Alaska for practical reasons, and not a thousand miles from community needs."

The announced closure of the VA regional office at Juneau has caused considerable concern to veterans in the State; and I share their belief that the office can better serve the State practically if it is within the State, not one thousand or more miles from the needs of the communities in Alaska.

I hope the administrator of the Veterans' Administration will see the wisdom in reversing his decision which can only bring a small saving and enormous discomfort and disservice to men who have willingly served their country in times of crisis.

I ask unanimous consent that the full text of resolution No. 65–1, adopted at the Western District Convention of the Alaska Department of the American Legion, be printed in the RECORD.

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

RESOLUTION NO. W.D. 65–1

Whereas it has been announced that Veterans' Administration Regional Office at Juneau, Alaska is to be closed and its functions transferred to the VA Regional Office in Seattle, Wash.; and

Whereas the western district convention recommends that the VA office be retained within the State of Alaska for practical reasons, and not a 1,000 miles from community needs; and

Whereas the reasons given for closing the VA are not fully justified: Now, therefore, be it

*Resolved by the Department Executive Committee of the American Legion, Department of Alaska, in meeting assembled this 13th day of March 1965, at Ninilchik, Alaska,* That we oppose the closure of the VA Regional Office in Alaska and urge that the VA office facilities be retained operational in Alaska; and be it further

*Resolved,* That copies of this resolution be sent to our congressional delegation and interested persons.

WALTER B. BOLLING,
*Department Commander, 1964–65.*

Attest:

JOSEPH M. BRIONES,
*Department Adjutant.*

## ROME AND BIRTH CONTROL

Mr. GRUENING. Mr. President, on April 1, when I introduced S. 1676, a bill to implement President Johnson's pledge to seek new ways to deal with the population explosion, I said:

Perhaps the greatest change in attitudes and open discourse on the population problem is taking place right now within the Catholic Church and between Catholics and others. The winds of this gratifying change are apparent.

I was pleased to find that on the same day the Washington Evening Star commented on the subject, in its editorial entitled "Rome and Birth Control."

The Star suggests that the Vatican may yet find a spiritual rationale that will make some form of birth control acceptable to the church. Furthermore, the Star feels that the U.S. Supreme Court, which now is considering whether the State of Connecticut has a right to enforce its 86-year-old law barring contraceptive devices may find the legal rationale to make some form of birth control acceptable to the State. Let us hope the Star is correct.

I ask unanimous consent that the full text of the editorial be printed in the RECORD.

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

[From the Washington Star, Apr. 1, 1965]

ROME AND BIRTH CONTROL

Pope Paul VI, in his first encyclical as John XXIII's successor, discoursed at considerable length on the role of the Roman Catholic Church in relation to the nonmystical, down-to-earth problems that divide and often torment the human race. The Vatican, he said, "should enter into a dialogue with the world in which it exists and labors." And he proclaimed Catholicism's desire to join with all other religions "in promoting and defending common ideals of religious liberty, human brotherhood, good culture, social welfare and civil order."

The church of Rome, in keeping with this ecumenical spirit, has been profoundly reexamining itself ever since the pontificate of John XXIII. As a result, with many a Catholic objecting or feeling puzzled and dismayed, the central see of the world's most populous religion—by far the most ancient in Christendom—has been imposing upon itself a kind of liturgical and doctrinal revisionism, modernization, or face-lifting, call it what one will. And now, in recognition of the nuclear age and the population explosion—two factors that have revolutionized the nature of the world in frightening fashion—the Vatican has decided that the

time has come to take another look at its dogma outlawing birth control.

Of course, given an all-out thermonuclear war, the question would be academic. Assuming, however, that there is not going to be such a war, the world must reckon with a thoroughly terrifying increase in population between now and the end of the century—only 35 years away. Events themselves, the mere bulk of ever-multipling people, have raised a grave challenge to Rome's doctrinal rule against contraception—a rule shared, incidentally, by some other major religions. Pope Paul has responded accordingly. He has called upon his special commission of priests, scientists and laymen—a group organized last year—to reevaluate centuries-old dogma in the light of a world that has changed radically in terms of the number of its people within little more than a decade or two.

Pope Paul, with this background in mind, apparently feels that Rome's birth-control views need to be modified. That is why he has instructed his special commission to study the subject with care, realizing "the anguish of so many souls" who feel that contraception is a grave sin against nature and nature's God. The U.S. Supreme Court is concerned with a similar subject. It must pass judgment soon on whether or not Connecticut has a right to enforce its 86-year-old law barring contraceptive devices.

Between them, the Vatican and our highest tribunal may yet find a spiritual and legal rationale that will make some form of birth control acceptable to church and state alike.

## OPPOSES LEASED RURAL CARRIER CARS

Mr. MUNDT. Mr. President, the Post Office Department has been engaged in a study on providing equipment on rural mail routes to replace the present statutory requirement that rural carriers be paid an equipment maintenance allowance of 12 cents a mile, or $4.20 a day, whichever is higher.

Since this study was announced by the Department, I have received many letters from rural mail carriers in my State of South Dakota who are concerned over their ability to continue adequate service to their rural mail patrons if they are required by law to use leased vehicles provided by the Department. I also have received letters of opposition from many auto dealers in small towns, which are the backbone of our rural economy, who presently sell vehicles to rural carriers and service the same vehicles.

I wish to state today that I intend to oppose any proposal which would grant the Post Office Department authority to lease vehicles to these rural carriers. From my own personal knowledge of my State, and from information submitted to me by rural carriers and businessmen, I do not feel that such a system would be practical or would provide efficient mail delivery service. Most rural carriers in South Dakota have at least two vehicles which they use in delivering mail, to make certain that they serve their routes in all types of weather—and in South Dakota we have all types. The carriers provide their own facilities for housing their vehicles; and many of them do their own maintenance work on the vehicles, to insure they are in operating condition at all times.

These rural mail carriers have an outstanding record of providing efficient and courteous mail delivery service under all conditions, and they are proud of their record. I agree with their contention that, for most of them, a single leased vehicle would not serve their needs; and I share their concern about the difficulties they would be likely to have in the maintenance of Government-furnished vehicles.

## THE BRIDGE CANYON AND MARBLE CANYON PROPOSALS

Mr. LAUSCHE. Mr. President, one of the most glaring examples of inconsistency in a Federal bureau is to be found in H.R. 4671, a bill, sponsored by the Department of Interior, to authorize the construction, operation, and maintenance of the Lower Colorado River Basin project, and for other purposes.

The inconsistency that I refer to by the Department of Interior includes a proposal in section 302 of the bill to construct, operate, and maintain units which include the construction of a dam at Bridge Canyon and another at Marble Canyon on the Colorado River. Here we find the Department of Interior supporting a bill, the provisions of which, in part, are in direct conflict to the same Department's strong stand on another bill supported by it and passed in the last session of the Congress.

The reason I say this proposal is inconsistent with the Department's views in general on preservation for posterity of our Nation's natural wonders is basically because it is in direct conflict to testimony given by the Secretary of Interior in 1963 when he wholeheartedly supported the wilderness bill. In his appearance before the Senate Interior and Insular Affairs Committee in behalf of the wilderness bill, the Secretary quoted from a book written by Aldo Leopold, one of the Nation's greatest conservationists of all times, as follows:

> Like winds and sunsets wild things are taken for granted until progress begins to do away with them.
>
> Now we face the question whether a still higher standard of living is worth its cost in things natural, wild, and free. For us of the minority, the opportunity to see wild geese is more important than television and the chance to find a wild flower is a right as inalienable as free speech.

The Secretary went on to add his own comments to this:

> This, I think, presents the case as briefly as one can.
>
> There is another statement that I have thought, in a very direct way, makes the case about as well as it has been made in recent years, and this is a statement by the chairman of this committee. If you will indulge me, I would like to read it.
>
> This is in an article that he wrote a year or two ago about wilderness legislation.
>
> "There is a spiritual value to conservation and wilderness typifies this. Wilderness is a demonstration by our people that we can put aside a portion of this which we have as a tribute to the Maker and say, 'This we will leave as we found it.'
>
> "Wilderness is an anchor to windward. Knowing it is there we can also know that we are still a rich nation, tending to our resources as we should, not a people in despair searching every nook and cranny of our board or cupboard for a blade of grass or a tank of water."
>
> I think this is a very forceful statement of the case for wilderness legislation.

Mr. President, that same argument, and I concur that it is sound, applies very strongly in opposition of any proposal to desecrate any portion of our Grand Canyon and scenic Colorado River.

Furthermore, Mr. President, the Secretary of Interior continuing his testimony in favor of the wilderness bill, indicated very clearly that it was his belief that his Department would desire any water development in a wilderness area to be subject to Presidential decision. He said in part:

> We think these decisions are of such importance that a decision, requiring the dignity of a Presidential determination, ought to be made in all cases.

Unless the Secretary is too inconsistent, it is only logical to assume that when he says "in all cases" it is to apply to the Bridge Canyon and Marble Canyon projects. There are no wilderness areas in this country with any higher degree of esthetic value than the portions of the Grand Canyon that would be affected by this bill.

Mr. President, this bill should be amended to strike out the proposals in reference to Bridge Canyon and Marble Canyon projects. Benefits from these proposed dams would be strictly local, while the loss of scenic and esthetic value to the canyon would be international. We propose the spending of hundreds of millions of dollars to create new recreation areas and to beautify the country, and, at the same time, propose to spend billions to destroy a wonder of the world.

Mr. President, the Secretary of Interior, in his testimony on the wilderness bill in referring to the progress of our Nation in conservation of natural resources said, in part:

> But this country, and this is another thing that I have learned, is looked to all over the world for its pioneering in conservation.
>
> We did the wrong kind of pioneering for about a century, but beginning with Teddy Roosevelt, we started down the right road and our national park system, for example, is looked to all over the world, and people come from all over the world to see this pattern of land management and land use, and to find out what our national park system is all about.

In paying tribute to President Theodore Roosevelt, however, the Secretary did not tell what President Roosevelt further said in reference to the Grand Canyon:

> Leave it as it is. The ages have been at work on it, and man can only mar it.

This was the President's recommendation in 1908 when he proclaimed part of the canyon a national monument.

Mr. President, such a cynical disregard for a supreme natural wonder comes at a strange time. On February 8, in his much admired message to Congress on natural beauty, President Johnson wrote:

> For centuries Americans have drawn strength and inspiration from the beauty of

our country. It would be a neglectful generation indeed, indifferent alike to the judgment of history and the command of principle, which failed to preserve and extend such a heritage for its descendants.

Mr. President, in a bulletin from the Department of Interior just recently issued and dealing with the Bridge Canyon and Marble Canyon units, as referred to in this bill, the Secretary recognizes that there would be some loss of scenic values from the Bridge Canyon Dam, and that there would be no appreciable effect on the National Park as a result of the Marble Canyon Dam. Past history of the development of hydro and water storage projects in this region of the Colorado River is contrary to the foregoing statement. Surely we have learned some lessons from the disaster at Glen Canyon and the near disaster at Echo Park. Surely we now know that on the scenery-rich water-poor Colorado, new hydroelectric projects no longer make any sense. Surely we now know that we do not have to build any more expensive, wasteful, fast-silting reservoirs out in the middle of the desert a hundred miles from anywhere in order to sell high-cost power—probably at a loss—to finance irrigation.

If the Interior Department must sell power to pay for irrigation, then let it produce power in whatever manner is most economical of irreplaceable resources. If present laws do not permit this, then the laws should be changed—not Grand Canyon.

## WISCONSIN FAMILY CREATES PROFITABLE RECREATION FARM

Mr. NELSON. Mr. President, demand for outdoor recreation near our metropolitan centers is expanding rapidly. Much of this demand can be met by recreation enterprises on farmland.

There is considerable interest in recreation farms in Wisconsin, which has an almost unlimited acreage of countryside richly endowed with wildlife and natural beauty. These enterprises usually can be handled by a single farm family.

One of the outstanding examples of successful recreation farming is the 350-acre sporting paradise operated by the Frank Schneider family in Calumet County near Lake Winnebago. It can be reached easily by auto from Milwaukee and is close to such cities as Appleton, Fond du Lac, Green Bay, Manitowoc, and Sheboygan.

The Schneider family recreation farm is described in an excellent story by Dorothy Anderson that appeared in the April 2 issue of the Sheboygan Press. I invite my colleagues to read about this recreation business enterprise and ask unanimous consent to have it printed in the RECORD.

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

CHILTON.—Posted signs on many Calumet farms indicate that trespassers are not welcome, but not so on the 350-acre Frank Schneider family farm abutting the Niagara escarpment on the edge of Lake Winnebago.

Not only are visitors welcome but they are encouraged to come; especially those who like to fish, hunt or ride horseback. Of course, if you want to do all of those things in one day, Mr. Schneider is the one who could arrange it.

This sportsman's mecca began 5 years ago when Mr. Schneider recognized that on his land was a natural formation for making a spring-fed fish pond by clearing the land and damming the flow of water. The project was begun for the benefit of the family. How could a young lad who is fond of the out-of-doors be more happy, thought Mr. Schneider, than his sons with the dandiest fishing spot in the area right in their own back yard?

Plans were made and the work was begun. But more knowledge of how to go about the project was needed and sought by Mr. Schneider.

Enlisted was the help of Bruno Zucollo, Calumet County soil conservationist, and Armin Schwalenberg from the Agricultural Soil Conservation Service.

Two ponds were recommended by the conservationists, one to hold water in reserve in case the dam that holds the water from its natural course to Lake Winnebago should give way.

That is how the arrangement was made—two ponds with a smaller pond overflowing into the larger as the water from springs and from runoff is collected. A series of obstacles forming rapids slows the water from the lower pond to the upper pond.

### DAM BREAKS

During the heavy rains of late February and early March, the foreseen possibility developed. The big dam and spillway made of clay and concrete gave way and the larger pond began emptying into Lake Winnebago. Plans to rebuild the dam are underway, according to Mr. Schneider.

In the meantime, the instinct to travel upstream for spawning is keeping the fish in the ponds. The damming of the water is expected to be completed in time for the large swell in trout fishing coming in late spring and early summer.

Although there are black bass and bluegills in the ponds, the trout are the real game fish, according to Mr. Schneider. "They are the only thing with brains in the water," he declared. Whether a sportsman is a kid of 6 or 60, he is intrigued by a leaping rainbow trout, and the trout fishermen are the elite among sportsmen, Mr. Schneider believes. The trout fishermen are generally gracious, considerate people with respect for the beauty and the wisdom of the wily fish.

The fee for fishing in a pond is $2 per day with a limit of 10 trout per fisherman—and as many bass and bluegills as he can get.

The black bass multiply rapidly. From an original stock of 200 fish put in 2 years ago, 1,800 were taken out last year, explained Jim, the eldest son of the Schneiders. "They will hit anything; they're crazy," he conjectured. The bluegills are more sparse, with an estimated 300 having been taken in a year.

The largest catch by far is the trout with an estimated 500 caught per month at the peak of the season in May and June. But fishing goes on all year round from the stock of between 4,000 and 5,000 trout kept in the pond. As the fish are caught, more are added to keep the ponds well stocked with rainbow, brook, and brown trout, which are added at about an 8-inch length to the supply in the pond.

Buying the fish at a larger size is more expensive, but too many are lost in the growing period with the purchase of fingerlings. Buying the larger fish to stock the ponds prevents catching fish too small to keep.

Some trout have eluded all lures and have succeeded in growing to a 10- or 12-pound size, Mr. Schneider said. Those fish cannot be caught because they break any line. Spearing through the ice was attempted, but again the fishermen proved no match for their nimble prey.

Any type of bait is permitted with the requirement that live bait be only shiners to prevent rough fish from getting into the ponds.

### DUCK HUNTING

Another year-round sport is duck hunting from blinds along a flight path between the feeding area and the duckpond.

In the third pond some distance from the fishpond but also in the water course of runoff to Lake Winnebago, are the wild ducks. The ducks are fed from duckling size in a feeding area that is gradually moved up the slope above the duckpond until the ducks are feeding on the steep escarpment.

When hunters come, ducks caged in the feeding area are set free a few at a time. Flying at a speed of about 75 miles per hour on a course back to the pond, the ducks make a difficult target. Wounded ducks are shot with a rifle by Mr. Schneider, an expert marksman, and must be taken by the hunter inflicting the wound.

Between 900 and 1,000 waterfowl are kept annually for hunters—ducks that are marked but are free to join the passel of wild birds frequenting the area.

Some changes are in the planning stage for the duck hunting, Mr. Schneider said. He hopes to make a longer flight path in the future.

For hunters who prefer pheasants, the season begins in October. The birds are raised from chicks and are set free as the hunters request hunting privileges.

The birds find cover in a sizable millet field, in the high grass allowed to grow in the hillside, in an alfalfa field, or in cornfields. Hunters without a dog are furnished one by the Schneiders, and the best of hunting under natural conditions is assured. A per-bird charge is made with a $5 minimum for pheasant hunting, according to the owner.

Approximately 500 pheasant are released each year with many of them escaping the stalking marksmen. Any pheasants that remain after the season permitted by conservation authorities are set free and in spring a new flock of chicks is purchased in preparation for the next year's hunt.

Among the visitors at the farm have been few "meathounds." "I believe the disgust that shows on my face discourages them," Mr. Schneider volunteered. Here is surely a place for real hunting and real sportsmen.

Although saddle horses are kept on the farm, the riding business is run by David Petrie Appleton. A bridle path allows freedom from the hazards created by auto traffic.

With such a great variety in providing recreation, the Schneiders have worked hard on costly projects, but they do not consider it their project alone. Many of the sportsmen are deeply interested in the problems and the joys; some have lent a hand occasionally. The Conservation Service, the service of the county agent, and the cooperation of people around the farm all help to make the project a success, according to Mr. Schneider.

For a family of six children, the place seems like a paradise, but they too share the work and responsibilities. Contrary to what the parents expected, there was a feeling of being "underprivileged" among the youngsters.

When the public was invited to use the recreation facilities, the feeling disappeared with sharing their advantages, Mr. Schneider declared.

Through enthusiasm and soaring costs of the projects, what began as family recreation has grown into the only farm of its kind in Calumet County, 350 acres for the growth of wildlife and the enjoyment of people looking for a change from the humdrum workaday world.

## THREATENED STEEL STRIKE

Mr. ROBERTSON. Mr. President, the threat of a costly steel strike next month prompts me to call attention to the bill (S. 989) I introduced on February 4 to give the Government a new weapon for dealing with work stoppages which seriously affect the Nation's economy, health, or safety.

According to press reports from Pittsburgh, an impasse already has developed in the current negotiations between the steel companies and the United Steelworkers Union.

I was prompted to introduce my bill in February by the outrageous strike of longshoremen, which needlessly cost this Nation hundreds of millions of dollars.

That strike conclusively proved that the provision in the Taft-Hartley law, allowing the Government to obtain an 80-day injunction as a cooling-off period in major strikes, is ineffective.

My present bill is similar to one I sponsored in 1950, when John L. Lewis was arbitrarily controlling the production of coal in order to force up prices. At that time the Senate Judiciary Committee held 2 days of hearings and then put the bill to sleep.

No committee action has been taken on my current bill, and I doubt if action could be taken now in time to head off a threatened steel strike next month.

If a steel strike occurs it could also affect the aluminum plants. It would mean a heavy economic loss to the Nation, and could possibly be settled only at the expense of highly inflationary wage increases.

If that happens the people will have to bear the consequences because of the unwillingness of Congress to take appropriate action.

Although the introduction of my bill was prompted by the longshoremen's strike, it would not be confined to the transportation industry. It provides that when a labor organization unreasonably restrains trade or commerce in commodities or services essential to the national economy, health, or safety—or any substantial segment thereof—the Government could seek injunctive relief, and a Federal court could decide whether the strike was an unreasonable restraint on commerce.

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## LABELING AND ADVERTISING OF CIGARETTES

Mr. MORTON. Mr. President, during our Senate Commerce Committee hearing last Friday, April 2, on the cigarette labeling legislation, my distinguished colleague from Kentucky [Mr. COOPER] presented what I consider to be an outstanding challenge of the authority of the Federal Trade Commission to impose any so-called trade regulation rule with regard to labeling and advertising in relation to the hazards of smoking.

His legal and perceptive reasoning was of such high interest to committee members that I felt other Senators would find considerable food for thought in his remarks.

Therefore, Mr. President, I ask unanimous consent that his statement before the Commerce Committee and attachments mentioned therein be printed in the RECORD.

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

STATEMENT OF SENATOR JOHN SHERMAN COOPER, BEFORE THE SENATE COMMITTEE ON COMMERCE, APRIL 2, 1965

Mr. Chairman and members of the committee, I thank the committee for this opportunity to present my views on the bills before you, and on the general proposition of regulating the labeling and advertising of cigarettes. I know that this committee is giving thorough consideration to this question, its relationship to health and to the tobacco industry, and to the very important issue of the claim of authority by the Federal Trade Commission to extend its powers further than has ever been done before.

I have read several times the Surgeon General's report, "Smoking and Health," and I do not derogate its importance. I say this as one who is a representative of Kentucky—the second largest producer of tobacco in the United States, and the largest producer of burley tobacco—with 200,000 farmers engaged in the production of burley, dark air cured and dark fired tobacco, representing an annual value of $300 million. And, of course, the total value of the industry to Kentucky's economy is much larger—considering the manufacture, warehousing, transportation, and all aspects of the tobacco industry.

Having read the Surgeon General's report several times, and, as I said, recognizing its importance, nevertheless, I say to the committee that the report does not confer upon the Federal Trade Commission any powers that have not been authorized to it by the Congress.

I have read the statement of the Federal Trade Commission in which it attempts to justify, and I use the word "justify" advisedly, the basis and purpose upon which it proposes its "trade regulation rule for the prevention of unfair or deceptive advertising and labeling of cigarettes in relation to the health hazards of smoking." As you know so well, the rule was promulgated by the Commission on June 22, 1964, and is intended to become effective on July 1, 1965. From my study of the statement of the Federal Trade Commission and the testimony given by Chairman Dixon before the House Committee on Commerce and this committee, it is my judgment that the FTC is without authority to promulgate a rule such as it has proposed with respect to cigarettes.

I believe there is a serious question as to whether the FTC has authority to promulgate any general trade regulation. I make this statement upon several grounds. The authority is not specified in the statutes. The Commission, after the enactment of the statute in 1914, did not claim the authority to promulgate trade regulations until 1962—48 years later—and had limited itself to trade practice rules which are designed as guides to industry. Further, Congress, found that it was necessary to grant the FTC specific authority to promulgate trade regulation rules in the cases, among others, of the Wool Products Labeling Act of 1939, the Fur Products Labeling Act of 1951, and the Fiber Products Identification Act of 1953. I will not press this issue further, but I raise the question for the committee's legal inquiry and consideration about the authority of the FTC to promulgate a general trade regulation rule.

Now I want to speak specifically concerning the authority of the FTC to regulate labeling or advertising of cigarettes. And I repeat my earlier statement that, significant as the report of the Surgeon General is, the report does not provide any authority to the FTC. A study of the statement of the FTC attempting to justify its rule, discloses that the FTC makes a labored and contradictory argument.

The statement, as Chairman Dixon testified before this committee, essentially bases the authority of the FTC on the findings of the Surgeon General's report. Chairman Dixon said:

"The reasons justifying such a rule, as more fully explained in the statement of basis and purpose, are basically twofold. First, there is a concensus of medical and scientific opinion that cigarette smoking is a significant cause of certain grave diseases and contributes substantially to mortality from those diseases and to the overall death rate. These were the findings of the Surgeon General's blue-ribbon Advisory Committee on Smoking and Health. These findings are authoritative, reliable, and stand essentially unchallenged. They provide a compelling basis for prompt and effective governmental remedial action."

I am not here to attempt to argue on my part about the findings of the advisory committee, because they are scientific and technical, but I do challenge the statement of Chairman Dixon that "these findings are authoritative, reliable, and stand essentially unchallenged." The report was not based upon original research, but primarily upon a review and evaluation of research conducted prior to the appointment of the committee, and data previously accumulated. The element of causality which is of ultimate importance, was admitted by the report to be based upon statistical association and a combination of factors, rather than the identification of any incriminating component of cigarettes or any finding of the direct affect of any component upon the health of an individual. But most important, it cannot be said, as the chairman claimed, that the report has not been challenged. There is a substantial body of scientific and medical opinion which holds views contrary to that of the report—and the FTC knows that this is correct.

The effect of the ruling which the FTC is attempting to promulgate is to establish as a matter of substantive law that the report of the advisory committee is complete, correct, and unchallenged. The advisory committee itself did not go that far. It has conceded that additional research is needed. To give an example, a few days after the publication of the report, I raised several questions with Dr. Luther Terry regarding the effectiveness of filters, as it had been reported that the committee had found that filters had no value. In response to a letter written by me to him, he said the advisory committee made no judgment as to the effect of adding filters to cigarettes, and further that the committee felt that the development of better filters or more selective filters is a promising avenue for further development. I ask that the letters be made a part of my testimony.

This one instance, among others, indicates the position of the committee that further research is needed. And yet, the FTC adopts the position that the report is complete, conclusive, and unchallenged. If the rule should be maintained, any advertiser would be denied any opportunity to question the basic finding of the Commission. He would be limited to denying that he had advertised in a manner prohibited by the Commission. The statement of the FTC accompanying the rule does not substantiate its claim of legal authority to make such a broad finding. The FTC admits that it does not rely on sections 12–15 as a basis for the substantive prohibitions in its rule. Sections 12 to 15 deal with foods, drugs, devices, or cosmetics, and provide for injunctive relief where there is immediate possibility of danger to human life, health, or

safety. The case of *FTC* v. *Liggett and Myers Tobacco Company*, cited on page 22 of the FTC report, held that cigarettes are not subject to the food and drug section. Therefore, the FTC's authority must be limited to section 5 of the act, which I quote:

"SEC. 5. (a)(1). Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are hereby declared unlawful."

Undoubtedly, the Commission has authority concerning affirmative misrepresentations and deceptive half-truths which induce a significant number of purchasers to choose a particular product, including cigarettes. But the claim of authority of the FTC to regulate the advertising of cigarettes is not based upon its claim that there are any affirmative misrepresentations about cigarettes, or upon deceptive half-truths or that there are any false statements. The cases cited in support of its claim that cigarette advertising represents half-truths has no application at all.

The FTC is reduced to making its case upon the ground that as advertisers claim that a particular cigarette is pleasurable, or socially acceptable, that it is an inducement to smoke, and consequently the advertiser should be required to balance its inducement by stating the health injuries alleged to be consequent on smoking. It claims that the failure to do so is the unfair and deceptive practice which provides it with the authority to regulate.

But on page 95 of the FTC report, it makes this correct statement:

"First, in stating that the Trade Commission Act imposes special requirements with respect to the advertising of such producers we do not, of course, imply that the Commission has been given by Congress a general jurisdiction to protect health and safety of consumers. The Commission's responsibility is not to control or prevent the sale or use of dangerous products, but to insure that the advertising of such products is not unfair and does not deceive." In the face of this correct statement, the Commission is attempting to use an authority which it admits it does not possess—"a general jurisdiction to protect the health and safety of consumers." And with respect to its claim that the advertising of cigarettes—indicating their qualities are pleasurable or socially acceptable—is unfair or deceptive, the Commission has been asserting for 10 years that such advertising is proper. The guides adopted by the Commission "for the use of its staff in the evaluation of cigarette advertising" contain the following notice: "(a) Nothing contained in these guides are intended to prohibit the use of any representation, claim, or illustration relating solely to taste, flavor, or enjoyment."

Let me summarize the claim of authority of the Federal Trade Commission as I understand it from a study of its own report. First, it would arrogate to itself the authority to determine that the Surgeon General's report is conclusive and unchallenged. This is obviously incorrect, and it is an assertion of larger findings and scientific competence than that of the advisory committee. Second, having made this large claim, it now proposed to issue a rule giving to this incorrect statement the force of substantive law. Third, it would then proceed to control labeling and advertising as hazardous to health, not under the Food and Drug section of the Trade Commission Act, under which it admits it has no specific authority, and against its own admission that it has no general authority to do so. Fourth, it asserts its authority under the principle of section 5, claiming that advertising of the pleasurable use of cigarettes and so forth is deceptive or unfair. It does this, although for 10 years it has maintained in its Cigarette Advertising Guide that such advertising is not prohibited. Fifth, the larger consequences of confirming the claim of the authority of the FTC are these—in the future, if this precedent is confirmed, it would mean that the FTC could, on its own judgment, determine that any product might be hazardous to health and thus be permitted to censor advertising.

I want to make it clear that I do not question the power of the Congress to give this broad authority to the FTC if it desires to do so. Also, I do not question the authority of the Congress to enact such legislation as it determines is proper in connection with the labeling and advertisement of cigarettes. And this is the determination that the committee will make. I do suggest that the committee should halt this claim of authority by the FTC by preemption, at least until it determines whether it desires to give the FTC a broad authority which, as I have said, would not be limited to cigarettes but could be extended to any other product.

Finally, I would suggest that if the committee in its wisdom determines to act with respect to labeling any warning statement it imposes should be a truthful one. The proposals of the FTC are not correct and not fair. In my judgment, it would be a statement something on this order: "The Advisory Committee to the Surgeon General has found that smoking is a hazard to health, but there is a substantial scientific and medical opinion to the contrary." Considering the unsettled situation and that research is going forward, I would support the labeling of cigarette packages in a fair but correct manner.

I ask permission of the committee to amplify my statement.

U.S. SENATE,
*January 13, 1964.*

DR. LUTHER L. TERRY,
*Surgeon General, Public Health Service, Department of Health, Education, and Welfare, Washington, D.C.*

DEAR DR. TERRY: The report on "Smoking and Health," and the press conference Saturday, January 11, by the advisory committee to the Surgeon General, appear to be widely interpreted as having included a finding that cigarette filters have no effect. On the contrary:

1. Is it not correct that the advisory committee made no judgment as to the effect of adding filters to cigarettes?

2. Do I understand correctly that the committee made no finding on filters because it believed it had insufficient evidence from animal experiments, clinical studies, or population studies—the three kinds of evidence it considered—on which to base any finding as to the effect of the various types of filters?

3. To the extent that a filter removes tar, nicotine, and the gaseous elements of cigarette smoke, is it not reasonable to assume that the effects of the filter will be similar to the effects reported by the committee of smoking fewer cigarettes?

4. Does not the limited discussion of a new-type filter, on page 61 of the report, suggest that the advisory committee believes that the development of selective filters may have significance in terms of reducing the hazards to health the committee believes it has found?

5. Would not standardized research on the effectiveness and selectivity of filters, as well as additional research on the components of smoke, be desirable?

Because the report of your advisory committee is the subject of wide and general interest, it will be helpful to have your answers, at least to the first question, as quickly as possible.

Sincerely,

JOHN SHERMAN COOPER.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE,
*Washington, D.C.*

HON. JOHN SHERMAN COOPER,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR COOPER: This is in response to your letter of January 13 which poses certain questions as to the advisory committee's views on cigarette filters. Certainly, it is erroneous to conclude that cigarette filters have no effect. As noted in the committee's report, filters in common use do remove a variable portion of the tars and nicotine. Your specific questions and our replies will follow:

1. Is it not correct that the advisory committee made no judgment as to the effect of adding filters to cigarettes?

Answer. Yes.

2. Do I understand correctly that the committee made no finding on filters because it believed it had insufficient evidence from animal experiments, clinical studies, or population studies—the three kinds of evidence it considered—on which to base any findings as to the effect of the various types of filters?

Answer. Yes.

3. To the extent that a filter removes tar, nicotine, and the gaseous elements of cigarette smoke, is it not reasonable to assume that the effects of the filter will be similar to the effects reported by the committee of smoking fewer cigarettes?

Answer. A categorical answer to this question is difficult. The best I could do would be to answer yes—perhaps, or yes—probably. A part of the problem here is whether the filter in addition to removing tar, nicotine or other elements of cigarette smoke might also lead to different levels of cigarette consumption and different amounts of inhalation, etc. Another difficulty is that we do not know all of the substances which different filters do or do not remove. Since we do not yet know all of the substances in tobacco smoke which have adverse health effects, a given filter might permit the selective passage of hazard substances, as well as selectively removing others.

4. Does not the limited discussion of a new-type filter, on page 61 of the report, suggest that the advisory committee believes that the development of selective filters may have significance in terms of reducing the hazards to health the committee believes it has found?

Answer. Yes. The committee felt that the development of better filters or more selective filters is a promising avenue for further development.

5. Would not standardized research on the effectiveness and selectivity of filters, as well as additional research on the components of smoke, be desirable?

Answer. Yes, unquestionably.

I hope these responses will be of assistance.

Sincerely yours,

LUTHER L. TERRY,
*Surgeon General.*

## ADDRESS BY THE VICE PRESIDENT TO THE INDUSTRIAL UNION DEPARTMENT, A.F. OF L.–CIO

Mr. MONDALE. Mr. President, yesterday Vice President HUBERT H. HUMPHREY, a friend and distinguished former Member of this body, addressed a meeting of the Industrial Union Department of the AFL–CIO. The Vice President's remarks on that occasion comprise what I consider to be one of the finest statements ever made concerning the evolution of the desire for a truly great Amer-

ican society and the contributions of honored Americans to that cause.

Therefore, I request unanimous consent that the Vice President's address be printed at this point in the CONGRESSIONAL RECORD.

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

REMARKS OF VICE PRESIDENT HUBERT H. HUMPHREY, INDUSTRIAL UNION DEPARTMENT, AFL–CIO, APRIL 6, 1965

My friends, I am honored today to join you at this meeting. I am especially honored to sit at the table with three men who have given so much to this country.

Martin Luther King—who has given inspired and constructive leadership to the civil rights movement. He has articulated and given personal witness to the most sacred of all human goals—human dignity. And with such leadership, there can be no doubt—we shall overcome.

James Patton—who has given leadership in the struggle to bring the benefits of our abundance to those who have toiled so hard to create that abundance—the agricultural worker, the family farmer. His concern for these Americans has not kept him from seeing the large picture: the problems of the industrial workers and the role of trade unions—the promotion of the general welfare—our obligations to the world community.

Rev. Robert Spike—who has contributed so much through the Commission on Religion and Race of the National Council of Churches. In fact, Reverend Spike stands for the impressive works of all the religious groups in the country today. The social action work of all the faiths has been truly inspiring. There might not be a Civil Rights Act of 1964 if it had not been for the vigilance and the intelligent support given the legislative campaign by all the faiths.

I also wish to give tribute to another who is with us today in spirit: Rev. James Reeb.

There is no group with whom I feel more at home than an IUD legislative conference.

During the 16 years I served in the Senate, I was deeply aware of the talents and the dedication of the men and women associated with the CIO, and then the Industrial Union Department of the AFL–CIO.

This part of the great labor movement has had only three leaders—all great Americans.

In the course of a long life of service, John L. Lewis was abused and he was villified. But his great service to coal miners and to the coal industry—and to his country—was fully recognized last year when he received the highest honor this Nation can bestow on its citizens—the Presidential Medal.

It was Philip Murray who, with his simple eloquence, stated the objectives of trade unionism and, as a matter of fact, of a great society.

He asked, "What is a union for?" and he answered it: "* * * pictures on the wall, a carpet on the floor, and music in the home. * * *"

He led millions of workers in pursuit of those dreams. He had the satisfaction of seeing some of them come true.

Walter Reuther picked up the reigns when Philip Murray died, and progress continued. It wasn't progress for CIO alone, or even for the AFL–CIO. All America has shared in that progress. When the CIO was being formed 30 years ago, average weekly wages for all industrial workers in the Nation was $19.91—less than $20 a week.

Today, one generation later, average weekly wages for all industrial workers is more than $106—more than five times as much.

Even after allowing for the great increase in cost of living, this is a record of which all of you in this room can be proud.

There are millions of American families who have been kept from the ranks of poverty because of the work that your organizations performed.

This progress for America's industrial workers has not been at the expense of other segments. It is a tribute to the American system that in the same 30-year period, corporate profits in America have risen from an annual rate of just $1 billion after taxes in 1935, to over $25 billion after taxes in the current year.

But dollars are not the important measure of the IUD's contributions to our American society. This conference today is a measure of your concern for all America.

You have been talking about voting rights for all Americans—North and South, Negro and white.

You have been talking about increasing the minimum wage and extending its coverage—actions which will have very little effect on the conditions of your own members.

You have been talking about medicare and other health legislation—for all Americans.

You have been talking about the war on poverty, aid to education, improved unemployment insurance.

You have been saying again that what is good for all America is good for organized labor.

When the CIO was born 30 years ago, Franklin Delano Roosevelt was President. It was he who then articulated the first hope for a great society.

"The test of our progress is not whether we add more to the abundance of those who already have much; it is whether we do enough for those who have too little."

This is what the war against poverty is all about.

This is what the battle for civil rights is all about.

We mean to bring to all of God's children the blessings of our advanced technology, and—even more important—the blessings of freedom.

And we mean to bring both security and freedom to every man, woman, and child in these United States.

President Johnson learned his lessons well from the man he loved so much, Franklin Roosevelt. He is determined that this Nation's greatness shall be measured by what we do for the poorest, the most neglected, the most despised, the most rejected of men.

In this march to the Great Society, all of you here—those of you on the dais, and those of you throughout this assembly—are playing a great role.

Together—men of government, men of labor, men of the cloth, men of industry and of agriculture—we will march to that Great Society.

And then there will be, for every family on earth, those symbols of a great society: pictures on the wall, a carpet on the floor, music in the home, and tolerance in every man's heart.

## SENATE APPROVAL OF U.N. CHARTER AMENDMENTS URGED

Mr. McGOVERN. Mr. President, yesterday President Johnson sent to the Senate, for its advice and consent, two proposed amendments to the United Nations Charter. These two charter amendments, the first to have been adopted by the General Assembly since the founding of the United Nations, would increase the size of the Security Council and the Economic and Social Council, in order that these organs might better reflect the vast changes in the membership and composition of the United Nations which have occurred during the last 20 years.

I wish to express my strong support of these proposed amendments. As the President said in his message yesterday, they are both wise and realistic. They are increased evidence of the capability of the United Nations to adapt to change. If these two councils are not enlarged now, there will undoubtedly be great pressure for stronger representation of the new members, at the expense of the old members. This would be neither in our interest nor in the interest of a stronger, more workable United Nations. In order to operate effectively, the Security Council and the Economic Social Council ought to be more representative of the U.N. membership as a whole.

I am honored to be a Senate steering committee member—along with the distinguished senior Senator from New York, Mr. JAVITS—of an organization known as Members of Congress for World Peace Through the Rule of Law. Recently, this organization had the pleasure of sponsoring a breakfast for Members of Congress, at which Secretary of State Rusk explained the purpose of the two amendments now before us for ratification.

I am most hopeful that the Senate will act soon to approve the two United Nations Charter amendments. To be effective, they must be ratified by two-thirds of the member states, including all of the permanent members, by September 1, 1965. To date, 63 of the required 76 nations, including the Soviet Union, have ratified them.

I ask unanimous consent to have printed at this point in the RECORD a fine article from this morning's Washington Post, which details and explains the proposed amendments.

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

[From the Washington Post, Apr. 7, 1965]

U.N. CHARTER CHANGE PLANS SENT TO SENATE

(By Murrey Marder)

President Johnson sent to the Senate yesterday two proposed amendments to the United Nations Charter that would help adjust the organization to the great changes in its membership during the last 20 years.

The U.N. has grown from 51 to 114 members since 1945. The greatest change has been in its Afro-Asian membership, which soared from 12 to 61 nations. That has drastically altered the balance of voting strength in the organization, whose original charter never before has been amended.

Changes in the pattern of membership would be reflected in enlargement of the powerful Security Council, and also the Economic and Social Council. But veto rights, and continuing seats on the Security Council, would be retained by the five permanent members: United States, Soviet Union, Great Britain, France, and China.

Hearings and Senate debate on the proposed amendments are expected to produce the most extensive discussions in this country of the purposes and practices of the U.N. since its founding in 1945. The debate is likely to bring requests for more sweeping changes in the world organization, and discussion of such prickly issues as the exclusion of Communist China.

The Johnson administration had hoped the crisis in the U.N. over Soviet and French refusal to pay peacekeeping assessments for the Middle East and the Congo could have

been resolved first. That issue now will rebound in the amendment debate. But the debate also may give the administration the congressional sanction necessary to veer off its adamant stand on the debt issue, which was established in part by a congressional resolution.

The amendments, which require the advice and consent of the Senate that is needed for treaties, would carry out resolutions approved by the U.N. General Assembly on December 17, 1963, and submitted to member states for ratification. To be effective, they must be ratified by September 1, 1965.

The two amendments, by changing the language of the U.N. Charter at several points, would accomplish the following:

Increase the size of the Security Council from 11 to 15 members, and raise the number required for a majority from 7 to 9.

Increase the Economic and Social Council from 18 to 27 seats.

Apportion membership on the two Councils on a formal, geographic basis, in place of the present "gentlemen's agreement."

In the Security Council, that would increase the nonpermanent seats for Africa and Asia from two to five; Communist Eastern Europe also would get a regular seat, instead of splitting a term with an Asian nation. The other nonpermanent seats would continue to be allotted on the basis of two for Latin America and two for Western Europe and other areas (Canada, Australia, New Zealand).

Comparable changes would be made in the Economic and Social Council, where the number of African and Asian States would be increased from 5 to 12.

President Johnson said in his message to the Senate that the changes will bring the two Councils "in balance" with the enlarged U.N. membership. In discussing the changes, he called the U.N. veto arrangement for permanent members "a wise and realistic feature" that will be maintained.

The President said the U.N. "has served well the cause of world peace and progress" and American interests, "even though it has been unable to prevent aggression in southeast Asia," or "solve all its internal problems," or overcome other limitations.

When the U.N. acted on the resolutions, the Soviet Union and France voted no, the United States and Britain abstained, and Nationalist China voted only for enlarging the Security Council. Since then, however, 63 nations of the 76 required for ratification, have approved the plan, including the Soviet Union, which reversed its position. All permanent members must approve the changes.

Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas, chairman of the Senate Foreign Relations Committee, said he saw no reason to delay action on the U.N. Charter amendments once his committee completes action on the foreign aid bill. FULBRIGHT said he has not yet studied the amendments in detail, but in general, he said, "I think the reasons justifying the changes are valid."

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## PRESIDENT JOHNSON'S VIEWS ON DISTRICT OF COLUMBIA EDUCATION BUDGET

Mr. KENNEDY of New York. Mr. President, the recent action of the House of Representatives in regard to the educational budget for the District of Columbia has caused great concern among those who are interested in education in the District and in the improvement of educational standards generally. This action has come at a time when there is a need, if anything, for much larger educational expenditures in the District.

We have all deplored the recent increases in crime and violence, particularly among young people. Yet the only way to get at the fundamental causes of this behavior is through better educational and recreational opportunities. Trying to cut down on crime and violence without facing up to what has to be done to alleviate their basic causes is not merely inconsistent. It is in fact repressive of the abilities and aspirations of thousands of young people who are thereby deprived of the opportunity to develop into useful citizens. The best in educational and recreational opportunities, particularly for deprived children, are absolutely essential if we are to succeed in breaking the cycle of despair which generates juvenile misbehavior.

The seeds planted when education and recreation are inadequate are sprouting a harvest of misery. What has sprung forth is not measurable merely in terms of the startling financial costs to society. The human loss is even more staggering. The losers are the victims and their families and, too, the criminals and whatever family they have.

We in Congress can get at the roots of this terrible problem in the District of Columbia by doing everything we can to improve the education we offer our young people and by fighting for expanded recreational facilities. It is because we alone have this power under present law that the action of the House is so particularly disappointing.

Mr. President, recognizing this, President Johnson has written to Senator BYRD of West Virginia to express his concern, and I think all of us who are interested in the District and in the best possible education for our young people have a duty to rise in support of the President's position. I believe it is imperative that we in the Senate restore the cuts imposed by the House. I know Senator BYRD will do what he can to respond to President Johnson's concern, and the rest of us should be prepared to act accordingly.

I think President Johnson's letter should be available for all to read, for it concisely and forcefully states the case. Mr. President, I ask unanimous consent that it be printed in full in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY of New York. President Johnson's letter refers in some detail to another aspect of the House's action—its elimination of funds for the John F. Kennedy Playground. That playground was fought for and carefully planned starting back in 1962. It is on a site that was just a junkyard for old cars, and, due to the interest of President Kennedy and many others, it was converted into a playground. What we need now are more such playgrounds, not less. The cost of operating it is far less than the social cost in juvenile delinquency and juvenile crime that it helps to prevent.

We all deplore violence in the streets. We deplore it in our own communities; we deplore it here in Washington, the Nation's Capital. We have an opportunity to do something about it. An increase in the size of the Police Department can be important and helpful. But that step is not in and of itself going to make this problem disappear. We desperately need other action as well. An educational system which can materially assist our young people to live meaningful lives can make a tremendous difference. Schools, recreation, and opportunity for employment can give our young people the most important ingredient which too often is missing; namely, hope, hope for themselves now, hope for the future.

An old Greek philosopher once wrote:

What joy is there in day that follows day—
Some swift, some slow, with death the only goal.

Without our interest, our help, our recognition of our responsibilities, we can apply this tragic description to the young of this city that belongs to all of us.

EXHIBIT 1

TEXT OF THE PRESIDENT'S LETTER TO SENATOR ROBERT C. BYRD

(The following is the text of a letter sent by President Johnson to Senator ROBERT C. BYRD, of West Virginia:)

DEAR SENATOR: I am seriously concerned with the action of the House of Representatives on the education budget for the District of Columbia. The budget which I proposed to the Congress, as I stated in my accompanying message, was intended as a major effort to remedy educational shortcomings in the District, both in physical plant and in operating staff and facilities. It did not propose to overcome all the deficiencies at once, but it did propose a substantial start. As reduced by the House of Representatives, however, it will barely allow the schools to hold their own in the face of increasing enrollments.

Most serious, in my judgment, are the reductions in counselors, libraries, and library books, on the operating side, and the postponement of a large number of projects for expanding and improving the school plant. It seems to me plain that education—good education, in adequate buildings, and with adequate supporting facilities such as libraries—is basic to all the other programs that are being undertaken to improve the city, including the reduction of its rate of crime. The Congress, in many instances over the past few years, has demonstrated its concern for the education of young people throughout the Nation; we cannot do less for the youngsters of the District.

I appreciate, of course, that until the Congress acts on my requests for a larger authorization for Federal payments to the District, and on the District Commissioners' proposals for new taxes, the Committee on Appropriations cannot restore all of the educational items that were eliminated by the House. There are, however, in the existing authorizations for the Federal payment as well as in the possibilities of additional borrowing for capital outlay, means by which many of the needs can be met. I know you will do what you can.

I am also concerned at the unfortunate public controversy about the John F. Kennedy Playground that has appeared in the Washington papers, culminating in the elimination by the House of Representatives from the District of Columbia budget of funds both for the operation of the playground and for the site of a new Shaw Junior High School. I hope very much that you will do whatever you can to have these budget items restored.

The Kennedy Playground, which is located in a part of Washington that has long suffered from a serious lack of recreational facilities—and which, probably not by coincidence, has a high rate of juvenile delinquency—has been amazingly popular. Since it opened in June 1964, it has been visited by almost a million children. You will recall that in my message to the Congress on the District on February 15 I commented on the success of this largely community-financed project, and suggested that equally desirable facilities should be provided in other parts of the District which were also lacking in adequate play space. The Kennedy Playground, of course, is so attractive to children of all ages that it is virtually a citywide facility, even though the greatest benefit is to the immediate neighborhood.

The Washington community, it seems to me, should receive full support from the Congress for what it has done. The organizers of this project took a piece of ground that was being used as a dump for abandoned automobiles, and made it into a facility of which Washington can be—and I am sure is—proud. The effort was so successful as to lead the School Board and the District Commissioners to recommend that it be permanent rather than temporary.

There are other aspects of this of which I am sure you are aware. Since 1951, when the playground site was acquired by the District as a site for a new Shaw Junior High School, the projected size of the school has almost doubled—from 800 to 1,500 students. The playground site, by any standard, is too small for a junior high school of that size, and the School Board is quite properly seeking a larger site for the larger school, which continues to be one of those most urgently needed. In addition, were the playground to be closed, it would clearly be necessary in the near future to purchase a site for a playground to replace it. The cost of the additional land which is required for Shaw is probably no more than the cost of the additional land which would have to be acquired for another playground, and with land values increasing as they are it could be even less.

It is my hope that the controversy over the amount that was to be provided by the private individuals for operation of the playground during its first year will be resolved soon. Irrespective of that, however, and of such amounts as may be necessary for maintenance due to heavy and continued use, it would be intolerable to have the playground padlocked on June 30. All of us are concerned with juvenile delinquency in the District, and I can think of no more regressive step we could take than to force all of these children back onto the streets and into the alleys. This simply must not be allowed to happen.

Sincerely,

LYNDON B. JOHNSON.

## IOU 33: ELECTRIC POWER COMPANY OVERCHARGES DOCUMENTED BY FPC

Mr. METCALF. Mr. President, the traditional 6-percent rate of return permitted major electric utilities is now twice as rare as the whooping crane.

A 6-percent rate of return usually means a return of 9 percent or more on the book value of power company common stock, because carrying charges on the companies' bonds and preferred stock are 4½ percent or less. A 7-percent rate of return frequently means a return of 12 percent on common stock. Yet, the rate of return permitted most major power companies is now in excess of 7 percent, and in many cases above 9 percent.

Last week the Federal Power Commission included for the first time, in its annual "Statistics of Electric Utilities in the United States, Privately Owned, 1963," the rate of return for the 188 electric utilities with annual operating revenue of $2.5 million or more. The rate of return data was compiled for 3 years, 1961, 1962, and 1963. It shows that in 1963 three companies—Blackstone Valley Gas and Electric, Rhode Island, Montana Power, and New Orleans Public Service—had a rate of return above 10 percent. Seventeen companies had a rate of return between 9 and 9.99 percent, 35 companies between 8 and 8.99 percent, 56 companies between 7 and 7.99 percent, 54 companies between 6 and 6.99 percent, and only 23 companies had a rate of return of less than 6 percent.

All of the revenue to provide such extraordinarily high rates of return comes, of course, from power company customers. They are overcharged hundreds of millions of dollars each year. These overcharges amount to as much as $5 per month for residential customers in some areas.

I actually understated the case when I said that the power company with a rate of return less than 6 percent was twice as rare as the whooping crane. After all, there are now 50 whoopers. And the 23 companies with a rate of return below 6 percent include operating company subsidiaries which sell wholesale power only, at least one company which serves rural customers on a nonprofit basis and, of course, some of the relatively smaller systems, although any company which takes in $2.5 million a year is not small business.

Mr. President, I commend the Federal Power Commission for compiling and publishing this useful information. The FPC has provided facts which will be helpful to State regulatory commissions, Congress, and electrical consumers. I trust that rate of return studies will be compiled and published annually by the Commission in the future.

Mr. President, I ask unanimous consent to insert in the body of the RECORD, immediately following these remarks, the rate of return study which appears on pages 651, 652, and 653 of "Statistics of Electric Utilities in the United States, Privately Owned, 1963."

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

The report this year introduces a new feature summarizing the indicated rates of return of electric utility companies on their overall electrical operations for the years 1961, 1962, and 1963. The 188 companies included in the study are those having annual electric operating revenue of $2,500,000 or more. A 3-year period was used to avoid possible distortion that could arise from analysis of earnings for a single year. It will be noted, however, that for most utilities the calculated rate of return did not fluctuate widely from year to year.

Rates of return were calculated on a uniform basis using, with minor exceptions, principles and practices employed by the Federal Power Commission in its electric rate regulation. The earnings base is average net electric plant plus an allowance for working capital. Return is equal to electric operating revenue less expenses including operating and maintenance expense, depreciation, and taxes. A detailed explanation of the method of calculating rate of return is contained in appendix A.

The study was prepared in connection with the Commission's program for regulating wholesale electric rates in interestate commerce. It is not intended as an evaluation of the reasonableness of the earnings of any electric utility. It is recognized that in many jurisdictions the rate base used differs in varying degrees from that used in the calculation of rate of return in this study. At the present time some form of fair value rate base is used in a number of State regulatory jurisdictions. Also, the treatment of income taxes differs among the various jurisdictions, as does the treatment of certain other elements of cost of service. Finally, no one rate of return is applicable to all companies or all jurisdictions, but the allowable rate of return will differ from one company to another.

It should be emphasized that the rates of return set forth in this study cover only the specific historical periods indicated. They do not reflect the many rate reductions that were made during 1964 and are being made in 1965. However, to the extent that these reductions reflect the reduced Federal income tax rates which became effective January 1, 1964, and January 1, 1965, and other cost reductions, they will not affect realized rates of return in these later years.

| Company | Rates of return (percent) | | |
|---|---|---|---|
| | 1961 | 1962 | 1963 |
| Alabama Power Co | 7.11 | 7.08 | 7.01 |
| Appalachian Power Co | 6.73 | 7.55 | 7.40 |
| Arizona Public Service Co | 6.65 | 6.63 | 6.23 |
| Arkansas-Missouri Power Co.[1] | 6.23 | 7.63 | 7.38 |
| Arkansas Power & Light Co | 6.53 | 6.64 | 6.84 |
| Atlantic City Electric Co | 7.00 | 6.69 | 6.75 |
| Baltimore Gas & Electric Co | 6.91 | 6.61 | 6.83 |
| Bangor Hydro-Electric Co | 6.73 | 6.98 | 6.98 |
| Black Hills Power & Light Co | 7.75 | 7.09 | 6.95 |
| Blackstone Valley Gas & Electric Co | 11.38 | 10.74 | 11.18 |
| Boston Edison Co.[2] | 6.70 | 6.88 | 7.24 |
| Brockton Edison Co | 7.78 | 7.95 | 9.63 |
| California Electric Power Co | 5.58 | 5.59 | 6.53 |
| California Pacific Utilities Co | 6.01 | 5.28 | 5.66 |
| Cambridge Electric Light Co | 7.75 | 7.84 | 8.22 |
| Cape & Vineyard Electric Co | 7.23 | 7.88 | 7.84 |
| Carolina Power & Light Co | 6.73 | 6.88 | 6.98 |
| Central Hudson Gas & Electric Corp | 6.43 | 6.46 | 6.48 |
| Central Illinois Electric & Gas Co | 8.58 | 8.58 | 8.73 |
| Central Illinois Light Co | 6.30 | 7.65 | 8.12 |
| Central Illinois Public Service Co.[3] | 8.25 | 8.35 | 8.87 |
| Central Kansas Power Co | 6.20 | 6.54 | 6.42 |
| Central Louisiana Electric Co., Inc. | 8.15 | 8.46 | 8.71 |
| Central Maine Power Co | 5.95 | 6.02 | 6.12 |
| Central Power & Light Co | 8.02 | 8.63 | 8.75 |
| Central Vermont Public Service Corp | 6.05 | 6.03 | 6.07 |
| Cheyenne Light, Fuel, and Power Co | 9.82 | 8.65 | 8.05 |
| Cincinnati Gas & Electric Co | 8.07 | 7.28 | 7.53 |
| Citizen Utilities Co | 7.24 | 7.38 | 9.44 |
| Cleveland Electric Illuminating Co | 7.13 | 7.01 | 7.02 |
| Columbus & Southern Ohio Electric Co.[4] | 6.86 | 5.91 | 6.69 |
| Commonwealth Edison Co | 7.84 | 7.85 | 7.89 |
| Commonwealth Edison Co. of Indiana, Inc | 6.11 | 6.91 | 6.65 |
| Community Public Service Co | 8.65 | 9.14 | 9.08 |
| Connecticut Light & Power Co.[5] | 6.96 | 6.71 | 6.65 |
| Conowingo Power Co | 4.89 | 4.90 | 5.65 |
| Consolidated Edison Co. of New York, Inc | 5.36 | 5.40 | 5.18 |
| Consolidated Water Power Co | 8.63 | 7.28 | 2.61 |
| Consumers Power Co | 6.82 | 6.73 | 6.98 |
| Dallas Power & Light Co | 7.40 | 7.98 | 9.33 |
| Dayton Power & Light Co.[2] | 7.40 | 7.52 | 7.55 |
| Delaware Power & Light Co | 6.42 | 6.73 | 7.21 |
| Detroit Edison Co | 6.84 | 7.08 | 7.43 |
| Duke Power Co | 6.78 | 7.54 | 6.98 |
| Duquesne Light Co | 7.42 | 7.51 | 7.67 |
| Eastern Shore Public Service Co. of Maryland | 6.12 | 4.80 | 5.18 |
| Edison Sault Electric Co | 9.31 | 9.59 | 9.43 |
| El Paso Electric Co | 8.36 | 8.98 | 9.20 |
| Electric Energy, Inc | 3.53 | 3.56 | 3.51 |
| Empire District Electric Co | 7.13 | 7.88 | 8.07 |

| Company | Rates of return (percent) | | |
|---|---|---|---|
| | 1961 | 1962 | 1963 |
| Fall River Electric Light Co | 7.04 | 8.16 | 9.59 |
| Fitchburg Gas & Electric Light Co | 7.01 | 7.03 | 6.83 |
| Florida Power Corp | 7.54 | 8.08 | 7.87 |
| Florida Power & Light Co | 7.74 | 8.32 | 8.31 |
| Georgia Power Co | 6.88 | 7.26 | 6.94 |
| Green Mountain Power Corp | 6.57 | 6.79 | 6.76 |
| Gulf Power Co | 7.36 | 7.59 | 7.73 |
| Gulf States Utilities Co | 6.97 | 7.56 | 7.41 |
| Hartford Electric Light Co | 5.73 | 6.15 | 7.03 |
| Holyoke Power & Electric Co | 10.39 | 5.83 | 5.71 |
| Holyoke Water Power Co | 10.03 | 7.30 | 7.61 |
| Home Light & Power Co | 7.56 | 7.51 | 8.01 |
| Houston Lighting & Power Co | 7.50 | 8.62 | 9.45 |
| Idaho Power Co | 6.14 | 5.83 | 6.45 |
| Illinois Power Co | 8.24 | 8.58 | 9.18 |
| Indiana-Kentucky Electric Corp | 3.67 | 3.65 | 3.64 |
| Indiana-Michigan Electric Co | 6.05 | 6.55 | 6.91 |
| Indianapolis Power & Light Co.[2 6] | 7.95 | 8.31 | 8.26 |
| Interstate Power Co | 7.51 | 7.30 | 7.14 |
| Iowa Electric Light & Power Co.[2] | 7.73 | 8.06 | 8.06 |
| Iowa-Illinois Gas & Electric Co | 7.70 | 7.51 | 8.14 |
| Iowa Power & Light Co | 6.14 | 6.17 | 6.28 |
| Iowa Public Service Co | 6.99 | 7.06 | 7.36 |
| Iowa Southern Utilities Co.[2] | 7.08 | 7.99 | 8.09 |
| Jersey Central Power & Light Co | 6.80 | 6.52 | 6.94 |
| Kansas City Power & Light Co | 6.69 | 7.00 | 7.31 |
| Kansas Gas & Electric Co | 6.74 | 7.02 | 7.50 |
| Kansas Power & Light Co | 7.80 | 8.03 | 8.12 |
| Kentucky Power Co | 7.85 | 9.90 | 9.62 |
| Kentucky Utilities Co | 7.72 | 7.85 | 8.08 |
| Kingsport Utilities, Inc | 6.49 | 6.94 | 6.31 |
| Lake Superior District Power Co | 6.78 | 6.89 | 6.81 |
| Long Island Lighting Co | 6.97 | 6.72 | 6.41 |
| Louisiana Power & Light Co | 7.25 | 7.31 | 7.40 |
| Louisville Gas & Electric Co | 8.00 | 8.13 | 8.10 |
| Madison Gas & Electric Co | 7.42 | 7.25 | 7.50 |
| Maine Public Service Co | 7.44 | 7.03 | 8.00 |
| Marietta Electric Co | 5.98 | 5.95 | 6.35 |
| Massachusetts Electric Co.[7] | 7.87 | 5.80 | 5.43 |
| Metropolitan Edison Co | 7.23 | 7.10 | 7.32 |
| Michigan Gas & Electric Co | 9.43 | 8.40 | 9.04 |
| Minnesota Power & Light Co | 6.08 | 6.26 | 6.27 |
| Mississippi Power Co | 7.64 | 8.11 | 7.88 |
| Mississippi Power & Light Co | 6.88 | 6.97 | 7.13 |
| Missouri Edison Co | 7.60 | 7.70 | 7.25 |
| Missouri Power & Light Co | 6.62 | 7.44 | 7.21 |
| Missouri Public Service Co | 5.82 | 6.14 | 6.17 |
| Missouri Utilities Co | 6.23 | 6.80 | 7.36 |
| Monongahela Power Co | 6.96 | 7.18 | 7.31 |
| Montana-Dakota Utilities Co | 5.34 | 5.42 | 6.42 |
| Montana Power Co | 9.78 | 10.12 | 10.24 |
| Montaup Electric Co | 5.79 | 5.64 | 6.85 |
| Nantahala Power & Light Co | 5.72 | 9.20 | 9.88 |
| Narragansett Electric Co | 4.96 | 4.77 | 4.84 |
| Nevada Power Co.[5] | 8.39 | 7.79 | 8.21 |
| New Bedford Gas & Edison Light Co | 7.54 | 8.12 | 7.87 |
| New England Power Co | 4.51 | 5.95 | 6.52 |
| New Hampshire Electric Co | 6.49 | 6.51 | 6.08 |
| New Jersey Power & Light Co | 6.85 | 6.66 | 6.82 |
| New Mexico Electric Service Co | 9.29 | 9.25 | 9.57 |
| New Orleans Public Service, Inc.[2] | 10.88 | 12.27 | 13.04 |
| New York State Electric & Gas Corp | 6.91 | 6.79 | 6.67 |
| Newport Electric Corp | 7.28 | 7.13 | 7.56 |
| Niagara Mohawk Power Corp | 5.66 | 5.85 | 5.82 |
| Northern Indiana Public Service Co | 8.59 | 8.38 | 8.37 |
| Northern States Power Co. (Minnesota) | 7.44 | 8.05 | 8.34 |
| Northern States Power Co. (Wisconsin) | 6.55 | 6.63 | 6.54 |
| Northern Virginia Power Co | 5.36 | 5.51 | 5.35 |
| Northwestern Public Service Co | 8.13 | 7.29 | 8.97 |
| Ohio Edison Co | 7.32 | 6.96 | 7.33 |
| Ohio Power Co | 6.59 | 6.77 | 7.26 |
| Ohio Valley Electric Corp | 4.15 | 4.13 | 4.14 |
| Oklahoma Gas & Electric Co | 6.75 | 7.47 | 8.04 |
| Old Dominion Power Co | 5.19 | 5.70 | 5.26 |
| Orange & Rockland Utilities, Inc | 6.43 | 6.45 | 6.52 |
| Otter Tail Power Co | 5.93 | 6.14 | 6.77 |
| Pacific Gas & Electric Co | 6.21 | 6.47 | 6.43 |
| Pacific Power & Light Co.[9] | 6.19 | 6.45 | 6.39 |
| Patchogue Electric Light Co | 7.51 | 7.95 | 7.42 |
| Pennsylvania Electric Co | 7.13 | 6.71 | 7.06 |
| Pennsylvania Power Co | 7.56 | 8.10 | 8.40 |
| Pennsylvania Power & Light Co | 6.51 | 6.47 | 6.63 |
| Philadelphia Electric Co | 6.27 | 6.44 | 6.55 |
| Plymouth County Electric Co | 6.90 | 7.45 | 7.85 |
| Portland General Electric Co | 7.14 | 7.60 | 7.45 |
| Potomac Edison Co | 7.81 | 7.95 | 7.87 |
| Potomac Electric Power Co | 6.98 | 6.73 | 6.97 |
| Potomac Light & Power Co | 6.28 | 6.19 | 6.01 |
| Public Service Co. of Colorado [10] | 7.83 | 7.48 | 7.68 |
| Public Service Co. of Indiana, Inc | 6.48 | 6.78 | 7.06 |
| Public Service Co. of New Hampshire | 5.68 | 6.41 | 5.98 |
| Public Service Co. of New Mexico | 7.95 | 8.09 | 8.11 |
| Public Service Co. of Oklahoma | 7.17 | 7.44 | 8.00 |
| Public Service Electric & Gas Co | 7.01 | 7.22 | 7.14 |
| Puget Sound Power & Light Co | 6.38 | 6.28 | 5.36 |
| Rochester Gas & Electric Corp | 6.20 | 6.65 | 7.12 |
| Rockland Electric Co | 6.75 | 6.52 | 7.24 |
| Safe Harbor Water Power Co | 5.12 | 5.09 | 5.06 |
| St. Joseph Light & Power Co | 8.05 | 8.06 | 8.23 |
| San Diego Gas & Electric Co | 6.39 | 6.30 | 6.31 |
| Savannah Electric & Power Co | 7.48 | 7.22 | 7.37 |
| Sho-Me Power Corp | 2.60 | 1.73 | .04 |
| Sierra Pacific Power Co | 8.83 | 7.99 | 8.92 |
| South Carolina Electric & Gas Co.[11] | 7.68 | 7.87 | 7.45 |
| South Penn Power Co | 6.62 | 5.69 | 7.10 |
| Southern California Edison Co.[12] | 6.71 | 6.61 | 6.64 |
| Southern Electric Generating Co | 7.67 | 7.97 | 7.94 |
| Southern Indiana Gas & Electric Co | 6.71 | 6.95 | 7.63 |
| Southwestern Electric Power Co | 7.82 | 8.48 | 9.23 |
| Southwestern Electric Service Co | 6.74 | 6.76 | 7.13 |
| Southwestern Public Service Co | 7.24 | 8.01 | 8.35 |
| Superior Water, Light, and Power Co | 7.65 | 7.47 | 8.05 |
| Susquehanna Electric Co | .63 | .69 | 1.48 |
| Tampa Electric Co | 7.64 | 8.33 | 8.92 |
| Tapoco, Inc | 5.64 | 5.88 | 7.63 |
| Texas Electric Service Co | 8.38 | 8.85 | 9.00 |
| Texas Power & Light Co | 8.51 | 9.06 | 9.67 |
| Toledo Edison Co | 6.32 | 6.81 | 6.78 |
| Tucson Gas, Electric Light & Power Co | 7.85 | 8.32 | 7.48 |
| Union Electric Co | 6.61 | 6.60 | 6.47 |
| Union Light, Heat & Power Co | 6.48 | 5.93 | 6.04 |
| United Gas Improvement Co | 5.77 | 5.40 | 5.43 |
| United Illuminating Co.[13] | 7.22 | 7.19 | 7.52 |
| Utah Power & Light Co.[14] | 6.17 | 6.20 | 6.33 |
| Virginia Electric & Power Co | 7.02 | 7.41 | 7.26 |
| Washington Water Power Co | 6.09 | 6.01 | 5.93 |
| West Penn Power Co | 7.33 | 7.57 | 7.23 |
| West Texas Utilities Co | 9.28 | 9.48 | 9.40 |
| Western Colorado Power Co | 4.83 | 4.64 | 4.72 |
| Western Light & Telephone Co., Inc | 7.07 | 7.56 | 8.20 |
| Western Massachusetts Electric Co | 6.78 | 7.52 | 7.14 |
| Western Power & Gas Co.[15] | 7.26 | 7.41 | 8.25 |
| Wheeling Electric Co | 5.89 | 5.65 | 5.40 |
| Wisconsin Electric Power Co | 6.06 | 6.12 | 6.42 |
| Wisconsin Michigan Power Co | 5.94 | 6.15 | 6.08 |
| Wisconsin Power & Light Co.[16] | 7.25 | 7.16 | 7.40 |
| Wisconsin Public Service Corp.[16] | 7.42 | 7.93 | 8.16 |
| Yankee Atomic Electric Co.[17] | 3.40 | 6.39 | 6.99 |

[1] Company acquired all properties of Arkansas Utilities Co. as of June 29, 1961, and of Elaine Utilities Co., as of Nov. 26, 1962.

[2] The company reports depreciation for combined utilities. Rate of return for electric utility based on allocation of depreciation to electric plant on the basis of gross averaged electric plant to gross averaged total plant.

[3] Company acquired Illinois Electric & Gas Co. as of Dec. 1, 1962, through merger.

[4] Return reflects acquisition of certain electric transmission and distribution facilities from Ohio-Midland Light & Power Co. as of Apr. 27, 1962.

[5] Company acquired the Housatonic Public Service Co. as of May 1, 1961, and the Mystic Power Co. as of Apr. 30, 1963.

[6] Company acquired Mooresville Public Service Co., Inc., as of May 31, 1961, through merger.

[7] Formerly Worcester County Electric Co. which as of Jan. 1, 1961, acquired through merger, Attleboro Electric Co., Northampton Electric Lighting Co., Northern Berkshire Electric Co., Quincy Electric Co., Southern Berkshire Power & Electric Co., and Weymouth Light & Power Co. Subsequently, on Jan. 19, 1961, Worcester County Electric Co. changed its name to Massachusetts Electric Co. Acquired Lynn Electric Co., Merrimack-Essex Electric Co., and Suburban Electric Co., as of Sept. 1, 1962, through merger.

[8] Formerly Southern Nevada Power Co. which as of Feb. 14, 1961, acquired Elko Lamoille Power Co. Subsequently, on May 26, 1961, Southern Nevada Power changed its name to Nevada Power Co.

[9] Company acquired The California Oregon Power Co. through merger and electric and water properties of Southern Wyoming Utilities Co. as of June 21, 1961, and Mar. 11, 1961, respectively.

[10] Company acquired Colorado Central Power Co. as of Dec. 29, 1961, through merger. Return reflects full year operation of the acquired company.

[11] Company acquired its subsidiary, South Carolina Generating Co. through merger Oct. 31, 1963.

[12] Company acquired California Electric Power Co. Dec. 31, 1963, through merger. Return excludes data of acquired company.

[13] As of May 1, 1961, company acquired from The Housatonic Public Service Co. the electric business, associated properties and assets in the towns of Ansonia, Derby, and Shelton, Conn.

[14] Company acquired its subsidiary Telluride Power Co. Mar. 15, 1963.

[15] Formerly Central Electric & Gas Co. which on May 1, 1961, acquired through merger Southern Colorado Power Co. and the name of surviving company changed to Western Power & Gas Co.

[16] The company charges to depreciation expense an amount equivalent to the estimated reduction in Federal income taxes under sec. 167 of the 1954 Internal Revenue Code. The amount reported was for combined utilities.

[17] Company commenced commercial operations July 1, 1961.

APPENDIX A

The rate of return earned by each of the companies was computed on an average year rate base. The following information was used in determining the rate base and net income for this study.

*Net plant*

(1) Electric plant in service is an average of beginning and end of year balances of plant accounts.

(2) Reserve for depreciation is an average of beginning and end of year balances.

(3) Construction work in progress and plant held for future use are not included in net plant.

(4) Contributions in aid of construction is an average of beginning and end of year balances.

(5) Accumulated deferred income taxes (liberalized depreciation) is an average of beginning and end of year balances.

(6) Common plant and reserve for depreciation of common plant are averaged and a net common plant determined. If the company specified allocation percentages, the common plant is allocated to the electric plant of this basis. If not, common plant is allocated to electric plant in the ratio of average electric plant to average total plant less average common plant.

(7) Net plant equals (1) − (2) − (4) − (5) + (6).

*Working capital*

(8) Materials and supplies is an average of beginning and end of year balances. If the company has several utility departments, a share of the materials and supplies account is allocated to electric business in the ratio that average plant plus allocated average common plant bears to average total plant.

(9) Prepayments is an average of beginning and end of year balances. If the company has several utility departments, the prepayments account is allocated in the same manner as materials and supplies.

(10) Cash working capital is one-eighth of electric operation and maintenance expenses minus purchased power.

(11) Fifty percent of Federal income taxes charged is used as an offset to working capital.

(12) Working capital equals (8) + (9) + (10) − (11).

*Rate base*

(13) Rate base equals (7) + (12).

*Net income*

(14) Net operating revenue, as reported in section II of this publication, is used in computing the realized rate of return on rate base.

(15) Provision for deferred income taxes (liberalized depreciation) is added to net operating revenue. In the study, above the line "normalized" income tax accounting is used for accelerated amortization, while "flowthrough" income tax accounting is used for liberalized depreciation. For the years 1962 and 1963, above the line "normalized" income tax accounting is used for investment tax credit.

(16) Net income equals (14) + (15). Rate of return equals (16) ÷ (13).

## CATHOLIC HOSPITALS IN ILLINOIS URGE REINSTATEMENT OF SERVICES OF MEDICAL SPECIALISTS AS REIMBURSABLE COSTS UNDER AGED HEALTH CARE BASIC PLAN

Mr. DOUGLAS. Mr. President, on March 29 I urged that the Senate restore to the House bill for the health care of the elderly the hospital services of medical specialists.

I have received a telegram from an administrator speaking for the Catholic hospitals in Illinois strongly urging the inclusion of the in-hospital services of medical specialists as reimbursable costs under the basic plan.

I ask unanimous consent that the text of this telegram be printed in the RECORD.

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

CHICAGO, ILL.,
*April 3, 1965.*

Senator PAUL H. DOUGLAS,
*Senate Office Building,*
*Washington, D.C.:*

Speaking for the Catholic hospitals in Illinois, I strongly urge your support for the inclusion of in-hospital services of medical specialists as reimbursable hospital costs in H.R. 6675. These essential hospital services are performed on almost every patient and are substantial elements in Illinois cost reimbursement formulas including Blue Cross. In the interest of patient's welfare as well as hospital solvency we urge that the services be retained.

Sister M. EDELBURG, CSFN,
*Administrator, St. Mary T.F. Nazareth Hospital.*

## ADDITIONAL CRITICISMS OF THE PROPOSED VOTING LEGISLATION

Mr. ERVIN. Mr. President, on March 23, 1965, during the first day of hearings on the current voting legislation—S. 1564—I emphasized to the Attorney General that I, as all fairminded citizens, deplore any man's seeking to deprive another of any right whatsoever. More particularly, a public official of any State who would deny a man his right to vote is guilty of the betrayal of his public trust. He commits a wrong, not only against an individual, but also a grievous wrong against constitutional government in America. His violations make our task of living under and preserving our constitutional form of government much harder than it would otherwise be.

I have repeatedly stated that I would be in favor of any bill which is constitutional and which operates on a fair and rational basis to put an end to violations of the 15th amendment. But I do not think S. 1564 fulfills these requirements.

In my remarks of April 6, I pointed out the constitutional defects of section 3 of S. 1564. Today I would like to direct the Senate's attention to the constitutional problems of section 4 of this legislation.

Section 4(a) provides that if 20 or more residents of a State or political subdivision allege that "they have been denied the right to vote under color of law by reason of race or color, and that the Attorney General believes such complaints to be meritorious, or that in his judgment the appointment of examiners is otherwise necessary to enforce the guarantees of the 15th amendment, the Civil Service Commission shall appoint as many examiners in such subdivision as it may deem appropriate to prepare and maintain lists of persons eligible to vote in Federal, State, and local elections."

It is undisputed that this section gives the Attorney General complete discretion over whether voting examiners should be appointed in the areas covered by the bill. The Attorney General is not even required to offer reasonable grounds for his action or for his belief that the right to vote has been denied by reason of race or color and that the appointment of examiners is necessary.

Mr. President, it is an unconstitutional delegation of authority to the Attorney General to let the constitutional right of the States to regulate elections and to set reasonable and nondiscriminatory voter qualifications depend merely upon his belief that the appointment of examiners by the Federal Government would facilitate enforcement of the 15th amendment. In fact, the Attorney General does not even have to act on the basis of complaints from anyone, but he can cause the appointment of examiners solely upon his judgment that they are necessary to enforce the guarantees of the 15th amendment.

The power accorded the Attorney General under this provision is not subject to review by the courts. Judicial review is only available on the issue of whether there has been a discrimination in voting procedures within the political subdivision during the past 10 years. There is no judicial review, however, of the propriety of the Attorney General's initial determination to appoint voting examiners.

Even the issue of whether there has been discrimination during the past 10 years must be tried before a three-judge court in the District Court for the District of Columbia, and not in the community where the discrimination supposedly occurred and where witnesses are available.

Because such a judicial proceeding could well entail the utilization of many witnesses, this requirement authorizes the imposition of a severe financial burden upon those asked to appear in court.

The provision compelling this issue to be tried outside of the locality where the event allegedly occurred offends the spirit of the constitutional provision that a criminal trial must be held in the locality where the crime was committed.

Although under this bill persons who violate the rights of others to vote cannot be punished by the three-judge court of the District of Columbia, an adverse determination by such a court can, in effect, penalize an entire State or political subdivision of a State when it holds that it is unworthy of being entrusted with the same powers to administer laws that all other States of the Union have. As a result, the State is deprived of its constitutional powers for 10 years even though its election laws may have been administered fairly during the past 9 years. Voting examiners can be appointed for an act which occurred as much as 10 years ago. By punishing a State for acts that occurred in the past, the bill violates the Constitution's mandate against ex post facto laws. And for the next 10 years there is no method for repentance.

Section 2 of article I of the Constitution, the 10th amendment and the 17th amendment reserve to the States the right to prescribe qualifications for voters in Federal elections. The proponents of this legislation, however, argue that Congress can legislate under the 15th amendment to abolish the power of States to prescribe voting qualifications reserved to the States under these three other sections of the Constitution.

It is my view that Congress does not have the power to make an adjudication that the 15th amendment of the Constitution has been violated and then provide a remedy which is inconsistent with the provisions of section 2 of article I, and the 10th and 17th amendments of the Constitution.

Mr. President, in conclusion, I want to stress that the Congress must remember its duty to legislate for all times, not merely troubled times, and that constitutional government cannot be maintained through expediency.

## VETERANS' AFFAIRS SUBCOMMITTEE REPORTS GI BILL TO FULL COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. YARBOROUGH. Mr. President, today the Subcommittee on Veterans' Affairs unanimously reported the cold war GI bill—S. 9—to the full Committee on Labor and Public Welfare.

In the 6 years that I have been supporting this needed legislation, this is the earliest date that the bill has been reported from the subcommittee, being a month earlier than hearings have ever been concluded in the past.

It is my most earnest request that my colleagues will take note of the expeditious action which has been given this bill so that it might be given the same consideration when it reaches the Senate Calendar this year. The public support for this act of justice has reached unprecedented heights, which speaks for the urgent necessity of its consideration by Congress, and I hope that it will be given the attention that it deserves.

Last year, the cold war GI bill was allowed to languish for 13 months on the Senate Calendar and was never debated on the Senate floor. I hope that this act of injustice will not be repeated during the 89th Congress, as the need for educational assistance by the cold war veteran continues to grow, and in the near future we will be called to account for this wasted potential. I hope that we will not be too late at that time, but will have given these veterans the chance in life that they so richly deserve.

## SERVING PUBLIC EDUCATION

Mr. BREWSTER. Mr. President, today as the Senate begins to debate one of the most important education bills ever to come before this body, I wish to call my colleagues' attention to the timely remarks of the senior Senator from West Virginia [Mr. RANDOLPH].

Several days ago, he addressed the annual banquet of the National Association of State Boards of Education, held at the Emerson Hotel in Baltimore City.

The distinguished Senator's address concerned the purposes of education and the problems we face today.

I think that all of my colleagues who are concerned about the problems of education, as I am, will find the distinguished Senator's remarks extremely interesting.

Mr. President, I ask unanimous consent to have my colleague's remarks printed in the RECORD.

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

SERVING PUBLIC EDUCATION

(Address by Senator JENNINGS RANDOLPH, Democrat, of West Virginia, National Association of State Boards of Education, Baltimore, Md., April 1, 1965)

Public education is in the news. If there is anything our national leaders, scholars, educators, and citizens generally agree on it is that education is vital to the Nation. It has become the key to economic and military strength, the hope for coping with the turbulence and uncertainties of our age and the means for fulfillment in individual lives. Education—quality education—is no longer a luxury but a necessity.

What then are the purposes of education today that it has become so essential to our society?

Through the years of growth of our system of study in this country, public education has developed an expanded role in addition to serving the traditional purposes of preserving, exploring and dispersing knowledge.

First, public education has become fundamental to the American ideal of equality of opportunity for fullest development of individual abilities. An important means through which the American commitment to equality of opportunity is realized is through education which must be made available to all who can benefit from it.

Second, public education is expected to produce citizens equipped to live and work in a rapidly changing society. The labor market has been revolutionized by automation. Education, therefore, must prepare people for employment requiring new skills and a greater degree of training.

Third, public education must serve the public interest. Schoolteachers are not set apart in ivory towers but instead are charged with the task of applying their learning and resources to solving community and national problems.

The tremendous responsibility of public education carries with it enormous problems. Because American education can be no better than the people determine it to be, these are problems to be shared by all of us—requiring utilization of every source of support.

What are these problems we face?

Rapid increase in population; growth in demand for skills; overcrowded facilities at all educational levels; securing sufficient numbers of competent teacher personnel; bearing the financial burdens inherent in educational expansion. These are some of the serious challenges of today.

And, while many of the problems of education are quantitative, quality factors represent equally pressing problems. Public education must prepare individuals for a rapidly changing, complex, and diverse society. Mass production will not accomplish our needs. Our schools must not become giant learning machines with factory-like atmospheres. Institutions must respect the individual in order to encourage the development of humane and enlightened men and women. Mediocrity is an ever-present danger. Education should affect the character and quality of living. To do this it must itself represent excellence in all its teachings.

To provide top caliber education for an exploding population and to serve the needs and interests of the community, the State and the Nation, is the immense task in years ahead. The U.S. Government has a proper and important function in achieving that goal.

Let us reason together on what current Federal assistance to education entails, and what proposed legislation, if enacted, would mean.

The main points I stress for you, about our Federal efforts in educational aid to our schools and the children who attend them, are as follows:

First, our Federal Government—and I emphasize this point—is the junior partner in the great education enterprise of America. It is a junior partner whose objective is to supplement, not supplant, local and State school efforts. There is a working partnership for progress.

We are, under the various provisions of the National Defense Education Act of 1958, now providing on a grant basis to public schools, and on a low-interest-rate-loan basis to private schools, approximately $100 million a year for supervisory services and the purchase of equipment and materials suitable for use in providing education in our elementary and secondary schools in the fields of mathematics, science, history, civics, geography, modern foreign languages, English, and reading. It was my privilege to be among the Senate cosponsors of the legislation which expanded this program so greatly from only the mathematics, science, and modern foreign language areas of the prior act.

In the last Congress we also in the Morse-Perkins Act of 1963, Public Law 88–210, increased and broadened significantly the vocational education assistance provided by the Federal Government. I was a cosponsor of that measure.

The Impacted Area Assistance Acts, Public Laws 815 and 874 of 1950, have brought to local school districts across this land more than $3.2 billion for school construction, operation, and maintenance. The districts receiving this money educate over 30 percent of all public school children.

Second, the new categorical aid proposals contained in S. 370, the administration's elementary and secondary education bill, which I cosponsor, are really just an extension of an already accepted principle contained in the impacted aid statutes, Public Laws 815 and 874. It is an expansion of a program which has been operating successfully, without Federal controls, since 1950. Public Law 874 was then enacted as public school impacted aid. It has brought in nonmatching the 100-percent Federal grant money for schools operating and maintenance burdens imposed on school districts which have become "impacted" with the children of federally employed parents. Congressional action obligated the Federal Government to pick up a part of the costs attributable to the increase in enrollment by the children whose parents live and work on Federal property.

Earlier, during World War II, under the Lanham Act, the same sense of Federal obligation to meet, in part at least, the burden on the tax base of the community, brought construction money and teacher salary money into the schools which educated the children of defense workers.

Public Law 874 payments, you know, are for the operating and maintenance of the school system. They include salaries, janitorial supplies, and heating and lighting. In none of the hearings which we have held has there been evidence of Federal control of education because of these payments. Allegations so made have not been disclosed on examination.

Third, the aid proposed in S. 370 is not a general Federal bill. Rather, it is pinpointed money in the form of a nonmatching grant to provide particular services to children who need them the most, and

Fourth, the type of assistance now being considered is productive seed money designed to bring forth from the muck of poverty the hidden harvest of childrens' talents for the future Great Society which our President envisioned in his inaugural address.

What is now proposed is basically the recognition of a new category of children as the legitimate concern of the Federal Government. These are children from very low income families where the financial resources available to the family to feed, clothe, and house its members are below $2,000 a year. These families pay very little, if any, property taxes to support the local schools.

Since the Social Security Act of 1938, the Federal Government has been meeting through grants to the States, a good part of the rent such a family pays, and has either in money or in surplus food programs, put before them a good part of the food that is on their tables.

S. 370, the elementary and secondary school bill, simply recognizes that the Federal Government should also meet a part of the school cost of these children.

The best way it can do this is to give the school districts the money to establish particular programs which will give these youngsters a better opportunity, through education, to break from the bonds of poverty and to advance into income and work levels commensurate with the talents and abilities with which they are endowed.

President Johnson in his inaugural address spoke with moving compassion of the deep springs of idealism which sustain our Nation. He talked of liberty, justice, and union. In his education bills he has clothed these abiding principles with programs designed to bring into a fuller realization the constitutional authority of the Federal Government to promote the general welfare.

He has committed our national treasure to this task in the amount, for the year beginning next June 30, of $1.5 billion. No money could be better spent to advance the common good and the general welfare. It is perhaps too little. I believe that in future years additional savings from our defense and foreign aid budgets can be added to this first important commitment in our contest against conditions which create and perpetuate poverty.

The elementary and secondary school education bill, which I hope will be enacted into law by May 1, will help to improve the education of thousands of youngsters. The improvements in our schools which it will make possible should be of lasting benefit ultimately to every student.

The work-study program in S. 600, the administration higher education bill which was introduced this session, will not only help talented but needy college students gain an education for themselves; it will also permit our municipal and county governments to do many tasks they cannot now afford to have done.

Under S. 600, the higher education administration student assistance bill, $1.2 million will be made available for young men and women who need this type of work scholarship to initiate or continue their courses of study in higher education. I cosponsor this measure.

Funds would be provided to initiate and to extend and improve services in continuing education activities. This type of use of our resources helps to build the economy of all of our towns and cities of each of our States in a far greater degree than do many defense programs which are essentially sterile in terms of civilian utility.

Scholarships are included for the very needy but talented young people. To sense the value of this type of human resource development, you have only to look ahead.

You can measure it by the crude yardstick of the future tax payments which such a student will return to the Federal and State treasuries because of the enhanced lifetime earnings that college education will permit him to possess.

The GI bill of rights, which I supported, has been of incalculable value to our country already. It has repaid in taxes, and in work-skills, the capital investment we advanced. The dividends from it are flowing in and will continue to do so for decades to come. The loan insurance provisions, the scholarship provisions, and the work-study provisions of S. 600 will, when enacted, confer on our States and our Nation similar benefits.

We have been talking primarily in material terms, because of my belief that you as board of education members, as housewives, businessmen, and citizens are interested in the balance sheet, so to speak, of education legislation. But there is another and more important dimension which we, who are devoted to the ideal of service to community, State and Nation, should consider.

Yours is certainly a group which is conscious of the duty we owe to the boys and girls who are undergoing training and receiving an education in our schools. We must see to it that our children are provided the very best our country can afford. You know that the free citizen is the mainstay of our political, social and economic strength. You well understand that a person is free only to the extent that he has the capacity, the opportunity, and the incentive to give expression to what is in him and to develop his potentialities. Freedom is the condition of being able to choose and to carry out worthwhile purposes. Education is the way in which we enable the child, the youth and the mature man to exercise his freedom.

Since you know this and since, by your leadership, you have demonstrated your commitment to this ideal, I am confident that after having considered the matter with care and prudence you will support our President and the Congress in this, to my mind, most important part of our program. I hope you will let other public officials know how you feel about the education program for in so doing, you become political educators whose words carry understandable weight.

Let me close with this thought. The population of our country is expanding rapidly—but not as rapidly as that of Communist Russia or of Red China.

Physically, we cannot keep ahead in sheer manpower. We had better see to it that we keep ahead in brainpower. Our greatest national resource is not coal, or steel, or waterpower. It is the potential brainpower of our youngsters who are ready for kindergarten this fall. That resource needs capital investment if it is to be developed properly. The education bills, when enacted and operating, will pay dividends to our country and our economy of greater magnitude than any other type of investment we can make.

## PARTNERS OF THE ALLIANCE PROGRAM—OREGON'S ACHIEVEMENT

Mr. MORSE. Mr. President, before I move to take up the education bill, I wish to make a statement on the subject of "Partners of the Alliance Program—Oregon's Achievement."

Mr. President, Oregon has just demonstrated, through a unique program, a workable and simple format for a statewide activity geared to stimulate even closer bonds of friendship and cooperation among peoples of this hemisphere. Specifically, a successful pilot project now holds the promise of a full and highly desirable relationship involving all the people of Oregon with the people of Costa Rica, united in a common Partners of the Alliance program.

This relatively new private sector effort under the Alliance for Progress now embraces 25 of our States and a like number of areas in Latin America. Oregon was one of the leaders in the concept of peoples working in partnership. This program is aimed at helping groups in Latin America that have demonstrated self-help and an eagerness to improve their lot through community projects which are directly tied to the efforts of private citizens. The Partners of the Alliance program was mentioned by the President in his foreign aid message of January 14, 1965, as one of the accomplishments of the Alliance for Progress.

I call these matters to the attention of the Senate because of the successful completion of the Oregon-Costa Rica teacher project. Mr. Edward E. Cooper, superintendent of the Crow-Applegate School District No. 66, Lane County, Oreg., in cooperation with the Partners of the Alliance office in Washington, D.C., was the developer of this important project.

Some months ago, I contacted the Agency for International Development on behalf of Mr. Cooper and suggested the value of his proposal in our efforts to improve relations among the peoples of the Americas. AID, through the new partners program, made the arrangements for Mr. Cooper to present his plan to Costa Rican educational officials. Upon his return from Costa Rica, he described the mechanism for bringing teachers to Lane County and its interesting possibilities as a prototype for use in other districts and even other States. Mr. President, I ask unanimous consent that the report by Mr. Cooper, prepared in May 1964, be printed at this point in my remarks. It contains a valuable statement of purpose together with pertinent background material.

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

ALLIANCE FOR PROGRESS, MUTUAL EDUCATIONAL ASSISTANCE PROJECT, OREGON-COSTA RICA

(Report of Edward E. Cooper, superintendent, Crow-Applegate School District, Route 5, Box 912, Eugene, Oreg.)

PURPOSE

This is a mutual assistance program based on the belief that Latin and North American people can profit by a joint effort to improve our human resources.

The emphasis is upon the development of innate abilities that must be possessed by a large number of people before there can be affluent, cooperative societies. It recognizes the fact that this development must begin at an early age.

There is an old North American custom of "exchanging work." It has been the means to plowed fields, new barns, replacement of homes and, above all, that to have and be a good neighbor is priceless.

A fundamental part of this practice is the desire and opportunity to contribute. The most acceptable contributions are time, talent, energy and sincerity.

We want to extend this custom to include our Latin American neighbors. We want them to assist in our educational programs and we hope we may contribute to theirs. We want to "exchange work" and, thereby, promote a common cause of better human resources.

It is in this context that this program has been proposed.

With considerable help from people in Costa Rica we arranged a visit to School District 66 by Carlos Bastos, director of Liceo San Carlos, Costa Rica.

Don Carlos performed services previously mentioned and also taught an evening adult Spanish language class.

Room and board were provided, on a voluntary basis, by a local family. He was paid $200 per month by the school district for his work. From this amount he paid his transportation.

The predominant belief in School District 66 is that the advantages to our local program of education greatly outweigh the small cost.

I was at the home of Don Carlos Bastos in Ciudad Quesada, Costa Rica, last week. He will soon move into a new school building and have an opportunity to try some new ideas.

In December of 1963 I was informed by Senator MORSE and Jim Boren of the Alliance that mission directors in Costa Rica and El Salvador had invited me there to discuss this project.

Also, in December, the Alliance for Progress formed a department designed to promote partnership programs with Latin American countries. This project and the basic proposal was then sponsored by that department.

I have just returned from Costa Rica where I presented the proposal to ministry of education officials and Alliance for Progress officials. It was enthusiastically accepted.

Fifteen educators from Costa Rica have been selected. With the assistance of our Oregon State Department of Education and Mr. Parnell, of Lane County, we will find 15 interested districts to participate in the project.

The Alliance for Progress will pay one-way transportation. The Costa Rican educators will pay return costs from the amount they receive.

The services the Costa Rican educators perform for local districts will compensate for the approximately $600 expenditure per educator. In effect this is a self-supporting program.

The 3 months that Costa Rican teachers spend in Oregon schools will be during their vacation period. Since their vacation comes during December, January, and February when our schools are in session there is no loss of teacher time in Costa Rica.

Mr. MORSE. Also, Mr. President, Dr. Joseph V. Alessandro, former chief education adviser at the AID mission to Costa Rica, wrote a memorandum to Mr. Wyman R. Stone, mission director, and dated April 27, 1964, in regard to Mr. Cooper's visit. I also ask unanimous consent that it be printed at this point in my remarks.

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

AGENCY FOR INTERNATIONAL DEVELOPMENT, U.S. AID MISSION TO COSTA RICA,

*April 27, 1964.*

To: Mr. Wyman R. Stone, director.

From: Dr. Joseph V. Alessandro, chief education adviser.

Subject: Mr. Cooper's visit to Costa Rica.

Mr. Eugene E. Cooper, superintendent of the Lane County School District 66, Oregon, arrived in Costa Rica on April 17, 1964. In the afternoon of this same day he had a brief session with Mr. Wyman R. Stone, mission director, and the Ambassador Raymond Telles. The following morning was

spent at the Heredia Normal School where he spent his time visiting classes and talking to students and members of the faculty. Dr. Keister arranged a visit for Mr. Cooper at the Desamparados Vocational School for the morning of April 20. He visited the various shops and had a lengthy talk with Padre Alfaro. He was extremely impressed with the school and the program. On Monday afternoon Mr. Cooper presented his plan to the department heads and chief educational planners of the Ministry of Education. The plan was unanimously accepted and 15 candidates with 5 alternates were selected for interview by Mr. Cooper. He spent the rest of the week meeting with these people, discussing the program and having them complete the necessary forms to be presented to the training office and his board of education. Mr. Cooper left early Saturday morning to spend several days with Mr. Carlos Bastos, the director of the Liceo in Ciudad Quesada, who spent 3 months in Oregon the past year. Mr. Cooper will return to San Jose on Wednesday and after a final session with Mr. Wyman R. Stone will depart for the United States. Mr. Cooper's plan presented to the Ministry of Education is as follows:

1. Costa Rican educators will work one-half time for school districts in Oregon and spend one-half time in self-improvement.

(a) The one-half day for the district may be as a resource person in Spanish language, social science and other classes.

(b) The visiting teachers will teach evening, adult, Spanish conversation classes.

(c) The visiting teachers may provide in-service language training for North American teachers.

(d) The teachers will arrive with one or two major objectives. The first group will want to observe educational administrative procedures.

2. The USAID/CR will:

(a) Have each teacher come prepared with colored slides, editorials, and news articles. These will form the background of social science resource activities. (The teachers may prepare similar material in Oregon for use upon return to Costa Rica.)

(b) Provide the teachers with an intense refresher English conversational course prior to departure from Costa Rica. (All teachers will have adequate English conversational ability.)

(c) Provide background material on the organization of education in the United States to the group selected in the form of lectures, discussions, etc. This could be done through the USAID education office.

3. Costs of the program:

(a) AID mission will pay one-way air transportation to Oregon.

(b) School districts will pay teachers $200 per month for services as resource persons.

(c) Teachers will pay their own return transportation fare.

(d) Families on voluntary basis will provide board and room.

(e) Families in the community will loan these teachers winter clothing during the time spent in the school district.

(f) School district, on an individual basis, will provide scenic tours and opportunities for recreation.

4. Duration of program: These educators will come to Oregon during their vacation period December, January, and February.

5. Fifteen educators from Costa Rica have been selected by the Ministry of Education and have been interviewed by Edward E. Cooper, school district 66, Lane County, superintendent.

Mr. MORSE. Subsequently, Mr. President, another group of Costa Rican educators were selected for the first year of the educational program because of a minimum English language capability. Mr. Cooper's letter of December 1964, addressed to the new chief education adviser in Costa Rica, noted the participating teachers selected by the Oregon Alliance Committee. I ask that Mr. Cooper's letter be inserted at this point.

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

NOVEMBER 30, 1964.

Dr. J. B. MUNSON,
*Chief Education Adviser, USAID*
*American Embassy, San Jose, Costa Rica.*

DEAR DR. MUNSON: Our alliance committee has selected the following Costa Rican educators to participate in the Oregon-Costa Rica educational program the first year: Boanergas Leon, Maria Quiros, Eduardo Chavez, Oton Baltodano, Antonio Bollanos, Francisco Rodriguez, Edwin Jiminez, Jorge Cruz, Abdon Quiros, and Edwin Leon.

It is the opinion of the committee that it would be unfair to participants to select any who do not score 40 or above on the verbal section of the English language ability test given in Costa Rica. The conduct of the necessities of daily living, for both participants and host families, would be difficult. Also a lesser measure of English language ability would severely limit the participants ability to profit from and make contributions to the program.

The following points are included as a matter of record:

1. Costa Rican educators will come to Oregon from Saturday, January 2, 1965 to February 18, 1965. Participants will leave Costa Rica Friday, January 1, 1965 to Oregon (tentative).

2. Representatives of each host family and local alliance committee will meet visitors at Eugene, Oreg., airport upon arrival. Introductions and brief orientation will be given. Costa Ricans will be transported to North American homes.

3. Oregon school districts will pay a total of $260 as follows: (a) $110 to each Costa Rican—$55 at end of first week and $55 at end of fifth week; (b) $150 will be sent to alliance in San Jose for each Costa Rican's contribution to transporation; (c) alliance will arrange for round trip ticket and send a statement to Edward E. Cooper, Route 5, Box 912, Eugene, Oreg., made out as follows in two copies for each participant: "Please remit to U.S. AID Mission, San Jose, Costa Rica, $150, withheld from pay of _____ Costa Rican educator."

4. Any deviations from scheduled travel, program, and time must be cleared by participants with proper authorities in Costa Rica and Oregon Alliance Committee before departure from San Jose.

It has been and will be a pleasure working with you, Dr. Munson. Your experience and knowledge are my most valuable assets—for which I am grateful.

Sincerely yours,

EDWARD E. COOPER,
*Superintendent.*

Mr. MORSE. Mr. President, the Oregon experiment brought heartening results. One of the most comprehensive evaluations of the work of the Costa Ricans in the Oregon school districts was written by Mr. Berton M. Bailey, consultant on foreign languages, State Department of Education, State of Oregon, in Salem. His letter to Mr. Cooper setting forth his findings are an important part of the record made by this teacher project and I ask unanimous consent that it be printed at this point in my remarks.

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

STATE OF OREGON,
STATE DEPARTMENT OF EDUCATION,
*Salem, Oreg., February 10, 1965.*

Mr. EDWARD E. COOPER,
*Superintendent, Crow Applegate School District No. 66, Eugene, Oreg.*

DEAR MR. COOPER: Over a period of approximately 3 weeks I have been able to visit most of the Lane County school districts which are involved in the Alliance for Progress program. I have interviewed the Costa Rican educators whenever possible, as well as spending time with administrators and teachers involved in the program.

My overall evaluation is that the program, as evidenced in Lane County, has been a great success. I make this judgment on two aspects of the program, one, the impact of the visitation upon the visiting Costa Rican educator, and two, the impact upon the school district and community.

The visiting educators appear to be most dedicated to making their stay a profitable experience. They undoubtedly have gained many insights of the educational systems of the various school districts, and thus a broad knowledge of the educational process in Oregon and the Nation. I believe they have found ideas that can be incorporated into their own educational systems, perhaps in some cases after modification to meet their own local needs and interests.

From the standpoint of value to participating districts, the educators have served as resource personnel in many different areas, but particularly in Spanish classes, sixth grade social studies (Latin America unit), and in high school social studies. Due to our more limited contact with Central American countries, as apart from Mexico, the visiting educators have made a significant contribution toward a greater understanding of the people of Latin America.

The Lane County Alliance for Progress program is one of the best that I have observed. The advance planning and arrangements were of high order; the home stays were very good. In all cases, the visitors were made to feel welcome in the school and community. With these factors in mind, it is my hope that the program may be continued again next year.

The following recommendations are presented for your consideration:

1. One or more Oregon educators should return with the group to serve as visiting consultants in Costa Rica. This followup would provide a double impact while costing only slightly more than the present program. (It would be highly desirable to have the Oregon educators speak Spanish in the same manner that the Costa Rican educators were asked to speak English.)

2. At least 2 additional weeks should be added to the educators' stay in Oregon. It takes several weeks to adjust to new living conditions and language, thus the latter weeks are when the educators actually begin to penetrate the language-culture barriers.

3. Preference should be given to applicants who have a high proficiency in speaking and understanding English. It would even be desirable to conduct a 2- or 3-week intensive session on spoken English to improve language competency prior to their departure.

4. An extensive orientation session should be conducted in Costa Rica, involving American educators and Costa Ricans who have participated in previous Alliance programs.

Again, it is my sincere hope that we can look forward to a continuation of the Lane County Alliance for Progress program, and perhaps an expansion into other Oregon

school districts. I am confident that this is one of the best ways to achieve the overall goals of the Alliance for Progress in Latin America.

Sincerely yours,

BERTON M. BAILEY,
*Consultant on Foreign Languages.*

Mr. MORSE. Mr. President, an important chapter in Oregon educational history has been written. Even more importantly, a way has been shown for an expansion of this program into other districts in the State as well as the bright prospect for a statewide partners program encompassing not only education but many other avenues of contact between the private sector in Oregon and its counterpart in Costa Rica. Oregon has been the recipient of most of the benefit in this initial partnership effort. I know that Oregonians would welcome the opportunity to directly participate through their groups and organizations in activities where the watchword is self-help, where there is concrete evidence that our Costa Rican friends extend their hand not for gifts but for friendship and as partners. Toward this end, I commend Mr. Cooper for the pioneering spirit and resourcefulness he has exhibited. I also commend the partners of the alliance program as one that holds much promise as a vehicle toward the development of meaningful and workable programs among the people of the hemisphere.

## ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

Mr. MORSE. Mr. President, I now move that the Senate resume the consideration of H.R. 2362, the elementary-secondary school bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 2362) to strengthen and improve educational quality and educational opportunities in the Nation's elementary and secondary schools.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to; and the Senate resumed the consideration of the bill.

### AUTHORIZATION FOR STAFF MEMBERS OF COMMITTEE ON LABOR AND PUBLIC WELFARE TO HAVE PRIVILEGE OF THE FLOOR

Mr. MORSE. Mr. President, I ask unanimous consent that during the course of debate on H.R. 2362 professional staff members of the Senate Committee on Labor and Public Welfare, on both the majority and the minority sides, have the privilege of the floor to assist Senators in the conduct of the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ELLENDER. Is this the $1,300 million education bill?

Mr. MORSE. This is the $1,344 million education bill. This bill, may I say to my friend from Louisiana, is good news for the deprived school children of America.

Mr. ELLENDER. I notice present only one or two Senators to listen to my friend explain this $1,300 million bill. I just came from committee, myself, by chance.

Mr. MORSE. May I say to the Senator from Louisiana that I am speaking for the RECORD, so we can make the record. I am sure my colleagues realize what a great contribution this bill is going to be to better education in this country. They are readers, and I am sure they will read the comments of the Senator from Oregon, although I believe, because of the many discussions we have had, they are familiar with the point of view of the Senator on the education bill.

Mr. ELLENDER. Does the Senator believe they will read those comments before they vote, or perhaps wait until next month sometime?

Mr. MORSE. I am sure they will read those comments before they vote. They are great students.

Mr. ELLENDER. As the Senator knows, in 1949 the late Senator Taft and I joined with others in drafting the first elementary and secondary school aid bill ever passed by the Senate.

Mr. MORSE. The Senator will recall I stood shoulder to shoulder with him.

Mr. ELLENDER. That is right.

Mr. MORSE. I was a cosponsor of the bill.

Mr. ELLENDER. That is correct.

Mr. MORSE. What we are trying to do is carry on with this bill in the tradition of the late Senator from Ohio and the Senator from Louisiana.

Mr. ELLENDER. I know that every effort is made to do that, but later on it is my hope to ask a few questions about the application of the formula that is incorporated in the bill. As I understand, some of the richest counties in the United States will get much more money than some of the poorer counties, let us say, in New Mexico, and States of the Southwest, as well as States of the South and Southeast. I was in hopes that the committee might be able to remedy the situation so as to base the bill more on need, so that more needy areas would receive these funds.

Mr. MORSE. The Senator from Oregon will discuss the matter at some length during the course of the debate. The Senator from Louisiana, being the great teacher of the Senator from Oregon that he has been in regard to handling bills on the floor of the Senate, knows that what I seek to do at this stage of the debate is first to present an explanation of the bill to the Senate. Following the explanation, I propose to take up questions and discuss various segments of the bill. I understand certain amendments may then be offered which will raise the very point upon which the Senator from Louisiana is commenting. I propose to discuss that subject matter at that time, if it meets with the pleasure of the Senate.

Mr. President, in opening debate on H.R. 2362, the bill to strengthen and improve educational quality and educational opportunities in the Nation's elementary and secondary schools, I do so with great pleasure.

Although this measure is not the prototype of the general Federal aid to education statute which I hope to see enacted within the next few years, it nevertheless does bring to bear a special category of assistance to those children and the schools which serve them which need it the most. The kinds and types of educational assistance which this measure will provide for the coming year, in my judgment, will prove to be the essential yeast which can leaven our entire educational establishment.

Today, I propose to set forth the major provisions of the bill. In order to preserve the continuity of the presentation, I ask that Senators withhold their questions until the conclusions of this initial presentation. I shall then be happy to join in colloquy on any point in the measure on which Senators may desire additional information.

Mr. President, I ask unanimous consent to have printed in the RECORD the section-by-section analysis in the committee report.

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

SECTION-BY-SECTION ANALYSIS

*Section 1. Short title*

This section provides that the act may be cited as the "Elementary and Secondary Education Act of 1965."

TITLE I—FINANCIAL ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES FOR THE EDUCATION OF CHILDREN OF LOW-INCOME FAMILIES AND EXTENSION OF PUBLIC LAW 874, 81ST CONGRESS

*Section 2. Addition of new title*

This section adds a new title to Public Law 874, 81st Congress, which is the act under which assistance is provided for schools in federally impacted areas. The section also makes the necessary conforming changes in the present act to accommodate the new title II. The following is a section-by-section description of the new title II:

*Section 201. Declaration of policy for the new title*

In this section the Congress, in recognition of the special educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate educational programs, declares that it is the policy of the United States to provide financial assistance to such local educational agencies so that they can expand and improve their educational programs by various means (including preschool programs) which contribute particularly to meeting the special educational needs of educationally deprived children.

*Section 202. Kinds and duration of grants under the new title*

This section directs the Commissioner to make basic grants to States for the period from July 1, 1965, to June 30, 1968. It also directs him to make special incentive grants to States during the period beginning July 1, 1966, and ending June 30, 1968.

*Section 203. Basic grants—Amounts and eligibility under the new title*

This section describes the manner of computing the basic grant which will be made to local educational agencies. First, the Commissioner will set aside up to 2 percent of sums appropriated for basic grants

and allot that sum among Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective needs. He then computes the basic grant for other local educational agencies on the basis of two factors. The first factor is the average per pupil expenditure in the State. The second factor is the sum of (1) the number of school-age children in the school district of families having an annual income of less than the low-income factor (established as hereinafter explained), and (2) the number of school-age children in the district of families receiving an annual income in excess of the low-income factor from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act. The amount which each local educational agency will receive will be equal to the Federal percentage (established as hereinafter explained) of the product obtained by multiplying the average per pupil expenditure in the State by the sum arrived at as above described. Where satisfactory data are not available to make the above computation the maximum basic grant for any local educational agency will be determined on the basis of the aggregate maximum amount of such grants for all such agencies in the county or counties in which the school district in question is situated, which aggregate maximum amount will be equal to the Federal percentage of such per pupil expenditure multiplied by the number of children of such ages and families in such county or counties; and will be allocated among the agencies upon such equitable basis as may be determined by the State agency in accordance with basic criteria prescribed by the Commissioner. The "average per pupil expenditure" in a State will be the aggregate current expenditures, during the second preceding fiscal year, of all local educational agencies in the State, divided by the number of children in average daily attendance in the public schools of such agencies. Provision is made to avoid any double counting of children under titles I and II of Public Law 874, 81st Congress.

During the first year of the program the basic grant of a local educational agency may not be more than 30 percent of the sums budgeted by that agency for current expenditures for that year.

A local educational agency must meet certain minimum criteria before receiving a basic grant. Each agency must have a number of school-age children of families having an annual income of less than low-income factor of at least 100 or at least 3 percent of the total number of school-age children in the district, whichever is less, except that in no event may an agency receive a grant if it has fewer than 10 such children. Where the above data are not available on a school-district basis, the local educational agency in a county will be eligible if there are 100 school-age children in the county in which that local educational agency is situated from families with an annual income of less than the low-income factor. Where a county includes part of the district of a local educational agency and the Commissioner has not determined that satisfactory data are available for purposes of making this determination on a school-district basis for all the local educational agencies for all the counties into which the school district concerned extends, the eligibility requirement with respect to the number of children of such ages of families of such income will be determined in accordance with regulations prescribed by the Commissioner.

The "Federal percentage" used in making the above computations of basic grants shall be 50 percent for the fiscal year 1966; for the remaining 2 fiscal years of the program, the Federal percentage will be established by the Congress by law. The "low-income factor" used in making such determinations will be $2,000 for the fiscal year ending 1966; for each of the remaining 2 fiscal years the low-income factor will be established by the Congress by law.

*Section 204. Special incentive grants under the new title*

Under this section each local educational agency which is eligible for a basic grant for the fiscal year 1967 will be eligible for a special incentive grant in an amount which does not exceed the product of the number of children in average daily attendance in its public schools during the fiscal year 1965, and the amount by which the average per pupil expenditure of that agency for the fiscal year 1965, exceeded 105 percent of such expenditures for the fiscal year 1964. Again, each local educational agency which is eligible for a basic grant for the fiscal year 1968 will be eligible to receive in addition a special incentive grant which does not exceed the product of the aggregate number of children in average daily attendance to whom it provided public education during the fiscal year 1966, and the amount by which the average per pupil expenditure of that agency for the fiscal year 1966, exceeded 110 percent of such expenditures for the fiscal year 1964. In determining the average per pupil expenditure of a local educational agency for any year, the Commissioner will consider the aggregate expenditures (without regard to the sources of funds from which the expenditures are made, except that funds derived from Federal sources shall not be considered) from current revenues made by that agency during that year for public education, divided by the number of children in average daily attendance in the public schools of the agency during that year.

*Section 205. Application for grants under the new title*

In order to get a basic grant or a special incentive grant in any fiscal year, a local educational agency must submit an application which has been approved by its State educational agency. The State educational agency will approve such an application only upon its determination (consistent with such basic criteria as the Commissioner may establish)—

1. That the payments will be used for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which (A) are designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families, and (B) are of sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting those needs. Nothing in the title will be deemed to preclude two local educational agencies from entering into agreements for carrying out jointly operated programs and projects under the title.

2. That, to the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, such agency has made provision for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) in which such children can participate.

3. That the local educational agency has provided satisfactory assurance that control of funds provided under the title, and title to property derived therefrom, will be in a public agency for the uses and purposes provided in the title, and that a public agency will administer such funds and property.

4. In the case of construction projects, that the project is not inconsistent with overall State plans for the construction of schools, and that the requirements of section 209 (relating to labor standards) will be complied with.

5. That effective procedures, including provision for appropriate objective measurements of educational achievement, will be adopted for evaluating at least annually the effectiveness of the programs in meeting the special educational needs of educationally deprived children.

6. That the local educational agency will make an annual report and such other reports to the State educational agency, in such form and containing such information, as may be reasonably necessary to enable the State agency to perform its duties. The reports must include information relating to the educational achievement of students participating in the program.

7. That whenever there is in the area served by the local educational agency a community action program carried on under the Economic Opportunity Act of 1964, the programs and projects have been developed in cooperation with the public or private nonprofit agency responsible for the community action program.

8. That effective procedures will be adopted for acquiring and disseminating to teachers and administrators significant information derived from educational research, demonstration, and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects.

The State educational agency is required to afford a local educational agency a hearing before disapproving its application.

*Section 206. Assurances from States under the new title*

If a State wishes to participate in the program provided for in this title, it will first submit to the Commissioner an application which provides the following assurances:

1. That payments made under the title will be used only for programs and projects which have been approved by the State educational agency as described under the preceding section. That such agency will in all other respects comply with the provisions of this title, including the enforcement of any obligations imposed upon local educational agencies under section 205.

2. That appropriate fiscal control and fund accounting procedures will be adopted.

3. That the State educational agency will make periodic reports to the Commissioner evaluating the effectiveness of payments under the title and of particular programs assisted under it in improving educational attainment of educationally deprived children, and that it will make such other reports as may be necessary to enable the Commissioner to perform his duties under the title. Assurance will also be required that such State agency will keep such records and afford such access thereto as the Commissioner may find necessary to assure the correctness and verification of the reports. The periodic reports must also contain the results of the required objective measurements.

The Commissioner may not disapprove an application until he has afforded the State educational agency an opportunity for a hearing.

*Section 207. Payment under the new title*

Payments under the title will be made to the States in the amount which the local educational agencies of that State are eligible to receive under the title. The State educational agency will distribute the money it receives among the local educational agencies of the States which are not ineligible and which have submitted an application and had it approved.

Subsection (b) of this section authorizes the Commissioner to reimburse a State for amounts expended by it in the performance

of its duties under this title, but the maximum amount of such payments in any fiscal year may not exceed 1 percent of the total amount of the basic grants paid under this title for that year to the local educational agencies of the State.

It is also provided in subsection (c) that no payments will be made under the title for any fiscal year to a State which has taken into consideration payments under the title in determining eligibility of any local educational agency in that State for State aid, or the amount of such aid, with respect to the public education provided children during that year or the preceding fiscal year.

No payments will be made under the title to any local educational agency for any fiscal year unless the State agency finds that the combined fiscal effort (as determined in accordance with regulations of the Commissioner) of that agency and the State with respect to the provision of public education for the preceding fiscal year was not less than such combined fiscal effort for that purpose for the fiscal year ending June 30, 1964.

*Section 208. Adjustments where necessitated by appropriations*

If for the fiscal year 1966 the sums appropriated are insufficient to pay in full the grants to which local educational agencies are entitled under this act for that year, the amount of such grants shall be reduced ratably.

*Section 209. Labor standards*

This section provides that laborers and mechanics employed on construction projects assisted under the title will be paid wages at rates not less than those determined to be prevailing under the Davis-Bacon Act.

*Section 210. Withholding under the new title*

This section directs the Commissioner to withhold payments from a State where he determines there has been a failure to comply substantially with any assurance set forth in the application of that State, until he is satisfied there will no longer be any such failure to comply.

*Section 211. Judicial review under the new title*

This section provides judicial review of the Commissioner's action with respect to the approval of applications and with respect to withholding of funds from States.

*Section 212. National Advisory Council*

This section requires the President to appoint a National Advisory Council on the Education of Disadvantaged Youth. It will be the duty of the Council to review the administration and operation of the title, including its effectiveness in improving the educational attainment of educationally deprived children, and to make recommendations for the improvement of the title and its administration and operation.

*Section 3. Technical and conforming amendments*

This section makes a number of technical and conforming amendments to Public Law 874, 81st Congress.

*Section 4. Definitions*

This section adds to Public Law 874, 81st Congress, definitions of a number of terms used in the new title II. In general, these terms are defined in a manner consistent with the definitions in title VI.

*Section 5. Extension of title I of Public Law 874, 81st Congress*

This section extends for 2 years the provisions of Public Law 874, 81st Congress, as now in effect, which would otherwise expire June 30, 1966.

TITLE II—SCHOOL LIBRARY RESOURCES, TEXTBOOKS, AND OTHER INSTRUCTIONAL MATERIALS

*Section 201. Appropriations authorized*

This section directs the Commissioner to carry out during the fiscal year 1966, and each of the 4 succeeding fiscal years, a program for making grants for the acquisition of school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools. The section authorizes the appropriation of $100 million for the fiscal year ending June 30, 1966, for carrying out the title. For the remaining fiscal years of the program only such sums may be appropriated as the Congress may hereafter authorize by law.

*Section 202. Allotment to States*

Sums appropriated to carry out the title will be allotted among the States pro rata on the basis of the number of children in each State who are enrolled in public and private elementary and secondary schools. This allotment provision will not apply to the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands. Instead the Commissioner will reserve up to 2 percent of the amount appropriated and allot such reserved amount among these territories and possessions according to their respective needs.

The section provides that where a State will not need all the money allotted to it, the money not required will be reallotted among other States.

*Section 203. State plans*

If the State wishes to receive money under the title it must submit to the Commissioner a State plan. To be approved the State plan must contain the following provisions:

1. It must designate a State agency to act as the sole agency for administration of the State plan.

2. It must set forth a program under which funds paid to the State will be expended solely for acquisition of library resources (which, for the purpose of this title, means books, periodicals, documents, audiovisual materials, and other related library materials), textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools in the State, and for administration of the State plan, including the development and revision of standards relating to library resources, textbooks, and other printed and published instructional materials furnished for the use of children and teachers in the public elementary and secondary schools of the State. The amount used for administration of the State plan may not exceed for the fiscal year 1966 an amount equal to 5 percent of the grant to the State under the title and, for any year thereafter, an amount equal to 3 percent of the amount granted the State under the title.

3. It must set forth criteria to be used in allocating library resources, textbooks, and other printed and published instructional materials provided under the title among the children and teachers of the State. These criteria must (A) take into consideration the relative need of the children and teachers of the State for such library resources, textbooks, or other instructional materials, and (B) provide assurance that to the extent consistent with law such library resources, textbooks, and other instructional material will be provided on an equitable basis for the use of children and teachers in private elementary and secondary schools in the State which comply with the compulsory attendance laws of the State or are otherwise recognized by it through some procedure customarily used in the State.

4. It must set forth the criteria to be used in selecting the library resources, textbooks, and other instructional materials to be provided under the title and for determining the proportions of the State's allotment for each fiscal year which will be expended for library resources, textbooks, and other printed and published instructional materials, respectively, and the terms by which such library resources, textbooks, and other instructional materials will be made available for the use of children and teachers in the schools of the State.

5. It must set forth policies and procedures designed to assure that Federal funds made available will be used so as to supplement, and to the extent practical, increase the level of State, local, and private school funds that would otherwise be made available for these purposes, and that such Federal funds will in no case supplant State, local, and private school funds.

6. It must set forth appropriate fiscal control and fund accounting procedures.

7. It must provide for making such reports as the Commissioner may reasonably require.

*Section 204. Payments to States*

This section provides that the payments under the title will be made to each State in an amount equal to the amount expended by the State in carrying out its State plan, but, of course, no State may receive an amount greater than its allotment.

This section also provides that in a State in which no State agency is authorized by law to provide library resources, textbooks, or other printed or published instructional material for the use of children and teachers in any one or more elementary or secondary schools in the State, the Commissioner shall arrange for the provision on an equitable basis of such library resources, textbooks, or other instructional material for such use and shall pay the cost thereof for any fiscal year ending prior to July 1, 1970, out of that State's allotment.

*Section 205. Public control of library resources, textbooks, and other instructional material and types which may be made available*

This section requires that title to library resources, textbooks, and other printed and published instructional materials furnished under the title, and control and administration of their use, may vest only in a public agency. It also provides that the library resources, textbooks, and printed and published instructional materials made available under the title shall be limited to those which have been approved by an appropriate State or local educational authority or agency for use, or are used, in a public elementary or secondary school of that State.

*Section 206. Administration of State plans*

This section gives each State a right to a hearing before the Commissioner may disapprove its State plan. It gives the Commissioner authority to suspend the participation of a State in the program under this title where the State plan has been so changed that it no longer complies with the requirements of the title or where, in the administration of the plan, there is a failure to comply with any of its provisions.

*Section 207. Judicial review*

This section gives judicial review of the Commissioner's action with respect to the approval of State plans and with respect to his action in suspending the participation of a State in the program as provided in the preceding section.

TITLE III—SUPPLEMENTARY EDUCATIONAL CENTERS AND SERVICES

*Section 301. Appropriations authorized*

This section establishes a 5-year program of grants to be made by the Commissioner of Education to local educational agencies for supplementary educational centers and services, to provide vitally needed educational services, and to establish exemplary model school programs. It authorizes an appropriation of $100 million for the fiscal year ending June 30, 1966. For the fiscal year

ending June 30, 1967, and the next succeeding 3 fiscal years, the appropriations will be such as the Congress may authorize.

*Section 302. Apportionment among States*

Subsection (a) describes the manner in which the funds which are available for making grants under this title will be apportioned among the States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands. Note that only for the purpose of describing in subsection (a) the manner in which the funds will be apportioned are the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands not included in the term "State."

First, in each fiscal year of the program, the Commissioner shall reserve up to 2 percent of the amount appropriated for that fiscal year and shall apportion such amount among the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands, according to their respective needs for assistance under this title. The Commissioner shall then apportion $200,000 to each State and shall apportion the remainder among the States as follows:

1. Half of such remainder will be apportioned on the basis of the relative number of children aged 5 to 17 in the States.

2. Half of such remainder will be apportioned on the basis of the relative total populations in the States.

Subsection (b) provides that the number of such children and the total population of a State and of all the States will be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

Subsection (c) provides that the amount apportioned under this section to any State for the fiscal year ending June 30, 1966, shall be available for payments to applicants with approved applications in that State during that year and the next fiscal year.

Subsection (d) provides that if a State does not need its entire apportionment for a fiscal year it will be available for reapportionment to other States in proportion to the original apportionment to such States, but with adjustments to prevent any State's apportionment from being increased to an amount greater than the amount which it needs.

*Section 303. Uses of Federal funds*

Section 303 describes the purposes for which grants made under this title may be used. A grant may be used, in accordance with an application approved under section 304(b), for—

1. Planning for and taking other preliminary steps leading to the development of programs for the supplementary educational activities and services described below; and

2. The establishment, maintenance, and operation of programs, including the lease or construction of necessary facilities and the acquisition of necessary equipment, designed to provide supplementary educational services and activities such as—

(A) counseling, remedial instruction, and health, recreation, and social work services designed to enable and encourage persons to enter, remain in, or reenter educational programs;

(B) comprehensive academic services and, where appropriate, vocational guidance and counseling, for continuing adult education;

(C) developing and conducting exemplary educational programs for the purpose of stimulating the adoption of improved or new educational programs in the schools of the State;

(D) specialized instruction and equipment for students interested in studying advanced scientific subjects, foreign languages, and other academic subjects which are not taught in the local schools or which can be provided more effectively on a centralized basis, or for persons who are handicapped or of preschool age;

(E) making available modern educational equipment and specially qualified personnel, including artists and musicians, on a temporary basis to public and other nonprofit schools, organizations, and institutions;

(F) developing, producing, and transmitting radio and television programs for classrooms and other educational use;

(G) providing special educational and related services for persons who are in or from rural areas or who are or have been otherwise isolated from normal educational opportunities, including, where appropriate, the provision of mobile education services and equipment, special home study courses, radio, television, and related forms of instruction, and visiting teachers' programs; and

(H) other specially designed educational programs which meet the purposes of this title.

*Section 304. Applications for grants and conditions for approval*

Subsection (a) provides that a grant for a program under this title may be made to a local educational agency, but only if there is satisfactory assurance that in the planning of that program there has been, and in the establishing and carrying out of that program there will be, participation of representatives of the cultural and educational resources of the area to be served, such as State educational agencies, institutions of higher education, nonprofit private schools, libraries, museums, and other cultural and educational resources. In order to receive a grant under this title, a local educational agency must submit an application to the Commissioner which shall—

1. Provide that the activities and services for which assistance under this title is sought will be administered by or under the supervision of the applicant;

2. Set forth a program for carrying out the purposes of section 303 and provide for the proper and efficient operation of such program;

3. Set forth policies and procedures as assure that Federal funds will be so used as to supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purposes of section 303, and in no case supplant such funds;

4. In the case of construction of facilities, provide satisfactory assurance (A) that reasonable provision has been made, consistent with the uses to be made of the facilities, for areas in such facilities which are adaptable for artistic and cultural activities, (B) that upon completion of construction title to the facilities will be in a State or local educational agency, and (C) that the requirements of section 308 will be complied with on all construction projects;

5. Set forth fiscal control and fund accounting procedures to assure proper disbursement of Federal funds; and

6. Provide for making certain reports and keeping certain records.

Subsection (b) provides that an application for a grant under this title may be approved by the Commissioner only if—

1. The application meets the requirements set forth in subsection (a);

2. The program set forth in the application meets criteria established by the Commissioner for the purpose of achieving an equitable distribution of assistance under this title within each State, which criteria shall be developed by him on the basis of a consideration of (A) the size and population of the State, (B) the geographic distribution of the population within the State, (C) the relative need of persons in different geographic areas and in different population groups within the State for the kinds of services and activities described in paragraph (b) of section 303, and their financial ability to provide those services and activities, and (D) the relative ability of particular local educational agencies within the State to provide those services and activities;

3. In the case of an application for assistance for a program for carrying out the purposes described in paragraph (b) of section 303, the Commissioner determines (A) that the program will utilize the best available talents and resources and will substantially increase the educational opportunities in the area to be served by the applicant, and (B) that, to the extent consistent with the number of children enrolled in nonprofit private schools in the area to be served whose educational needs are of the type which the supplementary educational activities and services provided under the program are to meet, provision has been made for participation of such children; and

4. The application has been submitted for review and recommendations to the State educational agency.

Subsection (c) provides that amendments of applications for grants shall be subject to approval in the same manner as original applications, except as the Commissioner might otherwise provide by or pursuant to regulations.

*Section 305. Payments*

Subsection (a) provides that from the amounts apportioned to each State under section 302 the Commissioner shall pay to each applicant in that State an amount equal to the amount expended by the applicant for the purposes set forth in its approved application.

Subsection (b) provides that payments under this title may be made in installments, in advance, or by way of reimbursement and that subsequent adjustments may be made.

*Section 306. Advisory Committee*

Subsection (a) establishes in the Office of Education an Advisory Committee on Supplementary Educational Centers and Services consisting of the Commissioner of Education, who shall be chairman, and eight members to be appointed by the Commissioner with the approval of the Secretary.

Subsection (b) provides that the functions of the Advisory Committee will be to advise the Commissioner (1) on the action to be taken with regard to each application for a grant under this title; and (2) in the preparation of general regulations and with respect to policy matters arising in the administration of this title.

Subsection (c) provides the usual provisions relating to compensation and travel expenses for members of advisory committees.

*Section 307. Recovery of payments*

This section permits the United States to recover, on a pro rata basis, Federal funds used to finance the construction of a facility under this act when certain changes in the ownership or use of such facility occur within 20 years of the completion of its construction.

Thus, if within such period (1) the owner of such facility ceases to be a State or local educational agency, or (2) such facility is no longer being used for the purpose for which it was constructed and the Commissioner has not authorized a new use for such facility, the United States may recover from the applicant or other owner of the facility an amount which bears the same ratio to the value of the facility at the time such change in ownership or use occurred as the amount of the Federal contribution to the construction cost of the facility bears to such cost. The section further provides that the value of the facility for the purpose of determining the amount which the United States is entitled to recover shall be established by agreement of the parties or in an

action brought in the U.S. district court in the district in which the facility is situated.

*Section 308. Labor standards*

This section provides that laborers and mechanics employed on construction projects assisted under this act will be paid wages at rates not less than those prevailing as determined in accordance with the Davis-Bacon Act.

TITLE IV—EDUCATIONAL RESEARCH AND TRAINING

This title amends the act of July 26, 1954 (20 U.S.C. 331–332), entitled "An act to authorize cooperative research in education."

*Section 401*

This section amends the first section of such act (hereinafter referred to as "such first section") by expanding it into two new sections. To understand the amendment made by this section requires an understanding of the provisions of such first section. Subsection (a) of such first section authorized the Commissioner of Education, for the purpose of more effectively carrying out the functions of the Office of Education, to enter into contracts or jointly financed cooperative arrangements with universities, colleges, and State educational agencies for the conduct of research, surveys, and demonstrations in the field of education. Subsection (b) provided that before the Commissioner could enter into such a contract or arrangement he had to secure the advice of educational research specialists as to the value of the proposed research. Annual reports to Congress concerning the results of such research were required by subsection (c).

The new section 1 sets out a statement of purpose identical to the one contained in such first section.

Subsection (a)(1) of the new section 2 broadens the provisions of subsection (a) of such first section by (1) authorizing grants as well as contracts and arrangements for research, (2) authorizing grants, contracts, and arrangements for the dissemination of information derived from research, including information derived from programs developed under the Elementary and Secondary Education Act of 1965, and (3) providing that the recipient of such grants, contracts, and arrangements may be public or other nonprofit private agencies, institutions, and organizations and individuals as well as universities and colleges.

The requirement contained in subsection (a)(2) of the new section 2 that the Commissioner seek the advice and recommendations of specialists before making grants or entering into contracts or arrangements under this section is similar to the requirement contained in subsection (b) of such first section, except that an employee of the Federal Government cannot serve as a specialist under such subsection (a)(2).

Under subsection (b) of the new section 2 the Commissioner is authorized to make grants to public and other nonprofit universities and colleges and other public or nonprofit agencies to assist them in providing training in research in the field of education, including research traineeships, internships, and fellowships. No grant may be made under this subsection for training relating to sectarian instruction.

Subsection (c) provides that funds available to the Commissioner for grants, contracts, or arrangements under this section may be transferred, with the approval of the Secretary, to any other Federal agency for purposes for which such transferred fund could be used under this section. The Commissioner is also authorized to accept and expend funds of any other Federal agency for use under this section.

The requirement of subsection (d) with respect to an annual report to the Congress by the Commissioner concerning activity aided and initiated under this section is similar to the requirement of subsection (c) of such first section.

*Section 402. Conforming amendments*

This section makes a conforming amendment to section 2 of the act, redesignated as section 3 by section 401.

*Section 403. Construction of regional facilities for research and related purposes*

This section adds to the act the following new sections:

Section 4. Construction of regional facilities for research and related purposes: Subsection (a) authorizes the appropriation over a 5-year period, beginning with the fiscal year ending June 30, 1966, of $100 million to be used by the Commissioner of Education for the purpose of constructing and operating regional centers for research in the field of education. Sums appropriated shall remain available until expended for payments with respect to projects for which applications have been filed hereunder before July 1, 1970, and approved by the Commissioner before July 1, 1971.

Subsection (b) authorizes the Commissioner to (1) construct a regional center for research, (2) make a grant to a university, college, or other appropriate public or nonprofit private agency or institution for the cost of constructing such a facility, and (3) make arrangements for the operation of such a facility. Where title to a facility constructed under this section is vested in the United States, the Commissioner may transfer the title of such facility to any such college or university or other public or nonprofit private agency or institution upon such conditions as he deems appropriate to carry out the purposes of this section and protect the interest of the United States.

Subsection (c) provides that laborers and mechanics employed on construction projects assisted under this section shall be paid wages at rates not less than those prevailing as determined in accordance with the Davis-Bacon Act.

Subsection (d) provides that payments under this section shall be made in advance or by way of reimbursement and on such conditions as the Commissioner may determine.

Subsection (e) defines the term "research and related purposes" to mean research, research training, surveys, or demonstrations in the field of education or the dissemination of information derived therefrom.

Section 5. Definitions: This section defines the following terms as follows:

1. "State" is defined to include the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

2. "State educational agency" is defined to mean a State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

3. "Nonprofit" as applied to an agency, organization, or institution is defined to mean those owned and operated by corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

4. "Construction" and "cost of construction" are defined to include construction of new buildings, expansion, remodeling, and alteration of existing buildings, site grading, off-site improvements, and architect fees, and equipping such buildings.

Section 6. Short title: This section provides that the act amended by this title may be cited as the "Cooperative Research Act".

TITLE V—GRANTS TO STRENGTHEN STATE DEPARTMENTS OF EDUCATION

*Section 501. Appropriation authorized*

This section establishes a 5-year program of grants to be made by the Commissioner of Education for the purpose of assisting States in strengthening their State educational agencies and in identifying and meeting their educational needs. For the fiscal year ending June 30, 1966, an appropriation of $25 million is authorized. For the fiscal year ending June 30, 1967, and next succeeding 3 fiscal years, the appropriations will be such as the Congress may authorize.

*Section 502. Apportionment among States*

Subsection (a) describes the manner in which 85 percent of the funds which are available for making grants under this title will be apportioned among the States, the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands. Note that only for the purpose of describing the manner in which such 85 percent will be apportioned are the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands not included in the term "State".

First, in each fiscal year of the program, the Commissioner shall reserve up to 2 percent of 85 percent of the amount appropriated for that fiscal year and shall apportion such reserved amount among the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands, according to their respective needs for assistance under this title. The Commissioner shall then apportion $100,000 to each State and shall apportion the remainder of such 85 percent among the States on the basis of the relative number of public school pupils in the States.

Subsection (b) provides that if a State does not need its entire apportionment for a fiscal year it will be available for reapportionment to other States in proportion to the original apportionment to such States, but with adjustments to prevent any State's apportionment from being increased to an amount greater than the amount which it needs. This subsection also authorizes the transfer between the States of amounts apportioned under subsection (a).

*Section 503. Grants from apportioned funds*

Subsection (a) provides that from the funds apportioned under section 502 to a State the Commissioner may make a grant to a State educational agency, which has an approved application, of an amount equal to the Federal share of the expenditures made by such State agency for activities designed to promote the purposes of this title.

The following is some examples of such activities: educational planning on a statewide basis; improved collecting, processing, analyzing of educational data; dissemination of information relating to the needs of education in the State; programs for conducting or cooperating in educational research and demonstration programs; programs to improve the quality of teacher preparation; developing the competency of individuals who serve State or local educational agencies; and programs to provide leadership, administrative, or specialist services throughout the State.

Subsection (b) prescribes the share of a State's expenditures for activities and programs under an approved application that the United States will bear (referred to in this title as the "Federal share"). For the fiscal years ending prior to July 1, 1967, the Federal share for any State shall be 100 percent. Thereafter the Federal share for any State shall be 100 percent less the State percentage, except that (1) the Federal share shall in no case be more than 66 percent or less than 50 percent, and (2) the Federal share for the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands shall be 66 percent. The "State percentage" for any State shall be that percentage which bears the same ratio to 50 percent as the per capita income of that State bears to the per capita income of all the States (excluding the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands).

Provision is made in this subsection for the periods in which the Commissioner shall promulgate the Federal share and the data which he shall use in computing such Federal share.

*Section 504. Applications for grants from apportioned funds*

This section sets out the determinations required of the Commissioner before he may approve an application for a grant under this title. He must determine that the application—

1. Proposes programs and activities that meet the requirements of section 503(a) and will serve to strengthen the leadership resources of the applicant and its ability to effectively meet the educational needs of the State;

2. Satisfactorily provides that Federal funds will be so used as to supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purposes of section 503(a);

3. Sets forth fiscal control and fund accounting procedures to assure proper disbursement of Federal funds; and

4. provides for making certain reports and for keeping certain records.

*Section 505. Special project grants*

This section authorizes the Commissioner to use the remaining 15 percent of the sums appropriated under section 501 to make grants to State educational agencies for experimental projects for developing State leadership and for the establishment of special services which will help solve problems common to State educational agencies.

*Section 506. Payments*

Under this section the Commissioner is authorized to make payments under this title either in advance, by way of reimbursement, or in installments and to make any necessary adjustments.

*Section 507. Interchange of personnel with States*

This section authorizes the Commissioner of Education to arrange with the States for the interchange of personnel between the Office of Education (hereinafter referred to as the "Office") and the States for work which the Commissioner determines will aid the Office in more effectively discharging its responsibilities.

Subsection (a) provides that local educational agencies may not patricipate in this program.

Subsection (b) contains the authorization for the interchange of personnel and limits the length of any assignment to 2 years.

Subsection (c) contains detailed provisions with respect to (1) the compensation of personnel assigned to the Office or from the Office, (2) their status under the Civil Service Retirement Act, Federal Employees Health Benefits Act of 1959, the Federal Employees' Group Life Insurance Act of 1954, and the Federal Employees' Compensation Act, and (3) related personnel problems.

*Section 508. Administration of State plans*

This section contains the notice and hearing requirements which the Commissioner must observe in acting on applications submitted under section 504 and the grounds upon which he can suspend a State's participation in a program under this title.

Subsection (a) calls for reasonable notice and opportunity for a hearing to be given a State before the Commissioner can disapprove an application.

Under subsection (b) the Commissioner can declare a State ineligible for further participation in a program under this title if, after reasonable notice and hearing, he finds that (1) the application no longer complies with section 504(a), or (2), in the administration of a program under an approved application, there is a failure to comply with such section.

*Section 509. Judicial review*

This section provides judicial review of the Commissioner's final action with respect to the initial approval of a State's application or with his final action in suspending the participation of a State in a program as provided in the preceding section.

*Section 510. Periodic review of program and laws*

This section directs the Secretary to appoint, within 90 days after the date of enactment of this title, an Advisory Council on State Departments of Education which shall be concerned with reviewing and making recommendations with respect to (1) programs assisted under this title and their administration, and (2) other acts under which State educational agencies are assisted in administering Federal programs relating to education. The Council is to consist of 12 persons, appointed by the Secretary, and the usable provisions with respect to compensation and travel expenses are made applicable to the members. The maximum compensation will be $100 per day. The Council is to report annually to the Secretary, who shall report to the President and the Congress.

TITLE VI—GENERAL PROVISIONS

*Section 601. Definitions*

This section contains definitions of a number of terms used in titles II, III, and V of the act. The term "construction" is defined to mean the erection and expansion of existing structures, and the acquisition and installation of equipment therefor, the acquisition of structures not owned by the agency involved, and remodeling of existing buildings. The term "elementary school" is defined to mean a day or residential school which provides elementary education. The term "local educational agency" is defined to include a public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a political subdivision of a State, or a combination of school districts or counties which are recognized in a State as an administrative agency for its public elementary and secondary schools. The term "State" is defined to include the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and for the purposes of titles II and III, it includes the Trust Territory of the Pacific Islands. The other terms which are defined in this section are given meanings similar to those given them in prior education legislation.

*Section 602. Advisory council*

This section authorizes the Commissioner, subject to the approval of the Secretary of Health, Education, and Welfare, to appoint an advisory council of 10 members to advise and consult with him with respect to his functions under this law. Members of the advisory council will be compensated on a per diem basis. Their pay may not exceed $100 a day.

*Section 603. Federal administration*

This section authorizes the Commissioner to delegate any of his functions under this act, or any act amended by this act, except the making of regulations, to any officer or employee of the Office of Education. It also authorizes the Commissioner to utilize services and facilities of any Federal agency and of any public or nonprofit agency or institution, and to pay for such services in advance or by way of reimbursement.

*Section 604. Federal control of education prohibited*

This section provides that nothing contained in the act will be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system.

*Section 605. Limitation on payments under this act*

This section provides that nothing in the act may be construed to authorize the making of any payment for religious worship or instruction.

Mr. MORSE. Mr. President, the bill contains six titles. I ask unanimous consent to have printed in the RECORD a summary of the bill which may be found on pages 1 and 2 of Report No. 146.

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

SUMMARY OF THE BILL

If enacted, H.R. 2362, in title I, would amend Public Law 874, 81st Congress—

1. By adding a new title II to the act to provide financial assistance in local educational agencies for the education of children of low-income areas on the basis of a formula which shall be operative for the fiscal year ending June 30, 1966. For each of the 2 succeeding fiscal years of the 3-year program authorized the formula shall be that as established by law hereafter by the Congress; and

2. By extension of the present Public Law 874 provisions until June 30, 1968.

Title II of H.R. 2362 would authorize the Commissioner of Education for the fiscal year ending June 30, 1966, and for each of the 4 succeeding fiscal years, to make grants for the acquisition of school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools. However, the program would be funded at $100 million solely for the fiscal year ending June 30, 1966. Only such funds may be appropriated for the succeeding fiscal years as may be hereafter authorized by the Congress.

Title III of H.R. 2362 authorizes a 5-year program for making grants for supplementary educational centers and services to stimulate and assist in the provision of vitally needed educational services not available in a sufficient quantity and quality, and to stimulate and assist in the development and establishment of exemplary elementary and secondary school educational programs to serve as models for regular school programs. For the fiscal year ending June 30, 1966, $100 million is authorized to be appropriated. For the succeeding 4 fiscal years only such sums may be appropriated as the Congress may hereafter authorize by law.

Title IV of H.R. 2362 would amend the Cooperative Research Act of 1954 by authorizing the Commissioner of Education to make grants to universities and colleges and other public or private nonprofit agencies, institutions, and organizations and to individuals, for research, surveys, and demonstrations in the field of education; for the dissemination of information derived from educational research; and to provide, by contracts or jointly financed cooperative arrangements, for the conduct of such activities.

Title IV would also amend the Cooperative Research Act of 1954 to authorize the Commissioner to make arrangements for the construction and operation of regional facilities for educational research and related purposes. Beginning with the fiscal year ending June 30, 1966, $100 million, in the aggregate, is authorized for the purposes. Funds appropriated pursuant to this author-

ization shall remain available until expended for payments with respect to projects which will have been approved by the Commissioner before July 1, 1971.

Title V of H.R. 2362 would authorize the Commissioner of Education to carry out during the fiscal year ending June 30, 1966, and each of the 4 succeeding fiscal years, a program for making grants to stimulate and assist States in strengthening the leadership resources of their State educational agencies, and to assist those agencies in the establishment and improvement of programs to identify and meet the educational needs of States.

For the purpose of making grants under this title, there is authorized to be appropriated the sum of $25 million for the fiscal year ending June 30, 1966; but for the fiscal year ending June 30, 1967, and the 3 succeeding fiscal years, only such sums may be appropriated as the Congress may hereafter authorize by law.

Title VI of H.R. 2362 contains general provisions, including definitions used in titles II, III, and V of the act; authority to establish an Advisory Council of 10 members to advise and consult with the Commissioner with respect to his functions under the act; provisions relating to the delegation of the functions of the Commissioner; provisions relating to the prohibition of Federal control of education; and provisions placing certain limitations on payments under the act.

### TITLE I—FINANCIAL ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES FOR THE EDUCATION OF CHILDREN OF LOW-INCOME FAMILIES AND EXTENSION OF PUBLIC LAW 874, 81ST CONGRESS

#### I. THE NEED

Mr. MORSE. Mr. President, basic to the whole approach of title I is the recognition of the special educational needs of children of low-income families. Testimony before the Subcommittee on Education left no doubt of the harsh effects of poverty upon the educational opportunities of the child.

Even the limited opposition which has been expressed toward this title has not denied the need for special programs and support for educationally deprived children. The conclusion is clear that special support is necessary to aid the local educational agency in providing the extra effort which is needed to remove the deprivation of the educationally deprived child. It is only by such extra effort that these children can be placed on equal basis with other children to benefit from our educational system to the fullest extent of their capabilities.

While title I is actually an amendment to Public Law 874, 81st Congress, it represents a new element of Federal concern. The original Public Law 874 recognized a need for general support of certain local school agencies because of the impact of Federal installations. This new title recognizes that the impact of poverty creates the need for special programs and approaches in the schools to overcome the debilitating effects of the social conditions resulting from poverty. It further recognizes that the local educational agencies in most cases are unable to adequately finance these special programs and approaches and provides Federal funds for this purpose.

The impact of poverty in its various forms is a matter of national concern. Its effects on our highly mobile population cannot be confined to particular areas, nor can the financial burden of programs of eradication be fairly placed upon individual local units. There is no more basic a factor in breaking the circular chain of poverty than improved educational opportunity. To do this, however, our already overburdened State and local educational agencies need the active support and partnership of the Federal Government.

#### II. ALLOCATIONS

An estimated $1.06 billion will be available during fiscal year 1966 under this title to support the programs for the educationally deprived. These funds will be allocated through the basic grant formula. Beginning in fiscal year 1967 there will be additional allocations made through special incentive grants.

##### BASIC GRANTS

The basic grant formula is a combination of two factors. The first factor is composed of the number of children aged 5 through 17 in families with incomes less than $2,000 plus the number of such children in families with incomes of $2,000 or more from payments made under the program of aid to families with dependent children—AFDC. The $2,000 family income poverty level was selected because there can be little doubt that this represents poverty for a family with children wherever it occurs in the United States. There is no question that there are levels of poverty above $2,000 family income which could be justified in many parts of the country, but this is compensated for by the variable second factor. Children from families with incomes of $2,000 or above from AFDC payments are included because the support of these families through tax supported welfare payments places an extra fiscal burden upon the community.

The second factor in the basic grant formula is one-half the average current expenditure per pupil in average daily attendance for the State to which the allocation is made. This variable factor has a number of advantages. Since the high expenditure States tend to be the high cost of living States, the higher payment per pupil provides an equalized extra support for the deprived children in all States. It costs more to give the same relative extra attention to the deprived child in a high expenditure State than it does in a low expenditure State. The variable factor also compensates the high expenditure States for the considerable income-in-kind found in low expenditure States with a larger rural population. Income-in-kind is less common in the high expenditure industrial States. "Income-in-kind" is not included in the census definition of income so that the rural States are favored in any cash income definition of poverty by having larger relative numbers of persons so classified.

Viewing the formula as a whole, it can be seen that it represents an equitable basis for allocating funds to aid the educationally deprived child. The two parts of the formula complement and reinforce each other, and meet the basic criteria for such a formula: First, identify a broad but distinct poverty group; second, be applicable uniformly among the States and local units; third, be administratively feasible; and, fourth, be convertible into number of deprived children at a desirable geographical level of allocation.

Data on the number of children aged 5 through 17 from low-income families will be supplied by the Bureau of the Census from the records of the 1960 Census of Population, the latest available figures, unless later special census figures become available. These later figures will be used for any county where applicable. Data on AFDC children will be provided by the Secretary of Health, Education, and Welfare for the most nearly comparable year to the census figures used for which records are avaialble. State educational agencies will supply the Commissioner of Education with figures on the current expenditure per pupil. For fiscal year 1966 allocations, this current expenditure data will be for the 1964 fiscal year.

Allocations will be made by the Commissioner of Education to the county or school district level in each State, whichever is feasible. Where the school districts are coterminous with other governmental jurisdictions, data will be available at the Federal level for such direct allocations. Eleven States and the District of Columbia can be considered as essentially State or county unit systems. In addition, the New England States generally have their school districts coterminous with towns and cities. Scattered units in other States may also be coterminous. Where the allocation is made directly to the school district, 100 low-income children will qualify that district to submit a program. There is a saving clause for smaller districts which provides that they may qualify if the number of deprived children is 3 percent of the total number of children aged 5 through 17 inclusive in that district, provided there are at least 10 such children.

Where the Commissioner cannot allocate to the school district level because of lack of data, the allocations will be made to the county level. The State educational agency is then required to make suballocations within the county to school districts on the basis of locally available data, such as AFDC rolls, which will correlate highly with the number of low-income children. Under this system, a county must have 100 low-income children to qualify.

##### SPECIAL INCENTIVE GRANTS

For fiscal years 1967 and 1968 additional grants will be available for school districts participating in the basic grants to the extent their aggregate per pupil free public educational expenditures—excluding Federal funds—from current revenues for fiscal year 1964–65 exceeded, for 1967, 105 percent of such expenditures in 1963–64, and for 1968 the amount will be that in excess of 110 percent of such expenditures for 1965–66 over 1963–64. Each local educational agency so qualifying will supply the appropriate verifiable information on expenditures.

Only the basic grants will be available for the first year, and the following table provides an estimate of allocations by State. The allocation which is made for any fiscal year, whether basic or special

incentive, represents a ceiling on the amount for which a local educational agency may apply through the State program approval procedure. Funds will be available only for approved programs.

Mr. President, I ask unanimous consent that the table of estimated State allocations be printed at this point in my remarks.

III. APPROVAL OF PROGRAMS

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

*Estimated distribution of $1,060,082,973 [1] under the Elementary and Secondary Education Act of 1965, as amended by House of Representatives Committee on Education and Labor*

| | Total estimated amounts |
|---|---|
| United States and outlying areas | $1,060,082,973 |
| 50 States and District of Columbia | 1,038,881,314 |
| Alabama | 31,738,000 |
| Alaska | 1,430,938 |
| Arizona | 9,757,481 |
| Arkansas | 21,095,002 |
| California | 73,145,300 |
| Colorado | 8,454,110 |
| Connecticut | 7,175,172 |
| Delaware | 1,966,851 |
| Florida | 27,896,230 |
| Georgia | 34,517,871 |
| Hawaii | 2,127,585 |
| Idaho | 2,311,382 |
| Illinois | 43,360,809 |
| Indiana | 18,772,978 |
| Iowa | 17,325,264 |
| Kansas | 9,752,736 |
| Kentucky | 28,215,150 |
| Louisiana | 37,904,234 |
| Maine | 3,907,197 |
| Maryland | 14,356,074 |
| Massachusetts | 13,988,754 |
| Michigan | 32,729,320 |
| Minnesota | 20,876,677 |
| Mississippi | 28,028,704 |
| Missouri | 26,866,755 |
| Montana | 3,750,273 |
| Nebraska | 6,793,169 |
| Nevada | 658,184 |
| New Hampshire | 1,609,796 |
| New Jersey | 20,196,092 |
| New Mexico | 8,931,560 |
| New York | 91,893,253 |
| North Carolina | 48,556,000 |
| North Dakota | 5,069,610 |
| Ohio | 36,708,699 |
| Oklahoma | 15,596,196 |
| Oregon | 7,893,807 |
| Pennsylvania | 49,519,506 |
| Rhode Island | 3,746,500 |
| South Carolina | 25,519,125 |
| South Dakota | 6,249,152 |
| Tennessee | 31,092,525 |
| Texas | 74,580,048 |
| Utah | 2,627,783 |
| Vermont | 1,556,327 |
| Virginia | 29,433,775 |
| Washington | 11,275,168 |
| West Virginia | 15,741,450 |
| Wisconsin | 16,078,428 |
| Wyoming | 1,470,960 |
| District of Columbia | 4,633,354 |
| American Samoa, Canal Zone, Guam, Puerto Rico, Virgin Islands | 21,201,659 |

[1] 2 percent ($21,201,659) reserved for distribution to the outlying areas, which are American Samoa, Guam, Puerto Rico, Trust Territories of the Pacific, and the Virgin Islands.

Mr. MORSE. Mr. President, under this title the State educational agency plays a major role. It must approve all programs of the local educational agencies for aid to the educationally deprived child. Before a State may participate in the programs under this title it must submit an application to the Commissioner which provides satisfactory assurance that it will only approve programs of local educational agencies that meet the criteria set forth in this title, that it will provide necessary fiscal control and accounting procedures, and that it will make periodic reports to the Commissioner on the status of the programs and keep such records as are necessary to verify their correctness.

The criteria which the State educational agency must apply to local educational agencies in the process of approving their programs includes the following:

First. The programs must be directed toward the special educational needs of educationally deprived children in areas of high concentration. Other pupils in schools having such programs may benefit since there is no intent to label the individual child as deprived, but the main focus of attention is to be on the educationally deprived child.

Second. Approved programs must be of sufficient size, scope, and quality to give reasonable promise of success. Joint programs of two or more local educational agencies are to be encouraged.

Third. Consistent with the number of educationally deprived children enrolled in private elementary and secondary schools, the local educational agency is to make provision for special educational services and arrangements such as dual enrollment, educational radio and television, and mobile educational services and equipment, in which such children can participate.

Fourth. Control of the funds and title to all property obtained through these funds is to be in a public agency.

Fifth. Any project for construction of school facilities must not be inconsistent with overall State plans for the construction of school facilities.

Sixth. Evaluation of the effectiveness of the programs in meeting the needs of educationally deprived children will be made at least annually.

Seventh. Adequate records will be kept by the local educational agency, and an annual and such other reports as the State educational agency may need to perform its duties under this title will be made to that State agency.

Eighth. Where there is in operation a community action program under the Economic Opportunity Act of 1964, the programs and projects will be developed in cooperation with the public or private nonprofit agency responsible for the community action program.

Ninth. Effective procedures will be adopted for acquiring and disseminating to teachers and administrators significant information derived from educational research and demonstration projects and adopting where appropriate promising educational practices.

The State educational agency must make provisions for a hearing of the local educational agency before disapproving an application from the local agency. It is the intention of this legislation to encourage as much initiative as possible by the local educational agency. Different types of programs can be adopted to meet the special needs of the local community. There is virtually no limit to the types of programs which can be established so long as they focus on the educationally deprived child and show some promise of success. The following list of programs is illustrative, but not definitive, of the types of programs which might be adopted.

Mr. President, I ask unanimous consent that the lists of possible programs for educationally disadvantaged children suggested by local superintendents in selected States be printed at this point in my remarks.

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

POSSIBLE PROGRAMS FOR EDUCATIONALLY DISADVANTAGED CHILDREN SUGGESTED BY LOCAL SUPERINTENDENTS IN SELECTED STATES

EDUCATIONAL PERSONNEL

Inservice training for teachers.
Additional teaching personnel to reduce class size.
Teacher aids and instructional secretaries.
Supervisory personnel and full-time specialists for improvement of instruction and to provide related pupil services.
Team tutoring.
Provide trained, paid leaders for science youth clubs and educational clubs.
Exchange programs for teachers and inservice teacher training.
College-based institutes for training teachers in special skills.
Employment of consultants for improvement of program.
Program to train teacher aids.

CURRICULUMS

Supplementary instructional materials.
Curriculum Materials Center for disadvantaged children.
Classes for talented elementary students.
Special classes for disturbed and socially maladjusted children.
Preschool training programs.
Remedial programs—especially reading and mathematics.
Education in family living and home management.
Enrichment programs such as story hours for grades 1, 2, and 3 on Saturday mornings and during summer.
Programed instruction.
English programs for non-English-speaking children.
Special audio-visuals for disadvantaged.

RELATED EDUCATIONAL SERVICES

Program for the early identification and prevention of dropouts.
Increased guidance services.
Guidance programs for pupils and families.
School-job coordinators.
Home and school visitors and/or social workers.
Early identification of gifted among disadvantaged.
Area guidance centers.

FIANCIAL AND OTHER ASSISTANCE TO INDIVIDUALS

Supplemental health and food services.
School health, psychiatric, and psychological services.
Provision of clothing, shoes, and books where necessary.
Financial assistance to needy high school pupils.

EQUIPMENT

Special laboratories.

School plant improvements—elementary school science laboratories, libraries, kitchens, and cafeteries.

Equip elementary classrooms for television and radio instruction.

Purchase of musical recordings of classical nature, and recordings of poems and addresses.

Mobile learning centers.

SUMMER PROGRAMS AND PHYSICAL EDUCATION AND RECREATION

Educational camps.

College coaching classes.

Expansion of recreation to include physical education, health, and hygiene.

Arts and crafts programs during summer vacation.

Summer school and day camp.

Summer programs for development of language skills growing out of activities.

Community centers for organized recreation, hobbies, and special interests.

Full day summer school.

Shop and library facilities available after regular school hours.

Informal play-group program with young children.

Sports and other activities designed to improve physical fitness and develop sportsmanship.

VOCATIONAL OR OCCUPATIONAL

Occupational training classes.

Work experience programs.

On-the-job training for high school students.

Program for unemployed, out-of-school youth, between the ages 16 and 21.

Extended operation of youth organizations—Future Farmers, Business Leaders, Homemakers, Nurses, etc.

LIBRARIES AND CULTURAL ENRICHMENT

Field trips for cultural and educational development.

Expansion of libraries in major disciplines.

Scheduling of concerts, dramas, and lectures; mobile art exhibits and libraries.

Saturday morning special opportunity classes.

Bookmobiles—home oriented.

MISCELLANEOUS

Afterschool study centers.

Preschool pupil transportation.

Pupil exchange programs (semester, year, summer).

Residential schools in demonstration areas.

IV. PAYMENT OF FUNDS

Mr. MORSE. Mr. President, under title I funds will be paid from time to time and in advance to the State educational agency, which agency, will in turn pay to the local educational agencies sums to which they are entitled for approved programs. It is intended that funds be made available, as needed, to the local educational agencies so that the least financial burden possible will be placed on these agencies.

To defray the necessary expenses for the State administration of this title including evaluation of local programs, each State educational agency is entitled to an amount up to not more than 1 percent of the total of the amount of the basic grants paid to the local educational agencies. Payments may be made in advance to the States for these administrative expenses.

Certain limitations are placed under this title on the payment of funds. During the first year, fiscal 1966, no local educational agency may receive payments for title I programs of more than 30 percent of its regular budgeted current expenditures for that year. This will require the submission of estimated current expenditures by each local educational agency during the first year as a part of the approval process, so that the limitation can be observed. This limitation is designed to assure prudent expenditure. It is unlikely that any local educational agency could absorb a larger increase in its budget.

No payments can be made to a State that penalizes a local educational agency through reduced State educational aid because of moneys received under this title. The money under this title is not to be used to replace State money.

There is a further provision that the combined fiscal effort of the State and the local educational agency must be maintained if any payments are to be made to a local educational agency. These programs are to represent an extra effort, and this can only be done if the local unit at least maintains its current fiscal efforts. Current fiscal effort is defined as being based on fiscal year 1964, the last year for which data could be obtained in time to administer the law. The State educational agency will make the determination of effort under regulations of the Commissioner.

In the case of an insufficient appropriation during fiscal year 1966, payments for approved programs to the local educational agencies will be reduced proportionately. Since Congress will be reviewing the formula and payments for fiscal years after 1966 no further limitation was applied.

I stress the point that, so far as the operation of most of the bill is concerned, it is an authorization for 1 year, and we shall be back next year for consideration of further authorizations and for consideration of any proposed changes that a year's experience may seem to justify.

Wages for laborers and mechanics employed on construction projects assisted by this title must be paid prevailing wages in accordance with the Davis-Bacon Act, as amended.

Finally, if a State fails to comply with any of its assurances under this title, all payments may be withheld or if the violation involves specified local educational agencies, payments to those agencies may be withheld by the Commissioner until the situation is corrected. In the event that a State is dissatisfied with the Commissioner's final action under withholding or the approval of its assurances, it may take its case to the U.S. court of appeals in the circuit in which it is located.

V. NATIONAL ADVISORY COUNCIL

There is created under title I a National Advisory Council on the Education of Disadvantaged Children composed of 12 persons appointed by the President of the United States. The Council is directed to review the administration and operation of this title, including the effectiveness of the programs, and to make recommendations for improvement. An annual report to the President not later than March 31 of each calendar year is required. This report will be transmitted by the President along with his comments to the Congress. Staff and technical assistance for the Council will be provided by the Secretary of Health, Education, and Welfare at the request of the President.

VI. EXTENSION OF PUBLIC LAW 874

Title I of Public Law 874, 81st Congress, is extended through fiscal year 1968 to bring it into conformity with the new title.

TITLE II. SCHOOL LIBRARY RESOURCES, TEXTBOOKS, AND OTHER INSTRUCTIONAL MATERIALS

Testimony on this title brought to the attention of this committee convincing evidence of the importance of adequate library materials and staff, and the value of up-to-date textbooks in supporting the educational program of elementary and secondary schoolchildren.

Mr. President, if you show me a school without a library; or a school with an inadequate library; or, a school with a library that does not meet recognized minimum library standards; I shall show you a school that to a surprising degree is cheating the pupils in that school out of the education to which they are entitled.

When all is said and done, education grows out of a seedbed of books. Unless we can instill in the elementary and secondary schoolchildren of our country a love for books and an impelling desire to read them, we shall have little hope of developing to the maximum extent possible their intellectual potential.

As the Senate has heard the senior Senator from Oregon say many times on the floor of this body and in committee, we have a great moral obligation in our time, to stop the wasting of the intellectual potential of tens upon tens of thousands of American boys and girls. We cannot possibly justify such a course of action from the standpoint of our domestic welfare and our foreign policy welfare.

That is why, as a member of the Committee on Labor and Public Welfare, which has jurisdiction over education legislation, and on which I have the great honor to serve as chairman of the Subcommittee on Education, and also in my capacity as a member of the Foreign Relations Committee of the Senate, I have been heard to say, and I repeat now, that if I had to name the five most important domestic issues which face the people of our country, I would name the education crisis high on that list. If I had to name the five most important foreign policy issues that face our Republic, I would name the education crisis on that list.

One's first reaction might be, "Why does the Senator from Oregon list education in the field of foreign policy issues?"

I shall tell the Senate why. As I have been heard to say before—and repeat again today—we cannot keep ahead of Russia and China in manpower, but we had better keep ahead of both of them in brainpower. We must face up to the fact that the greatest security weapon we have is the potential brainpower of the youth of this country. I consider it more important to our security that we develop this potential brainpower than that we develop hydrogen

bombs. So far as the impact on the world of the future is concerned, the maximum development of the potential brainpower of our youth will have greater impact than the development of a new type of hydrogen bomb.

To put it that way, Mr. President, as some may say, is to put it in a sort of broad brush-stroke painting; but it is the painting of a crisis that we need to look at. As I explain H.R. 2362, it will be seen that we are dealing today with a measure which has special purposes, not general purposes. The legislation is not a general aid to education bill; it is a special aid bill for a special group of American boys and girls known as our educationally deprived children, many of whom come from our economically deprived families. The voluminous record made before my subcommittee, which is on the desk of each Senator, consisting of six volumes, contains the testimony, the data and the evidence presented by witnesses and groups who were well qualified to advise us about the crisis to which I have alluded.

In behalf of all members of my committee on both sides of that committee table, I speak with great pride, and I also speak with an expression of great gratitude to the people of this country who came to Washington and made it possible for us to compile these six volumes of supporting evidence behind the bill.

The record shows their testimony concerning title II, dealing with books, pointing out the importance of our getting books into the hands of deprived boys and girls. The testimony shows that in some of these deprived areas and homes there is hardly a book, and the nature and the quality of the books that are in many of such homes are not the books that will be very helpful in developing the educational processes so needed by the deprived youngsters in those homes.

Repeatedly in those hearings, the school library was described as a learning area where students are spending an increasing number of hours of their schoolday learning and absorbing knowledge at their own rate of progress. Research in the field of school library development has provided clear evidence that there is a close relationship between student achievement and quality of library programs. In spite of the recognized importance of school libraries, the latest available data show that more than 53 percent of our public schools do not have them. Most deficient in library service are elementary schools of which 69 percent remain without this service. More important than these percentages are the number of schoolchildren affected. There are more than 10 million public elementary and secondary pupils who do not have access to the resources of a school library. In addition, there are nearly 2 million pupils in over 6,200 nonpublic elementary and secondary schools without school libraries.

I ask unanimous consent that tables summarizing these conclusions be printed at this point in the RECORD.

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

*Public schools with and without school libraries, 1960–61*

| Educational level | Total number of schools | With libraries | | Without libraries | |
|---|---|---|---|---|---|
| | | Number | Percent | Number | Percent |
| U.S. total | 102,487 | 47,546 | 46.3 | 54,941 | 53.7 |
| Elementary only | 75,773 | 23,679 | 31.2 | 52,094 | 68.8 |
| Junior high only | 5,705 | 4,934 | 86.4 | 771 | 13.6 |
| High school, or senior high, only | 9,017 | 8,502 | 94.2 | 515 | 5.8 |
| Junior-senior high, only | 3,795 | 3,678 | 96.9 | 117 | 3.1 |
| Combined elementary and secondary school plant | 8,197 | 6,753 | 82.3 | 1,444 | 17.7 |

*Public school pupils with and without school libraries, 1960–61*

| Educational level | Total number of school pupils | With school libraries | | Without school libraries | |
|---|---|---|---|---|---|
| | | Number | Percent | Number | Percent |
| U.S. total | 35,952,711 | 25,300,243 | 70.3 | 1,652,468 | 29.6 |
| Elementary, only | 21,063,893 | 11,206,912 | 53.2 | 9,856,981 | 46.8 |
| Junior high, only | 3,829,992 | 3,623,875 | 94.6 | 206,117 | 5.4 |
| High school, or senior high, only | 5,577,572 | 5,437,191 | 97.4 | 140,381 | 2.5 |
| Junior-senior high, only | 2,192,884 | 2,158,511 | 98.4 | 34,373 | 1.6 |
| Combined elementary and secondary school plant | 2,388,370 | 2,873,754 | 87.3 | 414,616 | 12.6 |

Source: Statistics of Public School Libraries, 1960-61. Pt. 1. Basic Tables. Mary Helen Mahar and Doris C. Holladay. Washington, D.C., U.S. Department of Health, Education, and Welfare, Office of Education, 1964.

*Nonpublic schools with and without school libraries, 1962*

| Educational level | Total number of schools | With libraries | | Without libraries | |
|---|---|---|---|---|---|
| | | Number | Percent | Number | Percent |
| U.S. total | 14,020 | 7,764 | 55.4 | 6,256 | 44.6 |
| Elementary | 10,105 | 4,414 | 43.7 | 5,691 | 56.3 |
| Secondary | 1,860 | 1,748 | 94.0 | 112 | 6.0 |
| Combined elementary-secondary | 2,023 | 1,588 | 78.5 | 435 | 21.5 |

*Nonpublic school pupils with and without school libraries, 1963*

| Educational level | Total number of school pupils | With school libraries | | Without school libraries | |
|---|---|---|---|---|---|
| | | Number | Percent | Number | Percent |
| U.S. total | 5,116,411 | 3,213,577 | 62.8 | 1,902,834 | 37.2 |
| Elementary | 3,465,712 | 1,721,051 | 49.7 | 1,744,661 | 50.3 |
| Secondary | 776,007 | 743,678 | 95.8 | 32,329 | 4.2 |
| Combined elementary-secondary | 874,553 | 748,721 | 85.6 | 125,832 | 14.4 |

Source: National Inventory of School Facilities and Personnel, Spring 1962. George J. Collins, and others. Washington, D.C., U.S. Department of Health, Education, and Welfare, Office of Education, 1964.

Mr. MORSE. Mr. President, schools which do not have libraries are all too often stocked with obsolete materials which are, in effect, a detriment to learning.

One does not have to go very far from where I am now speaking for evidence, on the spot, of the observation I have just made. One of the greatest needs of the deprived schools of the District of Columbia is books—good books, books and library resources that the teaching staff find helpful as instruments to use in the educational process.

As one librarian testified, as appears at page 3059 of the hearings:

The lives and future of culturally deprived children can be greatly enriched by daily contact with a wealth of good books to open windows on the world and to inspire them to a better way of life. Their educational program will be more dynamic when they have access to a large stock of instructional materials and to superior school libraries, administered by professional school librarians. Schools and public libraries over the years have helped to stimulate and to brighten the lives of boys and girls in the slum areas who would otherwise rarely come in contact with the joy and challenge of good books. The vicarious experiences they glean from the pages of good literature can be an inspiration to them educationally, vocationally, and spiritually. I need to add nothing more to what Miss McJenkin has said, but I would like to say this:

Last summer, while teaching at Columbia University this past summer, I had school librarians from Harlem and other underprivileged areas in my class. I wish you could hear their account of the meager materials with which they have to work. But better still, I wish you could have felt their dedication and the enthusiasm they have for their work. Two weeks ago, I had the opportunity of visiting the Mount Royal Elementary School in an underprivileged section of Baltimore. Here a fine school program and excellent library service produces a very different picture and one we want to see emulated in all metropolitan areas where poverty exists.

The growing need for school library resources has been vividly illustrated by testimony of the Commissioner of Education. He called attention to a forthcoming study which estimates a volume gap of more than 200 million volumes for public and more than 60 million volumes for nonpublic elementary and secondary schools. In terms of dollar expenditures, more than $900 million would be required to meet this deficiency.

Considerable evidence also pointed to the need to improve the quantity and quality of textbooks and other instructional materials. In too many schools,

history textbooks are in use that end with World War I, and physics texts are being studied in this space age with no information on atomic developments.

Annual funds expended for textbooks vary from as low as $4.76 per student in one State to $12.32 in another. Textbooks are still not free to all students in many schools, including high schools in one-fourth of the school systems in 128 of our largest cities. Some families may have to expend $15 to $20 per child for school textbooks.

The Commissioner of Education testified:

> Children in families unable to support this extra burden are often turned from the halls of the school to the alleys of the slums. We cannot afford this loss.

This committee concludes, as did the President:

> The cost of purchasing textbooks at increasing prices puts a major obstacle in the path of education—an obstacle that can and must be eliminated.

GRANTS TO STATES FOR SCHOOL LIBRARY RESOURCES, TEXTBOOKS, AND OTHER INSTRUCTIONAL MATERIALS

Title II of this bill would authorize allotments of $98 million to States for the purchase of library material and textbooks. Up to $2 million is set aside for the same program in American Samoa, Guam, Puerto Rico, the Virgin Islands, and the Trust Territory of the Pacific Islands.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the estimated distribution of $100 million for school library resources, textbooks, and instructional materials under title II, Elementary and Secondary Education Act of 1965, for fiscal year 1966.

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

*Estimated distribution of $100,000,000,[1] school library resources, textbooks, and instructional materials under title II, Elementary and Secondary Education Act of 1965, fiscal year 1966*

| | *Estimated amounts* |
|---|---|
| United States and outlying areas | $100,000,000 |
| 50 States and the District of Columbia | 98,000,000 |
| Alabama | 1,734,277 |
| Alaska | 118,854 |
| Arizona | 815,164 |
| Arkansas | 937,854 |
| California | 9,308,483 |
| Colorado | 1,065,929 |
| Connecticut | 1,392,995 |
| Delaware | 256,903 |
| Florida | 2,604,055 |
| Georgia | 2,174,706 |
| Hawaii | 391,124 |
| Idaho | 370,581 |
| Illinois | 5,361,699 |
| Indiana | 2,528,237 |
| Iowa | 1,483,765 |
| Kansas | 1,146,723 |
| Kentucky | 1,549,486 |
| Louisiana | 1,922,905 |
| Maine | 525,829 |
| Maryland | 1,809,594 |
| Massachusetts | 2,622,125 |
| Michigan | 4,671,827 |
| Minnesota | 1,988,186 |
| Mississippi | $1,218,307 |
| Missouri | 2,309,246 |
| Montana | 382,828 |
| Nebraska | 775,144 |
| Nevada | 211,763 |
| New Hampshire | 336,232 |
| New Jersey | 3,233,812 |
| New Mexico | 590,702 |
| New York | 8,293,725 |
| North Carolina | 2,435,404 |
| New Dakota | 347,300 |
| Ohio | 5,406,689 |
| Oklahoma | 1,266,877 |
| Oregon | 975,757 |
| Pennsylvania | 5,908,219 |
| Rhode Island | 427,974 |
| South Carolina | 1,320,035 |
| South Dakota | 386,888 |
| Tennessee | 1,826,346 |
| Texas | 5,345,745 |
| Utah | 587,662 |
| Vermont | 208,027 |
| Virginia | 2,095,347 |
| Washington | 1,591,758 |
| West Virginia | 924,800 |
| Wisconsin | 2,278,827 |
| Wyoming | 187,468 |
| District of Columbia | 345,817 |
| American Samoa, Guam, Puerto Rico, Virgin Islands, Trust Territory of the Pacific | 2,000,000 |

[1] 2 percent ($2,000,000) reserved for distribution to the outlying areas.

ADMINISTRATION OF PROGRAM BY STATE AUTHORITY

Mr. MORSE. Mr. President, States desiring to participate in the provisions of title II would have to submit State plans and designate a State agency to administer the approved plans. It is intended that wherever possible the State educational agency would be the sole agency for administration of the State plan.

The plan would develop a program for the acquisition of library resources—including precataloged library resources—textbooks, audiovisual materials, and other printed and published materials for use of children and teachers in public and private elementary and secondary schools.

During the first year, administrative costs of the program would be available from the State grant up to 5 percent of the State allotment. For the following years, up to 3 percent of the State allotment would be available.

In making library resources, textbooks, and other instructional materials available to elementary and secondary students who were not enrolled in public schools, the State agency would be required, by the terms of the legislation, to so administer the program as to conform to State law. To insure that the funds expended will not accrue to the benefit of any private institution the following provisions were made:

First. Library resources, textbooks, and other instructional materials are to be made available to children and teachers and not to institutions.

Second. Such materials are made available on a loan basis only.

Third. Public authority must retain title and administrative control over such materials.

Fourth. Such material must be approved for use by public school authority in the State.

Fifth. Books and material must not supplant those being provided to children but must supplement library resources, textbooks, and other instructional materials to assure that the expenditures will furnish increased opportunities for learning. The State should also assure that the Federal funds made available under this title will not be used to supplant or duplicate, inappropriately, functions of the public library system of the State.

Assurance must be given in the administration of State plans that library resources, textbooks and other instructional materials will be made available on an equitable basis to all elementary and secondary schoolchildren and teachers.

The materials to be purchased under title II will be those approved for use in the public schools by the public State agency with the authority to prescribe such materials. The operation of title II would not differ from the conduct of public library programs which on a loan basis make library materials available to public and private school students.

In order to prevent the denial of benefits to children in any State in which a strict prohibition is encountered, section 204 of title II authorizes the Commissioner to arrange for the provision on an equitable basis of such library resources, textbooks, or other instructional materials for the use of children and teachers in such States. In the latter event, only those materials which have been approved for use in public schools may be made available.

TITLE III OF H.R. 2362

Title III provides authority to attack two problems which have long adversely affected education in the United States. This title authorizes the Commissioner to establish a program which would award grants to stimulate and assist in the provision of vitally needed supplementary educational services and to stimulate and assist in the provisions of exemplary educational programs to serve as models for regular school programs. Many school authorities have reported over and over again that there are vital services that they could render to teachers and students, but which they are prevented from doing because of inadequate funds. Other school people have questioned whether a local or State educational agency ought to assume the financial burden of creating exemplary educational programs which benefits and serves the entire Nation. The program authorized by title III would help to meet both these needs.

Grants would be made by the Commissioner to a "local educational agency" or group of such agencies on application to him. The term "local educational agency" means any public authority legally constituted within a State for either administrative control or direction of, or to perform a service function

for, public elementary or secondary schools. This term assumes the broadest meaning possible to provide for the maximum flexibility and efficiency in the organization of programs; to provide for the variety of organizational structures in the education systems of our Nation; and to take into consideration the contributions that can be made by various levels in the educational organization structure.

The Commissioner, in approving applications, must take into account such things as the effectiveness of administrative provisions and equitable distribution of assistance within each State considering such criteria as the size and population of the State, the distribution of population within the State, the relative ability of the local educational agency to finance such services, and the need for such a service or exemplary program. Money authorized under the program is allocated on the basis of a formula which provides a flat grant of $200,000 to each State and then divides the remainder of the money into two parts, one of which is allocated on the basis of the States relative school-age population and the other of which is allocated on the basis of the States relative total population. For the first fiscal year the money would be allocated to the States and the territories according to the following table:

*Estimated distribution of $100,000,000[1] for supplemental education services under title III, Elementary and Secondary Education Act of 1965, fiscal year 1966*

| | Total estimated amount |
|---|---|
| United States and outlying areas | $100,000,000 |
| 50 States and the District of Columbia | 98,000,000 |
| Alabama | 1,843,542 |
| Alaska | 318,293 |
| Arizona | 935,099 |
| Arkansas | 1,098,100 |
| California | 8,239,821 |
| Colorado | 1,107,310 |
| Connecticut | 1,432,727 |
| Delaware | 425,115 |
| Florida | 2,702,679 |
| Georgia | 2,229,496 |
| Hawaii | 530,441 |
| Idaho | 536,393 |
| Illinois | 4,929,120 |
| Indiana | 2,451,748 |
| Iowa | 1,487,761 |
| Kansas | 1,230,857 |
| Kentucky | 1,687,506 |
| Louisiana | 1,878,224 |
| Maine | 659,025 |
| Maryland | 1,779,430 |
| Massachusetts | 2,581,226 |
| Michigan | 4,051,798 |
| Minnesota | 1,863,225 |
| Mississippi | 1,338,365 |
| Missouri | 2,188,807 |
| Montana | 537,823 |
| Nebraska | 879,119 |
| Nevada | 377,415 |
| New Hampshire | 495,293 |
| New Jersey | 3,150,198 |
| New Mexico | 698,347 |
| New York | 8,010,486 |
| North Carolina | 2,507,564 |
| North Dakota | 512,900 |
| Ohio | 4,912,452 |
| Oklahoma | 1,322,315 |
| Oregon | 1,067,258 |
| Pennsylvania | 5,392,267 |
| Rhode Island | $600,568 |
| South Carolina | 1,449,458 |
| South Dakota | 541,281 |
| Tennessee | 1,965,556 |
| Texas | 5,083,486 |
| Utah | 690,284 |
| Vermont | 390,283 |
| Virginia | 2,215,361 |
| Washington | 1,588,747 |
| West Virginia | 1,070,069 |
| Wisconsin | 2,118,449 |
| Wyoming | 363,035 |
| District of Columbia | 533,880 |
| American Samoa, Guam, Puerto Rico, Virgin Islands, Trust Territory of the Pacific | 2,000,000 |

[1] 2 percent ($2,000,000) reserved for distribution to the outlying areas. Basic allotment of $200,000 for the 50 States and the District of Columbia, with the balance distributed ½ ($43,900,000) on the basis of the estimated 5-to-17 population as of July 1, 1963, and ½ ($43,900,000) on the basis of the estimated total resident population as of July 1, 1963.

I point out again that we are dealing here with an authorization for 1 year.

Responsibility for conducting the entire program is distributed between local educational agencies, State educational agencies, and the Commissioner of Education. Local education agencies submit their applications directly to the Commissioner, but he in turn may approve and fund applications only if they have first been submitted to State departments of education for review and recommendation. Local and State initiative and responsibility is preserved under this arrangement where applications and programs arise from local planning in response to local needs and desires. The committee hopes that chief State school officers will assist local educational agencies to develop programs which best serve the advance of education within the State. By providing assistance through statewide planning, wasteful overlap and duplication can be avoided.

One of the bright features of this title is the emphasis that will be placed on innovation in the development of supplementary educational service programs. Stimulation and assistance in the development of exemplary programs is just one innovative aspect. A second just as important point lies in the provision that local educational agencies in the planning and administration of services must involve persons broadly representative of the cultural and educational resources of the area to be served. This provision provides impetus for local educational agencies to extend areas of cooperation beyond their own institutional structures in order to make use of appropriate resources and talent in the development and operation of supplementary and exemplary educational programs. The intention here is to provide for further cooperation among local school districts, State departments of education, noneducational governmental agencies at local, State, and National levels, colleges and universities, and private nonprofit organizations. In addition, efforts should be made to utilize the resources of private research, industry, business, and other professional and civic groups.

In addition to determining that local educational agencies have involved the best educational and cultural resources in the area, the Commissioner must also ascertain that provision has been made to serve all appropriate children and adults in some cases in the area. This title is not intended to be used to support instruction in private institutions, nor is it the intent to pay teachers in private schools through programs under this title. Nothing under this title is to accrue to the pecuniary advantage of any private schools. It is intended, however, that local educational agencies should have a broad range of choice as to the types of programs they feel it is necessary or desirable to create.

Local educational agencies are precluded from using Federal funds received under this title to replace funds already being spent by such agencies. Further, it is not the intent of section 305(a) for the Commissioner to necessarily pay all costs, particularly where there are State, local, and private funds available. Payments will be made on the basis of the terms of approved applications.

Title III authorizes the creation of an Advisory Committee on Supplementary Educational Centers and Services consisting of the Commissioner and eight others. They are charged with the responsibility of advising the Commissioner on the disposition of each application received under the program on policy questions that arise, and with the preparation of regulations and evaluative criteria.

Considerable latitude is left to the local educational agency in determining the substance and development of programs under this title. Funds are authorized for planning grants and for pilot projects of supplementary services or exemplary programs. Supplementary programs are possible in the whole range of pupil personnel services such as guidance, testing, remedial instruction, and in school health. Comprehensive academic services and vocational guidance for continuing adult education is a possible area of concentration. The title authorizes the expenditure of funds for developing exemplary educational programs to serve as models for existing school programs. Grants could be awarded for supplementary programs in humanities and the arts. Applications may be received for services in the area of specialized instruction for advanced subjects or subjects not already included in the school program or which can better be provided on a centralized basis. Modern educational equipment and specially qualified instructional personnel could also be provided under the terms of this title. Educational radio and television programs could be developed, produced, and transmitted. Special services for persons in rural areas or who are otherwise isolated from normal educational opportunities could also be developed. Instructional materials centers could be created to provide teachers with a wide variety of resources to use in school programs.

In sum, virtually any service that supplements the existing school program or that provides an exemplary educational program could be supported under this title.

The bill authorizes $100 million for fiscal year 1966. Authorizations for the succeeding 4 years of the 5-year program would have to be prescribed by the Congress. The allocation formula and a special provision authorizing the Commissioner to reserve up to 2 percent of the funds for apportionment among the territories assures equitable distribution of the funds across the Nation and the territories.

The concept of supplementary educational services is an innovation in education in this Nation. The committee would emphasize the need for programs with enough flexibility to permit the broad and varied use of many different kinds of innovative practices, institutions, and educational programs.

TITLE IV OF H.R. 2362

I shall speak a word now about title IV of H.R. 2362. What about its purpose?

Title IV of the Elementary and Secondary Education Act of 1965 would amend the Cooperative Research Act of 1954 (Public Law 83–531) to provide new and expanded programs of research, development and training to promote quality education in all schools of this Nation. This title would authorize the training of research personnel and the improved dissemination of educational research and development. Authorization would also be granted to employ the competence of research organizations not now eligible to contribute to the program, such as private noncollegiate research organizations and professional associations. In addition, the program would provide for the construction of regional and national educational laboratories and for the purchase of research equipment.

RESULTS OF EXISTING RESEARCH PROGRAMS

Now let me say a word about the results of existing research programs. Significant progress has already been made in educational research under programs such as those presently supported under the Cooperative Research Act. For example:

Programs have been developed to guide elementary school children in "discovering" the basic concepts of mathematics; results are so encouraging that many school systems throughout the country are adopting the methods.

Studies supported under the cooperative research program have shown that the rate of listening comprehension of blind children can be raised to levels above those for children with unimpared sight—in fact, to four times the comprehensive speed of braille.

Grade school pupils have been successfully taught anthropology and college-level economics; this indicates that curriculum evaluation and research are necessities at all levels.

I must not digress on this subject except for a minute, I do so, only to speak of an experience I had which is reported in the hearings that moved me very deeply, it would move anyone, as to what is being accomplished with the blind, what is being accomplished with the deaf, what is being accomplished with the handicapped, what is being accomplished with those who need remedial reading help.

Many persons think remedial reading help involves only an eyesight problem. Quite the contrary. In difficult cases, it involves a complete readjustment of the child, often psychologically, to ascertain why the child will see some words upside down and some words right side up. That child, under different degrees of emotional stress, will have entirely different reading problems. Yet there have been almost miraculous results from the research already carried on that would move you, Mr. President, if you listened, as I have, to the evidence. It is a field of research that needs to be so expanded as to reach all children who are blind and deaf, all children who need a remedial reading assistance, all the handicapped children no matter what the origin of their difficulty.

I think the evidence is clear in the overwhelming majority of the cases in which there is no mental impairment, where we are not dealing with cases of mental retardation. I shall say something later about what can be done with the retarded child, when there is mental impairment. I am talking now about the child who suffers from a handicap, but who really has normal basic intelligence. That is what I am pleading for in this part of the bill.

As I have been heard to say in committee, we have a terrific obligation to these children. I call it a moral obligation. Others may use some other descriptive term. But in my judgment, we as a people, cannot justify providing the support which this bill will provide to carry out the research programs involved in the section I am now explaining to the Senate.

Effective preschool education programs are being developed for children from impoverished backgrounds to compensate for the retarding effects of disadvantaged home and neighborhood backgrounds.

I digress once more, because something flashes through my mind, and I think this is as good a place to discuss it in the RECORD as anywhere.

I shall ask unanimous consent to insert in the RECORD at a later point a newspaper clipping I used in the committee yesterday as we were discussing the bill. It consisted of a newspaper article reporting on a meeting of educational authorities in which they talked about a school breakfast program as being essential to the solution of some so-called behavior problems of children.

Mr. President, I do not know why as parents and legislators we have been so prone to overlook this matter. There is not a father in the Senate who has raised a family who does not know of some of the behavior problems that have developed in his own family. We frequently realize that perhaps if the children had a little nourishment at that point of misbehavior, the nourishment might help. Very often the cause, or the seeming cause, of the misbehavior might be explained by the fact that the child was hungry. A glass of milk, with cookies, or whatever else we wanted added to it—and each one of us has had this experience in our own homes as our youngsters were growing up—had a great therapeutic effect so far as the misbehavior of that moment was concerned.

While the hearings were in progress, I was called to Philadelphia to meet with a group of mothers whose youngsters had completed school but who had volunteered their services to help with behavior problems of children in some of the schools in Pennsylvania where the classrooms are overcrowded. Those mothers said, "We will take the behavior problems out of the classroom and see what we can do, working with the teacher and the principal, to help certain children so they will not be so disruptive to the rest of the class."

I reported this to the committee in open session, and I mention it because of the results that I will tell the Senate about in a moment or two. One of the mothers said she had a wonderful little boy in third grade, but he had the classroom completely upset during the day. No one could do anything with him. He was incorrigible. She said, "So he was assigned to me. His record showed he had not only a normal I.Q., but one much better than average." She said, "I paid some attention to his home." Every schoolteacher with 36 youngsters in a grade cannot also be a caseworker and go into the homes. She said, "I was shocked by what I discovered, and I realized that this little boy went to school morning after morning without having a morsel of food." She said, "I am not saying, Senator, that you can resolve all these cases in this way, but you would be surprised how much it will help with many of them."

This mother told me, "Out of my own pocketbook I have supplied him with, first, a glass of milk, then with milk and crackers, and then some cereal. In a relatively short time, this boy, having had breakfast before he went into the classroom, became a well-behaved boy and gave no further trouble."

I told this story in the open hearings of the committee in much the same offhand explanation I am making now. Some Senators may remember the newspaper stories which resulted from it. It was picked up and commented upon in the press in various parts of the country. I was flooded with communications from all over the United States, teachers, school officials and other interested persons, indicating that we do not realize how helpful it would be if there were a school breakfast program as well as a school lunch program. Large numbers of little boys and girls go to school without having had any breakfast.

As parents, how do we expect good behavior from such boys and girls? After all, we know little about the relationship of blood chemistry to behavior. My wife is often prone to say from time to time, when we comment on someone's behavior that we cannot understand, that if we only knew more about blood chemistry we would know more about why individuals react as they do under various circumstances.

We know the direct cause affecting the relationship between adequate food for a child before he goes to school in the morning and the kind of behavior we can expect from him in the classroom during that morning.

Mr. President, I urge adoption of this part of the bill because this kind of research, this kind of study, can be helpful in solving some behavior problems.

I ask Senators to turn to page 1712 of the committee hearings, in the testimony of Dr. Beattie, who was very helpful to my committee.

He said:

Inclusion of funds for food caused sharp discussion among our staff members. Some thought that public assistance plus Federal surplus food insured adequate nourishment for children in low-income families. Others insisted that the assumption is in error. Finally, our homemaking supervisor described a child eating a sandwich composed of two slices of bread with a layer of potato peelings. We included an estimated sum to cover food. It is possible, however, that once we have identified children requiring food that we can cover food costs from other funds.

The newspaper article of yesterday, to which I referred in committee yesterday morning, which was published in Sunday's Washington Post under the heading "Educators Turn Attention to Pre-Kindergarteners," includes the statement made by Dr. Pitchell, in which he said that most of the almost 300,000 children whose experience will be expanded this summer have "minimal responses. They are hungry all the time. Just having breakfast and lunch will increase their attention span."

Mr. President, I ask unanimous consent that the article to which I have alluded, be printed at this point in my remarks.

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

[From the Washington Post, Apr. 4, 1965]

EDUCATORS TURN ATTENTION TO PRE-KINDERGARTENERS

(By Elizabeth Shelton, Washington Post staff writer)

Administrators and educators from 90 colleges and universities will meet in College Park next Sunday to begin pumping professional lifeblood into Project Head Start.

They will gather in the University of Maryland's Adult Education Center under the guidance of Dr. Robert Pitchell, Head Start staff training program director, to establish core curriculums and recruitment, as well as administrative policies for the crash summer program.

Head Start will attempt to wrest more than a quarter of a million 4- and 5-year-old children from the cycle of poverty into which they were born and prepare them for the fall semester in kindergarten or the first grade. The 8-week program starts July 5.

Dr. Pitchell is conducting the 4-day distilled program for the National University Extension Association, headquartered in Minneapolis.

The association recently signed a $2,400,000 contract with the Office of Economic Opportunity to train the professionals who will develop the nationwide program.

The association subcontracted with the 90 higher educational institutions all over the Nation to train the personnel who will man the project's child development centers in thousands of communities.

"We are going to have a core curriculum which will emphasize a number of central objective concerns in which we will expect teachers in the Child Development Centers to be trained," Dr. Pitchell said.

He enumerated some these as:

Health, nutritional, and medical care.

Basic education problems.

Effects of poverty on the young.

Use of social welfare agencies in the community.

Role of parents.

He said most of the almost 300,000 children whose experience will be expanded this summer have "minimal responses. They are hungry all the time. Just having breakfast and lunch will increase their attention span."

Pitchell is enthusiastic that this June's crop of college graduates will form the backbone of the summer teaching corps. He cited the enthusiasm with which the Nation's class of 1961 and subsequent graduating classes manned the Peace Corps operation all over the world.

The follow through, or sequel program, slated to take up in the fall when the crash program is over, he hopes will attract these same young professionals. To fill in the gaps there is the vast resource of educated older women who need only "retooling", to reenter the field.

Mr. MORSE. Mr. President, I speak about this subject because it is close to my heart, as all Senators know.

In 1957, the investigation of my subcommittee on the District of Columbia Committee became known as the "hungry children investigation" in the District of Columbia. The results of that investigation became better known in the capitals of the underdeveloped countries of the world than in the capitals of the States of the United States.

In that study, we brought out that more than 200 little boys and girls in the District of Columbia were dependent for their food supply upon the contents of garbage cans in the Negro ghettos and alleys of Washington, D.C. That was their food supply in 1957. They also lived on such handouts as they might receive from the doors of the hovels in the shocking Negro ghettos of Washington, D.C. In 1957, some of those Negro ghettos were located only three or four blocks from where I now am speaking.

These ghettos have now been removed and integrated apartments have been built there. I wish I could say that all that needed that kind of housing were living in those apartments. Some are. I have nothing but the greatest praise for the housing programs in the District of Columbia and those responsible for them, but we have a long way still to go because some of those families, or the individuals therein, were merely pushed farther out into the city.

As a result of the "hungry children investigation," in which the Senator from Pennsylvania [Mr. CLARK] was my right arm, we completely changed the procedure for the distribution of surplus food in the District of Columbia. We started a school-lunch program to reach children in the elementary and secondary schools.

However, we have not gone far enough. There should be a school breakfast program, in addition.

This part of the bill, at least, would make it possible for us to complete the research studies. I believe that we should take judicial notice of this fact, but I recognize that we have to supply the data. I believe that this part of the bill could very well lead to the humanitarian food program for which I raise my voice and plead on the floor of the Senate. I plead for food for the deprived schoolchildren of America.

I am for food for deprived children around the world, as all Senators know. I speak, however, most respectfully. I wish I could arouse in the Senate the same concern for food in the stomachs of deprived boys and girls in America which we are so willing to provide in the expenditure of hundreds of millions of dollars in a foreign aid program.

This is a part of the foreign aid programs—along with other parts of the economic aid programs—which help people, and which I have always supported and wish to be in a position to be able to continue to support. But certainly we should do no less for the little deprived boys and girls in our own country than we are willing to do, on the same moral principles which I support, for deprived, hungry children elsewhere in the world.

Thus, I am pleading in this debate for support from Senators for enactment of the bill. I am pleading for support of the bill in its present form because it is a good bill. I am pleading that we not jeopardize the possibility of a breakthrough of aid to educationally deprived children in the elementary and secondary school systems of this country, by getting ourselves into arguments over amending the bill. I am satisfied that on the basis of the bill in its present form it should be enacted. We should make this start, for the first time in the history of the country, for we have never before passed legislation for elementary and secondary schools serving large concentrations of deprived children. It is sound legislation that will give us a golden opportunity to bring this kind of benefit for which I am now pleading.

I urge my colleagues in the Senate, in spite of some reservations with regard to certain parts of the bill, to remember that it is essentially a 1-year authorization program. I ask them to remember that with a year's experience with the bill we can amend it next year, if it needs amending. However, the Senate will be surprised by how uniformly acceptable the bill will be across the country once we give it a year's trial.

This is something which I, as chairman of the subcommittee, have never seen before. I have always been confronted with splits in policy among educational groups in this country. The pending bill has the unified support of the leading educational organizations of this country, public and private. It has the support of higher educational organizations, such as the American Council on Education as well as those organizations which are working in the field of elementary and secondary education, public and private.

As an example of the type of broad support H.R. 2362 commands, I cite a Washington Post article for April 6, which is entitled "School Boards Beat Off Attack on Federal Aid."

It reads:

BOSTON.—The National School Boards Association came as near as it ever has today to approving Federal aid to education when it overwhelmingly voted down a proposed policy statement opposing it.

The NSBA predictably did not say it wanted or approved Federal aid. It has opposed all such measures for years.

But it acknowledged officially for the first time "there are nationwide concerns in education which transcend the boundaries of local school districts and the State * * * (including) widespread disparity in educational opportunities for all children."

Today's action was termed an acknowledgement that the battle against Federal aid to education is already lost—that the Johnson program soon will be enacted into law.

I hope that is true.

Mr. President, I believe I have shown, by a record of many years in the Senate, that if I believe a bill is an unsatisfactory bill, if I think it is a bad bill, I support amendments. Some of my friends in the Senate, in the cloakrooms, have said, "What has happened to you? You do not want amendments to the bill."

I said, "Nothing has happened. I think it is a good bill, I think it is a bill that ought to be enacted in its present form without running the legislative risk of scuttling it."

I wish to get this much on the statute books and give it a year's trial. It is only a year's authorization. Then, if the testimony, evidence, and data found in these six volumes does not bear out the premises which the witnesses presented to the committee in support of the bill, we can modify it. We will not be wasting a dollar. We can be sure that every dollar provided for in the bill will be spent for a good cause.

That is why I take this position on amendments that I have. That is why I plead that the Senate pass the bill. That is why Senators find me at this stage of my explanation of the bill urging that we not jeopardize or endanger in any way the educational research contained in this title.

THE NEED FOR RESEARCH

Research is thus at the heart of improved education. However, our present expenditures on educational research are but a small answer to a great need. Education, with a total annual expenditure of about $34 billion provides only one-fifth of 1 percent of this outlay for research and development in this vital field.

NATIONAL AND REGIONAL EDUCATIONAL LABORATORIES

Programs supported under the Cooperative Research Act as amended by title IV of the Elementary and Secondary Education Act of 1965 will provide necessary links between the research laboratories and the classroom. Under this title, a series of national and regional educational laboratories would be established to conduct research, to translate the result of research into forms that can be used in classrooms, to continually test these forms, to train teachers in their use, and to make them available to local school systems. Providing training opportunities in educational research will also be an important part of these expanded programs.

The activities of the laboratories will provide for a close working relationship of local schools, State departments of education, universities, and other groups within the community of scholars and researchers from many disciplines as well as local schoolteachers and administrators.

Curriculum innovation, crucial to quality education, will be an important function of the laboratory program. The laboratories will draw upon educators and practitioners in all fields of learning—mathematicians, scientists, humanists, historians, economists, social scientists, linguists, musicians, artists, and writers. This interdisciplinary attack on educational problems is new but not without precedent in educational research. In recent years the National Science Foundation and the Office of Education have supported projects in which competent scholars in several fields have worked side by side with local school personnel and educators. Research and development centers using this approach were established under the Cooperative Research Act at a cost in 1965 of approximately $1.9 million at the Universities of Pittsburgh, Oregon, Wisconsin, and at Harvard University. The laboratories will continue these efforts, but on a larger scale and with expanded scope.

Most of the curricular advancements thus far have been made in the fields of science and mathematics. The social sciences, the arts, the humanities, and other fields demand and deserve similar efforts to overcome outmoded curricular practice. The laboratories will bring together a variety of groups and individuals to work on just such curricular innovation.

INVOLVEMENT OF TEACHERS AND ADMINISTRATORS

In education the average lag between research and its application has been estimated about 30 years or more. In similar fields this lag is generally much smaller—for example, in medicine it is estimated at 2 years. One reason for the timelag in education has been the failure to include teachers and administrators in the process of innovation. But under the laboratory program these individuals will be involved from the outset. Laboratories will be associated with local school systems where laboratory techniques and programs can be tried out and evaluated on a large scale. Moreover, by training teachers in the presence of innovative activities they will be prepared for the new educational programs and will be open to experimentation and innovation.

TRAINING

Educational issues and programs are becoming more complex. As a result, sound curriculum development and innovation depends increasingly upon well-established research knowledge and upon continuing critical research evaluation to help train the research specialists needed for current and, more so, for developing educational programs. Title IV also authorizes grants to public and other nonprofit universities, colleges, and other public and nonprofit institutions for training for research in the field of education.

AUTHORIZATION

This title authorizes the Commissioner to make arrangements for and to contribute to the cost of operating facilities constructed under this title or facilities of the nature proposed under this title. For purposes of constructing and equipping such facilities, $100 million is authorized over a 5-year period beginning fiscal year 1966. The administration has included $45 million in its fiscal year 1966 budget to carry out the purposes of this title by supporting the constructing and equipping of regional research facilities and by supporting programs for research, development, dissemination, and training. The administration has also budgeted $25 million for research and research-related purposes under the existing Public Law 83–531.

TITLE V. STRENGTHENING STATE DEPARTMENTS OF EDUCATION

THE NEED

The strengthening of the State educational agencies that are responsible for supervising and guiding the educational systems of our States—generally called State departments of education—is one of the most effective means of improving educational programs in the elementary and secondary schools of our Nation.

In 1962–63, State departments of education distributed to local school districts $8 billion of State funds, supplementing more than $11 billion of local funds. In addition, they served as the administrative agencies for the States in carrying out activities involving $700 million of Federal funds, and the programs proposed in this legislation would raise the amount to nearly $2 billion. State departments of education also bear the burden of regulating the operation of institutions in State systems of education under State laws and of providing the statewide leadership essential to continuing educational progress.

In view of the burgeoning needs in education, State departments of education do not have sufficient resources to perform the work now expected of them. The leadership services that these departments are now able to provide to local systems are totally inadequate. In order for the programs authorized in this legislation to achieve optimum results, our State departments of education must be substantially strengthened.

Serious imbalance in the structure, organization, and management of State departments of education have resulted from the allocation of Federal funds for specific educational purposes. The staffs of these departments clearly reflect these imbalances. To illustrate, supervisory personnel for mathematics, science, and foreign languages in all State departments of education was reported to number only 15 in 1957–58; but, by 1963–64, after 5 years of Federal support under title III of the National Defense Education Act of 1958, the number of State supervisors had risen to 173—an elevenfold increase. The number of State supervisors in subject areas not supported by Federal funds increased very little during this period.

I ask unanimous consent to have printed in the RECORD a table which will so indicate.

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

| Area | Year 1957–58 | Year 1963–64 |
|---|---|---|
| Supervisors of English | 13 | 18 |
| Supervisors of social studies | 7 | 14 |
| Supervisors of preschool education | 3 | 3 |

Mr. MORSE. The success of Federal investments in education depends upon strong and balanced State educational planning, leadership, and coordination. Title V is therefore an essential component of the new five-part program provided for in this legislation.

GRANTS

Title V of the bill authorizes an appropriation of $25 million for fiscal year 1966, and such sums as Congress may authorize for the 4 fiscal years thereafter. These appropriations would enable the Commissioner to make grants to stimulate and assist States in strengthening the leadership resources of their State educational agencies and to assist those agencies in establishing and improving programs to identify and meet State educational needs.

Eighty-five percent of the funds appropriated would be available for basic grants to assist State educational agencies in initiating and expanding activities of the kind mentioned above. The Commissioner will apportion $100,000 to each State and the remainder of such 85 percent—after setting aside up to 2 percent for apportionment to American Samoa, Guam, Puerto Rico, and the Virgin Islands—will be apportioned on the basis of the relative number of public school pupils within the States. To obtain these grants, States would submit applications through their State educational agencies which would be approved by the Commissioner subject to the conditions set forth in the title. For the first 2 years, the Federal share would be 100 percent, but thereafter it would vary from 50 to 66 percent depending upon the per capita income of the State. Funds under this basic grant portion of the title would be distributed as follows for fiscal year 1966:

*Estimated distribution of $25,000,000[1] for strengthening State departments of education under title V, Elementary and Secondary Act of 1965, fiscal year 1966*

| | Estimated amounts |
|---|---|
| United States and outlying areas | $21,250,000 |
| 50 States and the District of Columbia | 20,825,000 |
| Alabama | 411,619 |
| Alaska | 121,337 |
| Arizona | 238,848 |
| Arkansas | 270,243 |
| California | 1,672,034 |
| Colorado | 280,701 |
| Connecticut | 312,652 |
| Delaware | 139,737 |
| Florida | 549,680 |
| Georgia | 495,621 |
| Hawaii | 159,850 |
| Idaho | 165,497 |
| Illinois | $875,820 |
| Indiana | 517,718 |
| Iowa | 335,566 |
| Kansas | 292,294 |
| Kentucky | 351,893 |
| Louisiana | 398,520 |
| Maine | 182,826 |
| Maryland | 379,359 |
| Massachusetts | 477,050 |
| Michigan | 828,465 |
| Minnesota | 399,197 |
| Mississippi | 319,780 |
| Missouri | 460,057 |
| Montana | 162,626 |
| Nebraska | 220,497 |
| Nevada | 137,894 |
| New Hampshire | 147,601 |
| New Jersey | 576,593 |
| New Mexico | 198,805 |
| New York | 1,288,213 |
| North Carolina | 547,459 |
| North Dakota | 156,051 |
| Ohio | 946,737 |
| Oklahoma | 327,809 |
| Oregon | 267,391 |
| Pennsylvania | 939,966 |
| Rhode Island | 157,218 |
| South Carolina | 340,190 |
| South Dakota | 162,285 |
| Tennessee | 428,208 |
| Texas | 1,035,640 |
| Utah | 207,310 |
| Vermont | 131,119 |
| Virginia | 467,894 |
| Washington | 372,829 |
| West Virginia | 265,521 |
| Wisconsin | 415,673 |
| Wyoming | 133,422 |
| District of Columbia | 153,685 |
| American Samoa, Guam, Puerto Rico, Virgin Islands | 425,000 |

[1] 85 percent of $25,000,000 distributed; 2 percent ($425,000) of $21,250,000 reserved for distribution to the outlying areas. Basic allotment of $100,000 for the 50 States and the District of Columbia; balance distributed on the basis of public elementary and secondary school enrollment, fall 1964.

Title V of the bill is designed to assure that work and responsibilities placed upon State departments of education as a consequence of legislation enacted by Congress will not weaken State and local control of education in our Nation. It will help restore balance in State educational agency operations. It will serve to reinforce our decentralized system of education.

Title V provides funds for programs and activities that are essential to State educational progress, including, but not limited to, the improvement and strengthening of State educational planning information services, research and demonstrations, teacher preparation, the training of persons to serve State and local educational agencies in leadership, administrative, and specialist positions, and consultative and technical assistance. It also provides a means for developing State leadership through temporary interchanges of personnel between the U.S. Office of Education and State departments of education.

It is intended that States will cooperate with the Office of Education in rounding out and balancing programs which are in the public interest. An example of such might be the perfecting of statistical collecting and data processing systems in local and State education agencies for the full flow of information on a nationwide basis.

The remaining 15 percent of the $25 million authorized for fiscal 1966, or $3,750,000, would be used by the Commissioner to make grants to State educational agencies to pay part of the cost of experimental projects for developing State leadership and for providing special services which, in the judgment of the Commissioner, hold promise of contributing substantially to the solution of problems common to the State educational agencies of all or several States.

Title V also establishes the basis for voluntary arrangements permitting the transfer or interchange of personnel between the State departments of education and the U.S. Office of Education. Such transfers would be for not longer that 2 years. The interchange of persons who have had firsthand experience with educational problems and their solutions is an excellent method of transmitting knowledge and understanding of the pressing problems of education and of improving staff competency. The interchange would be mutually beneficial to the Office of Education and the State educational agencies.

TITLE VI

Title VI contains the general provisions governing the bill, including definitions, the appointment from time to time of an Advisory Council of 10 members to advise and consult with the Commissioner with respect to his functions under the act and in section 604 and section 605 there are two vitally important provisions.

Mr. President, I ask unanimous consent that at this point in my remarks there appear from pages 79 and 80 of the text of H.R. 2362 the sections to which I have alluded.

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

FEDERAL CONTROL OF EDUCATION PROHIBITED

SEC. 604. Nothing contained in this act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system.

LIMITATION ON PAYMENTS UNDER THIS ACT

SEC. 605. Nothing contained in this act shall be construed to authorize the making of any payment under this act, or under any act amended by this act, for religious worship or instruction.

Mr. MORSE. Mr. President, these two sections of the bill are a clear and convincing answer of the intention of the committee to preserve our traditional belief in the importance of local and State operation of our elementary and secondary educational system and our clear direction that there is nothing in this act which can be construed for making any payment under this act or any act amended by it for religious worship or instruction.

To conclude this formal portion of my presentation, Mr. President, I ask unanimous consent that there be printed at this point in my remarks a table taken from page 36 of the committee report which sets forth the new obligational authority and anticipated expenditures contemplated under H.R. 2362 by the Department of Health, Education, and Welfare, Office of Education.

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

*Elementary and Secondary Act of 1965*

[In millions of dollars]

| | 1966 | 1967 | 1968 | 1969 | 1970 | Total |
|---|---|---|---|---|---|---|
| NEW OBLIGATIONAL AUTHORITY | | | | | | |
| Title I, financial assistance to local educational agencies for the education of children of low-income families | 1,060.1 | 1,500.0 | 2,000.0 | | | 4,560.1 |
| Grants for State administrative expenses | 10.6 | 15.0 | 20.0 | | | 45.6 |
| Title II, school library resources, textbooks, and other instructional materials | 100.0 | 125.0 | 150.0 | 175.0 | 200.0 | 750.0 |
| Title III, supplementary educational centers and services | 100.0 | 125.0 | 150.0 | 175.0 | 200.0 | 750.0 |
| Title IV, educational research and training | 45.0 | 55.0 | 65.0 | 80.0 | 90.0 | 335.0 |
| Title V, grants to strengthen State departments of education | 25.0 | 35.0 | 40.0 | 45.0 | 50.0 | 195.0 |
| Administrative expenses: | | | | | | |
| Personnel compensation | 1.6 | 4.5 | 4.5 | 3.5 | 3.0 | 17.1 |
| Other | 2.4 | 1.9 | 2.0 | .5 | .5 | 7.3 |
| Subtotal | 4.0 | 6.4 | 6.5 | 4.0 | 3.5 | 24.4 |
| Total, new obligational authority | 1,344.7 | 1,861.4 | 2,431.5 | 479.0 | 543.5 | 6,660.1 |

Mr. MORSE. Mr. President, during the course of our hearings, which resulted in the 6 printed volumes of testimony available on the desk of every Senator, the committee heard in person from some 95 witnesses. In addition to these oral statements a cross section of public and those who represent the public brought to the attention of the committee members their various concerns. A quick check revealed that these witnesses came from some 23 States and the District of Columbia. Correspondence on this measure was received, I think I can say without fear of contradiction, from almost every State in the Union. Every witness who indicated a desire to be heard was accommodated either in our public hearings or through the medium of a written statement which was considered by the committee as a part of the printed hearings.

Mr. President, I would be the first to recognize that in the magnitude and import of this act there will undoubtedly be many areas which we will in subsequent years wish to reconsider but basically, as I said earlier in my remarks this afternoon, this bill is sound.

I consider it to be a good bill, a sound bill, a bill that should be passed at this time without amendment, in order to accomplish the breakthrough it offers us the opportunity to accomplish. It will enable us to place on the statute books a law which, for the first time, will come to the aid of such a substantial body of students in the elementary and secondary schools of our country—our deprived students.

The changes which have been incorporated in the bill up to this moment are on the whole most helpful. The important thing at this juncture is that the bill be sent to the President for his approval as soon as we conveniently can. I urge Senators in their consideration of any amendments which may be proposed to the bill to consider carefully the effect upon this measure of conference change. I shall oppose, on behalf of the committee, amendments which may be offered because it is my considered judgment that the stakes are too high for the children of America for us to run the risk of jeopardizing this legislation. We who have been Members of this body since 1948 have a keen memory as to the vicissitudes which educational legislation has suffered at the last moment as the result of conference action.

Were great matters of principle at stake—I believe my record speaks for itself—I would not hesitate to go to conference; but the major issues on the bill have been resolved in as equitable a fashion as we can now devise. I believe the bill to be fully constitutional in what it seeks to do. As I have indicated in the committee report, it is my judgment that the bill can stand court tests; and it is my belief that there are existing court routes for the testing of portions of this act in any case or controversy which may arise.

With respect to the other area of the bill, upon which I am confident there are as many viewpoints in this Chamber as there are Senators—the formula aspects of the bill—it is my judgment that while a hundred remedies for alleged inequities may be proposed, for each remedy a further inequity in the eyes of some would be created. These matters will be discussed at greater length as the debate progresses, I am confident, and at that time I shall in greater detail be pleased to respond to points raised.

Mr. President, during the markup of the bill in the subcommittee, before I reported it to the full committee, members of the subcommittee on both sides of the table raised points for clarification. In some instances, they suggested they would offer amendments to obtain clarification. But as chairman of the subcommittee, and with the support of the overwhelming majority—and, let me say, to the everlasting credit of each member of the minority, although in some instances they preferred amendments—I received nothing but complete cooperation in carrying out my repeated suggestion; it was that we call in representatives of the Department of Health, Education, and Welfare, whom we had asked to wait in an anteroom, as we did representatives from the Office of Economic Opportunity, to give us orally their clarifications, to be followed by a letter of confirmation of the understandings reached. In each instance, we received a clarification that met not only with the satisfaction of a majority of the committee, but also it is my hope with the satisfaction of the minority at least to this degree: The minority members appreciated that, at least, I took the steps necessary to have a clarification placed in the record, although they might have preferred, in some instances, that the clarification be written in amendment form in the measure. But as to the matters in dispute, we followed the procedure I have described.

I would be less than appreciative if, as chairman of the subcommittee, I did not thank Secretary Celebrezze, Assistant Secretary Cohen, and Commissioner Keppel of the Department of Health, Education, and Welfare and their staff associates as well as Mr. Shriver and his associates in the poverty program for their complete cooperation in making it possible for us to include in the committee report, as will be found in item after item, communications and memorandums from the agencies concerned that, in my judgment, make it possible for me to say that the bill is a clear bill, a constitutional bill, and a good bill.

We ought to seize upon the opportunity to pass the bill without amendment, so that it can go directly to the desk of the President.

I close by saying that is also the recommendation of the President. I have been authorized by him to make this statement on the floor of the Senate this afternoon. He, too, believes that it is a good bill. He, too, believes that the bill in its present form should be given the trial that the coming year will give it. Then if amendments are necessary, and we reach the point of consideration of authorizations next year, amendments can be offered.

I offer the bill. I urge its passage. I have presented my case in chief.

Mr. ELLENDER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Louisiana.

Mr. ELLENDER. I compliment the distinguished Senator from Oregon upon his fine presentation. I regret that so few Senators were present to listen to him.

There is only one aspect in which I do not agree with him. This is the first time I have ever heard the Senator from Oregon make the statement that he does not believe a somewhat controversial bill should be amended in any respect. I do not remember my good friend from Oregon ever taking such a position as that in the past.

The Senator has said that the bill is constitutional. I presume he bases that

statement on the welfare clause of the Constitution.

Mr. MORSE. I base it on the Constitution itself. I know of no part of the bill that is in conflict with any article or section of the Constitution.

Mr. ELLENDER. I am not sure that is the case. I presume that my good friend is bound to base it on the welfare clause, since there is no specific authority in the Constitution.

Mr. MORSE. I base it also on the first amendment. I do not think it violates, in any regard whatsoever, the doctrine of separation of church and state.

(At this point, Mr. KENNEDY of New York assumed the chair.)

Mr. ELLENDER. I was coming to that in a moment.

Mr. MORSE. I knew the Senator was.

Mr ELLENDER. The Senator anticipated my question. Since we are now discussing the first amendment to the Constitution, concerning separation of church and state, are any funds provided in this bill that would go directly to a Catholic, Protestant, or Jewish institution?

Mr. MORSE. My answer is that, other than research grants in title IV, which are consistent with legislation such as the National Defense Education Act program, the National Science Foundation program, and, in fact, a long list of research grants made to educational institutions, some of which are of religious denomination, no money goes directly to the private school. This is a student oriented program.

Mr. ELLENDER. The money that does go to the school is directed primarily for specific research.

Mr. MORSE. The Senator is correct. It is also for the purchase of research equipment.

Mr. ELLENDER. I assume that private schools would be entitled to moneys given to aid the students, which I believe can be made available under the terms of this bill.

In the case of a Catholic, Protestant, or Jewish school in a certain area in which there is no public school nearby, does the Senator believe that under this bill money could be assigned to the school on the basis of student needs?

Mr. MORSE. No, if I understood the Senator correctly—not in the sense that the Senator described. To clarify my position, I feel that it is very much like assistance that a university gets for nuclear research. I give the example again of the great atomic reactor at Notre Dame, which the taxpayers of the country built. It is recognized that Notre Dame has one of the greatest faculties in physics in the country. That sort of research assistance is made available to Notre Dame, as it has been made available to a good many institutions that are of a religious denomination, but it is not made available for religious purposes.

Mr. ELLENDER. Is there any provision in the bill that would permit payment to a Catholic, Protestant, or Jewish school in order to permit students to attend the school?

Mr. MORSE. The answer is "No."

Mr. ELLENDER. So no direct assistance, except in the research field, would go to the schools we are discussing.

Mr. MORSE. Based upon the Senator's earlier remark, I cannot tell the Senator how unhappy I am to find myself in disagreement with him on any part of any bill, and particularly a bill with relation to the field of education. As the Senator said earlier this afternoon, starting in 1948, I have been following the Senator on many education bills.

The Senator has expressed some surprise that he finds me urging that this bill not be amended. He indicated that I must be laboring under the assumption that only my committee could bring a bill to the Senate that ought to be passed without contributions from other Senators. That is not my feeling at all. I am in charge of the bill.

I am only seeking to give the Senate my views as to the legislative problem that confronts us. Each Senator will have to base his own judgment on those views. For many years I have gone through conference fights on legislation dealing with educational matters. We have lost much good legislation in conference. We have ended, on occasion, with no bill at all. It is extremely important that we try to retain this one. We would not waste any money. We could put it into effect for a year and then change it if the experience requires. When we have a body of tremendous support across the country from groups that never before have given support to legislation in this field, I think we ought to give them the benefit of the doubt, too. I beg the Senator to give the benefit of the doubt to the majority of my committee.

I know how the Senator feels. I respect his point of view. I want the Senator to know that the Senator from Oregon has not changed his attitude on legislation. Whenever I think a bill is not a good bill, but needs to be amended in order to become a satisfactory bill, I shall support an amendment to it. However, I believe this bill is satisfactory in its present form. That is why I urge that it be passed.

Mr. ELLENDER. I presume the Senator is taking that position because the President wants the bill on his desk as soon as possible.

Mr. MORSE. If the Senator from Louisiana can cite an incident in which I have ever taken a position in support of any bill against my better judgment because the President wanted it, I wish he would do so. That is not the case now.

Mr. ELLENDER. I can cite this example.

Mr. MORSE. The Senator misunderstands my legislative motive. I am not asking that it be passed because the President wants it passed. I had a duty to point out that the President believes it is a good bill and should be passed.

Mr. ELLENDER. And that it should not be amended.

Mr. MORSE. He would like to have the bill passed without amendment. I find myself in agreement with the President. But the Senator from Louisiana is quite mistaken if he thinks that represents a cause-to-effect relationship. That is my independent judgment.

I am always delighted when I find myself in agreement with any President on anything. But in this case, I find myself in agreement with the President on 95 percent of the issues that have been raised thus far. I find myself in complete agreement with him on this issue. That is why I have taken this position.

Mr. ELLENDER. I want the distinguished Senator to understand that the questions I am propounding to him are merely to clarify the issues.

Mr. MORSE. I know that. I thank the Senator for it.

Mr. ELLENDER. So far as I am personally concerned, I am inclined to vote for the bill as it is. I say to my good friend from Oregon that before the final decision is made, I want to be certain that the Senator is in agreement with me that no money provided for in this bill will be paid directly to any school, other than public schools. No money will be made available, except as the Senator said, for research. No facilities will be expanded through funds provided by the bill because a nonpublic school is taking in children from poor families, or to allow them to enroll a greater number of such children. Is that understanding correct?

Mr. MORSE. I appreciate the courtesy of the Senator. I read from page 11 of the committee report, as follows:

DUAL ENROLLMENT AND BROADENED PUBLIC SCHOOL PROGRAMS TO REACH ALL EDUCATIONALLY DEPRIVED CHILDREN

No provision of the act authorizes any grant for providing any service to a private institution, but at the same time the bill does contemplate some broadening of public educational programs and services in which elementary and secondary school pupils who are not enrolled in public schools may participate. The extent of the broadened services will reflect the extent that there are educationally deprived pupils who do not attend public school.

Where special arrangements (such as dual enrollment) are made for the participation of children from private schools, it is the committee's expectation that the arrangements will be administered in such a manner as to avoid classes which are separated by religious affiliation.

The act does not authorize funds for the payment of private school teachers. Nor does it authorize the purchase of materials or equipment or the construction of facilities for private schools. However, consistent with the number of educationally deprived children in the school district who are enrolled in nonpublic elementary and secondary schools, the local educational agency will make provision, under the terms of the act, for including special educational services and arrangements. These could include dual enrollment, educational radio and television, educational media centers, and mobile educational services and equipment in which such children can participate.

It should be emphasized, however, that no suggested program is in itself mandatory upon a public school authority. The selection of an appropriate program or programs, for which State educational authority approval is sought, rests with the local educational agency.

Thus, the act does anticipate broadened instructional offerings under publicly sponsored auspices which will be available to elementary and secondary school students who are not enrolled in public schools.

It is anticipated, however, that public school teachers will be made available to other than public school facilities only to provide specialized services which contribute particularly to meeting the special educational needs of educationally deprived children (such as therapeutic, remedial, or welfare services) and only where such specialized services are not normally provided by the nonpublic school.

Mr. ELLENDER. Then, as I understand it, if assistance is given, it will be really assistance to the child.

Mr. MORSE. That is correct.

Mr. ELLENDER. That is what I wanted to be certain of.

Mr. MORSE. The Senator could not perform a better service than to give me an opportunity to stress that this is a student-centered program, and not a school-centered program. When we speak of the shared time or dual enrollment aspect, the move of the child is from the private school to the public school, not from the public school to the private school.

Mr. ELLENDER. Some of the funds will be used to provide schoolbooks used in school?

Mr. MORSE. To the student.

Mr. ELLENDER. Which is in accord with the law.

Mr. MORSE. That is correct.

Mr. ELLENDER. I can well remember when the free schoolbook law was enacted in my State. I think Louisiana was one of the first States to have such a program.

Mr. MORSE. I believe it was the first.

Mr. ELLENDER. It was one of the first in any event. I am proud of having worked and labored for it. The late Huey P. Long appeared before the Supreme Court and made the argument that our State act was constitutional because the effort put forth was for the children, and not for the school.

Mr. MORSE. The chairman of the full committee [Mr. HILL] just whispered to me and reminded me that Charles Evans Hughes wrote that decision.

Mr. ELLENDER. Yes, a decision arising from the State of Louisiana.

Mr. MORSE. In the Louisiana case.

Mr. ELLENDER. And Huey Long, father of my colleague, was the one who argued the case. The court held specifically that the aid that was provided by the State of Louisiana was not to the schools, but to the children attending the schools, and therefore held it to be constitutional. I presume that whatever may be done directly for the children under this bill is based on that decision.

Mr. MORSE. That is correct.

Mr. President, without taking the time to read it, because it would be somewhat repetitive of the colloquy I have had with my friend from Louisiana, I ask unanimous consent that there may be inserted in the RECORD at this point material on page 23 of the committee report dealing with limitations in title II of the bill.

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

LIMITATIONS

The committee has taken care to assure that funds provided under this title will not inure to the enrichment or benefit of any private institution by providing that—

1. Library resources, textbooks, and other instructional materials are to be made available to children and teachers and not to institutions;

2. Such materials are made available on a loan basis only.

3. Public authority must retain title and administrative control over such materials.

4. Such material must be that approved for use by public school authority in the State; and

5. Books and material must not supplant those being provided children but must supplement library resources, textbooks, and other instructional materials to assure that the legislation will furnish increased opportunities for learning. The State should also assure that the Federal funds made available under this title will not be used to supplant or duplicate, inappropriately, functions of the public library system of the State.

These conditions can in no way under the terms of the legislation be circumvented, but at the same time, assurance in the administration of the State plan must be given so that the library resources, textbooks, and other instructional materials will be available on an equitable basis to all elementary and secondary schoolchildren and teachers.

As has been observed in the administration of this title, the State must conform with the State law and in this connection, it is anticipated that State plans regarding the administration of the program will vary from State to State. In addition to the requirement that the books provided will be books approved for use in the public schools by the public agency or agencies in the State having authority to prescribe such books, throughout the legislation the committee has endeavored to conform to the principle of State and local autonomy and control of educational policy. In some instances the State might see fit, in conformance with State law, to utilize or establish a central public depository within a school district or within an area to serve more than one school district from which all elementary and secondary schoolchildren and teachers could "check out" library resources, textbooks, and other instructional materials under procedures which would assure the State authority an appropriate accounting for the use of the material and its proper return for reassignment when the material had served the prescribed period for its use.

The committee had observed that 19 States specifically provide for the provision at public expense of the transportation of private school students and that four States specifically call for the distribution of textbooks to children in private schools. The committee has also observed that some States have regarded invalid various types of textbooks and school bus laws within the meaning of State law and State constitutions. The committee also considered that one or more of the ingredients which it has used in this legislation to safeguard the separation of church and State may be lacking in such State statutory provisions and court decisions. With the strict conditions which have been imposed by the committee on the operation of title II, in principle, its operation would not be different from the conduct of a public library program which makes available on a loan basis, library materials, unrestricted as to content, to both public and private school students. For this reason, it is hoped and generally felt that when the provisions of title II are considered in the light of particular State laws that all of the States will be able to administer the program in conformity with State law. However, in order to prevent the denial of benefits to children in any State in which a strict prohibition is encountered, section 204 of title II authorizes the Commissioner to arrange for the provision on an equitable basis of such library resources, textbooks, or other instructional materials for the use of children and teachers in such States. In the latter event, only those materials which have been approved for use in public schools may be made available.

Mr. ELLENDER. Mr. President, the distinguished Senator stated a moment ago that aid would be given to the children attending nonpublic schools by paying for teachers who might attend to them.

Mr. MORSE. In a very limited field.

Mr. ELLENDER. How would that be done? Would it be done through the local school boards?

Mr. MORSE. The local public school agency. I am glad this point has been raised. Let me stress again that the programs originate at the local level and that the administration of the programs is vested in the local school agencies. As the Senator will see under title VI, under "Definitions," the names of those agencies vary in title from State to State. Sometimes they are called State boards of education. Sometimes they are called State councils on education. For special public schools, they may be State welfare boards or State universities. Sometimes there is a State law under which the State is divided into regional school districts or county units, and the administration is handled through the regional unified school district or county system. Whatever the policy of school administration is in the State will be the controlling factor, and not the long arm of the Federal Government reaching out from Washington, D.C.

The Senator from Louisiana earlier mentioned the Taft-Ellender bill in 1947. The authors of that bill had to answer the charge that it could lead to Federal domination of education. I remember the argument the Senator made. The Senator took me along with him. In effect, the Taft bill, and every other aid bill to which I have been a party since—and I do not know of any major one of which I have not been the author or a cosponsor—provided that Federal funds were to be commingled with State funds and were to be spent by State administrations in accordance with State policies. We have not lost that principle in this bill.

Mr. ELLENDER. I am glad of that. It was one of the cornerstones underlying the Taft-Ellender bill, which was passed by the Senate.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my answer to the question of the Senator from Louisiana, an extract from the bill in support of my definition of State local agency, setting forth what the term "local educational agency" means. It can be found on pages 76 and 77.

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

(f) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of

a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

Mr. ELLENDER. With respect to the distribution of one billion and some odd dollars under title I, are there any requirements in the bill whereby a State would receive a minimum amount of funds?

Mr. MORSE. The States will receive a minimum.

Mr. ELLENDER. What does it amount to?

Mr. MORSE. I shall have the lower State figure in a moment.

Mr. ELLENDER. I may say to my good friend from Oregon that I do not believe his answer would be responsive to my question if he used the table he now has in his hand. The question I am asking is, aside from the number of students from poor families in a State——

Mr. MORSE. Is there a blanket minimum floor?

Mr. ELLENDER. Yes.

Mr. MORSE. The answer is "No." That is under title I, of course.

Mr. ELLENDER. So the distribution under title I will be made strictly according to the formula written in the bill and will be dependent on the number of children attending schools in the respective States from families whose annual income is less than $2,000.

Mr. MORSE. The Senator is correct. The formula includes also youngsters on whose behalf an aid-for-dependent-children grant is received.

Mr. ELLENDER. Following that formula, let us take the adjoining county of Montgomery in Maryland, which is the richest county in the Nation. It has a median income of $9,317. According to the Bureau of the Census, families receiving under $3,000—not $2,000 because the Census does not have it except for families under $3,000—in Montgomery County account for only 5.5 percent. Those receiving $10,000 and over represent 44.6 percent.

Suppose there should be distributed to Montgomery County the amount provided by the bill—the sum of $572,864, I ask the Senator from Oregon, who is going to distribute the $572,864? Will it be the local educational commission in the county which will do that?

Mr. MORSE. The State educational authority will allocate it to the county unit, or the county board of education. If there is more than one school district in a county, then the State educational agency will allocate it among the school districts.

Mr. ELLENDER. That is, if there is more than one school district in the county.

Suppose, in a school in Montgomery County, 3 percent or 4 percent of its students came from homes whose parents receive less than $2,000 annually. Would such a school receive any of this money?

Mr. MORSE. If the Senator from Louisiana will permit me to give him a broader answer to his question, and later include a discussion specifically of Montgomery County, I should like to make a broad answer, because I believe that it should be stated first, and then we can discuss the problem in detail.

Mr. ELLENDER. That is all right with me.

Mr. MORSE. I shall read a brief statement on "Poverty in Our Wealthy Counties."

In this era of numbers and data processing, it is easy to be enamored with averages and, as a result, to think of whole areas as falling into a sterotype defined by those averages. If a county is labeled as wealthy on the basis of averages, then there may be a tendency to think of everyone in that county as well-to-do, or if a county is labeled poor by the same process, everyone therein is also thought of as poor. The same thinking can be projected to States and even nations. Almost everyone, when the thinks about it, knows that stereotypes based on averages are not generally true, particularly for larger governmental units.

Where there is an average there is a range, and it may be quite extensive. In matters of poverty, the existence of such a range becomes important, particularly to those at the bottom end of the range. In the presence of abundance, deprivation may be forgotten, ignored, or be conveniently out of sight. Recently, extensive publicity has been given the fact that the wealthiest counties in the country as well as the poorest would be provided aid under proposed Federal legislation to meet the special needs of educationally deprived children.

The implication of such publicity was either that there was no real need for such programs in the wealthy counties because their school systems are among the finest, or that if there is need the wealthy counties themselves should finance it. In the latter case, it is small satisfaction to the educationally deprived child to be told that his school system should be providing special educational training if, in fact, it is not. Whether admirable in concept or not, many local systems are reluctant to adopt expensive special programs for problem groups for fear of attracting more such persons. It is for this reason that special education programs generally have been supported at the higher levels of government, particularly the State. It could be considered the rankest form of discrimination to exclude a child under a State or Federal program simply because he resides in a wealthy county unless some method of forcing the establishment of such programs in the wealthy counties were also included. The latter approach would certainly raise serious problems at the Federal level.

The only criteria for a special aid program at the Federal level should be need as defined in relation to the purpose of the program and not ability to pay. The revenue to support such programs at the Federal level is based upon an ability-to-pay concept which provides all the equalization normally needed. If general aid, which is fiscal rather than program oriented, were being proposed, then criteria relative to ability to pay would be appropriate, since it is this ability or lack thereof which represents the need in a general aid program.

Since the support for programs to aid educationally deprived children under the proposed "Elementary and Secondary Education Act of 1965" is special in nature, it is only necessary to show program need in order to receive financial support. The basic criteria for such need under the proposed legislation would be children in very low-income families defined as either under $2,000 or receiving payments from the program of aid to families with dependent children if over $2,000. All of the wealthy counties cited have sufficient numbers of such children to establish administratively feasible programs.

In order to allay any concern about the need for such programs in these counties, however, it might be well to cite a few facts about the pockets of poverty which exist in these wealthy areas.

There has been considerable publicity recently about conditions of poverty which exist in the wealthy counties surrounding Washington, D.C. Ken Gar and Toby Town in Montgomery County, and Gum Springs in Fairfax County, have received particular attention. Arlington County has its Hall's Hill, and each of the three counties have other areas, less well publicized, which provide striking contrast to the average. These pockets of poverty are within an easy Sunday afternoon drive of any Senators who care to see them.

Not so convenient for firsthand observation are conditions in some of the other counties mentioned. Moving to the farthest county on the list from Washington, D.C., let us examine Marin County. Within this generally affluent county we find Marin City, an area of 356 acres housing 538 families in 1960. The residences here were largely constructed during World War II for shipyard employees in Sausalito. A decade ago it became a public housing project when declared surplus by the Federal Government. Over 12 percent of the families had incomes of less than $2,000 in the 1960 census and 24 percent, less than $3,000. Remember that these are incomes in California, generally considered a high-cost area. The median family income for this area was $4,743, and median years school completed was 9.7 for the adult population.

Efforts are being made locally to improve the situation, but it is interesting to note that the State of California included Marin City as one of 23 projects in compensatory education—the McAteer Act—designed to aid educationally disadvantaged children. The State did not exclude Marin County just because it was "wealthy." School officials there have indicated they could make effective use of Federal funds under this legislation.

Jumping back across the country, let us look at Fairfield County, Conn.

In addition to high-income communities, it has its pockets of poverty in Bridgeport, Stamford, Norwalk, and Danbury. One census tract—28—in Bridgeport, for example, has a median

family income of $2,730, with over 31 percent of the 941 families having less than $2,000 income and almost 57 percent less than $3,000. The median years of school completed for that area was 7.3.

Danbury has been picked as a special pilot project for concentration of moneys to attack poverty in the State.

The Legislature of the State of Connecticut is currently considering legislation to establish a State program to provide special aid for disadvantaged children with a distribution based upon family income and AFDC participation. All of the towns in Fairfield County will participate.

Moving down the coast, let us look at well-publicized Westchester County. One out of twelve families in 1960 were earning less than $3,000 in the county as a whole. In seven communities with thousands of families, however, the percentage of families with incomes under $3,000 was over 20 percent, with a high of 28.9 percent. Remember that this, too, is a high-cost area.

A similar pattern is found in the wealthy counties of New Jersey. In the cities of Elizabeth and Plainfield, for example, we find census tracts with high percentages of the families with incomes under $2,000 and $3,000 and with average educational achievement at the elementary level.

So far as we know, no county is completely free of poverty. Through this and other legislation, we intend to seek it out and correct the conditions where they are administratively feasible. The existence of abject poverty anywhere is a cancer upon society, and we believe that special programs for the educationally disadvantaged children in poverty can provide the major key to breaking the vicious circle in which too many deprived families are caught.

I have given the Senator this information about wealthy counties—not only in Maryland but also in the other States—with their school district poverty pockets, in order to make this point to the Senator from Louisiana: Under the bill, local school authorities will have an obligation to present their plans, and show that these plans are in conformity with the objectives of law, to the State agency. The local agency will present its plan to the State agency; and the plan will not be approved if they seek to use funds other than in accordance with the purposes of law. That is the check, since the State agency must so assure the Office of Education. That is the only check which the Federal Government exercises, or should exercise.

Mr. ELLENDER. Would the Senator say that if Montgomery County receives the $572,000 to which it would be entitled under the bill, the money could be used in those pockets of poverty to the exclusion of other, richer schools in the county?

Mr. MORSE. It has a duty to do so.

Mr. ELLENDER. That is the plan, is it not?

Mr. MORSE. The Senator is correct.

Mr. ELLENDER. So if there is a school in Montgomery County with 2 or 3 percent who come from poor families, that school will not necessarily receive any of this money; but if it can be shown that there are pockets of poverty within Montgomery County, the whole of that money or most of it will go to supply the funds necessary to properly conduct the schools in the poverty areas?

Mr. MORSE. If the students go to a school district that does not qualify under the provision of the act, those deprived people will not get the money, because they are getting an education in the better schools. The purpose of the bill is to provide funds to raise the level of the so-called deprived or slum school to somewhere nearer the level of the better schools in that State.

If the Senator will allow me 30 seconds I should like to say what Senators will be hearing for a few days over and over again.

The objective of the bill is to raise the level, State by State, of what we call the deprived school district, the slum school district, the poverty pocket school district in that State, nearer to the level of the better school districts in that State, to narrow the gap between the low-level schools and the high-level schools. If a deprived child is going to a high-level school, he is already getting the educational opportunity that we want to give him.

Mr. ELLENDER. I understand that. The plan the Senator is discussing, with respect to using the money in pockets of poverty in a county, will have to be presented to the authorities at the Washington level, to obtain the money. Is that correct?

Mr. MORSE. First to the State authorities who will then provide to the Washington authorities assurances that all programs in their States are in accordance with the purposes of title I. I should like to put this matter in the RECORD, because it bears on the Senator's question.

I read from page 11 of the bill, beginning at line 3:

(1) that payments under this title will be used for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) (A) which are designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families.

I read from page 2 of the bill:

DECLARATION OF POLICY

SEC. 201. In recognition of the special educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate educational programs, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in this title) to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means (including preschool programs) which contribute particularly to meeting the special educational needs of educationally deprived children.

That bears out the general philosophy of the bill that I spoke of a few minutes ago with respect to narrowing the gap between the low-level and high-level school districts.

Mr. ELLENDER. Within the counties?

Mr. MORSE. Yes.

Mr. ELLENDER. Bearing that in mind, I should like to call my friend's attention to Knox County, Ky., where the median income is only $1,722, as compared with $9,317 in Montgomery County, Md. In Montgomery County, families who earn under $3,000 constitute 5.5 percent of the families, and in Knox County they constitute 17½ percent of the families. Families with income of $10,000 or more in Montgomery County number 48.6 percent of the families, in contrast with Knox County, where the percentage is 1.7 percent.

When we come to the number of poor families within the respective counties, in Montgomery County there are only 2,343 children from homes receiving less than $2,000 annually, but in Knox County, there are 3,137 such children. The money that is to be distributed under the bill to Knox County, where it is really needed, amounts to only $470,000 in contrast to Montgomery County, which will receive $572,000.

How can the Senator claim that the children in Knox County will have the same opportunity as those in Montgomery County?

Mr. MORSE. It is not the purpose of the bill to seek to give children in Knox County, Ky., or in a deprived school district in any other county, the same opportunity that children will get in Westchester County, N.Y., or in Montgomery County, Md., or in any other wealthy county. That is not the objective of the bill. H.R. 2362 is not a general aid bill, but it is a bill that concentrates on the special educational problems of deprived children, which I have already discussed. Therefore, I point out that we must not overlook the contribution that is made by the Federal Government under the program.

This point arose in subcommittee with respect to the 10 richest counties and the 10 poorest counties. When we analyze them on the basis that I shall discuss—and this may not be a satisfactory answer to the Senator, but that was the answer that the majority of the committee accepted in debating the bill——

Mr. ELLENDER. Before the Senator goes to that point, I wish he would discuss the point that the money that goes to Montgomery County can be distributed by the local authorities to effectuate a better schooling or equal schooling with respect to the pockets of need, in contrast to the rich schools.

Mr. MORSE. Certainly. That is the purpose of the bill. Toby Town, for example, will get the money.

Mr. ELLENDER. Is not the objective of the bill to give Toby Town schools what the other schools in Montgomery County are receiving?

Mr. MORSE. The State agency cannot shift the money from county to county. The money is received in the county school districts on the basis of a program which the local authorities send to the State. The duty of the State planners and program reviewers is to distribute the money to school districts in the county so that schools having high

concentrations of educationally deprived children can undertake programs which will afford these children opportunities similar to those in the higher income-level schools.

Mr. ELLENDER. Why does it not apply in Knox County? In Knox County there are more children who are entitled to better schools than in Montgomery County. As I pointed out, the percentage of children in Knox County who come within the school age is 39 percent—that is, children from families that earn less than $2,000—in contrast to Montgomery County, where it is only 2 percent. Nevertheless, we are providing for Montgomery County more money for 2 percent of the children than we are for 39 percent of the children in Knox County, Ky.

Mr. MORSE. That happens to be one of the educational facts that confront Kentucky. The Kentucky educational authorities will get the money they are entitled to under the bill. Their local authorities will have to decide on the plan for distributing the money within the schools of their systems.

Mr. ELLENDER. I thought the purpose of the bill was to distribute funds on the basis of need.

Mr. MORSE. Yes.

Mr. ELLENDER. So that no matter where the child lives, whether he lives in Oregon, Louisiana, Mississippi, Alabama, or anywhere else, he will get a fair amount of education.

Mr. MORSE. On the basis of need within the State; not on the basis of comparison of need among the States. That is why this is not a general aid bill. If it were a general aid bill, it could be on a nationwide basis.

I hope that the Senator from Louisiana will bear with me a moment, because I should like to get some data into the RECORD for the purpose of my further discussion with him while the Senator from Kentucky [Mr. COOPER] is in the Chamber. I shall talk about a Louisiana county, too, as I give these figures. These are the figures which, in the opinion of the committee, were controlling.

I started to say, "Let us not forget that the Federal Government contributes to the educational program in our respective States."

I wish to show the percentage of contribution of the Federal Government in the 1962 educational expenditures. The last year for which we could obtain the figures was 1962.

The educational expenditures in the 10 richest counties are as follows:

Educational expenditures in Montgomery County, in thousands of dollars, were $44,073. The estimated fiscal 1966 Federal payment, in thousands of dollars, is $573, or 1.3 percent.

Arlington, Va., Federal contribution 1.7 percent.

Fairfax, Va., 1.3 percent.

Du Page, Ill., 1.3 percent.

Marin County, Calif., which I have already discussed, 2 percent.

Westchester, N.Y., 2.1 percent.

Bergen, N.J., 1.8 percent.

Union, N.J., 2.4 percent.

Montgomery, Pa., 1.7 percent.

Fairfield, Conn., 2.6 percent.

That is the percentage of Federal contribution to the school budget.

Let us take the 10 poorest counties:

Grant County, W. Va., 24.7 of their school budget is Federal contribution.

Mr. ELLENDER. The Senator means under the bill.

Mr. MORSE. Under the bill. This is what the bill would do for the poor counties.

Falls, Tex., 20.7 percent.

Sunflower, Miss., 33.9 percent.

Knox, Ky., may I say to the Senator from Kentucky [Mr. COOPER], 31.9 percent. 31.9 percent of the Federal budget in that very poor county in Kentucky will be by way of Federal contribution under the bill.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. COOPER. Why did the Senator direct that statement to me?

Mr. MORSE. Merely to inform the Senator.

Mr. ELLENDER. Not only to inform the Senator; but I mentioned that particular county a while ago.

Mr. MORSE. I was asked by the Senator from Louisiana about what would happen in the 10 poorest counties and what would happen in the 10 richest counties. I assure my friend from Kentucky that I am not directing the statement to him in any sense by way of an implied negativism.

Mr. COOPER. I am sure that the Senator is not trying to persuade me, for I am already persuaded.

Mr. MORSE. Wonderful; but I believe in a continuing educational process.

Mr. COOPER. I know that county. I am happy to point out that Representative CARL D. PERKINS, who knows the State of Kentucky very well, and who is a sponsor of the bill in the House of Representatives, is now present in the Senate Chamber.

Mr. MORSE. I could not have a more appreciative backstop in this debate than to have Representative Perkins from Kentucky present. I have said in many places that, so far as I am concerned, he is "Mr. Education" in the House of Representatives and the leader of this bill in the House. I am glad that he is here to give me any assistance he can in the debate.

To repeat, in Knox County, Ky., 31.9 percent will be the Federal Government contribution in that poverty-stricken county of Kentucky.

In Tensas County, La., 26.4 percent of the expenditures of that poverty-stricken county will be contributed by the Federal Government under this bill.

Williamsburg, S.C., 36.1 percent.

Sumter, Ala., 37.3 percent.

Holmes, Miss., 44.6 percent.

Breathitt County, Ky., 26.6 percent.

Tunica, Miss., 57.6 percent.

The conclusion I wish to make for the record is that, although some of these wealthy counties receive dollarwise what the Senator from Louisiana is pointing out—and more money is needed to raise the level of the poverty-stricken school districts up to the category of those wealthy counties—nevertheless, those dollars represent but a very small part of the educational budget for that school district; whereas in the 10 poorer counties, the 10 that I have just named, the lowest figure is 24.7 percent of the school budget, in Grant County, W. Va., and the highest figure is 57.6 percent in Tunica, Miss.

I respectfully submit as proof of my case that the formula is not discriminatory. It is an exceedingly fair formula.

Why do I think that the proposals are adequate for the first year? While we shall get into that subject later, I should like to point out that the record is filled with statements from the Department of Health, Education, and Welfare that school districts should not have more than a 30-percent expansion of budget in a given year. There could be wasteful use of money in many of the school districts if we should try to spend more. They say that we could not possibly have a program which would provide for the efficient expenditure of more money for the present fiscal year.

As I said earlier today, we come to grips with the question of what to do next year after a year's experience with the bill.

I place reliance upon those in the Department of Health, Education, and Welfare, since they have submitted the evidence that they did to the subcommittee showing that they think the formula provides really, if not the maximum, at least an ample and adequate amount to help poor school districts this next year.

Mr. ELLENDER. The Senator does not mean an adequate amount.

Mr. MORSE. An adequate amount for this year—not an adequate amount. We intend to continue this program. There is only so much that we can spend efficiently in a given period of time. All I am stressing is that the Department says that the amount shown is the amount that it believes is a reasonable amount that we ought to spend during the coming year.

Mr. ELLENDER. If the Senator will permit, since he mentioned Holmes County, Miss., I point out that the median income in that county is $1,453. The percentage of families receiving under $3,000 is 72 percent. The percentage of those receiving $10,000 or more is 2.8 percent. But 52 percent of the children of eligible age come from families whose income is less than $3,000, whereas in the case of Montgomery County, as I have said, it is only 2 percent. Yet Montgomery County would get more money than Holmes County, Miss.

Mr. MORSE. And yet the school budgets of the deprived districts in Montgomery County will get a much smaller percentage of Federal aid than the school districts in the poorer counties. It seems to me that that is the test.

While we are on this point, I repeat that the bill is not designed as a general Federal aid bill. As I said earlier in my explanation today, if it were, I would be for what we have always called the equalization formula on a coast-to-coast basis.

Yet if we were to take the $1.06 billion that will be distributed under title I of the bill and apply it or redistribute it according to our S. 1021 formula of 1961, which is the so-called equalization formula, with its 3-to-1 equalization ratio; that is, with the State having the lowest per capita income receiving $3 for each $1 received by the State with the highest per capita income, we would find that 14 Southern States would do better under the bill I am urging than they would do under the so-called equalization formula of the general aid bill of the 87th Congress; that is, the equalization formula would not be as helpful to 14 Southern States as is H.R. 2362. They would get less money. In fact, the staff found—and this information was used in committee—that under the formula contained in the bill, 22 States in all would do better under this formula.

Mr. ELLENDER. Is it not true that this formula was adopted so as to obtain as much support as possible throughout the country?

Mr. MORSE. I hope that we were wise enough to ascertain whether or not the formula was considered to be fair by all interested educational groups. As I said in my opening remarks, we have now devised a formula that will have the private school people, the public school people, and the higher education people working together in an arm-in-arm educational embrace, the like of which I have never before seen in my 20 years in the Senate.

Mr. ELLENDER. In order to get support for the bill I introduced in the 1940's, it was necessary to provide a minimum amount for each child. I realized that it might be necessary to put a little sugar under the beehive in order to attract the bees.

Mr. MORSE. The Senator from Louisiana is a great legislative strategist. I hope he is not implying that I ought to be criticized because I have tried to be a good student of his in this matter of legislative strategy.

Mr. ELLENDER. I am not saying that at all about the Senator from Oregon; but I am somewhat disappointed about the larger sums that would go to schools that do not need them, in contrast with those that do. That was what I was trying to point out.

Mr. MORSE. I satisfied myself that not a dollar of the funds would be wasted; that wherever a dollar was spent for deprived children, the money would go for the benefit of deprived children. That is one of the results of the formula.

But the percentage figure I have cited shows that, per school budget, the poor counties are the beneficiaries, and the rich counties are the losers.

We politicians are realists. We had better be, or we would not remain here. When we deal with an equalization formula in a general aid bill, the poorer States of the country have, in every one of the programs, been beneficiaries of the support of Senators and Representatives from the richer States—New York, Pennsylvania, Ohio, Illinois, Michigan, California, and others.

We all know that to obtain such support for equalization formulas over the years, it has been necessary to work out what I have often said on the floor of the Senate is a conscionable compromise; but a compromise has always cost the richer States a large sum of money. Nevertheless, their Senators and Representatives have recognized that, after all, State boundaries do not mean much when we are considering a national problem. When we help an educational program anywhere in the country, we help New York, Illinois, Pennsylvania, and the other States, because some of those educated in the poorer areas of the country, because of the mobility that characterizes our population, may become our next-door neighbors next year and be going to school with our children. Therefore, we have an interest in raising educational standards everywhere.

I again express my thanks to the Senators from the wealthy States for the support they have given us in the past on a general aid bill by the so-called equalization formula. But I also say most respectfully, not only to the Senator from Louisiana, but also to the rest of the Senate, that I do not believe it is fair in a special bill this year, a bill designed to help deprived students, to take the position that we should deprive a school district in State X, for example, so that there will be no reflection, and say that it ought to get as much money as, or more money—that is what would happen if we were to use the equalization formula for that school district—than a school district in the State of the present Presiding Officer, the distinguished junior Senator from New York [Mr. KENNEDY], would get for a slum school district in Manhattan. The taxpayers of New York are entitled to the formula of the bill, because they have the task of raising the standard of the school districts in the slums of New York State, urban and rural—and slums exist throughout New York—nearer the average of their better schools. The average expenditure per student in New York State is more than $600.

Mr. ELLENDER. Seven hundred dollars.

Mr. MORSE. The Senator from Louisiana says it is perhaps $700. Yet the average per capita expenditure in some of the poorer States is little more than $200.

The Senator knows the kind of argument we get into when we mention this, but I owe it to the record to mention it. The fact is that the boards of education in the State of New York are confronted with higher school costs than are the boards of education in some of the poorer States. The record is replete with evidence that supports that conclusion. So it is necessary to take into account the differences in school costs when we deal with the question, What kind of formula shall we agree on? I can only say to the Senator from Louisiana that when we take all those factors into account, I believe this is a fair formula. It is a formula we ought to try for a year. We can try it for a year. When the next authorization requests come before us, we can change the formula on the basis of experience, if experience shows a change is needed. But I believe that a year from today we shall not hear a murmur in opposition to this formula. I have a feeling that a year from today we shall find that experience will have justified what the experts who have testified before us predict, and what they have convinced me is correct. That is why, as chairman of the subcommittee, I am pleading on the floor of the Senate today for the support of this formula.

Mr. President, I now wish to yield to the distinguished Senator from Texas.

Mr. TOWER. Mr. President, I ask unanimous consent that the Senator from Oregon may yield to me without losing his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 72

Mr. TOWER. Mr. President, I send to the desk an amendment to H.R. 2362 and ask that it be printed.

This amendment, which I shall call up for consideration at the proper time, would add to the pending legislation the Vietnam GI bill, which I have earlier introduced as S. 458. Briefly, this Vietnam GI bill would grant to servicemen fighting in southeast Asia the same education and loan benefits as Americans have in the past provided veterans via the Korean and World War II GI bills.

I ask also, Mr. President, that a digest explanation of the Vietnam GI bill be printed at this point in the RECORD for the information of the Senate.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table; and, without objection, the request of the Senator from Texas is granted.

The digest explanation is as follows:

EXHIBIT 1

DIGEST OF VIETNAM GI BILL OFFERED BY SENATOR TOWER

This bill provides readjustment assistance for veterans of the southeast Asia theater who perform active duty between January 1, 1961, and the termination date of the draft law (now July 1, 1967). Discharge other than dishonorable is required. The President delimits the southeast Asian theater periodically. Readjustment assistance authorized is similar to that afforded in the Korean GI bill.

Educational and vocational training assistance: Eligibility is conditioned upon more than 180 days of active duty or discharge for service-connected disability. Education or training period cannot exceed 36 months and is calculated by multiplying 1½ times each day of active duty. During the educational period the monthly allowance is as follows: For full-time college training—no dependents, $110; one dependent, $135; more than one dependent, $160. Lesser benefits are prescribed for proportionately less study. Veteran must begin education within 3 years after discharge or enactment of the bill, whichever is later, and must complete education within 8 years after discharge or enactment. No allowance is paid for study before January 1, 1965. All education and training end 10 years after the draft law is terminated, with limited exceptions for career-enlisted men. Children of combat dead are eligible for these educational benefits.

Loan assistance: Eligibility for guarantee and direct loans is conditioned upon more than 120 days of active duty, or discharge for service-connected disability. Widows of

veterans who died of service-connected disability also eligible. Loans are for purpose of purchasing (a) homes, including farm homes, and (b) farmlands, livestock, and so forth, to be used by veterans in farming operations. Banks or other lenders make loans with Government guaranteeing 60 percent up to $7,500, on residential real estate, and 50 percent, up to $4,000, on nonresidential real estate. Loans are subject to guarantee fee not to exceed one-half of 1 percent on loan amount, to be used to cover losses on loans. Direct loans not exceeding $13,500 may be made to veterans in certain small towns and rural areas when private capital is not available for guarantee loans. Interest rates and maturities of loans controlled by laws applicable to World War II and Korean veterans, now and in the future. (Under Public Law 86–73, maximum interest rate is 5¼ percent per annum). Termination date of guarantee and direct loan program is 10 years after end of induction period except for loans on which VA commitments have been issued before such date.

Mr. MORSE. Mr. President, I wonder if the Senator from Texas will let me make a comment, without delaying the debate on the bill?

I am in favor of the amendment. As chairman of the subcommittee, I have publicly announced that I am for the GI bill. However, I would not limit the amendment to the GI's in Vietnam. I would limit it to all cold war GI's since Korea. The amendment should be to a higher education bill, not the elementary and secondary school bill. I believe we would have a much better chance if the Senator would agree with me and try to have the amendment added to a higher education bill on which I am now holding hearings.

I shall bring the Senator before my committee and ask him to testify. If the Senator does not think it will hurt the amendment, I am perfectly willing to cosponsor it.

Mr. TOWER. Mr. President, I thank the distinguished senior Senator from Oregon. I am grateful for his support. I would indeed feel privileged to appear before the Senator's committee. I would welcome the cosponsorship of the senior Senator from Oregon.

I adopted the technique of "any port in a storm" and attempted to hang the amendment on the first measure that came along.

Mr. MORSE. I understand that legislative strategy. I am disappointed when I must oppose it.

Mr. ELLENDER. Mr. President, can the Senator tell us whether any estimates were placed in the RECORD to indicate the amount of funds necessary to equalize the schools throughout the country. I presume that the RECORD contains evidence to that effect.

Mr. MORSE. Mr. President, counsel advises me that he does not think I can state that we have figures specifically in the RECORD that would show what amount would have to be spent or provided to equalize the educational opportunity for every child in America.

Mr. ELLENDER. We, in Louisiana, did that more than 30 years ago. There were many parishes in Louisiana whose income had been cut drastically because of lower assessments. We set a large fund aside. This fund is collected from richer parishes which have many natural resources. This fund is used to assist parishes whose base of taxation is so low that they cannot obtain sufficient funds to properly educate the children. No matter where a child lives in Louisiana today, he can get the same amount of education as though he lived in a richer parish. It was my hope that in some way we could do that on a national basis.

Mr. President, I should like to ask my good friend the senior Senator from Oregon if there are any limitations in regard to the expenditure of these funds after they get into the hands of the local boards. Could the money be used exclusively for buildings, or partly for buildings and partly for paying schoolteachers, or to provide for gymnasiums, playgrounds, or things of that kind?

Mr. MORSE. That would depend upon the local school authority recommendation which would be reviewed by the State agency. I believe that the Senator will agree with me that if the local plan is devised so as to not carry out the purposes of the act, it will not be approved. We cannot have this both ways. We can have local control, and then we cannot dictate to the local authorities what they will do with the money, provided their plan is within the framework of the guidelines and limitations imposed by the bill.

I read from page 8 of the bill:

(1) that payments under this title will be used for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) (A) which are designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families.

If the local authorities do not show that in their plan, they cannot get the plan approved by the State authorities. That is the check.

Mr. ELLENDER. I understand. The money will be spent more or less in accord with the methods now existing in the States, counties, or parishes where the money is to be spent.

Mr. MORSE. That is correct for programs designed for deprived children.

Mr. ELLENDER. To change the subject slightly, before any money is allocated, proof must be furnished to show that the State will spend as much money as it is now spending, before it will receive funds.

Mr. MORSE. The Senator is correct.

Mr. ELLENDER. I wanted to be certain of that and have it in the RECORD.

Mr. MORSE. Mr. President, I call the attention of the Senator to page 16 of the bill when it states:

(c)(1) No payments shall be made under this title for any fiscal year to a State which has taken into consideration payments under this title in determining the eligibility of any local educational agency in that State for State aid, or the amount of that aid, with respect to the free public education of children during that year or the preceding fiscal year.

The bill is replete with guarantees that the States cannot use this money for the purpose of lessening its educational program. They cannot use this money to substitute for the money that the States are now spending on their educational programs.

Mr. ELLENDER. Mr. President, I should like to refer to title III, in which $100 million is to be provided for supplemental educational services.

I notice on page 24 of the bill that these funds may be used to construct educational facilities. What is meant by that language? Does it mean centers or facilities that would be used directly within the school districts?

Mr. MORSE. It means facilities that would be used in the school district. I want to make sure that the Senator understands that title III, as is true also in title II, is not a title that is limited to aid to deprived children. That is the title I section of the bill. Title II and title III are titles that can be of assistance when the State finds that this particular need for the expenditure of funds exists anywhere in the State.

Mr. ELLENDER. That is correct. But the centers need not be limited to the school district in which they are located. They could be used for the State as a whole.

Mr. MORSE. No. They must be for the local system.

Mr. ELLENDER. I understand. They must be for the local system, but not the particular school.

Mr. MORSE. That is correct.

Mr. ELLENDER. It might be countywide or statewide?

Mr. MORSE. Countywide or regional.

Mr. ELLENDER. That money is to be used to construct and operate these facilities?

Mr. MORSE. The Senator is correct.

Mr. ELLENDER. The allocation of that fund is based on what? Will the Senator place the formulas in the RECORD?

Mr. MORSE. Mr. President, I ask unanimous consent that the table on page 26 of the committee report, entitled "Estimated distribution of $100,000,000 for supplemental education services under title III, Elementary and Secondary Education Act of 1965, fiscal year 1966," be printed at this point in the RECORD, together with the footnote pertaining thereto.

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

*Estimated distribution of $100,000,000[1] for supplemental education services under title III, Elementary and Secondary Education Act of 1965, fiscal year 1966*

| | *Total estimated amount* |
|---|---|
| United States and outlying areas | $100,000,000 |
| 50 States and the District of Columbia | 98,000,000 |
| Alabama | 1,843,542 |
| Alaska | 318,293 |
| Arizona | 935,099 |
| Arkansas | 1,098,100 |
| California | 8,239,821 |
| Colorado | 1,107,310 |

*Estimated distribution of $100,000,000[1] for supplemental education services under title III, Elementary and Secondary Education Act of 1965, fiscal year 1966*—Con.

| | Total estimated amount |
|---|---|
| Connecticut | $1,432,727 |
| Delaware | 425,115 |
| Florida | 2,702,679 |
| Georgia | 2,229,496 |
| Hawaii | 530,441 |
| Idaho | 536,393 |
| Illinois | 4,929,120 |
| Indiana | 2,451,748 |
| Iowa | 1,487,761 |
| Kansas | 1,230,857 |
| Kentucky | 1,687,506 |
| Louisiana | 1,878,224 |
| Maine | 659,025 |
| Maryland | 1,779,430 |
| Massachusetts | 2,581,226 |
| Michigan | 4,051,798 |
| Minnesota | 1,863,225 |
| Mississippi | 1,338,363 |
| Missouri | 2,188,807 |
| Montana | 537,823 |
| Nebraska | 879,119 |
| Nevada | 377,415 |
| New Hampshire | 495,293 |
| New Jersey | 3,150,198 |
| New Mexico | 698,347 |
| New York | 8,010,486 |
| North Carolina | 2,507,564 |
| North Dakota | 512,900 |
| Ohio | 4,912,452 |
| Oklahoma | 1,322,315 |
| Oregon | 1,067,258 |
| Pennsylvania | 5,392,267 |
| Rhode Island | 600,568 |
| South Carolina | 1,449,458 |
| South Dakota | 541,281 |
| Tennessee | 1,965,556 |
| Texas | 5,083,486 |
| Utah | 690,284 |
| Vermont | 390,283 |
| Virginia | 2,215,361 |
| Washington | 1,588,747 |
| West Virginia | 1,070,069 |
| Wisconsin | 2,118,449 |
| Wyoming | 363,035 |
| District of Columbia | 533,880 |
| American Samoa, Guam, Puerto Rico, Virgin Islands, Trust Territory of the Pacific | 2,000,000 |

[1] 2 percent ($2,000,000) reserved for distribution to the outlying areas. Basic allotment of $200,000 for the 50 States and the District of Columbia, with the balance distributed one-half ($43,900,000) on the basis of the estimated 5-to-17 population as of July 1, 1963, and one-half ($43,900,000) on the basis of the estimated total resident population as of July 1, 1963.

Mr. ELLENDER. There is an additional title through which books are to be provided. As I understand, such books would be distributed to the children attending all schools.

Mr. MORSE. The Senator is correct.

Mr. ELLENDER. Whether they be Catholic, public, or Protestant schools?

Mr. MORSE. That is correct.

Mr. ELLENDER. It will be done on a loan basis?

Mr. MORSE. On a loan basis.

Mr. ELLENDER. I would like to have the formula for the distribution of funds put in the RECORD.

Mr. MORSE. Mr. President, I ask unanimous consent to have inserted in the RECORD a table showing the distribution of funds and the formula appertaining thereto.

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

*Estimated distribution of $100,000,000,[1] school library resources, textbooks, and instructional materials under title II, Elementary and Secondary Education Act of 1965, fiscal year 1966*

| | Estimated amount |
|---|---|
| United States and outlying areas | $100,000,000 |
| 50 States and the District of Columbia | 98,000,000 |
| Alabama | 1,734,277 |
| Alaska | 118,854 |
| Arizona | 815,164 |
| Arkansas | 937,854 |
| California | 9,308,483 |
| Colorado | 1,065,929 |
| Connecticut | 1,392,995 |
| Delaware | 256,903 |
| Florida | 2,604,055 |
| Georgia | 2,174,706 |
| Hawaii | 391,124 |
| Idaho | 370,581 |
| Illinois | 5,361,699 |
| Indiana | 2,528,237 |
| Iowa | 1,483,765 |
| Kansas | 1,146,723 |
| Kentucky | 1,549,486 |
| Louisiana | 1,922,905 |
| Maine | 525,829 |
| Maryland | 1,809,594 |
| Massachusetts | 2,622,125 |
| Michigan | 4,671,827 |
| Minnesota | 1,988,186 |
| Mississippi | 1,218,307 |
| Missouri | 2,309,246 |
| Montana | 382,828 |
| Nebraska | 775,144 |
| Nevada | 211,763 |
| New Hampshire | 336,232 |
| New Jersey | 3,233,812 |
| New Mexico | 590,702 |
| New York | 8,293,725 |
| North Carolina | 2,435,404 |
| North Dakota | 347,300 |
| Ohio | 5,406,689 |
| Oklahoma | 1,266,877 |
| Oregon | 975,757 |
| Pennsylvania | 5,908,219 |
| Rhode Island | 427,974 |
| South Carolina | 1,320,035 |
| South Dakota | 386,888 |
| Tennessee | 1,826,346 |
| Texas | 5,345,745 |
| Utah | 587,662 |
| Vermont | 208,027 |
| Virginia | 2,095,347 |
| Washington | 1,591,758 |
| West Virginia | 924,800 |
| Wisconsin | 2,278,827 |
| Wyoming | 187,468 |
| District of Columbia | 345,817 |
| American Samoa, Guam, Puerto Rico, Virgin Islands, Trust Territory of the Pacific | 2,000,000 |

[1] 2 percent ($2,000,000) reserved for distribution to the outlying areas.

SECTION 202. ALLOTMENT TO STATES

Sums appropriated to carry out the title will be allotted among the States pro rata on the basis of the number of children in each State who are enrolled in public and private elementary and secondary schools. This allotment provision will not apply to the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands. Instead the Commissioner will reserve up to 2 percent of the amount appropriated and allot such reserved amount among these territories and possessions according to their respective needs.

The section provides that where a State will not need all the money allotted to it, the money not required will be reallotted among other States.

Mr. ELLENDER. If a State is distributing schoolbooks, it will still be entitled to funds to supplement funds now spent for that purpose by the State?

Mr. MORSE. My answer to the Senator's question is an unequivocal "Yes."

Mr. ELLENDER. I ask the Senator now about title V, strengthening State departments of education. As I understand, the purpose is to assist the States in research, and matters of that kind, in order to develop educational programs and plans.

Mr. MORSE. The answer is "Yes." As I said in my explanatory statement earlier this afternoon, the testimony in the record shows that many State educational organizations and systems need some help in developing training programs that are of service to the State systems of education. That is where we get some of the most beneficial studies and findings for the improvement of educational techniques; and the State educational systems are able to have demonstrations and to have weekend conferences or to show what can be done with new techniques.

Counsel suggests that I ought to supplement what I have already said by saying that the record shows the consultation program and the hiring of special consultants. This can be done in connection with demonstrations of the remedial program, the program I discussed earlier this afternoon, for teaching or training the blind, which involve remarkable improvements. That program will help the State organization.

Mr. ELLENDER. Funds can be used under title V for that purpose?

Mr. MORSE. That is what title V is designed to do.

Mr. ELLENDER. I wonder if the Senator will place in the RECORD the formula for spending the $25 million and the distribution, as outlined on page 34 of the report.

Mr. MORSE. Mr. President, I ask unanimous consent to have inserted in the RECORD the distribution of the funds as set forth on the table on page 34 of the report, and also that there be included immediately thereafter a statement of the formula that is to be followed in the distribution of the funds.

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

*Estimated distribution of $25,000,000[1] for strengthening State departments of education under title V, Elementary and Secondary Education Act of 1965, fiscal year 1966*

| | Estimated amounts |
|---|---|
| United States and outlying areas | $21,250,000 |
| 50 States and the District of Columbia | 20,825,000 |
| Alabama | 411,619 |
| Alaska | 121,337 |
| Arizona | 238,848 |
| Arkansas | 270,243 |
| California | 1,672,034 |

*Estimated distribution of $25,000,000[1] for strengthening State departments of education under title V, Elementary and Secondary Education Act of 1965, fiscal year 1966*—Continued

| | Estimated amounts |
|---|---|
| Colorado | $280,701 |
| Connecticut | 312,652 |
| Delaware | 139,737 |
| Florida | 549,680 |
| Georgia | 495,621 |
| Hawaii | 159,850 |
| Idaho | 165,497 |
| Illinois | 875,820 |
| Indiana | 517,718 |
| Iowa | 335,566 |
| Kansas | 292,294 |
| Kentucky | 351,893 |
| Louisiana | 398,520 |
| Maine | 182,826 |
| Maryland | 379,359 |
| Massachusetts | 477,050 |
| Michigan | 828,465 |
| Minnesota | 399,197 |
| Mississippi | 319,780 |
| Missouri | 460,057 |
| Montana | 162,626 |
| Nebraska | 220,497 |
| Nevada | 137,894 |
| New Hampshire | 147,601 |
| New Jersey | 576,593 |
| New Mexico | 198,805 |
| New York | 1,288,213 |
| North Carolina | 547,459 |
| North Dakota | 156,051 |
| Ohio | 946,737 |
| Oklahoma | 327,809 |
| Oregon | 267,391 |
| Pennsylvania | 939,966 |
| Rhode Island | 157,218 |
| South Carolina | 340,190 |
| South Dakota | 162,285 |
| Tennessee | 428,208 |
| Texas | 1,035,640 |

*Estimated distribution of $25,000,000[1] for strengthening State departments of education under title V, Elementary and Secondary Education Act of 1965, fiscal year 1966*—Continued

| | Estimated amounts |
|---|---|
| Utah | $207,310 |
| Vermont | 131,119 |
| Virginia | 467,894 |
| Washington | 372,829 |
| West Virginia | 265,521 |
| Wisconsin | 415,673 |
| Wyoming | 133,422 |
| District of Columbia | 153,685 |
| American Samoa, Guam, Puerto Rico, Virgin Islands | 425,000 |

[1] 85 percent of $25,000,000 distributed; 2 percent ($425,000) of $21,250,000 reserved for distribution to the outlying areas. Basic allotment of $100,000 for the 50 States and the District of Columbia; balance distributed on the basis of public elementary and secondary school enrollment, fall 1964.

Mr. ELLENDER. Mr. President, if the Senator will permit me to do so, I ask unanimous consent to place in the RECORD a table from which I have been reading, showing six of the richest counties in the country and seven of the poorest, showing the median income, those with incomes under $3,000, and those with incomes of $10,000 and over, and showing the number of children from families with incomes of less than $2,000, with the percentage of school-age children.

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

*Table of 7 of the richest and poorest counties in the Nation with pertinent data as to family income and showing amount to be allocated them under the bill*

[Allocations do not include children from families brought in under the welfare amendment, but in most cases the difference would be slight]

| County and State | Family income data | | | School-age children | | Allocation of funds |
|---|---|---|---|---|---|---|
| | Median income | Percent under $3,000 | Percent $10,000 and over | Number in families with less than $2,000 income | Percent of all school-age children | |
| Richest: | | | | | | |
| Montgomery, Md | $9,317 | 5.5 | 44.6 | 2,343 | 2 | $572,864 |
| Arlington, Va | 8,670 | 6.0 | 38.6 | 1,347 | 4 | 235,725 |
| Fairfax, Va | 8,607 | 5.8 | 37.8 | 1,994 | 3 | 348,950 |
| Du Page, Ill | 8,570 | 5.9 | 36.0 | 1,853 | 2 | 443,794 |
| Westchester, N.Y | 8,052 | 8.0 | 36.3 | 6,210 | 3 | 2,189,026 |
| Bergen, N.J | 7,978 | 6.4 | 32.1 | 4,631 | 2 | 1,315,204 |
| Poorest: | | | | | | |
| Grant, W. Va | 2,437 | 64.0 | 3.0 | 833 | 35 | 124,950 |
| Falls, Tex | 2,287 | 60.6 | 4.0 | 2,233 | 41 | 432,086 |
| Sunflower, Miss | 1,790 | 68.1 | 3.9 | 6,184 | 42 | 745,173 |
| Knox, Ky | 1,722 | 70.5 | 1.7 | 3,137 | 39 | 470,550 |
| Williamsburg, S.C | 1,631 | 68.3 | 2.5 | 6,118 | 41 | 810,000 |
| Sumter, Ala | 1,564 | 72.3 | 2.7 | 2,790 | 43 | 390,600 |
| Holmes, Miss | 1,453 | 72.0 | 2.8 | 4,543 | 52 | 547,432 |

Mr. ELLENDER. I thank the Senator for his graciousness.

Mr. MORSE. Mr. President, before I yield to the Senator from Kentucky [Mr. COOPER], I wish to say something about and to the Senator from Louisiana. I have been in a good many debates on educational matters over the years. The colloquy that the Senator from Louisiana and I have held this afternoon for most of the past hour has been exceedingly helpful to me, and of great help to the entire Senate. The Senator has raised questions which the Presiding Officer, the Senator from New York [Mr. KENNEDY], being a member of the committee knows were raised in committee. The Senator from Louisiana could not have performed a better service for the committee and for me than by cross-examining me as he has done. His cross-examination has been fair. I appreciate it very much. I thank him.

Mr. ELLENDER. I thank the Senator. I have studied this problem over 30 years. Without boasting, I think I know a little about it. If the bill does what the Senator from Oregon says it will do—and I am sure it will—and the money is distributed to the children of nonpublic schools, and not to the schools themselves, I shall vote for it.

Mr. MORSE. Mr. President, before yielding to the Senator from Kentucky [Mr. COOPER] I wish to place in the RECORD certain language from page 17 of the bill, in answer to the Senator from Louisiana, concerning the obligations of the States to maintain their level of expenditures.

I read at that point language from page 17 of the bill, starting with line 1:

(2) No payments shall be made under this title to any local educational agency for any fiscal year unless the State educational agency finds that the combined fiscal effort (as determined in accordance with regulations of the Commissioner) of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than such combined fiscal effort for that purpose for the fiscal year ending June 30, 1964.

In other words, the bill ties down the imposition of an obligation upon the State and its educational subdivisions not to decrease the amount of money they previously had been spending, and substitutes in lieu thereof money gained under this bill.

I yield now to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, I know the Senator from Oregon has been on the floor for a long time.

Mr. MORSE. That is all right.

Mr. COOPER. I wish to address a few questions to you. But first, I would like to say that all of us owe a debt to the Senator from Oregon for his work on this bill, as well as other education bills in the Senate.

Mr. President, I do not intend to speak on the bill at this time, for I intend to make some remarks on the bill later in the debate. In 1948 I had the opportunity to join the Senator from Oregon, former Senator Alexander Smith of New Jersey, and former Senator Thomas of Utah, in cosponsoring the Taft-Ellender bill. Only today I read again the debate on the Taft-Ellender measure in 1948. In some respects this bill embodies principles of the Taft-Ellender bill.

I direct the Senator's attention to a question which is controversial, and which raises emotions; nevertheless, it is an important question, and it must be discussed. It is the question whether the bill contravenes the first amendment to the Constitution.

Let me say that I have studied the bill in light of the issue, and I intend to vote for the bill. But I would like to have the Senator's interpretation of this issue.

I believe the Senator, great lawyer that he is, will agree with me that a very serious question has been raised in several cases, among them being the Everson case, which held in substance that taxes could be used for incidental purposes directed to the benefit of the pupil in private and parochial schools, the case held, of course, that tax funds should not be used for the general support of private church schools. As I understand the pending bill, it does not prescribe that Federal funds shall be used for private or sectarian schools. On the other hand, it does not prohibit their use in certain cases, if the State desired to so use them, and such use were approved by the Federal Commissioner of Education.

Mr. MORSE. The reason I hesitated to give the Senator an immediate answer is that I do not wish my answer to seem in the slightest degree to be equivocal; therefore, I start in this colloquy on the subject of judicial review—and I am indebted to the Senator from Kentucky for raising it in this debate—by saying that, in my judgment, the bill would not authorize the State to spend any public funds for any private school purpose that might constitute an unconstitutional expenditure of funds. That is my first premise.

Next, I should like to read to the Senator from Kentucky what the bill itself provides, beginning at the bottom of page 79:

SEC. 605. Nothing contained in this Act shall be construed to authorize the making of any payment under this Act, or under any Act amended by this Act, for religious worship or instruction.

The bill contains the same prohibition that I have always insisted upon; namely, that the money cannot be spent for religious purposes or religious instruction.

If the Senator from Kentucky will bear with me a moment longer, I believe that perhaps a better foundation could be laid for some of the questions he may wish to ask me if I tell him what happened in committee.

We decided in committee against a judicial review amendment. A judicial review amendment was not offered in committee. Some members of the committee reserved the right—which they always have anyway—to offer such an amendment on the floor of the Senate, or to support such an amendment on the floor of the Senate.

As the Senator from Kentucky knows, I believe in giving credit where credit is due.

Here and now I give great credit to the Senator from New York [Mr. JAVITS] for the position he took in regard to this matter, which reinforced the position taken by the chairman of the subcommittee. After the Senator from New York had set forth his reasons for joining the chairman in opposition to adding a judicial review amendment to the bill, it was agreed by the committee—even those who had reserved the right to offer an amendment later—that the Senator from New York [Mr. JAVITS] had performed a valuable service, which I had asked him to perform. I said that I agreed with everything the Senator from New York had said, and that I would like to have him sit down with counsel—and this was only yesterday morning, because we wished to get the report printed last night—and put in succinct form the argument that he made, which the chairman of the subcommittee completely supports. Here it is.

I believe that I should read from page 35 of the committee report and make it the foundation for my discussion with the Senator from Kentucky. It reads as follows, under the subheading "Committee Comment on Judicial Review":

The committee considered carefully recommendations to it in testimony that an explicit provision be added to afford judicial review of the constitutionality of provisions of the act and of its administration. After consideration of all facets of the problem, it was the general view of the committee that in this legislation such a provision is unnecessary in view of the developing state of the law on the subject. The committee, in considering the matter, discussed the following factors: (1) Litigation raising analogous issues is presently pending before courts of at least one State, and could reach the U.S. Supreme Court. In view of the recent Supreme Court decisions in the school prayer cases, which also arose in State courts, it would appear more likely than ever before that the issues under this act could similarly be tested. (2) Since the determination of the Supreme Court against taxpayers' suits in *Massachusetts* v. *Mellon* (262 U.S. 447 (1923)), there have been subsequent decisions which also suggest the possibility of a test in the Federal courts of the provisions of this act in the absence of specific language. *Larson* v. *Domestic and Foreign Corporation* (337 U.S. 682, 689, 690 (1948)), was cited as an example. (3) The bill presently contains three specific and limited judicial review provisions, which parallel those in other Federal education legislation: section 211 of title I, section 206 of title II, and section 509 of title V. It is possible that these issues can also be raised in suits brought by States against the Commissioner of Education under those provisions. (4) It is not the practice to insert broad judicial review clauses in Federal legislation, particularly as this might be construed as an invitation to a multiplicity of time-consuming suits which could bring to a temporary halt an enormous range of Federal activities.

That is what the committee had to say on the subject. I do not believe that a judicial review amendment should be added to an elementary and secondary school bill. I do not believe it should be added to a separate higher education bill. I believe that it should be an independent bill.

I have on my desk—I try to come prepared for developments in debate—the judicial review amendment, which the Senator from Kentucky was so kind as to say, last year, that he would cosponsor, along with other advocates of judicial review, when the judicial review amendment was passed in the Senate. It was dropped in conference, for reasons the Senator from Kentucky well knows.

I have that bill in such form that it can be introduced at any time during debate, if the consensus of opinion seems to be that we should not rely upon the suggestions made by the Senator from New York [Mr. JAVITS] in this part of the report, with which I completely associate myself, as do a majority of the members of the committee.

I have now concluded my statement.

If the judicial review route should be followed, it should be followed in a separate, independent judicial review bill, along the lines of the original Morse-Clark bill which is the bill that is ready for introduction.

I do not believe that the present Presiding Officer of the Senate, the Senator from New York [Mr. KENNEDY] will object. I believe he should have feelings of great pride concerning it. The Morse-Clark judicial review amendment, which we prepared some 3 years ago, was the product of the Office of the Attorney General of the United States when the present Presiding Officer was the Attorney General of the United States.

After discussion with the Senator from Pennsylvania [Mr. CLARK] and me, the present Presiding Officer of the Senate assigned to us as our leading legal counsel the then and still present Solicitor General of the United States, Mr. Cox; and we worked out the provisions of the bill which is now before the Senate. The Attorney General of the United States, now the Presiding Officer in the Senate, deserves my thanks—and he has received them many times—as well as the thanks of many others, for the cooperation he extended in the preparation of this bill.

I believe the bill would meet all the tests. However, I do not believe an independent judicial review bill is needed. I believe that in the not too distant future a decision will be rendered "on the nose," as we lawyers say, by the Supreme Court, telling Congress how far it can go under the first amendment in giving aid to religious schools. I believe there is a case already on the way to the Supreme Court. It is the Horace Mann case in Maryland. The first decision has been rendered by the lower court. I believe that case will go all the way, so to speak. My judgment is that it will be very difficult for the Supreme Court not to give us a broad decision which will cover the very issue that must be settled.

Let us face it. We are going into Federal aid for elementary and secondary schools in the bill through the back door. I have said this many times, as the Senator from Kentucky knows. This is a back-door entrance into Federal aid to education for elementary and secondary schools for 11 percent of the schoolchildren of America who are deprived. It is an entrance through the back door by way of an entirely constitutional legislative vehicle, or WAYNE MORSE would not be supporting it on the floor of the Senate this afternoon if he did not honestly believe it.

Mr. COOPER. I thank the Senator. As he knows, I have supported in past years many bills whose purpose was to provide aid to our public elementary and secondary schools. As the Senator has said, the cases which have arisen, and which have been determined by the Supreme Court, particularly the Everson case, the Zorach case, and the McCollum case, have raised the question of the applicability of the first amendment to Federal aid to education. Of course, the prayer cases have also brought this issue to the fore.

I do not know of anything that is more important than providing educational opportunity of the highest quality for the children of our country.

However, I direct my questions to the specific issue of constitutionality, for it must be met. I believe the Senator will agree that the Mellon case would prohibit any taxpayer—using that term in the broad sense to include any agency or individual or entity—from bringing suit in Federal court to test the constitutionality of the pending bill.

Mr. MORSE. The Senator is correct. That is true in the Federal court, but it is not true in the State courts. The

Maryland case is a State case, in which the judge held that the taxpayer had the right to raise the question.

Mr. COOPER. My question was directed solely to the ability of a taxpayer to bring an action in the Federal court.

Mr. MORSE. Yes. He cannot do it under the Mellon case.

Mr. COOPER. My next question goes to the right to test in State courts the constitutionality of this bill or any other educational bill using tax funds for private or church schools. I know about the Maryland case, instituted in the State courts of Maryland. Of course, the Supreme Court could say, "We do not wish to review the case."

We do not know what the Court will say. The Senator is well acquainted with the Doremus case, in which the Court refused to review a similar issue. I believe the Senator would agree that later cases would indicate that the Supreme Court would take jurisdiction of the Maryland case.

Mr. MORSE. That is what I was about to say.

Mr. COOPER. I have studied the pending bill, and it is my judgment, noting that State educational agencies must make application to the Commissioner of Education for Federal funds, that funds would be allocated to the State educational agency, and then by the State educational agency to the local educational agency; that this would provide the basis for suit by an individual, in State courts, to test the constitutionality of the bill. I do not know whether the Senator would care to comment on that point, but I must say that this viewpoint has been of great influence in leading me to make my decision to vote for the bill.

Mr. MORSE. That is my judgment. Although it is true that in the past the Supreme Court has followed a general policy, in a case involving a constitutional issue of trying to decide the case without deciding the constitutional issue, if possible, I believe this situation would raise directly the constitutional issue, and the Supreme Court would be in a position where it would have to decide it.

Furthermore, I believe we have come to the point where it is recognized that the issue must be put behind us.

Mr. COOPER. It must be settled.

Mr. MORSE. Yes; that is what I mean. It must be settled. I believe it will be settled and put behind us soon, because once we get that decision on the issue, even those who may disagree with the decision will agree that we cannot maintain a government of law unless we support the decisions. It is the decision that is important. I believe we are on our way to a decision. That is why I am pleading with the Senate, if it wishes to insist on judicial review legislation, to let us do it by way of an independent bill. I give the Senate my word, if that is what the Senate wishes, that I shall introduce a bill before the debate is over, and pledge to schedule hearings on it forthwith.

Mr. COOPER. I know the Senator agrees with me that the line is not an easy line to draw.

Mr. MORSE. I know that.

Mr. COOPER. I joined the Senator in sponsoring the National Defense Education Act, which provides aid to pupils who may choose to attend private and sectarian schools. I believe we have agreed that in those situations, while there might be a close line, the benefit ran primarily to the individual in line with the holding of the Everson case. At least I have no problem about that. I know the value of private and sectarian schools, and the contribution they make to our country. They impart richness and variety to our education. I am sympathetic with the work they are doing, but I believe that the constitutional question must be determined.

Last year the Senator from North Carolina [Mr. ERVIN] and I submitted an amendment to the Higher Education Facilities Act. It was debated and passed by the Senate, but taken out in conference. I do not feel the same concern about the pending bill that I felt about the other bill, for I believe there will be a right to judicial review through action in the State courts.

The same question was raised in 1948.

Mr. MORSE. I was about to mention that.

Mr. COOPER. Two amendments were offered in 1948. One was offered by former Senator Donnell, of Missouri, a fine lawyer who wished to place in the bill a prohibition on the use of funds for any purpose in any nonpublic school.

Mr. MORSE. For any purpose.

Mr. COOPER. For any purpose, including health, school lunches, and the like. Another diametrically opposed amendment was offered by the former and great Senator, Senator McMahon, of Connecticut, who wished to prescribe how these moneys should be used. I remember that the late Senator Taft took the position—and he spoke at length on the issue—that it was a matter for the States to determine, and that the matter could reach the Supreme Court through the State courts.

I wish to raise these questions. I am very happy to have the interpretation of the Senator from Oregon.

Finally, while I believe action to test constitutionality can be taken through State courts, I believe it would be better to provide a means to test in the Federal courts.

But on the whole, the bill is safeguarded, and it does provide an opportunity to lift the quality of education and to broaden its availability to the millions of young people who hold the future of this Nation.

Mr. MORSE. I am glad the Senator has raised these questions. The Senator from Kentucky and I have served on the Committee on Labor and Public Welfare, which has jurisdiction over education, for more years than perhaps we would like to remember.

Back in those days the Senator and I were not only members of the committee, but were also members of the Subcommittee on Education.

Mr. COOPER. And we were both Republicans.

Mr. MORSE. We were both Republicans. I have learned something since. I appreciate the Senator's great support then, and I appreciate his support now. I am greatly indebted to him for his teacher services to me, because he has taught me many things.

Mr. COOPER. A few minutes ago the Senator spoke about certain counties in Kentucky. Unhappily, I must say that in Kentucky there are counties that are in a dire state, a condition which concerns me, which saddens me and all of us who live in our great State. He mentioned a fine county—Knox—a county with fine people, officials, and an outstanding county school superintendent, the Honorable Jesse Lay. But, in tribute to my State, I wish to say that in its educational efforts, Kentucky is making a greater effort in terms of the proportion of its revenue that it applies to education, than many of the richer States. I shall not include West Virginia, but I believe Kentucky makes a greater effort, in terms of the percentage of its revenues that it applies to education, than its neighbors, including the rich States of Ohio, Illinois, and Indiana. So, not in defense, but in commendation of the officials of my State and of its people, I want to make this statement.

Mr. MORSE. The figures in the record of the hearing show that. I discussed the Knox County situation only because it is involved in the record.

Mr. COOPER. It is only two counties away from Pulaski, in which I live.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD, in connection with the judicial review discussion, a memorandum entitled "Enforcement of the Principle of Separation of Church and State in the Elementary and Secondary Education Act of 1965."

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

ENFORCEMENT OF THE PRINCIPLE OF SEPARATION OF CHURCH AND STATE IN THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

The following provisions of the Elementary and Secondary Education Act of 1965 (H.R. 2362) stress the principle of separation of church and state:

I. Title I (financial assistance to local educational agencies for the education of children of low-income families):

(a) Section 202. Federal payments may be made only to local public educational agencies.

(b) Section 205(a)(3) (control of funds and property): Before making a grant to a local public educational agency, the State educational agency must determine "that the local educational agency has provided satisfactory assurance that the control of funds provided under this title, and title to property derived therefrom, shall be in a public agency for the uses and purposes provided in this title, and that a public agency will administer such funds and property."

II. Title II (school library resources, textbooks, and other instructional materials):

(a) Section 205 (control and selection of books and materials):

"SEC. 205. (a): Title to library resources, textbooks, and other printed and published instructional materials furnished pursuant to this title, and control and administration of their use, shall vest only in a public agency.

"(b) The library resources, textbooks, and other printed and published instructional materials made available pursuant to this title for use of children and teachers in any school in any State shall be limited to those

which have been approved by an appropriate State or local educational authority or agency for use, or are used, in a public elementary or secondary school of that State."

III. Title III (supplementary educational centers and services):

(a) Section 304(a): Federal payments may be made only to local public educational agencies.

(b) Section 304(a)(1): The application of a local public educational agency must "provide that the activities and services for which assistance under this title is sought will be administered by or under the supervision of" that local public educational agency.

(c) Section 307 (recovery of payments):

"SEC. 307. If within twenty years after completion of any construction for which Federal funds have been paid under this title—

"(a) the owner of the facility shall cease to be a State or local educational agency, or

"(b) the facility shall cease to be used for the educational and related purposes for which it was constructed, unless the Commissioner determines in accordance with regulations that there is good cause for releasing the applicant or other owner from the obligation to do so, the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility (or so much thereof as constituted an approved project or projects) the same ratio as the amount of such Federal funds bore to the cost of the facility financed with the aid of such funds. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which the facility is situated."

IV. Title IV (educational research and training):

(a) Section 2(b) (grants for training in educational research):

"No grant shall be made under this subsection for training in sectarian instruction or, for work to be done in an institution, or a department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects."

(b) Section 4(e) (construction of regional facilities for research and related purposes):

"(e) As used in this section, the term 'research and related purposes' means research, research training, surveys, or demonstrations in the field of education, or the dissemination of information derived therefrom, or all of such activities, including (but without limitation) experimental schools, except that such term does not include research, research training, surveys, or demonstrations in the field of sectarian instruction or the dissemination of information derived therefrom."

V. Title V (grants to strengthen State departments of education): There are no specific provisions because grants would be made only to State public educational agencies for the purpose of strengthening those agencies.

VI. Title VI (general provisions):

(a) Section 605 (relating to all titles in the act):

"SEC. 605. Nothing contained in this Act shall be construed to authorize the making of any payment under this Act, or under any Act amended by this Act, for religious worship or instruction."

The following provisions of the Elementary and Secondary Education Act of 1965 (H.R. 2362) supplement those cited above by requiring that actions taken by States be consistent with the principle of separation of church and state:

I. Title I (financial assistance to local educational agencies for the education of children of low-income families):

(a) Section 206(a)(1): To participate in the program, a State must provide satisfactory assurance that except for State administrative costs, "payments under this title will be used only for programs and projects which have been approved by the State educational agency pursuant to section 205(a) and which meet the requirements of that section, and that such agency will in all other respects comply with the provisions of this title, including the enforcement of any obligations imposed upon a local educational agency under section 205(a)." Section 205(a) includes the provision, quoted above, requiring public control of funds and property provided under title I.

(b) Section 210 (withholding):

"Whenever the Commissioner, after reasonable notice and opportunity for hearing to any State educational agency, finds that there has been a failure to comply substantially with any assurance [including the assurance quoted in (a)] set forth in the application of that State approved under section 206(b), the Commissioner shall notify the agency that further payments will not be made to the States under this title (or, in his discretion, that the State educational agency shall not make further payments under this title to specified local educational agencies affected by the failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made to the State under this title, or payments by the State educational agency under this title shall be limited to local educational agencies not affected by the failure, as the case may be."

II. Title II (school library resources, textbooks, and other instructional materials)

(a) To participate in the program, a State must designate "a State agency which shall, either directly or through arrangements with other State or local public agencies, act as the sole agency for administration of the State plan."

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CLARK. I commend the chairman of our Subcommittee on Education for the excellent presentation he has made on this complicated but intensely useful piece of proposed legislation. I should like particularly to support him in what he has said in his colloquy with the Senator from Kentucky [Mr. COOPER] about a provision for judicial review in the bill. As the Senator from Oregon stated a short time ago, he and I cosponsored a judicial review section in a general education bill several years ago with the assistance of the Solicitor General. As the Senator from Oregon said, we thought we had a good review section. I, too, would be happy to see an adequate review section in the bill, but I do not think the timing is correct. I should be happy to join with the Senator from Oregon in submitting such a judicial review section as a separate measure and to cosponsor it with him and to do all I can to see that it is passed.

Mr. MORSE. I thank the Senator from Pennsylvania. The Senator from Pennsylvania and the Senator from Michigan [Mr. MCNAMARA], who is present in the Chamber, were two of my colleagues on the Subcommittee on Education. I thank both of them for the wonderful help that they have been to me in getting this bill to the point at which we could present it to the Senate today, with the kind of support that it brings to the floor.

I should like to have the attention of the Senator from Vermont [Mr. PROUTY]. I am about to yield the floor. I do not know what arrangements he may have entered into with the Senator from West Virginia [Mr. RANDOLPH]. I understand that the Senator from West Virginia had an appointment. Since I am about to yield the floor, whatever arrangement the Senator from Vermont has entered into with the Senator from West Virginia I leave up to the two Senators.

Mr. PROUTY. The Senator from West Virginia is busy at the present time; and he has suggested that I proceed.

Mr. MORSE. That was my understanding. I wanted the Senator to know that I told the Senator from West Virginia I thought, after my long presentation, a member of the minority ought to be allowed to present any amendment or any point of view that he cared to present.

Mr. PROUTY. I appreciate that.

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. PROUTY. Madam President, first, I wish to express my deep appreciation to the distinguished senior Senator from Oregon [Mr. MORSE]. He is one of the greatest champions of the education of American youth the Senate has known. His wisdom in such matters is well complemented by his thoroughness. It is always a pleasure to serve with him.

I wish to thank him for his work as chairman of the Subcommittee on Education, for the courtesies which he extended to all members in the minority and for the fairness with which he conducted the committee sessions and the committee hearings. For reasons which I shall develop later, members of the majority serving on the committee labored under some inhibition with respect to consideration of amendments which were proposed by members of the minority. But in all fairness I should say that ample consideration was given to proposed amendments. While they were not accepted, they did serve a useful purpose by reason of the fact that they resulted in some language in the report which clarified some of the ambiguities of the language in the bill which the committee considered.

Today this body is faced with one of the most important bills of the 89th Congress—the Elementary and Secondary Education Act of 1965. For the first time in the Nation's history, the Congress is about to enact a general aid to education bill, although this fact is not readily acknowledged by its advocates.

I do not say this disparagingly. The demands of modern technology, of intelligent voting, of complex world issues, have made evident the need for a broader and deeper educational background for all Americans. Ever since the late Senator Robert A. Taft sponsored his aid to education bill in the 80th Congress, Republicans have recognized the need for Federal action to contribute to the improvement of the American educational system.

This is not to say that Republicans have favored a Federal grant program such as that embodied in this bill; far from it. Basic to Republican thinking is the overriding need to reduce needless and perhaps dangerous Federal activities, returning the tax resources thus freed to the States and local communities. I venture to say that, as much as any other, this is one great difference of opinion between the parties. One party—currently the majority—favors programs which make use of the Federal tax base, correspondingly reduce the local tax resources, and return various kinds of benefits to States, communities, and individuals—after the middleman's fee has been taken out. The other party—currently the minority—favors programs which decrease Federal activity, increase the tax resources available to State and local governments, and keep tax money working at home under the direct control of those who pay it.

Today, we of the minority are faced with a dilemma. I daresay no Member of this body would argue that American education is in no need of improvement. The question, like so many in the American political system, is not on the ends but on the means. And today we must decide which is more important—the unmet needs of our schools and schoolchildren or the danger of insidious Federal involvement and control of the educational process.

For myself, I am willing to acept what I believe to be an imperfectly conceived and designed bill. I do this because our schools and our children have a real and urgent need which should not go unmet. Despite its imperfections—and I expect to discuss a number of them before this debate comes to a close—this bill will make a significant contribution to the Nation's needs.

Having said this in the way of an introduction, I should now like to take a few moments of the time of the Senate to discuss the way this bill was handled in this body and some of the possible implications for the future of the national legislative process.

I should like first of all to read the brief statement that opens the minority views of the Committee on Labor and Public Welfare. I would point out that these views received the wholehearted endorsement of all five minority members of the committee, even though we five represent a very broad cross section of Republican opinion.

The Constitution of the United States vests legislative power in the Senate and the House of Representatives. Now, by decree of the President of the United States, the Senate is to be shorn of its equal share of that power. This important and complex piece of legislation—on which your committee heard more than 90 witnesses whose testimony filled 6 volumes and more than 3,200 pages—is to pass this body without a dot or comma changed; this, by fiat from the Chief Executive.

Your committee, over the years of our tenure, has labored conscientiously and without partisan rancor to consider judiciously legislation referred to it, making improvements where desirable and necessary. The results of our efforts in the past have been measures which have secured broad bipartisan acceptance, such as the Manpower Development and Training Act and the National Defense Education Act. Constructive amendments, whether offered by majority or minority, have been given serious consideration, and invariably some have been adopted.

Concern over this new regime is not confined to the minority. Privately, members of the majority and officials of the executive branch have been apologetic for this new effort to destroy the role of the Senate in the national legislative process. Yet they are powerless to change the rules laid down from above.

Irrespective of the merits and demerits of this particular bill—and there are both—the handling of this issue raises serious questions about the Nation's future constitutional development. Will legislation henceforth originate in the House, to be accepted supinely by the Senate without a murmur? Are conference committees a thing of the past? Will the Senate gradually become an English House of Lords, with power to delay the passage of legislation but not prevent it? Are States no longer an object of constitutional notice, but only individuals? Is the principle of one-man, one-vote now extended to vitiate the legislative role of this body of Congress founded by the Constitution on the basis of unequal representation? It is our hope that Senators will weigh carefully such questions as these as this bill is discussed on the floor.

The advocates of this legislation do not claim its present form is perfect. Instead, they argue that it should be passed and that the necessary revisions can be added later in this Congress. This is like an auto dealer delivering three-quarters of a new car, with a note saying that the wheels and transmission will be sent later if the company feels like it. Yet in both cases the customer will pay the full price.

We are told that this embargo on amendments—even technical amendments to correct drafting ambiguities—is a one-shot proposition. We are assured that on this bill and on this bill only will the Senate yield its legislative powers. Yet the majority speaks these words uneasily, for it knows from long tradition and experience that the branch of Congress that gives up its independence to an aggrandizing Executive not only lays the basis for new and greater demands of passive compliance but also begins to lose the confidence of the people whose votes have given it life.

It is ironic, indeed, that while this committee speaks out on behalf of this billion-dollar-plus measure to liberate children from the shackles of ignorance, at the same time it draws close about it—and about the Senate which has entrusted to its this important responsibility—the strong but subtle silken threads of legislative impotence.

UNJUSTIFIED FEARS

In a Congress closely divided between the two parties, a majority Chief Executive might well wish to keep a House-passed bill intact in the Senate, or vice versa, in order to avoid a reopening of debate which might cause a small but crucial number of votes to desert his position. In the present circumstances, however, there is clearly no justification for such an attempt. The House of Representatives passed this bill by a comfortable margin of 263–153. During the debate in that body every contested amendment—even when offered by a courageous member of the majority—was beaten back handily. There is no doubt that the administration can muster the votes to accept any version of its choice. Yet, feigning great concern for the allegedly uncertain fate of this bill, the administration commands the Senate to speed it through with every flaw intact. This is not statesmanship. This is not a calm confidence in the will of the people as expressed through their representatives in the Congress. This is a fetish—a fetish of the unwise and unrestrained use of power, which cannot either in the long run or the short, serve the interests of the Nation.

Called to speak to his constituents at Bristol, the great Edmund Burke made clear in timeless words the lofty responsibility of him who legislates on behalf of his fellow man:

> His unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you; to any men, or to any set of men living. These he does not derive from your pleasure; no, nor from the law and the Constitution. They are a trust from Providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

Madam President, I ask Senators to ponder these words for a moment. The principal issue facing the Senate today is not that of American education. The principal issue is nothing less than the future of the Senate as a coequal partner in the national legislative process.

Let us take again a long look at what has happened here.

The President of the United States prepares and endorses a bill to work toward the achievement of a major national goal.

That bill is introduced into each body of the Congress by supporters of the administration.

A subcommittee of the House of Representatives begins to hear testimony on this bill. Four days later, the parallel subcommittee of the Senate opens hearings, in which the same administration witnesses lead off.

The House committee, after 2,128 pages of hearings, goes into executive session. Nine days after the conclusion of the House hearings, the Senate subcommittee completes its 3,298 pages of hearings.

Then, while the House proceeds to executive session deliberations on the bill, Senate action on the bill comes to a halt. Senators who desire to offer amendments are told by the administration to submit them to the House committee.

The House opens debate on the bill, while the Senate continues to mark time. Extreme and unjustifiably stringent rules are imposed on floor debate in the other body. Those rules were so stringent

and oppressive that a courageous Member of the majority, a distinguished Member of the other body whose credentials as a battler for Federal aid to education and as a liberal Democrat are far beyond question, rose in that body and moved to strike the enacting clause. In doing so she said:

> I have been a Democrat all my life, and one reason I have been proud to be a Democrat is because we have believed in protecting the rights of the minority. I have never interpreted the Democratic platform or the statements we have made that this applies only to the ethnic groups; that we are interested only in protecting the rights of Negroes or any other minority. There was a man long ago who said "I may disagree with what you say, but I will defend to death your right to say it." Today it seems to me we have in the House a determined effort to silence those who are in disagreement.

Despite this eloquent statement, the bill was pushed through the other body. Frequently debate was shut off altogether on important amendments. The majority not only voted down the minority—which is its privilege in a democratic system—but it stifled full and free discussion—an offense that a democratic system of government cannot long endure.

This important bill, thus passed by the other branch of the National Legislature, then came to this Chamber. After long postponement, executive sessions began in the Subcommittee on Education. It was first proposed that the subcommittee begin work on the House-passed version, rather than the Senate bill. This was agreed to without objection, for the House bill contained numerous improvements over the original measure.

But then came the time when amendments to the bill were to be considered. The minority had drafted around two dozen amendments, seeking to tighten and improve the bill. One Senator on the majority side likewise offered an amendment. But it was readily apparent from the outset that the subcommittee was under strict instructions not to change one dot or comma of this bill.

And thus the bill comes to the floor of the Senate, Madam President, and I daresay it comes with strict instructions from the Chief Executive that no changes—whatever their merits—may be tolerated or approved. The intent of the sponsor of this legislation—the President of the United States—is that the Senate passively accept his decree and pass this bill in exactly the form voted upon by the other body.

When the Founding Fathers of this Nation settled upon a bicameral National Legislature, the argument was advanced that a two-chamber system affords the opportunity for thorough and complete scrutiny of proposed legislation—far more so than in a single chamber. Whichever body acts first, the other was to consider, refine, and purify the product of its deliberations. When the House takes first action, the responsibility for that refinement and improvement falls upon this distinguished body.

Today, Madam President, may be a turning point in our constitutional history. Today may be the day when the Senate of the United States, after 176 years of greatness, yields to the insistent demand of a Chief Executive its right and duty to perform its true legislative function. No less than this is at stake.

I do not intend to dwell on this point at greater length. Every Member of this body knows the danger of which I speak. Most, I imagine, will not rise to avow their innermost beliefs in such words as I have chosen today. But as debate on this bill moves forward, I wish to leave only one thought in the minds of Senators. We are following for better or for worse in the footsteps of men who gave this Chamber the deserved appellation of the highest deliberative body in the land. Clay, Webster, Calhoun, Benton, Fessenden, Morrill, LaFollette, Lodge, Vandenberg, Taft, Barkley, Murray—all have passed this way before us.

Mr. CLARK. Madam President, will the Senator from Vermont yield now, or does he wish to conclude his statement first?

Mr. PROUTY. I yield to the Senator from Pennsylvania.

Mr. CLARK. As the acting manager of the bill, in the absence of the Senator from Oregon [Mr. MORSE], I wish to place in the RECORD a brief dissent from what occurred to me to be the somewhat extragavant position taken by my friend from Vermont. We in the majority see no threat to constitutional government. We see no fear that the Senate is about to abdicate its constitutional responsibilities.

We want to have a bill passed promptly to help the boys and girls of the United States obtain a better education. We think that this is a good bill. We think that as a matter of pragmatic legislative procedure it is wise not to go to conference, where perhaps there would be created such issues as the row about church and state, and other issues which would otherwise arise in conference. A moment ago, it was mentioned that the problem is a very difficult one.

I recognize the point of my good friend the Senator from Vermont, in differing with the majority. I wish to make it clear that no constitutional issue is involved. We want to get a good bill.

Mr. PROUTY. Does the Senator consider that this bill is perfect in all respects?

Mr. CLARK. Certainly not. We shall have to gain a bit of experience. The bill will come up next year. I think my friend, the Senator from Vermont, will be pleased with the results.

Mr. PROUTY. I assure the Senator from Pennsylvania that I am a supporter of the bill. I intend to vote for the bill. But I think it is a dangerous precedent which we are establishing by insisting that the bill must be approved exactly as it came from the House. We have seldom done this on other legislation.

Mr. CLARK. Madam President, I think we should add the name of the Senator from Vermont to the long list of distinguished Members of this body which he had just related, starting with Clay, Webster, and Calhoun.

Mr. PROUTY. Madam President, the Senator overwhelms me.

Today each Senator must choose whether he will follow the trail of tradition and lofty responsibility that they have blazed—or whether he will follow the trail that leads to a House of Lords, men distinguished and respected, but superfluous to the conduct of national affairs.

Now, Madam President, I turn to the merits of the Elementary and Secondary Education Act of 1965.

The principal part of H.R. 2362 is title I, which provides over a billion dollars to local school districts to aid them in initiating or continuing programs to meet the special needs of educationally deprived children. These children are children whose home life has been such a mixture of ignorance, poverty, ill health, social distress, cultural deprivation, and mental, physical, and emotional handicaps that they have been unable to gain the benefits of their local schools.

The formula for distributing funds under title I rests on two objective factors: the State's current expenditures on education per pupil in average daily attendance, and the number of children from families below an arbitrarily chosen low income factor. Also included in this figure are the children from families above the low income factor which receive aid to dependent children payments.

The selection of the concept of the low income factor deserves elucidation. It is not the intent of this bill to classify all children from families below a certain income level as educationally deprived. Nor does the bill assert that children from more affluent families may not be educationally deprived. The selection of a low income factor in the distribution formula is based on the need for an objective and administratively workable definition of "educationally deprived child." No one suggests that the $2,000 line or the $3,000 line or any other line divides the educationally deprived child from his more fortunate colleagues. The theory of this factor is based on the high correlation between educational deprivation and low income. It is not a perfect correlation, to be sure, but it is a good one, probably the best that can be devised. The Department of Health, Education, and Welfare has made it clear in the hearings in both bodies that local programs under title I will be operated to include all educationally deprived children, regardless of family income. The low income factor is used only to apportion the funds among local educational agencies, representing as it does the best available measurement of the level of educational deprivation in each school district.

The philosophy of title I—but not necessarily the methods—seem to come from one of the most fertile sources of administration proposals, Madam President. I refer, of course, to the Republican Party.

A year ago the minority members of the Joint Economic Committee, which includes the distinguished senior Senator from New York [Mr. JAVITS], the junior Senator from Iowa [Mr. MILLER], and the junior Senator from Idaho [Mr.

JORDAN], expressed their concern over the connection between poverty and educational opportunity in the following words:

> Why is it that schools in poverty neighborhoods so often deteriorate? Shouldn't schools for disadvantaged children be among the best? Who needs good schools more than the children of the poor? A clean, attractive, well-equipped and well-staffed school in a deteriorating neighborhood could serve as an example and an inspiration for many of our disadvantaged children. We urge that public and private educational groups direct their attention to upgrading the quality of schools in poverty neighborhoods. The Federal Government now provides special financial assistance to schools in so-called federally impacted areas. We urge that a similar approach be considered for poverty impacted areas.

Thus, Madam President, a year later this Republican recommendation appears in the form of the bill now before us. I regret to say, however, that in accepting the sound Republican principle set forth in that report, the administration grafted onto it a number of methods which follow the lines now clearly identified with the Democratic Party—methods leading to increased Federal involvement in local affairs, burdensome Federal regulations and requirements, and a renewed effort to bypass and play down the vital role of the State governments in the American Federal system.

Despite these general criticisms, Madam President, and despite what I believe to be some substantive defects in the provisions of this bill, I intend to support the Elementary and Secondary Education Act of 1965. I shall, however, at the appropriate time, offer a number of amendments which I believe will clarify and strengthen the bill. It is my hope that these amendments will receive the serious consideration of Members of this body, and that they will exercise their independent judgment in casting their votes on them, always bearing in mind the needs of their constituents, the national interest, and their responsibilities as Members of the Senate.

Madam President, I yield the floor,

Mr. RANDOLPH. Madam President, there is heard in certain quarters some comment that Federal aid to education has caused State and local units of government to lag and not exercise their maximum efforts to meet the needs of education in these times of rapid technological change and pyramiding costs of education, as well as high costs in practically all facets of our economy.

Some localities are conservative—I use the word advisedly—in their community thought and action and actually do not join the mainstream of progress, be it in educational or other fields. Very few communities in the State of West Virginia would fall in that category.

The communities in West Virginia are not communities in the sense of being municipalities from the standpoint of educational structure. The county, rather than the community, in West Virginia is the unit, and the level at which the elementary and secondary schools are administered under the State law. There are no independent city school administration units in the State of West Virginia. The grade schools, junior high schools, and senior high schools in our municipalities are under the administrative and fiscal jurisdiction of the county boards of education.

Our State government, as well as county and municipal governments, are operated within the framework of a constitutional limitation on property taxes. Since the years of the deep depression of the thirties, the State of West Virginia has been required, as a consequence of fiscal necessity and a constitutional mandate, to lean heavily on indirect forms of taxation, mainly sales and income tax levies.

Under this condition, which originated in the early thirties, West Virginia, of necessity, had to eliminate 450 units of local education administration and settle on 55 county boards of education to administer the primary and secondary system. But there were varying degrees of fiscal ability among the 55 county boards—especially between the rural counties and the more populous ones with greater corporate taxable wealth. Consequently, to attempt to spread educational opportunities as equitably as possible over the whole school-age population, West Virginia became more and more involved in utilizing the method of State financial aid to the county school systems. The formulas for State assistance were always devised under controversy and contest between various interests involved. But the consensus end results provided in the laws passed by the State legislature over the years have generally been as fair and equitable as can be devised by legislative bodies.

Through the years since the county became the school administration unit and the counties were relieved of road-building and road-maintenance responsibilities, education has been the most costly county service and has received the largest portion of the real property tax dollar. Most counties have struggled painfully to acquire and make available the funds necessary to pay their local share of educational costs. This is especially true of that portion needed to build consolidated schools and to provide the transportation required to make meaningful the new school zoning system and the consolidated schools.

By the same token, the State government, having made the commitment to provide financial aid to the county school systems, has been making increasingly larger portions of its tax dollars available to elementary and secondary education while also experiencing the severe impact of higher education costs.

Even though there have been financial assists of considerable magnitude passed to the States in recent years—and even though West Virginia has shared in these—I assure my colleagues that the State government and a very substantial majority of the counties have been more and more generous and more and more affirmative in supporting education. We have not been lagging awaiting a day when the Federal Government would take over and finance our schools because we know such a day never will arrive—and we do not seek nor do we wish such an extreme development.

We know in West Virginia that our capacity to improve educational financing has been enhanced by an improving economic climate. Even though we continue to step up our tax dollar dedications to education, we realize, nevertheless, that the gap between total needs and State and local ability to meet those needs in the fields of education continues to exist. We are aware that many, many children in the low income and public relief recipient families are being educationally neglected.

I wish to give these figures to my colleagues in the Senate. The national figure is that 11 percent of children between 5 and 17 come from families with annual incomes of $2,000 or less.

Eleven percent is the national average. There are some 48 million children between the ages of 5 and 17 in this country; and almost 5 million of that total number come from families whose annual income is less than $2,000 a year. In the State of West Virginia the percentage is not 11 percent, which is the national average. The percentage is 20—1 out of 5. Think of it. One out of five of the children of West Virginia in the age bracket 5 to 17 comes from a home with income less than $2,000 a year. There are 104,000 children in the State of West Virginia in the category of which I speak.

When we think of this situation in West Virginia, we realize that there are benefits which will come to West Virginia because of the application of this legislation.

I do not wish to speak of other States, but our distinguished colleague from Kentucky realizes that 27 percent of the children of this school age in our neighboring State come from families with an annual income of less than $2,000 a year.

So, properly, the thrust of this measure, which should be passed as it passed the House of Representatives, brings to the State of West Virginia under what we characterize as aid to very low income family children, under title I, $15,471,450.

Under the library assistance program, title II, we would receive $924,800.

Under the supplementary educational centers program, title III, we would receive $1,070,069.

Under title V, our State department of education—and this is a program that needs strengthening—would receive an additional $265,521.

This would aid West Virginia in the total amount of $18,001,840.

Therefore, Madam President, we in West Virginia support the Elementary and Secondary School Education Act of 1965 as a measure necessary to augment even the creditable efforts being made in the State of West Virginia to raise the funds which are necessary to strengthen our educational system.

I am privileged to note that less than a month ago the West Virginia Legislature completed action on a measure to provide a program for enriching the existing one by $12 million during the year of 1965, and moving also to its enrichment, during the third of a 3-year

period, until it reaches a level of perhaps as much as $34 million.

The Legislature of West Virginia has been forthright in meeting its fiscal obligations. This is the program which we believe in, in West Virginia, but frankly it will have to develop in West Virginia only when we have the new revenues to meet, in part, further educational commitments beyond the present year.

Mr. DOMINICK. Madam President, will the Senator yield?

Mr. RANDOLPH. I am glad to yield to the Senator from Colorado.

Mr. DOMINICK. I wish to make sure that the Senator's statement which he is now making concerns the effort which West Virginia has been putting into its educational system; is that not correct?

Mr. RANDOLPH. The Senator is correct.

Mr. DOMINICK. According to the index, West Virginia is only slightly under the national average. It is high—4.3 percent—and the national average is 4.6 percent; therefore, I am not being critical of West Virginia at all. However, I should point out that under the definition we have at present, West Virginia has a fairly large number of so-called educationally deprived children; am I not correct?

Mr. RANDOLPH. The Senator is correct. I have just stated that as of the 1960 census it was approximately 104,000.

Mr. DOMINICK. My chart for 1963, entitled "Educational Statistics Digest," from the Office of Education, shows 104,943. The present pupil payment is only $150, despite the low per capita income in West Virginia; whereas just below, in Wisconsin, the per capita basis will get them $248.

It strikes me that this is somewhat inequitable, so far as West Virginia is concerned; and I should like to have the comments of the Senator from West Virginia regarding it.

Mr. RANDOLPH. I remember that in committee I replied to the Senator from Colorado that we had the figures on the States from the standpoint of the amount per school age—that is, from ages 5 to 17—and in West Virginia it was $31.11. What was the other State?

Mr. DOMINICK. I was talking about Wisconsin.

Mr. RANDOLPH. Wisconsin was $16.34.

Mr. DOMINICK. Wisconsin follows statistically just after West Virginia. The Senator from West Virginia is talking about all the population, not the ones which are supposedly going to be assisted by this particular bill; is that not correct?

Mr. RANDOLPH. The Senator is correct.

Mr. DOMINICK. I am no trying to be critical of the Senator from West Virginia in any way. I am merely trying to point out that the bill is designed, as I understand, with the so-called educationally deprived children in mind, and not for all children ages 5 to 17.

Mr. RANDOLPH. Madam President, I place in the RECORD at this point the fact that 22 States will receive more under the existing bill—that is, under the 1021 formula of 2 years ago. West Virginia is included in that category. I point out that 14 of these States are within the so-called southern belt.

Mr. DOMINICK. The point I am making to the Senator, which I believe is perhaps being missed in this colloquy, is that we have an impacted area bill for giving aid to school districts. This is done in a specific school district where it has an impact on the local area by virtue of Federal installations; is that not correct?

Mr. RANDOLPH. The Senator is correct.

Mr. DOMINICK. This gives money to districts in those areas on a per-pupil basis.

Mr. RANDOLPH. Where the parents of the students are employed by the Federal Government.

Mr. DOMINICK. That is correct. Now we have a second program coming along at this point which is designed to take care of what the President has announced at the last minute, and is provided for in the bill itself. This will take care of the so-called educationally deprived children, who are defined for reasons wholly unbeknown to me—at least, I cannot find any solid basis for it in the record—as those who come from families of $2,000 or less income. There are 104,943 of that classification of child in West Virginia, according to the figures of the Office of Education. West Virginia, however, will be getting out of this bill only $150 for each of those children, whereas Wisconsin will be getting $248 out of it. Yet, the population percentage of educationally deprived children in West Virginia is higher than it is in Wisconsin. I therefore say to the Senator—and I am not trying to be critical—that I wonder whether we have fulfilled the purpose of the bill as set forth in its original title.

Mr. RANDOLPH. The Senator is saying, in effect, that West Virginia is a poor State.

Mr. DOMINICK. I am.

Mr. RANDOLPH. That is what has been said.

Mr. DOMINICK. I am not saying that it is poor in natural resources. I am saying that on a per capita income basis, it is not so wealthy as States such as New York, Massachusetts, Wisconsin, and others.

Mr. RANDOLPH. I realize that West Virginia has been a State traditionally made up of absentee landlords from the standpoint of plants, factories, and mines. The wealth, alhough produced and manufactured, which gave the profit to companies, came from West Virginia. The tax credit was given to States like Delaware. Actually, the money was made in West Virginia. The profits were drawn from our hills and valleys, but the credit is going to other States. So although we are—as the Senator has indicated—rich in natural resources, frankly, by a twist of fate, West Virginia has not been a State where many companies have incorporated, as they have done in other States. Therefore, we do not get the tax credit, and ofttimes we are said to receive more money than we should.

Mr. DOMINICK. Let me say to the Senator from West Virginia that we in Colorado share some of the same problems. However, let me ask this question: It strikes me that another thing that has been said for the bill, or has been said for education in general, is that the higher the quality of education, the more educational ability we are able to give our children as they grow up—which everyone, of course, favors—the higher the income-producing area will be, because people of higher education receive higher salaries. This in turn stimulates new industries and new businesses, boosting the prosperity of the area in which they are located.

It would seem to me, in order to try to do something to help West Virginia, that perhaps we ought to take a look at the formula for the distribution and see whether it accomplishes its objective.

Mr. RANDOLPH. I thank the Senator. He knows that the present formula, as it comes to the Senate from the committee, in H.R. 2362, the House measure, is based on two factors. One is the number of poor children, and the second is one-half of the State effort that is made per pupil within that State.

I believe that, on balance, it is best to follow the formula which is contained in the bill. As I said, in effect, in the subcommittee and in committee, I do not wish to be provincial always and speak in terms of dollars for the State of West Virginia. I must think of the public good and the national effort. This is a matter which I believe should be resolved on a point of realism in reference to the passage of a bill during this session of Congress.

Mr. MORSE. Madam President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. MORSE. As the Senator from West Virginia [Mr. RANDOLPH] knows, our good friend from Colorado made these arguments in committee. We did not support him. I have great respect for the Senator from Colorado, and I hope to be standing shoulder to shoulder with him on a general education bill. It cannot be too soon, but I hope it will be within the next 2 years.

Mr. RANDOLPH. This is not a general aid to education bill.

Mr. MORSE. It is not a general aid to education bill. I wish to make this point, and then I shall take my seat, because I have already talked a great deal today.

I feel that this point needs to be emphasized. It was made when my friend from Colorado was not in the Chamber. This is not a general aid to education bill. I shall favor an equalization formula in a general aid to education bill. I pointed out earlier this afternoon that if we had a general aid to education bill, and if we were using the so-called equalization formula, some 14 of the Southern States would not fare as well under the equalization formula as they would under the present bill.

However, I consider that to be irrelevant, too. The relevant point, which I shall stress throughout the debate, is

that we must examine the formula from the standpoint of the individual States. We are not seeking to raise the poverty-stricken school districts in Mississippi to the level of the rich school districts in Westchester County, N.Y.

Mr. DOMINICK. If I may interpolate, that seems obvious.

Mr. MORSE. I wish it to be obvious. What we are trying to do is to narrow the gap between the poverty-stricken school districts in Mississippi—probably I ought to say State X, although we have been using Mississippi in the debate—and the better school districts in Mississippi. That means, when we look at the so-called poorer States that they will not get as much money, in total amount, as the so-called richer States, because the richer States have greater costs to meet, and they spend, on a per capita basis, much more than the poorer States. New York, for example, spends almost $700 per pupil.

I believe the vital statistics that should never be forgotten is the percentage of the contribution that the Federal Government makes to the school budgets in the districts in the richer States, in comparison to the districts in the poorer States.

I put these figures in the RECORD earlier this afternoon, and I refer to them only by general reference. In the poorer States, such as West Virginia and the other States that I mentioned earlier this afternoon, school budget by school budget in the poorer school districts of each one of these States, the Federal Government will be contributing a much larger percentage of the total amount of the school budget than it will be contributing to the richer States.

I seems to me that that shows the equity of the formula.

I make one further point, which I made this afternoon. My friend from Colorado knows what it is even before I mention it, because we have expressed ourselves repetitively in committee on this subject. I am also pleading the equities of the richer States in this instance. The richer States, under our general Federal aid acts, have been contributing a very large proportion of the Federal funds, based upon the source of the taxes from the people of those States, than have the poorer States.

Beginning in 1948, with the Taft-Ellender formula—and that is where the equalization formula really comes from—I have consistently supported that formula.

I wish to see every State, including the richer States, benefit from the bill. The richer States are entitled to the application of the formula. That means they will get more money. It means that it will cost more for them to raise the educational level of the poorer districts nearer to that of the better districts from the standpoint of educational services rendered.

It is fallacious to argue, as my friend from Colorado does, that we ought to put the dollar sign on it, that we ought to look to see whether Mississippi will get as much as New York, and whether West Virginia will get as much as Wisconsin.

We ought to look to see whether West Virginia will get a fair percentage of the contribution from the Federal Government to the school budgets of the given districts.

Lastly, as I said this afternoon, give me a general Federal aid bill, and I shall talk in terms of even more equalization than in the past.

Mr. DOMINICK. Madam President, will the Senator yield?

Mr. MORSE. I shall be through in a moment. This is not an equalization bill. This is a special purpose bill that seeks to serve the deprived school areas in each State. That leads us to the argument of the educational authorities who testified, that we cannot spend more than so much money efficiently and effectively in the year ahead, that we must have a cut-off figure of 30 percent annual increase. If we spend beyond the 30 percent cut-off in a district we shall be wasting money. We have a year in which to try it. Next year, if it is shown that a change in the formula is needed, we can consider an amendment to it. As I said this afternoon, I believe we shall not hear a murmur a year from now about changing the formula, because it will be recognized that it is fair.

Mr. DOMINICK. Madam President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. DOMINICK. I wished to comment one one point that my friend from Oregon made. This is not a general aid to education bill. I hold in my hand a newspaper article published in the Dallas Morning News of March 27, 1965, in which the Governor of Texas is quoted as having told the State legislature not to worry about taxes for education, because it is going to get $18 million under this bill, which it can use for teachers pay and other things, which otherwise would have to be raised locally.

I ask unanimous consent that the article may be printed in the RECORD at this point in my remarks.

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

FEDERAL HANDOUT MAY SOLVE TEACHER PAY RAISE PROBLEM

(By Jimmy Banks)

AUSTIN, TEX.—A proposed $86 million a year handout from the Federal Government, which could resolve the teachers pay controversy, has been described to house-senate spending conferees by Gov. John Connally.

Key legislative leaders told the Dallas News Friday that Connally's dramatic announcement, made behind closed doors, probably killed any chance of a tax increase at the current legislative session.

They also agreed tentatively to postpone a decision on the teachers pay raise problem until final congressional action is taken on the "bonanza" which Connally outlined.

It is included in the $1.3 billion Federal aid-to-education bill now being debated in Congress.

Under the title I section of the bill, Texas would get $74 million annually which could be used for almost any public education purpose, Connally told the 10 legislators named to adjust differences between house and senate versions of the general appropriations bill.

The $45 a month pay increase sought by the Texas State Teachers Association would cost the State $73 million during the next 2 years—less than half the title I allocation to Texas.

No decision on teachers pay raises has been made by the legislature.

The Federal education aid bill, proposed by President Johnson, would disperse the title I funds on a formula based on each State's average expenditure per pupil and the number of children between the ages of 5 and 17 in families with less than $2,000 annual income.

On that basis, only New York, which would collect $92 million, would get more than Texas. Title I includes a grand total of $1.06 billion.

Those funds specifically would be authorized "for hiring additional and special staff, construction of facilities, acquisition of equipment and for all appropriate costs incident to the conduct of a public school program * * * in order to accomplish the objective of this title."

The objective of the title is "to provide grants to local public school districts to broaden and strengthen elementary and secondary school programs."

Purposes specifically suggested for using the funds include the purchase of "clothing, shoes, and books where necessary, financial assistance to needy high school pupils," summer camps and remedial reading programs.

In addition, Texas would get $5,300,000 a year under title II, which provides a total of $100 million annually for libraries and textbooks; $5 million a year under title III, designed to finance such things as educational radio and television, physical education, recreation, and special education in "remote" rural areas at a total cost of $100 million annually, and $1 million a year under title V, which provides $25 million annually to "strengthen" State departments of education.

Title IV, another $100 million a year item, provides for establishment of national and regional cooperative research centers with no specific allocations to individual States.

Connally learned the details of the program last Tuesday morning at a breakfast in Washington, where he attended a White House Governors' meeting Monday night. The Governor accompanied his longtime friend, President Johnson, on the Chief Executive's trip back to Washington last Monday after a long weekend at the LBJ ranch.

Mr. RANDOLPH. Madam President, the comment of the Senator from Oregon, the leader of our forces for strengthening education in America, by his leadership in the Senate itself and in the committee having jurisdiction over the subject, and the comment of the Senator from Colorado cause me to make this further observation.

I plead also with the Senator from Oregon, in degree, for the so-called larger and richer States in connection with this particular proposed legislation. Not only do I say to the Senator from Colorado that we have the problem of increased aid to those areas within States where the parents are working in Federal institutions and therefore are carrying the burden to the local areas from the standpoint of increased costs of education, but I also wish to say to my friend from Oregon and my friend from Colorado that there are also, from the State of West Virginia, literally thousands of persons who, because they could not find gainful employment in the State of West Virginia, have gone to States like Michigan, Ohio, and other States, not to work in Federal installations, but to work in industry.

Mr. MORSE. To get jobs.

Mr. RANDOLPH. Yes; to obtain employment in those States.

That brought a heavy burden in cities like Detroit, Akron, and many other cities throughout the country.

I believe there is an equity in speaking about the need to help certain of our metropolitan areas in handling the impact of those who went from a State such as West Virginia, because between 1950 and 1960 we lost 7.5 percent of our population. We are sorry that we lost those people. Arkansas lost population. The fact is that people did not leave West Virgina and Arkansas merely to be leaving. They left because it was necessary for them to obtain gainful employment, to keep their families intact and to be able, as they felt, to give their children the benefits of education, even though they would rather have had that educational process develop in the communities from whence they had come.

I stress that fact because the need is not only in relation to the boy or girl who is in the educational system within an area because his parent or parents are working on a Federal installation, but also concerned are the children who have gone to other States with their parents because their parents sought employment so necessary to the family welfare.

The increased State assistance for education in the 55 counties of West Virginia is directed especially to the augmentation of existing programs in the 4 areas of concern in our State. First, our teachers' salaries are not as high in West Virginia as we would desire them to be. I know of instances in which teachers have received their training in West Virginia. They live in counties contiguous to Maryland and other States. Their homes are there. Their educational training was there. But they are teaching in Maryland, Pennsylvania, or Ohio, because, on the average, they are able to receive approximately $1,000 or $1,500 more a year for teaching the same subject in adjacent States.

Also in West Virginia we are attempting to use available funds to improve our curriculums. Earlier today I talked with a teacher in one of our local counties. She pointed out how important it was that the children in that county should have speech training. They do not need speech training by a teacher who attempts to improve the ability of the child to speak in public. They need remedial speech work. The remedial reading program is absolutely a must in the State of West Virginia. The teacher said that those children respond. They react well if given stimulus and the opportunity to move forward.

She told of some of the conditions of impoverished families from which those children come. Those of us who are speaking today for the proposed legislation and hoping that it will soon become law know the results which will flow from the application of the proposed aid to the children from the low income families that I have mentioned. Some of those families in the State of West Virginia receive an annual income of about $2,000. So we shall not only help our teachers, from the standpoint of the salaries that they receive in increased dollars, but also we shall strengthen our curriculums. We wish to do so, and we need to do it. We need also to stimulate educational research. Frankly, we need to step up educational broadcasting in the State of West Virginia.

As substantial and helpful as the newly authorized program will be in West Virginia, it will not fully meet the educational needs of our State. Therefore the proposed legislation which is before the Senate, and which has already passed the House of Representatives, constitutes a forthright breakthrough, in a sense, with tradition. As recommended by our Subcommittee on Education and its parent committee, the Committee on Labor and Public Welfare, it would be a real boon to educational progress to the State of West Virginia.

I have supported the measure as it has come from the House. I opposed amendments, such as the amendment offered by the Senator from Colorado [Mr. DOMINICK] in the subcommittee and in the full committee. Some of those amendments had elements of merit. I have said that, under some conditions, I might support them. But, as the chairman of the Subcommittee on Education has stated, we must be realistic. To make a change in the proposed legislation as it has come from the House would, in many instances, create areas of concern on possible constitutional grounds. I feel that we must positively avoid reentering the jungle of constitutional conflict, and through amendments, force this much needed proposed legislation into a Senate-House conference, or the possibility of developing a stalemate between the House version and the Senate version without being able even to attain a conference. That might be a real possibility.

Mr. DOMINICK. Madam President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. DOMINICK. Is the Senator suggesting that a Senate-House conference is a jungle of fighting for religious purposes against state purposes? That is not the way it was set up, according to my understanding.

Mr. RANDOLPH. I am only saying that, as a practical matter, the area of the constitutional interpretation of the separation of church and state has often actually been, as it were, a jungle. I do not withdraw the word "jungle," because I think what I have said is, in fact, true.

Mr. DOMINICK. The Senator is not indicating that we would necessarily get into that kind of situation merely by sending the bill to conference, is he?

Mr. RANDOLPH. No; I did not say that we would necessarily get into such a fight because a certain bill went to conference. But I have sat with many conference committees. When I was in the House of Representatives I was a conferee; I have been a conferee on the part of the Senate during my service in the Senate.

There have been stalemates. I believe that is what we shall have in connection with the proposed legislation now before the Senate if it is not passed in the Senate as it was passed in the House. That statement has been made by many other Senators. Earlier today the Senator from Pennsylvania [Mr. CLARK] made a similar statement; the Senator from Oregon [Mr. MORSE] has also made it. I make it. The Senator from Colorado takes an opposite viewpoint, which is understandable.

Mr. DOMINICK. Madam President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. DOMINICK. The House passed the bill by a margin of 253 to 160. There was a margin of about 100 votes. The conferees on the part of the House presumably would be representatives who are members of the Committee on Education and Labor, which reported the bill and caused it to be passed by the House. How can the Senator state that automatically there would be a stalemate merely because we might adopt an amendment and send the bill to conference?

Mr. RANDOLPH. If we were to go to conference on the disagreeing votes of the two Houses because of the provisions contained in the amendment of our friend the Senator from Colorado, we might find that certain members of the conference would feel that States were discriminated against to a greater degree than States now feel they are discriminated against—if they are discriminated against.

Mr. MORSE. Madam President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. MORSE. Does the senior Senator from West Virginia remember that a couple of years ago another education bill was passed by the Senate?

Mr. RANDOLPH. I do.

Mr. MORSE. Does the Senator remember that that bill also passed the House of Representatives?

Mr. RANDOLPH. Yes.

Mr. MORSE. Does the Senator remember the difficulty that developed in one instance after obtaining a conference, and that the bill was lost?

Mr. RANDOLPH. I remember. The Senator has referred to that fact repeatedly.

Mr. MORSE. I do not feel that we ought to subject the elementary and secondary schoolchildren to that risk in view of the fact that we have a good bill to start with. After we have had a year's experience with it, should experience show that the measure ought to be amended, it can be amended when the authorization bill comes before the Senate next year.

Mr. RANDOLPH. I agree with the Senator from Oregon. I can understand the concern which the Senator from Colorado has for the adoption of his amendment.

I think it was thoroughly debated in the subcommittee and the full committee; and it is being thoroughly debated on the floor of the Senate. If an amendment is offered, it is my belief that the Senate will support the action of its Committee on Labor and Public Welfare and its Subcommittee on Education and bring to passage in the Senate a bill which is essentially the bill of the House, which can go to the President for his signature.

Mr. MORSE. Madam President, will the Senator from West Virginia yield?

Mr. RANDOLPH. I yield.

Mr. MORSE. I thank the Senator from West Virginia for the able and eloquent speech he has just made. I thank him for his unfailing support of the bill throughout the hearings before the subcommittee and in the full committee. I also thank him for his years of dedicated service to the committee on the subject of education legislation.

The people of West Virginia owe to him a debt of gratitude for the strong efforts he has made in the Senate to advance the educational opportunities of the children of West Virginia and the children of America as a whole.

Mr. RANDOLPH. I am grateful to the Senator from Oregon. I do not merit his generous expression, but I am most appreciative of it. The children of America will become better men and women in the generation just ahead because Senator MORSE, of Oregon, gave his inspiring guidance to the enactment of this epochal legislation.

Mr. MORSE. I thank the Senator very much for his most gracious words which I shall treasure always.

Mr. BARTLETT. Madam President, we now have before us for consideration and final passage one of the most far-reaching bills proposed to Congress, the Primary and Secondary Education Act of 1965. This bill is the result of many years of thought and work on the part of the Congress and the people of this country, and I am proud to count myself among the cosponsors of the Senate version, S. 370.

Although this country from its beginning has expressed consistent interest in and concern for the development of strong education programs, it has only been since the end of World War II that we have permitted Federal entry into nearly all phases of education, through the GI bill, Federal impact funds, college housing, National Defense Education Act, National Science Foundation, and National Institution of Health grants, and other equally important programs.

With the bill before us, we are entering a new area of education—that of underprivileged children in primary and secondary schools.

Never, in the past 20 years nor in 1965 in the bill we are now considering, has Congress expressed a willingness to substitute its judgment for that of local school boards and educators.

H.R. 2362 and its Senate counterpart, S. 370, express a broad policy that funds to be appropriated to school districts shall be spent in aid of special education for children who suffer scholastic disability because of their economic situation. No section of the bill, nor any phrase, suggests specific programs which must or even should be inaugurated. These are left to State and local education agencies, as they should be. No two school districts in the United States are identical even though the vast majority share the same problems. No one solution to those problems, however, can be applied. The great strength of American education is its diversity. Our concern is and should be that in the diversity which we all cherish, the standards be the highest obtainable.

Education is the greatest national investment we can make. It is only through knowledge that men can be free and preserve their liberty. But I do not want to limit my definition of freedom only to its political meaning. Freedom means many things—freedom to work at a job which pays a living wage, freedom to be able to purchase food, clothing, and shelter adequate to one's needs, freedom to take a vacation, freedom to seek good medical care, freedom to buy books and to know how to read them, freedom to do all of those things which add up to a full and satisfying life for oneself and one's family.

Congress has concentrated its attention in the last 4 years on a series of measures designed to alleviate many of the ills which have beset us because of our high unemployment rate. Almost all of these programs have been directed at those people who should be active participants in the labor market but who cannot be because of a lack of skills or education or both.

Today we are asked to direct our attention to the future, the future of the children of those men and women who have occupied so many of our thoughts. We shall take steps to insure that these children shall not suffer the handicaps of their parents.

Our response to their needs can be nothing less than a resounding vote for the Primary and Secondary Education Act of 1965.

In programs intended to be a broad attack on a national problem, as are those proposed by this bill, we have considerable dispute across the country as to the means which should be used. Few programs ever proposed have generated the degree of dissention as has Federal aid to education. It came as no surprise to any of us. In fact, had there been unanimity, we should have been deeply disturbed. We are not a people to be happy with one proposal, or even two.

The issue of particular importance has been aid to nonpublic schools. The bill before us does, I believe, reach the best compromise between the opposing camps. The bill proposes to render aid to children who come from families with less than $2,000 annual income and who are attending either public or nonpublic schools. The aid going to the children in nonpublic schools will be the same as that given public school children in that no special materials will be developed only for nonpublic schoolchildren.

I support this provision.

I believe it is time we took into account the fact that nonpublic schools perform a vital service to this country and that the children attending these schools are as much a part of our population as those attending public schools. The Primary and Secondary Education Act is directed entirely toward improvement of education made available to disadvantaged children. Poverty, whether it be financial or social, is not selective. It is a disease which afflicts people of all races, colors, and creeds. It is a disease which afflicts our Nation. If we are ever to succeed in eradicating it, we must attempt to work with all the children affected. We cannot exclude children attending nonpublic schools. We cannot afford to. They will grow up, just as those children attending public schools will, and if we do not seek to help them now, we will be unable to help them later.

I do not believe that the provisions making limited aid available to children in private schools is unconstitutional. In no way can the aid proposed by the Primary and Secondary Education Act be used in aid of any religion. It can only be used in aid of children.

The children, after all, are our overriding national concern and the basic concept of the bill carries with it vast protection of the doctrine of separation of church and state. Earlier I spoke of the diversity in educational systems which this bill protects and I stated that this very diversity was a protection from Federal control. It is also a protection for the doctrine of separation of church and state and I believe that the Primary and Secondary Education Act will not only not damage that doctrine, but will strengthen it.

Madam President, I should like to have printed at the conclusion of my remarks a memorandum showing the effect of H.R. 2362 on Alaska. I wish to conclude by urging the Senate to take immediate action in passing this bill. We can wait no longer before putting it to work.

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

MEMORANDUM ON H.R. 2362

This covers only the main points of the Primary and Secondary Education Act of 1965 and is not an exhaustive description of its provisions. Authorizations, unless otherwise mentioned, are for annual expenditures, not for the full 3-year program.

TITLE I

Provides financial assistance in the form of grants to local educational agencies for the education of children from low-income families through fiscal year 1968.

| | |
|---|---|
| Total authorization | $1,060,082,973 |
| Alaska allocation | 1,430,938 |

In the original proposal, the total authorization was $1 billion, and the Alaska allocation was $1,336,472.

*Provisions*

1. Provides grants to local educational agencies for use in programs in public schools.

2. The grants are to be figured on the basis of two factors: (1) the average per pupil expenditure in the State, and (2) the sum of (a) the number of school-age children in the school district of families having an annual income of less than the low-income factor and (b) the number of school-age children in the district of families receiving an annual income in excess of the low-income factor from payments under the program of aid to families with dependent children. The amount which each local educational agency will receive will be equal to the Federal percentage of the product obtained by multiplying the average per pupil expenditure in the State by the sum arrived at above in the second factor. The low-income factor is established as $2,000 for fiscal year 1966 and will be established by Congress for the remaining 2 years. The Federal percentage is 50 percent for fiscal year 1966 and will be established by law for

the remaining 2 years. The arithmetic looks something like this:

| | |
|---|---|
| Eligible children in the district | 5,300 |
| State per public school pupil expenditure | $534 |
| Total | $2,830,200 |
| Federal percentage for fiscal year 1966 (percent) | 50 |
| Federal grant to the district | $1,415,100 |

This provision differs from the bill as introduced in that it includes children receiving ADC assistance and provides for fixing the low-income factor and the Federal percentage for fiscal years 1967 and 1968 by law. The original proposal omitted ADC childern and provided that the Secretary of Health, Education, and Welfare would fix the low-income factor and Federal percentage through administrative action. This formula was devised so that States having a relatively small number of eligible children but a high cost of education would receive benefits on an equitable basis. Additionally, those States which have a large number of eligible children have lower costs of education and in many areas, an annual income of $3,000 does not represent real poverty. Although no mention is made of the basis used to determine per pupil expenditure, presumably, it is current operating expenses, exclusive of capital outlays and interest charges. If these items were included, Alaska's per pupil expenditure would exceed $700.

3. The total grant will be given to the State for distribution among eligible local school districts. Protection is given so that districts will receive neither more nor less than they are entitled to.

4. The eligible school district must have at least 100 children in it to qualify or 3 percent of the children in the district come from low-income families, but in no case may there be fewer than 10.

5. Each school district eligible for a basic grant in fiscal year 1967 and 1968 will be eligible for special incentive grants figured on a percentage of average daily public school attendance and average per public school pupil expenditure.

6. Grants under this title are conditioned upon approval by the U.S. Commissioner of Education of the State plan and State approval of the local district plan.

7. Awards of basic and incentive grants are conditioned upon approved plans which provide:

(a) That the plans and programs are designed to meet the needs of educationally deprived children and are of sufficient size, scope, and quality to give reasonable promise of success in meeting those needs.

(b) To the extent consistent with the number of educationally deprived children in the district, inclusion of special services and arrangements for children attending private elementary and secondary schools.

(c) Control of funds and title to property derived from those funds will remain in the public educational agency.

(d) That any construction planned as part of the program under this title be consistent with the State overall education plan.

8. The Commissioner of Education may withhold funds if he finds that there is a failure to comply substantially with any assurance set forth in the application until he is satisfied that compliance will be had.

TITLE II

Provides assistance in the form of grants to the States for the purchase of library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools.

| | |
|---|---|
| Total authorization | $100,000,000 |
| Alaska allocation | 118,854 |

In the original proposal, the total authorization was also $100 million, but Alaska's allocation was estimated to be $119,467.

*Provisions*

1. Amounts are to be allocated on a pro rata basis of the number of children in each State enrolled in public and private elementary and secondary schools.

2. Unused funds may be reallocated.

3. A State plan must be approved which provides for the following:

(a) Acquisition of library and instructional materials for both public and private schools.

(b) One State agency to administer the program.

(c) Continuing review of State library standards.

(d) Only material approved by the State plan will be provided by the local educational agency to public and private schools within the district receiving aid.

(e) Materials will be made available on an equitable basis to children and teachers in private schools.

(f) Assurance that the money will be used to supplement, not supplant, funds normally devoted to these purposes.

TITLE III

Provides a 5-year program of grants to local educational agencies for supplementary educational centers and services to provide vitally needed educational services and establish exemplary model school programs.

| | |
|---|---|
| Total authorization | $100,000,000 |
| Alaska allocation | 318,293 |

In the original proposal, the total annual authorization was also $100 million, but Alaska's allocation was estimated to be $318,630.

Provisions:

1. A basic grant of $200,000 will be made to each State and the remainder of the funds available will be apportioned as follows:

(a) Half of such remainder will be apportioned on the basis of the relative number of children aged 5 to 17 in the States.

(b) Half will be apportioned on the basis of the relative total populations in the States.

2. Unused funds may be reallocated in accordance with the formula used in the original apportionment.

3. Grants will be made, on the basis of an approved plan, for:

(a) Planning and development of supplementary educational projects.

(b) Establishment, maintenance, and operation, including construction of necessary facilities, of programs designed to enrich local primary and secondary educational experience.

(c) Counseling, special instruction, comprehensive academic services, vocational guidance, and other similar programs.

4. Provision shall be made for inclusion of children attending nonpublic schools insofar as this is consistent with the number of those children who require the special educational programs. The original version provided for grants to private schools so long as the plans carried out the intention of the plan submitted by the local educational agency.

TITLE IV

Amends and includes another section in the act of July 26, 1954, which authorized cooperative research in education. Total new authorization, $100 million; no State allocation; funds to be expended over a 5-year period.

The act authorizing cooperative research in education permitted the Commissioner of Education to enter into contracts or jointly financed cooperative arrangements with universities, colleges, and State educational agencies for research, demonstrations and surveys in education, and required him to seek advice of educational authorities concerning proposed research.

*New provisions*

1. In addition to entering into contracts and cooperative arrangements, the Commissioner of Education may make grants for research.

2. Grants may be made for the dissemination of information derived from research.

3. Recipients of grants, contracts or arrangements may be public or other nonprofit private agencies, institutions, organizations and individuals, as well as colleges and universities.

4. Grants may be made to public and nonprofit private universities, colleges, and other public and nonprofit agencies to provide training in research in education, including traineeships, internships, and fellowships. No grant may be made in connection with sectarian instruction.

5. The authorization of $100 million to be spent over a 5-year period is to be used for the construction and operation of regional centers for research in education. Such centers may be constructed by the Commissioner of Education or through grants to universities, colleges, or other public and nonprofit institutions.

TITLE V

Provides a 5-year program of grants to strengthen State educational agencies.

| | |
|---|---|
| Total authorization | $25,000,000 |
| Alaska allocation | 121,337 |

In the original proposal, the total authorization was $8,500,000 and Alaska's allocation was estimated to be $104,208.

*Provisions*

1. A basic grant of $100,000 is given to each State plus a portion of the remainder based upon the relative number of public school pupils in the States.

2. A reservation of 15 percent of the total authorization is made to permit the Commissioner of Education to make grants for special projects.

3. Unused funds may be reapportioned.

4. Through fiscal year 1967 grants will be 100 percent of the cost of the programs to strengthen State educational agencies; thereafter the Federal share by a percentage for each State which bears the same ratio to 50 percent as the per capita income of that State bears to the per capita income of all States. In no case shall the Federal share be less than 50 percent nor more than 66 percent.

5. Grants may be used for statewide educational planning, data processing, dissemination of information, research, programs to improve the quality of teacher preparation, providing local educational agencies and schools with consultative and technical assistance, and other programs designed to improve all primary and secondary education offered in the State.

The Primary and Secondary Education Act of 1965 authorizes a total program of $1.330 billion, out of which Alaska would receive approximately $1,989,422. The original proposal would have authorized a total program of $1.25 billion of which $1,878,777 was estimated to be Alaska's authorization.

Mr. ROBERTSON. Madam President, I ask unanimous consent that there be printed in the RECORD a statement on behalf of the American Farm Bureau Federation, submitted before the House Subcommittee on Education and Labor, with regard to House bill 2362. The statement was submitted by John C. Lynn, legislative director of the federation.

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

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION

(By John C. Lynn)

The American Farm Bureau Federation, the Nation's largest general farm organization, is composed of individual Farm Bureaus in 49 States and Puerto Rico, with more than 1,647,000 member families. Many leaders and members of more than 2700 County Farm Bureaus are very active in their local school programs.

We recognize the need for continually improving our educational system at all levels, and our members are actively working at this task. By serving on local school boards, making tax studies, taking leadership in needed district school consolidation, serving on local school study committees, and in many other ways, we constantly seek to improve our educational system.

Farm Bureau's position with reference to this legislative proposal has been developed from the very grassroots of American agriculture and represents the thinking of the great majority of these farm families at the local and county level. At the most recent annual national convention, held in Philadelphia in December 1964, the elected voting delegates of the member State Farm Bureaus discussed the various State proposals and adopted Farm Bureau Policies for 1965. Resolutions pertaining to education were unanimously adopted by this convention as follows:

"Our education system has been developed and guided by the citizens in our school districts. This system must prevail if we are to maintain the quality of education vital to the needs of a free people.

"Farm Bureau must help through local committee leadership:

"1. To select the course of study; and

"2. To aid the teachers and students in applying the principles and philosophy of the American system of self-government and its accompanying private competitive enterprise system by providing opportunities—

"(A) To observe this system in today's living;

"(B) To observe the advantage of educational achievement;

"(C) To observe the need and respect for self-discipline.

"By providing this leadership and opportunity for understanding, we can be assured that our young men and women will be prepared with knowledge, confidence, and the desire to preserve our American heritage down through the generations.

"The financing of public education is quite properly a State and local responsibility.

"We oppose expanded Federal subsidization of education because—

"1. Experience has proved that Federal controls follow Federal aid.

"2. Local initiative diminishes as local responsibility is transferred.

"3. Indirect supervision of school finances lead to increased overall school costs as well as increased taxes.

"4. Our system has clearly demonstrated its ability to meet needs and effectively adapt to changing conditions.

"State and county farm bureaus should keep such problems as adequate school financing, building needs, teachers' salaries—including a merit system of pay—school district reorganization, and development of proper curriculums under constant appraisal to see that our present and future educational needs are met."

The Farm Bureau believes firmly that local and State responsibility is vital to the continued growth of America. We believe that our educational system must continue to improve and expand as rapidly as possible. We recognize that our system of public education is the largest and finest in the world, and we wish to see it continue to improve.

Tremendous progress has been and is being made in this field. For example, the National Education Association reports that, in the 10-year period from 1954–55 to 1964–65, instructional staff in our school system has increased by over 55 percent and salaries have increased at an average annual rate of 5 percent, or a 63.3-percent total average increase—while the number of students has increased by 42.8 percent. During this 10-year period, school expenditures increased 134.5 percent. Classroom construction since 1955 has averaged 68,000 new rooms per year.

Judging by the record of the first 11 months of 1964, school bond issues fared better at the polls than for the entire 12-month period of 1963.

The Farm Bureau subscribes to this type of progress even though it leaves a heavy burden on the taxpayer of the local school district. Local people understand this challenge for improved educational opportunities and are willing to meet it. Federal aid could slow down this progress by taking away local initiative.

We recognize that, notwithstanding these advances, there is still need to improve our educational system. Our local and State organizations support continuing and expanded efforts to provide the best quality education for all of our young people.

The President's message on education, delivered on January 12, 1965, has been incorporated in part in the bill (H.R. 2362) before this committee. The proposal provides Federal aid to elementary and secondary systems of education, with funds earmarked to assist local educational agencies in educating children of low-income families. The bill defines low-income families as those having annual incomes of $2,000 or less, and provides that, school districts having not less than 3 percent of their total student body or 10 or more children between the ages of 5 through 17, coming from such low-income families will qualify for assistance under this act.

The bill provides funds for school library resources and instructional materials; supplementary educational centers and services; educational research and training through grants to public and private colleges and universities, organizations, and individuals; grants to strengthen State boards of education; and other aids for teachers and children, at both public and nonprofit private schools.

According to the budget and the President's message, the proposal would authorize an increase in Federal aid to education of approximately $1.255 billion—a sum which would more than double the outlay for the Office of Education over that for fiscal 1965. Further, the proposal would breach the historic constitutional principle of church-state separation. We feel that this would be a most undesirable development. It must not be allowed to happen.

Passage of this bill would result in eventual Federal domination of the vast public educational system in the United States. It includes something for most of the 28,000 public school systems in the country. It is fallacious to assume that the use of Federal funds for the purchase of textbooks, library, and instructional materials for schools would not carry with it Federal criteria establishing the type of material, textbooks, and curriculum to be or not to be used. This is an area of control that must be guaranteed to the State and local school authorities if our educational system is to adapt itself to student needs and not become stereotyped.

This proposal ostensibly provides State and local educational agencies authority to make plans for the use of Federal funds. However, it must not be overlooked that the State and local plans must meet the criteria which are established by this bill under the control and the authority of the Federal Commissioner of Education. Responsibility for the use of the funds ultimately lies with the disbursing agency. It follows that, in the final analysis, State and local agencies will either accept the federally established criteria or forfeit the use of the Federal funds as provided in this bill.

A responsible government cannot appropriate vast sums of money to be spent by State and local governments without first establishing detailed controls. This, at least, has been the history of other Federal programs up to this point. The bill states under title II that it "sets forth the criteria to be used in selecting the library resources and instructional materials to be provided under this title."

The Federal Government is now facing a nearly $100 billion budget for fiscal 1966, with an estimated deficit of nearly $5.3 billion. We strongly recommend that this committee not report this bill but instead soundly defeat it. This would provide the basis for the local and State school organizations to continue their fine educational programs and to expand them without having one eye turned toward Washington and the Federal Treasury.

Mr. MONTOYA. Madam President, as the Senate prepares to take action on the Elementary and Secondary Education Act of 1965, I believe it is important that we remind ourselves of the essential purpose of this vital legislation.

Simply stated, we must guarantee to the young people of this Nation their constitutional right to equal opportunity; and the foundation of all equal opportunity is good schools.

The future of this country rests on the quality of the education we provide for our youth, because the youth of today are the leaders of tomorrow.

Our schools in New Mexico, as well as those everywhere else in this country, have worked diligently to meet their responsibilities; but many districts simply do not have the resources with which to provide proper education. They must have help if they are to give our future leaders the education to which they are entitled.

I am strongly in favor of the allocation formula in this bill, because it makes sure that the funds will be channeled to the school districts which need them the most.

We have in New Mexico a number of counties where the average annual income is less than $2,000. Despite the best efforts of the citizens in these counties, the schools are not doing the job they should, because there is never enough money.

Many of the school districts are bonded to capacity. Others are in such depressed areas that the taxpayers are unwilling to vote any new bonded indebtedness. Can we blame them?

Children in these counties are trapped in an endless cycle of poverty. They come from poor and deprived homes; they go to poor and deprived schools; they grow up in poor and deprived areas; and, eventually, they start the sad cycle all over again.

But now, at last, we have a chance to break this ancient lockstep, by creating schools which will provide the new skills and broader horizons that our young people must have if they are to make the most of their talents.

Just how important this bill is to New Mexico can be seen from the fact that 14 percent of our school-age children come from families with average annual incomes below $2,000 a year. Schools that these 38,000 youngsters attend will receive $8,351,640, with the money concentrated in the counties with the greatest need.

Under other sections of this act, New Mexico will receive $593,744 to improve school libraries and instructional materials, $699,717 to finance supplementary educational services, and $119,486 to strengthen the services of the State Department of Education.

Thus, the educational aid to our State will total $9,764,587. Although that will not meet the full need, it is certainly a very promising beginning.

I consider this measure a down payment on the welfare and future happiness of America's young people; and I urge the Senate to pass this bill.

Mr. KENNEDY of New York. Madam President, there has been much discussion to the effect that some States having relatively high per caput incomes will receive more money under the bill than will some other States with lower per caput incomes. It has also been said that some relatively wealthy States will receive a disproportionate total amount of assistance under the bill. I do not believe the facts that have been stated thus far tell the complete story. I believe that other comparative statistics are necessary to bring these facts into perspective.

Before I discuss that subject, I wish to compliment the chairman of the Subcommittee on Education—not only for his conduct of the hearings on a difficult and detailed subject, and which he handled with great skill—but also for having the bill carefully considered by the members of the subcommittee and then the members of the full committee.

Anyone who attended the hearings could not help being impressed with the fairness and thoroughness of the Senator from Oregon.

I also wish to compliment the Senator from Colorado [Mr. DOMINICK], who was present at all the hearings on the education bill and took an active part in all the questioning. Again and again, I thought he went to the heart of the bill. Although we disagree on some matters at the present time, his contributions to the bill were highly commendable.

Mr. MORSE. Madam President, will the Senator from New York yield for half a minute?

Mr. KENNEDY of New York. I yield.

Mr. MORSE. I am human enough to appreciate deeply the kind words of the Senator from New York. Coming from him, they will always mean much to me as they appear in the CONGRESSIONAL RECORD for my descendants to read.

The Senator from New York knows the exceptionally high regard in which I hold him. This is not a question of reciprocity; my expression comes from my heart when I tell him that the assistance he gave me in the hearings, by substituting for me time and again when I was needed in connection with other matters in the Senate, and the support he gave me in the marking up of the bill contributed greatly to making it possible for us to consider the bill on the floor of the Senate this afternoon. I thank him from the bottom of my heart.

Mr. KENNEDY of New York. I thank the Senator from Oregon. I wish also to extend my compliments and appreciation to the members of the staff of the committee. I had a good deal to do with the activities of the staffs of various committees when I was working for committees of the Senate and also when I was Attorney General. I have been deeply impressed with the work of Mr. Lee and Mr. Forsythe for their drafting and understanding of the proposed legislation. I am grateful for the help they have given to individual members of the committee.

Madam President, it has been said that the bill does not provide enough equalization. By this it is meant that not enough money is taken from the rich States to be spent on the less fortunate States.

The first fact which is missing from the discussion thus far is the degree of equalization which is imposed by the Federal income tax. Discounting the substantial sums which are collected from national corporations which have their headquarters in New York—and I use New York as an example because it has been used for that purpose again and again—the Federal Government collects $750 a year from every man, woman, and child in my State.

In North Carolina, which has also been used as an example in the debate in the Senate, per caput collection of taxes by the Federal Government amounts to $296; in Texas, $410; in West Virginia, $346; in Colorado, $514; in Vermont, $405. I choose these States for no other reason than that they have been mentioned in the Senate as examples of States which have been short changed by the bill. But what these tax collection figures show is that even if the Federal Government were to give back to the States an equal amount of money per person, there would still be substantial equalization between relatively well to do and relatively less fortunate States.

I believe that the citizens of my State are glad to pay their taxes, at least as glad as anyone elsewhere in the United States. But I do not believe that my State of New York and other States similarly situated should be accused of taking disproportionate benefit from a program which, in fact, is greatly weighted in favor of others.

Under the formula now provided in the bill, New York would receive about $25 per school age child in the State. Again, comparisons are revealing: Alabama, $35 per school age child; North Carolina, $39; Texas, $30; West Virginia, $31.

The true significance of the bill to my State and to other States is perhaps best illustrated by a comparison of the taxes that will be paid for it by citizens of the various States. Again, ignoring the taxes paid by national corporations filing returns in New York City, New York State will pay $143.1 million for title I; it will receive in funds under this title $91.9 million.

Alabama, which has been used as a comparison, will pay $10.3 million in taxes and will receive $31.7 million in grants. North Carolina will pay $15.4 million in taxes and will receive $48.6 million in grants. Texas will pay $45.2 million and will receive $74.6 million. West Virginia will pay $7.2 million and will receive $15.7 million in return. I point this out while the Senator from West Virginia [Mr. RANDOLPH] is in the Chamber. He took an active part in the hearings and also is taking an active part in the debate on the floor of the Senate. Everyone should understand that this is a common effort by all of us, no matter what part of the country we live in. I believe that we in New York and others who live in the more wealthy States have a responsibility not only to the citizens who live within the borders of our States, but also to citizens all over the United States.

But if the bill is to be attacked on the basis it has been attacked on the floor of the Senate, we should place in the RECORD all the figures and statistics that are available. Thus, my State of New York will pay considerably more in taxes for title I than it receives in grants in return; while every one of the States which it has been asserted are unfairly treated by the bill will receive from two to three times in grants what it pays in taxes for these programs.

It is well to stress at this time that this financial pattern pervades the entire structure of Federal tax and expenditure. For example, in 1963 New York received $606 million in public welfare grants from the Federal Government, while its share of the taxes to pay for such expenditures was $1.124 billion. Alabama received $183 million in benefits while paying $81 million in taxes. North Carolina received $167 million for $120 million in taxes. Texas received $443 million for $354 million in taxes. West Virginia received $98 million for $56 million in taxes. Colorado, $120 million in benefits for $81 million in taxes. Vermont received $31 million in grants for $14 million in taxes.

Madam President, I do not cite these figures to say that my State of New York and other States are being badly treated; rather, the figures are cited for the purpose of showing that New York and other industrial States that will benefit under the bill are not robbing or taking money from other States. They are paying for the bill themselves, and I think they should happily pay for it; but I do not think the bill is inequitable.

Still, it has been said that New York needs the money less than do other States which may receive somewhat less under the bill. Let us examine that proposition. It is asserted that some other States make a greater effort for education in relation to their per capita personal income.

What the indexes reveal is interesting; what they conceal is vital. I have already noted the heavy burden of Federal taxes that is borne by the residents of New York. I would now note also the heavy burden of State and local taxes which the residents of New York bear. State and local governments in New York now raise $309 per person per year. The

comparative figures are: Alabama, $132; North Carolina, $157; Texas, $183; West Virginia, $170; Colorado, $255; Vermont, $232. Where does New York's money go?

Some figures will give an idea of the increased burdens which are borne by State and local governments in densely populated and built-up States. In New York, for example, we must support 55 hospital workers per 10,000 population. The other States which we have been using for purposes of comparisons supported the following: Alabama, 31; North Carolina, 24; Texas, 25; West Virginia, 30; Colorado, 40; Vermont, 17. New York State requires 13 welfare workers per 10,000 population; Alabama, 4; North Carolina, 5; Texas, 3; West Virginia, 7; Colorado, 9; Vermont, 6. New York needs 26 policemen per 10,000 population; Alabama, 13; North Carolina, 12; Texas, 14; West Virginia, 11; Colorado, 16; Vermont 11. New York also needs 12 firemen for 10,000 population; Alabama 5; North Carolina 5; Texas, 8; West Virginia, 4; Colorado 7; Vermont 5.

Furthermore, my State must pay for these services primarily out of its own pocket—while the other States which have been mentioned here receive much more substantial assistance from the Federal Government. New York, for example, receives 98 cents per person from the Federal Government for health purposes and $1 for education. Alabama receives $2.06 for health and $3.20 for education; North Carolina, $2.77 for health and $2.50 for education; Texas, $1.79 for health and $2.53 for education; West Virginia, $2.88 for health and $1.71 for education; Colorado, $2.57 for health and $5.77 for education.

So it is not enough to point the finger at States like New York, Pennsylvania, or Illinois, and say, "you are making less of an effort in relation to your income than others." The truth of the matter is that we are straining every muscle and every dollar to provide an adequate level of services—including education—for our people. I think it also worthwhile noting that we have provided these services even at the cost of going heavily into debt—our debt of $795 per person in the State is more than twice what most of the other States I have mentioned in the colloquy today have been willing to assume.

As to education specifically, it has been said that New York and other industrial States already spend more per pupil than do others like those with which I have been comparing it. But I think we must also acknowledge the vastly increased burdens which New York has been facing in this generation. From 1950 to 1960, public school enrollment in New York increased by 42 percent. During this period, however, the total population of the State—the tax base on which the increased expenditures on these hundreds of thousands of new pupils must be supported—increased by only 13 percent. In this same period, Alabama's school population increased by 16 percent, while the total population increased by nearly half that amount. In North Carolina, a 12 percent increase in total population has had to meet only a 25 percent increase in pupil population. In Texas, the school population has increased by 53 percent. But Texas has also had phenomenal general population growth, an increase of 24 percent. In West Virginia, pupil population has increased only 5 percent while total population has decreased by 7 percent.

These statistics, of course, are more accurately appraised in light of the fact that the New York increase is largely attributable to waves of in-migration of poverty-stricken people. We all know that Negroes are twice as likely to be poor as whites. Yet, in this decade, New York State's Negro population increased by 29.5 percent as a result of migration. The Negro population of Alabama decreased by 22.8 percent; that of North Carolina by 19.2 percent; that of Texas by 2.7 percent; and that of West Virginia by 35 percent.

This migration, it should be further noted, has left States like mine drastically short of classrooms. Thus, even after spending $400 million for new schools in 1964, New York was still short 10,500 classrooms. Alabama, after spending only $17 million, was short only 1,300 classrooms. North Carolina, after spending $50 million, was 4,700 classrooms short. Texas, after spending $125 million, including expenditures on junior colleges, was short only 1,100 classrooms. Colorado, after spending $45 million, was left with a deficit of only 900 classrooms.

Furthermore, these classrooms cost more to build in New York and other densely populated States than they do in those States which it has been asserted are handicapped by the present formula of this bill. The average cost of a new secondary schoolroom in New York is $62,000, and $54,000 for an elementary school classroom. In Alabama, secondary school classrooms cost $32,300 and elementary school classrooms, $23,500. In North Carolina, secondary school classrooms cost $32,300, and elementary school classrooms, $28,400. In Texas, secondary school classrooms cost $38,600, and elementary school classrooms, $21,400. In West Virginia, a secondary school classroom costs $54,600, and an elementary school classroom, $26,900. In Colorado, secondary school classrooms cost $53,300 and elementary school classrooms, $39,500.

I might say also that the average teacher's salary in the State of New York is $7,200. For the other States that I have mentioned, it approximates $5,000.

In conclusion, I believe that an examination of the figures yields clear evidence that this bill is not unfair to States with lower incomes per person than New York's. In fact, as has been pointed out by the distinguished chairman of the Education Subcommittee, the formula of the bill received unanimous approval from educators all over the country. It does give more money to my State, for example, for each child defined as deprived in the bill. However, we must also remember that the definition of a deprived child in the bill—one from a family with less than a $2,000 income—does not make proper allowance for the increased costs of living in my State, for the increased costs of equivalent facilities and personnel in my State, nor for the increased burden on State and local finances which will result from the increased expenditure on education nationwide. In fact, there has been considerable criticism in my State and others, over the fact that this bill does not provide aid on the basis of a $3,000 poverty line. I believe that this bill strikes a fair balance. I think that my State is prepared to meet others at least halfway in agreement on this fair balance. I think this bill does strike that balance, and I would hope that my friends from other States would be prepared to meet us halfway as well.

Mr. MORSE. Madam President, will the Senator yield?

Mr. KENNEDY of New York. I yield.

Mr. MORSE. I say to my friend the junior Senator from New York that only self-restraint prevents my shouting "Hallelujah. Hallelujah. Amen." The factual data which the junior Senator from New York has just placed in the RECORD in this brilliant and eloquent speech completely answers any attack on this formula.

As the Senator has heard me say in the subcommittee and in the Senate Chamber, I think we ought to support a formula which is fair to all States. That means fair also to the so-called richer States. When we take into account the statistical material that the Senator has just placed in the RECORD—including this analysis of what the people of New York contribute by way of income taxes—the greater costs in New York to provide educational facilities, the differences in teachers' salaries and the subject matter that the Senator from New York has brought forth, in my judgment, so unanswerably in this great speech, we would be unfair to the so-called wealthier States if we were to tinker with this formula.

The formula, as the Senator has pointed out, is fair to the States that have been mentioned so often in this debate—Mississippi, Alabama, North Carolina, and other States. It is a fair formula when we keep in mind the purpose and objective of the bill.

As chairman of the subcommittee, I am delighted that the Senator placed the material in the RECORD tonight, so that our colleagues in the Senate can read it tomorrow, and so that the Senator and I can refer to it tomorrow in any debate which may occur in connection with any amendment that may be offered to change the formula.

I thank the Senator. I think the Senator has put to rest the attack on this formula by any Senator who wants to read and to compare the material which the Senator has placed in the RECORD with the material offered in opposition to the formula. I thank the Senator very much.

Mr. KENNEDY of New York. Madam President, I thank the senior Senator from Oregon for his kind words. I say, as I said in the beginning, that education is a nationwide problem. It is not just a problem in New York, Alabama, or Mississippi.

We have major problems in the State of New York. As was developed during the course of the hearings, there were witnesses who pointed out that some of

our schoolchildren lose 10 points on their IQ in the third to the sixth grades in the city of New York. By the time they get to the eighth grade, they are already 2 years behind. There has to be intensive local and State effort in the large, industrial States. That must be recognized.

Aid must be given by the Federal Government. We recognize that what happens in North Carolina, Illinois, or other States affects what happens in our State. This is a problem that will have to be faced. We are going to carry the burden in the richer industrial parts of the county; but we also need help.

The formula that has been developed by the chairman and the committee goes a long way toward meeting our overall responsibility to those who need it so much.

Mr. DOMINICK. Madam President, I have no prepared statement to make, but I wish to speak for a little time on the bill and to send to the desk from time to time amendments to be printed so action can be taken on them tomorrow.

First, I wish to express my gratitude to the chairman of the subcommittee, the Senator from Oregon [Mr. MORSE], for his courtesy during the entire debate and discussion. It was a pleasure to serve on the committee. He has shown unfailing courtesy and patience.

I congratulate also the junior Senator from New York [Mr. KENNEDY] and also the senior Senator from New York [Mr. JAVITS] for their aid and assistance in this bill.

I think we have covered many fields in the bill, and they are not easy fields to deal with. They involve some basic tenets and policies. The religious issue, to which the Senator from West Virginia referred earlier, has plagued us on previous occasions. There is the question of Federal controls over local schools. They are difficult issues, issues which have plagued the entire country from Maine to California and back to Florida.

All over the country people are saying, "What are we going to do? Are we going to provide the commissioner of education or a new Federal agency with power to decide what the curricula and other facets of our education shall be?"

There are many other problems connected with the bill. Many of them have been brought forth indirectly, but probably most of them have been avoided by the statement, which has been reiterated for the benefit of the press ever since this bill started, which was just repeated by the Senator from Oregon a few minutes ago, that this is not a general education bill, but that it is designed to take care of specific programs and policies.

This would seem a reasonable assumption. Let me read section 201 of the bill:

> SEC. 201. In recognition of the special educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate educational programs, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in this title) to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means (including preschool programs) which contribute particularly to meeting the special educational needs of educationally deprived children.

Over and over again the same thing is being repeated as to the need for the Congress of the United States to provide for the educational needs of so-called educationally deprived children.

It is only fair to ask, What is an educationally deprived child? How do we define him or her? What should he or she be? How are they to be classified? There is only one classification set forth in the bill. An educationally deprived child is deemed to be such because his family has an income of $2,000 or less. I asked several questions about this matter. I asked Dr. Keppel and other witnesses. They said there are other definitions of what an educationally deprived child is, but this is one they have settled on and this is the one they are going to take.

I suggested to them that one going to a public school whose family had the misfortune of having an income of $2,000 or less might still be living in a highly qualified and very able school district, where he was getting the best treatment, from the educational viewpoint, that he could get in any area—for example, some of the better areas in Westchester County, N.Y. I asked, "Could you say he is educationally deprived by virtue of the fact that the income of his family is $2,000 or less?" The witness said, "No, but there is sufficient correlation to indicate that there is a trend that way. You cannot say it is automatic, but there is a correlation between poor educational ability and low income." I do not know about that type of analysis, but it seems to me to be a reasonable approach to the problem.

It was accented by the President when he sent a message to Congress, which appears on page 511 of the RECORD of January 12, 1965. Among other things, the President said the bill was needed in order "to bring better education to millions of disadvantaged youth who need it most."

He went further and quoted Senator Taft as follows:

> Education is primarily a State function—but in the field of education, as in the fields of health, relief, and medical care, the Federal Government has a secondary obligation to see that there is a basic floor under those essential services for all adults and children in the United States.

Every release that has gone out from the chairman of the subcommittee, every release that has gone out from the White House, has emphasized that this bill is not a general aid to education bill, but is designed to take care of certain prescribed groups of children who need it most. I am not here to debate that point. But I am here to debate the effect of the bill and whether or not it would accomplish the purpose.

Before going much further, I should refer to the very able statement made by the Representative from Oregon, Representative EDITH GREEN, before the Rules Committee. Representative GREEN has served on the House Education Subcommittee for a long time, has been interested in education from the very beginning; and she appeared before the Rules Committee of the House in opposition to the bill. Her opposition is very similar to my opposition. She said:

> I believe amendments in three specific areas would greatly strengthen the bill. I am concerned about (1) the formula; (2) whether this legislation as drafted is sound public policy; and (3) the constitutionality of this legislation.

I am quoting from her statement of March 22, 1965.

Madam President, Representative GREEN went on to say, to answer some of the arguments which have been made by the Senator from Oregon, the Senator from New York, and the Senator from West Virginia:

> May I say to my liberal friends in the House who have talked so much about inadequate educational opportunities in Mississippi, that I find this kind of solution far from satisfactory and I wonder if we are really as concerned about providing adequate educational opportunities for these deprived youngsters in those areas as we pretend.

What is the basis for this concern?

Madam President, an analysis was made in the House on the provisions of the bill, and the question of what would happen on disbursement of the $1 billion under title I. One billion dollars is a great deal of money. It is not money which comes down from the clouds. It is not merely money printed by the Federal Treasury. It is money which is either taken from the taxpayers as general revenue or will become a lien on future earnings in the form of taxes. We are providing this money because we have said there is an educational need to help poor people who have children in the local public schools. Therefore, we made an analysis, and we came up with a chart which shows the per capita personal income in 1963 of each one of the 50 States.

Column No. 2 shows the estimated number of children in the poverty category as defined by the House bill which is now before the Senate.

Column No. 3 shows the estimated allocation of funds under title I.

Column No. 4 shows the estimated amount received per child in each of the States. I am talking about the child in the poverty category as defined in the bill.

Column No. 5 is interesting. It is the effort index based on the per capita income, 1963 to 1964, in terms of percentage. It refers to how much of the personal income within a State has been devoted to the local support of schools. The national average is 4.6 percent. The per capita personal income national average is $2,443.

One would expect that under the program which is specifically designed, in section 201, so we have been told by the chairman of the subcommittee, the Senator from Oregon [Mr. MORSE], and by every other news media, the money would be allocated into those areas where there is a high concentration of children who are so-called educationally deprived.

This is what happened. Alabama, with a personal income on a per capita

basis of only $1,656, has 266,700 children who qualify. Alabama will receive $31 million under this formula, or an average of $140 per child.

Take the State of New York. It has a personal per capita income of $3,000. It has 260,764 children who fall within this definition, and they are going to get $91,893,000, or a payment of $353 per child.

This is three times the amount of money on a per-child basis as Alabama will get, which witness after witness testified is one of the areas where help is needed the most, in areas where there is a low educational level, and where persons with low incomes are not able to provide the tax funds in order to raise the standard of their schools so that they can afford to pay a teacher $7,000 or $8,000 a year to start, as the Senator from New York [Mr. KENNEDY] has just stated is done in the State of New York.

There are many other States to which I should like to refer, merely because they fall together on the chart.

Take the States of New York and North Carolina. New York, with 260,764 children, will receive $91,893,000. North Carolina, with 303,000 children, will receive only $48 million.

I cannot think of a more glaring injustice than this kind of proposal where there are more children in a given State, and more highly concentrated, but they will receive only half the amount of money which will be given to a richer State in terms of the actual payment per child who qualifies under the bill. They will receive $353 in New York, and only $160 in North Carolina.

Madam President, I could go on and on. Mississippi is another example. Texas is another. All will get the low end of the stick from the point of view of receiving additional funds to provide these programs for the purpose of trying to help the children in the area.

At this point, I believe that it might be wise to quote once again from a Representative from Oregon, a colleague of the present occupant of the chair. I quote from page 5 of her statement before the Rules Committee:

> At the session this morning in the Rules Committee, Congressman MADDEN, of Indiana, talked at some length about the number of rejectees under the Selective Service System and he took Congressman GOODELL to task for apparently letting the States continue to have the kind of inadequate educational system that would produce such a high percentage of young men rejected by the Selective Service because they could not pass the mental test. May I respectfully suggest that in this bill if we do not change the formula those very States that have the highest number of rejectees will be the very States that receive the smallest amount of money per poor child under this legislation.

Madam President, what I am saying is really fairly simple. There is a basic inequity in the formula of the bill. Either we are going to provide a general-aid-to-education bill on a preconceived formula or if we are not doing that—and everything in the bill, and the Chairman's words, are to the effect that we are not—there is inequitable distribution under the formula, and we are not doing the job.

The Senator from New York just finished saying what I was sure would come up—because it has come up many times in committee hearings during the process of discussion, and I mentioned it before the subcommittee; namely, the fact that it costs a great deal more to live in New York than it does in Mississippi. I just heard the Senator from New York [Mr. KENNEDY] finish saying that the basic starting salary of a teacher in New York under the public school system is $7,000 to $8,000 a year, whereas in other States—and he included Colorado—it is $5,000. The figure for Colorado is higher than that, but I am not going to get into an argument on a comparison of figures. I was using the argument to try to state that it costs more to live in New York and to operate an educational system than it does in the State of Mississippi.

Madam President, what does your colleague Mrs. GREEN say about this? Again I quote from page 5:

> Now I know that it has been said that it costs more to provide education in New York than in Mississippi. I expect that there would be a very sizable number of people in Mississippi if they had the same per capita income as the people in New York who would like to try to attract the best teachers with salaries in the $7,000 or $8,000 bracket, which is the average in New York. In addition, Mr. Chairman, this argument hardly holds because the cost of providing education in New York is no different than in California or Ohio or Illinois or even Alaska where the cost of living is probably the highest in any of the 50 States. Yet in no two of these States do we have a formula which would provide the same amount of money for each poor child as defined.

Madam President, I should like to go into that point from this chart. Alaska, on a per child basis, will get $270 per child, under the definition provided in the bill. In California, it is $265 per child. In Illinois, it is $239 per child. In Ohio, it is $223 per child. In New York it is $353 per child.

Every one of them is different. Not one of them is trying to provide a basic formula, so that the money can be properly distributed.

I believe it would be useful, for the purposes of the record, to put in the RECORD at this point the full table. It was previously included in the RECORD during a House debate. My colleagues in the Senate will be able to look at it before tomorrow's debate. This is the record which shows how the funds would be distributed under the present category if it were to remain unchanged insofar as title I is concerned.

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

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

| | Per capita personal income, 1963 | Estimated number of children in poverty category as defined in H.R. 2362, as reported | Estimated allocation of funds under title I of H.R. 2362, as reported | Estimated amount received per child in poverty category under title I of H.R. 2362 | Effort index based on per capita income, 1963–64 (percent) |
|---|---|---|---|---|---|
| National average | $2,443 | | | | 4.60 |
| Alabama | 1,656 | 226,700 | $31,738,000 | $140 | 4.21 |
| Alaska | 2,819 | 5,299 | 1,430,938 | 270 | 5.41 |
| Arizona | 2,115 | 42,890 | 9,757,481 | 227 | 5.93 |
| Arkansas | 1,598 | 139,702 | 21,095,002 | 151 | 5.09 |
| California | 2,930 | 276,093 | 73,145,300 | 265 | 5.53 |
| Colorado | 2,386 | 37,784 | 8,454,110 | 223 | 5.45 |
| Connecticut | 3,162 | 25,997 | 7,175,172 | 276 | 3.84 |
| Delaware | 3,250 | 7,899 | 1,966,851 | 249 | 3.98 |
| District of Columbia | 3,398 | 17,924 | 4,633,354 | 258 | 2.69 |
| Florida | 2,111 | 143,795 | 27,896,230 | 194 | 4.45 |
| Georgia | 1,865 | 225,699 | 34,517,871 | 153 | 4.43 |
| Hawaii | 2,476 | 10,585 | 2,127,785 | 201 | 3.97 |
| Idaho | 1,934 | 15,136 | 2,311,382 | 152 | 4.37 |
| Illinois | 2,945 | 181,047 | 43,360,809 | 239 | 3.71 |
| Indiana | 2,475 | 80,398 | 18,772,978 | 233 | 4.82 |
| Iowa | 2,274 | 75,988 | 17,325,264 | 228 | 5.05 |
| Kansas | 2,231 | 44,560 | 9,752,736 | 218 | 5.60 |
| Kentucky | 1,789 | 188,101 | 28,215,150 | 150 | 3.77 |
| Louisiana | 1,768 | 189,996 | 37,904,234 | 199 | 5.64 |
| Maine | 2,008 | 20,673 | 3,907,179 | 189 | 4.44 |
| Maryland | 2,778 | 58,716 | 14,356,074 | 244 | 4.41 |
| Massachusetts | 2,850 | 58,959 | 13,988,754 | 237 | 3.26 |
| Michigan | 2,528 | 144,908 | 32,729,320 | 226 | 4.97 |
| Minnesota | 2,332 | 82,092 | 20,876,677 | 254 | 5.65 |
| Mississippi | 1,379 | 232,603 | 28,028,704 | 120 | 5.04 |
| Missouri | 2,508 | 128,242 | 26,866,755 | 209 | 3.73 |
| Montana | $2,239 | 15,967 | $3,750,273 | $234 | 5.63 |
| Nebraska | 2,293 | 36,093 | 6,793,169 | 188 | 4.26 |
| Nevada | 3,372 | 3,414 | 658,184 | 191 | 4.48 |
| New Hampshire | 2,303 | 7,540 | 1,609,796 | 213 | 4.14 |
| New Jersey | 2,900 | 71,113 | 20,196,092 | 283 | 4.14 |
| New Mexico | 1,887 | 40,634 | 8,931,560 | 220 | 6.57 |
| New York | 3,000 | 260,764 | 91,893,253 | 353 | 4.69 |
| North Carolina | 1,813 | 303,475 | 48,556,000 | 160 | 4.71 |
| North Dakota | 2,030 | 24,323 | 5,069,610 | 208 | 5.57 |
| Ohio | 2,483 | 164,613 | 36,708,699 | 223 | 4.48 |
| Oklahoma | 1,953 | 88,966 | 15,596,196 | 175 | 4.58 |
| Oregon | 2,515 | 29,190 | 7,893,807 | 270 | 5.51 |
| Pennsylvania | 2,444 | 204,287 | 49,519,506 | 242 | 3.76 |
| Rhode Island | 2,398 | 14,986 | 3,746,500 | 250 | 4.06 |
| South Carolina | 1,584 | 192,597 | 25,519,125 | 132 | 4.54 |
| South Dakota | 1,932 | 31,232 | 6,249,152 | 200 | 5.33 |
| Tennessee | 1,776 | 213,694 | 31,092,525 | 145 | 4.23 |
| Texas | 2,046 | 386,599 | 74,580,048 | 193 | 4.81 |
| Utah | 2,129 | 13,989 | 2,627,783 | 187 | 6.31 |
| Vermont | 2,092 | 8,043 | 1,556,327 | 193 | 4.24 |
| Virginia | 2,066 | 168,285 | 29,433,775 | 175 | 4.22 |
| Washington | 2,505 | 44,195 | 11,275,168 | 255 | 5.60 |
| West Virginia | 1,872 | 104,943 | 15,741,450 | 150 | 4.37 |
| Wisconsin | 2,380 | 64,653 | 16,078,428 | 248 | 4.72 |
| Wyoming | 2,427 | 5,817 | 1,470,960 | 253 | 6.08 |
| U.S. total | | 5,161,198 | 1,060,082,973 | | |

Sources: Cols. 1 and 5, "Education Statistics Digest," Office of Education, p. 68; col. 2, Office of Education estimate based on 1960 census; col. 3, H. Rept. 143, 89th Cong., p. 5.

Mr. DOMINICK. Madam President, we have heard a great deal of talk about whether this situation had come up before in discussions in the Senate. It is very interesting. We hear from the Democratic side that one of the principal proponents of the original concept of Federal aid to education was Senator Robert Taft.

Therefore, I went back in the RECORD. I did not have the privilege of serving under the Senator from Ohio, although I knew him. I was very much interested to find that the Educational Finance Act of 1949 actually passed the Senate and was sponsored and led by Senator Taft.

What did he say? He said that it was absolutely necessary to pinpoint Federal aid into the area of need and not simply spread it out like a mushroom all over the country. He said—and this has been said time and time again before the committee and in the Senate—that if we can raise the educational qualifications of various districts, the increase in the educational capability of the State will boom the population, will boom industry, will probably boom the material wealth of the area, and therefore the Federal program itself will be a self-liquidating proposition; in other words, the district could pull itself up by its own bootstraps. Here are some quotations from the debate, on May 2, 1949, from Senator Taft. He starts by saying:

In 1944, when a bill of this kind first came up, I opposed Federal aid on the ground that the States themselves were able to look after education. Basically I think that is still true. There is an objection on the ground of possible Federal control, and there are other objections. There is the appeal that we have a heavily overburdened budget.

Madam President, we have these objections now, particularly with respect to an even more heavily overburdened budget.

At that time I opposed Federal aid to education on the theory that the States could do the job. However, in the development of that job, and in the study of the figures which were evolved, we found that some of the States were entirely different from other States. Some of the States had an income so low that they were not able to do their educational job, no matter how much they might desired to do it.

Senator Taft went on to say that he put a table on every Senator's desk, similar to the one which I put in the RECORD, and which I will put on every Senator's desk either tonight or tomorrow morning. He continued:

I calculated the figures for some of the typical States, and for some of the States which were discussed here on Friday. They include Alabama, Arkansas, North Carolina, Mississippi, New York, Ohio, Texas, Missouri, and California.

All these States have been discussed here today.

He continued:

It will be seen that today the State of Mississippi is spending $54 per child, as compared to $232 per child in the State of New York. In the State of Ohio we are spending $151 per child, as compared to $70 in the State of Alabama.

It may be said that the people in the States spending the larger amounts for education per child are more willing to educate their children than are the people in the States spending smaller amounts for education; but in the second column of the table is shown the percentage of their income which those States are spending for education.

He referred to column 5 in the table, which shows the percentage effort made by each State in order to provide for its own educational needs.

It will be seen—

Said Senator Taft—

that the national average for money spent on schools is 1.88 percent of the total income of all the people of the United States. In Alabama almost exactly the national average is being spent for education, and yet Alabama is able to spend only $70 per child, which is less than half of the national average.

The debate continued. Senator Taft spoke in opposition to the amendment offered by Senator Lodge.

Mr. CLARK. I believe that what the late—and I am prepared to say great—Senator Taft had to say about education many years ago has a certain amount of historical interest, but it occurs to me that it is not particularly pertinent in connection with the argument between the majority members of the Committee on Labor and Public Welfare and the majority members of the Subcommittee on Education. This argument went on in a rather spirited style before the Committee on Labor and Public Welfare not long ago.

I do not wish unduly to interrupt the Senator, and I shall not undertake to do so again, but I wish merely to point out that if the Senator starts with a false premise, his conclusion is bound to be false. Having laid his premise, everything from there on is completely logical; in fact it is devastating. However, I believe that if the Senator was present—and I was not—to listen to the remarks of the junior Senator from New York [Mr. KENNEDY], in which he established the justification for the present formula from the point of view of the wealth of the industrial States, he might perhaps address himself to that argument, which to my way of thinking ends with the conclusion that the Senator has started from a false premise.

Mr. DOMINICK. I appreciate the Senator's comment. His comments are always able and pertinent, and usually short. I do not intend to be overly long myself tonight. However, I believe that this is pertinent to the discussion we have had. I believe that the remarks of Senator Taft are worth putting in the RECORD. The States involved are almost the same. Senator Taft went on to say, in answer to the statement as to whether he would not be downgrading the industrial States by the formula that he was putting in:

In the first place, I maintain that the formula offered by the bill is the only effective formula which can possibly determine the relative wealth of States. There is no other formula that I know of, nor do I think one can find a very much better formula. What is the formula? The formula is based on the concept to which the distinguished Senator from Massachusetts objects.

I would add the Senator from Pennsylvania. Continuing to read:

It is that we take all the income of all the people of the States; we take Mr. A's income and we add it to Mr. B's income and to Mr. C's income, and we take the rich and the poor and add their income all together, and that is the total income of the State.

Then he goes on to say:

The question is, What percentage of its total wealth, wherever it gets it, is spent on education? That is the only question. It does not make any difference whether the State has an inheritance tax or sales tax. If it does not spend for education 2 percent of its total income payments, which is more than the national average, we will not give it any Federal aid. But it can raise it by any kind of tax it wishes.

Madam President, the point I am making throughout is that the debate has gone on before. It is a debate which is extremely fundamental. It involves the question of whether we are or are not going to use Federal funds for this purpose and, if there is a real decided need for it, pinpoint the use to the need; or whether we are merely going to support a measure which would cause the rich to become richer and the poor, poorer, as stated in the minority views.

One of the points that has bothered me in the discussion before the subcommittee, on which the Senator from Pennsylvania has spoken—I would never make this statement except the Senator is in the Chamber—is that in the process of our committee debates the Senator implied that we had to be practical about this question; that the bill might not be the right bill or might need some amendments; but if we amended it, it could not be passed through the Congress.

If that statement is true—and I would say that it is not—it is a pretty sad commentary on our whole legislative system.

Mr. CLARK. Madam President, will the Senator yield?

Mr. DOMINICK. Not now, because I know what the Senator would say. He would say that we have a pretty sad legislative system.

Mr. CLARK. The Senator has said it for me.

Mr. DOMINICK. If we are going to accept the theory that the Senate cannot consider as ably as the House of Representatives, or more ably, any particular piece of proposed legislation, we are, indeed, in a sad position. If we are going to say that, because the gentleman down the avenue in the White House has said, "Pass the bill as it is," the Senate must turn around and "fall dead" on account of that, the Senate is in a bad position.

A purpose of the Congress is to try to enact a bill, and to see if the two separate bodies can come to a conclusion and a reasonable analysis between them.

Operating on that theory, I submitted an amendment to change the formula in title I so that it would provide the very things which Senator Taft tried to provide in 1949, and which he actually got through the Senate.

What would the amendment do? It would take the total number of children in the United States who fall within the definition as provided in the bill and

divide that number into the amount authorized in the bill. That is the so-called Representative Green formula.

But I added something else. I added an incentive factor, so that a State would receive an additional dollar for each child for each one one-hundredth of a percent that the State-local effort might exceed the national average. The proposal is designed as an incentive to get the local areas to provide more of their own funds in order to bring in more funds from the Federal Government as time goes by. That is quite an impact. It would increase the cost of the bill. It would increase it by $133 million, I believe.

Second, it would have an impact in that it would redistribute the wealth, so to speak, as first determined under the chart that I previously submitted.

What States would receive increased amounts? Alabama, Arkansas, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and West Virginia.

The distinguished Senator from West Virginia [Mr. RANDOLPH] said that the formula proposed was fine with him. My amendment, if adopted, would give the State of West Virginia $5.25 million more money than the State of West Virginia would receive under the original bill. The State of West Virginia would receive $5.25 million more. The Senator opposed my amendment in the subcommittee and in the full committee. Obviously that is his option. Recently he announced that he would oppose it again. I am sorry, because I think my proposal would be helpful to the children in West Virginia who fall within this category.

Mr. CLARK. Madam President, since the Senator from West Virginia is not present in the Chamber——

Mr. DOMINICK. I discussed this subject with him when he was in the Chamber.

Mr. CLARK. Madam President, will the Senator yield briefly?

Mr. DOMINICK. I am happy to yield.

Mr. CLARK. I am sure that the Senator from West Virginia in committee—and I am sure if he has not, he will do so on the floor of the Senate—made a point of which I would hope the Senator from Colorado would be tolerant. The bill is a national bill, and has been designed to solve a national problem. There is really not a very strong ethical basis for merely voting one's State in this connection. I honor the Senator from West Virginia for his willingness to view the problem as a national and not a parochial problem. I would dislike to see the day when Senators would feel that in every instance of a bill coming before this body they would have to take the position that if there was not something in it for their State, they would be against it.

Mr. DOMINICK. I share the viewpoint of the Senator from Pennsylvania. In view of the fact that my proposal would take more money from the State of Pennsylvania, I would hope that this would be no objection to him in considering the merits of my amendment.

Mr. CLARK. Madam President, will the Senator yield further?

Mr. DOMINICK. I am happy to yield.

Mr. CLARK. To put all the cards on the table, we should also point out that the amendment of my good friend the Senator from Colorado would increase the take which his State would get over what it would receive under the presently proposed formula by 20 percent.

Mr. DOMINICK. I am happy to hear that. It is reflected in that way because of the fact that Colorado has a high average in relation to local effort in its school system. The national average is 4.6 percent. Colorado's average is 5.45 percent. In passing, I might say that the local effort in Pennsylvania is only 3.76 percent as compared with the 4.6 percent national average.

Mr. CLARK. Madam President, will the Senator yield?

Mr. DOMINICK. I am happy to yield.

Mr. CLARK. The Senator's statistics are entirely accurate, but not particularly comprehensive. I do not know the situation in Colorado, but I suspect that there is a far higher percentage of schoolchildren of Colorado who go to public schools than there is in Pennsylvania where, as the Senator from Pennsylvania knows, a large proportion of the population prefers to pay out of their own pockets for a private school system, and therefore they are not as zealous as they might otherwise be to make that extra effort for the public school system which the citizens of Colorado seem to make.

Mr. DOMINICK. Fine. I appreciate the Senator's explanation.

Madam President, because I think it will again be of interest to every Senator, I wish to emphasize two points, and then I shall put the whole table in the RECORD. Senators will recall that I said previously that there were in round figures, 260,000 children in the State of New York who would fall within the definition which I have stated. New York would get $91 million, whereas North Carolina, with 303,000 children, would get only $48 million.

Under the revision proposed in my amendment, New York would get $54 million, and North Carolina would get $64 million, so the statistics reflect the increased number of children who fall within the definition in each of the States.

The purpose of the amendment is to try to show that where there are more children who are expected to need help under the bill, as stated in its own policy, there will be more money with which to help them. So I ask unanimous consent that table No. 2 be printed at this point in the RECORD.

There being no objection, table No. 2 was ordered to be printed in the RECORD, as follows:

*Dominick amendment to H.R. 2362*

| | Per pupil distribution | Increase or decrease (per pupil) | Estimated allocation | Increase or decrease |
|---|---|---|---|---|
| Alabama | $200 | +$60 | $45,340,000 | +$13,962,000 |
| Alaska | 281 | +11 | 1,489,019 | +58,081 |
| Arizona | 333 | +106 | 14,282,370 | +4,524,889 |
| Arkansas | 249 | +98 | 34,785,798 | +13,690,796 |
| California | 293 | +28 | 80,895,249 | +7,749,949 |
| Colorado | 285 | +62 | 10,768,440 | +2,314,330 |
| Connecticut | 200 | −76 | 5,199,400 | −1,975,772 |
| Delaware | 200 | −49 | 1,579,800 | −387,051 |
| District of Columbia | 200 | −58 | 3,584,800 | −1,048,554 |
| Florida | 200 | +6 | 28,759,000 | +862,770 |
| Georgia | 200 | +47 | 45,139,800 | +10,621,129 |
| Hawaii | 200 | −1 | 2,117,000 | −10,785 |
| Idaho | 200 | +48 | 3,027,200 | +715,818 |
| Illinois | 200 | −39 | 36,209,400 | −7,151,409 |
| Indiana | 222 | −11 | 17,848,356 | −924,622 |
| Iowa | 245 | +17 | 18,617,060 | +1,291,796 |
| Kansas | 300 | +82 | 13,368,000 | +3,615,264 |
| Kentucky | 200 | +50 | 37,620,200 | +9,405,050 |
| Louisiana | 304 | +105 | 57,758,784 | +19,854,550 |
| Maine | 200 | +11 | 4,134,600 | +227,421 |
| Maryland | 200 | −44 | 11,743,200 | −2,612,874 |
| Massachusetts | 200 | −37 | 11,791,800 | −2,196,954 |
| Michigan | 237 | +11 | 34,343,196 | +3,386,124 |
| Minnesota | 305 | +51 | 25,038,060 | +4,161,383 |
| Mississippi | 244 | +124 | 56,755,132 | +28,726,428 |
| Missouri | 200 | −9 | 25,648,400 | −1,218,355 |
| Montana | $303 | +$69 | $4,838,001 | +$1,087,728 |
| Nebraska | 200 | +12 | 7,218,600 | +425,431 |
| Nevada | 200 | +9 | 682,800 | +24,616 |
| New Hampshire | 200 | −13 | 1,508,000 | −101,796 |
| New Jersey | 200 | −83 | 14,222,600 | −5,973,492 |
| New Mexico | 397 | +177 | 16,131,698 | +7,200,138 |
| New York | 209 | −144 | 54,499,676 | −37,393,577 |
| North Carolina | 211 | +51 | 64,033,225 | +15,477,225 |
| North Dakota | 297 | +89 | 7,223,931 | +2,154,321 |
| Ohio | 200 | −23 | 32,922,600 | −3,786,099 |
| Oklahoma | 200 | +25 | 17,793,200 | +2,197,004 |
| Oregon | 291 | +21 | 8,494,290 | +600,483 |
| Pennsylvania | 200 | −42 | 40,857,400 | −8,662,106 |
| Rhode Island | 200 | −50 | 2,997,200 | −749,300 |
| South Carolina | 200 | +68 | 38,519,400 | +13,000,275 |
| South Dakota | 273 | +73 | 8,526,336 | +2,277,184 |
| Tennessee | 200 | +55 | 42,738,800 | +11,646,275 |
| Texas | 221 | +28 | 85,438,379 | +10,858,331 |
| Utah | 371 | +184 | 5,189,919 | +2,562,136 |
| Vermont | 200 | +7 | 1,608,600 | +52,293 |
| Virginia | 200 | +25 | 33,657,000 | +4,224,225 |
| Washington | 300 | +45 | 13,258,500 | +1,983,332 |
| West Virginia | 200 | +50 | 20,988,600 | +5,247,150 |
| Wisconsin | 212 | −36 | 13,706,436 | −2,371,992 |
| Wyoming | 348 | +95 | 2,024,316 | +553,356 |

Mr. DOMINICK. Madam President, at this point, I send my amendment to the desk. The amendment is sponsored by me, by the Senator from North Carolina [Mr. ERVIN], by the senior Senator from Colorado [Mr. ALLOTT], and the Senator from Arizona [Mr. FANNIN]. I ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. DOMINICK. Madam President, we had a specific debate or discussion on this subject. When I say "specific," I suppose the discussion lasted for a half hour or more in the Subcommittee on Education and somewhat less than that time in the full committee. The general impression I received was that a large number of the majority members of the committee—some of whom voted with me, I might add—felt sympathetic to this type of proposal. But as the Senator from Oregon [Mr. MORSE] said earlier, when we have a general aid for education bill, he will be glad to support me, but not when the bill is designed, as it is, for a specific purpose. Here we have a specific purpose, but the money is not to be used for that purpose; it will go to other areas.

It strikes me that so long as we are trying to concentrate on a specific purpose, we had better use the money for that purpose; otherwise, we shall not get anywhere so far as solving the problem we are dealing with is concerned.

Let me be a little more specific, because this will appear in the RECORD before tomorrow's discussion. At page 3430 of the RECORD of House proceedings on February 24, 1965, appears another table. It shows the 10 wealthiest counties in the United States and the assistance they receive as compared with the 10 poorest counties of the United States and the assistance they receive. To me, it is extraordinary that the 10 poorest counties in the United States, where the per capita income is low and the concentration of children from families having less than $2,000 income is high, will receive only $4,507,000, while the 10 richest counties in the country, where the per capita income is high, will receive $8,918,087—almost twice the amount the poorest counties will receive. Not only will the 10 richest counties receive twice the amount, but the percentage of children from low-income families in those counties is far, far smaller than it is in the others. This does not seem equitable to me, so far as trying to solve the problem is concerned.

Madam President, I ask unanimous consent that the table be printed at this point in the RECORD.

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

*Administration's school-aid bill—Federal funds for the wealthy*

| County and State | Family income data | | | School-age children | | Funds for county in 1st year under administration's school bill |
|---|---|---|---|---|---|---|
| | Median income | Under $3,000 | $10,000 and over | Number in families with less than $2,000 income | Percent of all school-age children | |
| | | *Percent* | *Percent* | | | |
| United States | $5,660 | 21.4 | 15.1 | 4,911,143 | 11 | $972,726,965 |
| 10 wealthiest counties: | | | | | | |
| Montgomery (Md.) | 9,317 | 5.5 | 44.6 | 2,343 | 2 | 572,864 |
| Arlington (Va.) | 8,670 | 6.0 | 38.6 | 1,347 | 4 | 235,725 |
| Fairfax (Va.) | 8,607 | 5.8 | 37.8 | 1,994 | 3 | 348,950 |
| Du Page (Ill.) | 8,570 | 5.9 | 36.0 | 1,853 | 2 | 443,794 |
| Marin (Calif.) | 8,110 | 8.8 | 33.4 | 1,278 | 4 | 338,670 |
| Westchester (N.Y.) | 8,052 | 8.0 | 36.3 | 6,210 | 3 | 2,189,026 |
| Bergen (N.J.) | 7,978 | 6.4 | 32.1 | 4,631 | 2 | 1,315,204 |
| Union (N.J.) | 7,746 | 7.8 | 30.5 | 3,743 | 3 | 1,063,012 |
| Montgomery (Pa.) | 7,632 | 7.4 | 30.7 | 3,535 | 3 | 857,238 |
| Fairfield (Conn.) | 7,371 | 9.3 | 29.1 | 5,629 | 4 | 1,553,604 |
| Total eligible children and funds | | | | 32,563 | | 8,918,087 |
| 10 poor counties: | | | | | | |
| Grant (W. Va.) | $2,437 | 64.0 | 3.0 | 833 | 35 | 124,950 |
| Falls (Tex.) | 2,287 | 60.6 | 4.0 | 2,233 | 41 | 432,086 |
| Sunflower (Miss.) | 1,790 | 68.1 | 3.9 | 6,184 | 42 | 745,173 |
| Knox (Ky.) | 1,722 | 70.5 | 1.7 | 3,137 | 39 | 470,550 |
| Tensas (La.) | 1,683 | 70.9 | 3.3 | 1,651 | 41 | 329,375 |
| Williamsburg (S.C.) | 1,631 | 68.3 | 2.5 | 6,118 | 41 | 810,000 |
| Sumter (Ala.) | 1,564 | 72.3 | 2.7 | 2,790 | 43 | 390,600 |
| Holmes (Miss.) | 1,453 | 72.0 | 2.8 | 4,543 | 52 | 547,432 |
| Breathitt (Ky.) | 1,432 | 76.0 | 2.0 | 1,998 | 39 | 299,700 |
| Tunica (Miss.) | 1,260 | 77.8 | 3.7 | 2,965 | 54 | 357,283 |
| Total eligible children and funds | | | | 32,452 | | 4,507,149 |

Sources: U.S. Department of Commerce, Bureau of the Census, "County and City Data Book"; Committee on Education and Labor, House of Representatives, "Education Goals for 1965" (Committee print), pp. 65-126.

Mr. MORSE. Madam President, will the Senator from Colorado yield for a question on procedure?

Mr. DOMINICK. I am happy to yield.

Mr. MORSE. Would the Senator from Colorado be willing to help the chairman of the subcommittee, who has the responsibility of managing the bill on the floor of the Senate, in this respect: We have discussed the formula, at great length today, and the points of view have been pretty well written into the RECORD. Would the Senator from Colorado, in view of the fact that he is submitting the amendment, be willing to make it the pending amendment for action tomorrow? Sooner or later we shall have to vote on the amendments; and if we make this the pending amendment, we shall have a better chance of at least pinpointing and directing debate to that amendment. I should like to leave the legislative situation when we adjourn tonight one in which the Senator's formula amendment would be the pending amendment.

Mr. DOMINICK. I cannot say yet that it would be the pending amendment. I do not wish to call it up now. I have other amendments that I shall offer first.

Mr. MORSE. I do not ask that the Senator call it up now; I am asking whether, after he has submitted his other amendments——

Mr. DOMINICK. I intend to submit them for printing tonight. I do not wish to commit myself yet as to which amendment I desire to call up first. I have not had an opportunity to ascertain what the distinguished Senator from Vermont [Mr. PROUTY] wishes to do as to procedure.

Mr. MORSE. I do not wish to interfere with the procedure the Senator from Colorado desires to follow. The Senator knows that when the debate begins tomorrow, there will be a parliamentary situation in which some amendment will have to be offered. I thought in view of the fact that a record has been made today on the formula question, it might be possible to make the Senator's amendment on that subject the first amendment to be considered. I shall follow whatever procedure the Senator from Colorado desires to adopt.

Mr. DOMINICK. Madam President, because I believe your distinguished colleague from Oregon, Mrs. GREEN, performed an outstanding service in the House Committee on Rules, I ask unanimous consent to have printed in the RECORD her statement on this subject. It includes not only the discussion as to whether the proposed legislation is sound public policy, but also discusses some of the unsound constitutional issues I am sure we will hear about from time to time.

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

TESTIMONY BY THE HONORABLE EDITH GREEN BEFORE THE RULES COMMITTEE, MARCH 22, 1965

Mr. Chairman, there is no question in my mind but what educational opportunities must be expanded and the quality of education in elementary and secondary schools of this country must be improved. I have voted, I believe, for almost every education bill that has been before this Congress since I've been here—and I strongly supported the Murray-Metcalf general aid bill which did pass this House a few years ago.

On the bill that is now before this committee I have some of the same reservations that were expressed by spokesmen for many of the organizations that opposed the legislation.

I believe amendments in three specific areas would greatly strengthen it. I am concerned about the (1) formula; (2) whether this legislation as drafted is sound public policy, and (3) the constitutionality of this legislation.

First, Mr. Chairman, let me read the "Declaration of Policy" as found on page 70 of the bill:

"SEC. 201. In recognition of the special educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate educational programs, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in this title) to local educational agencies serving areas with concentration of children from low-income families to expand and improve their educational programs by various means (including preschool programs) which contribute particularly to meeting the special educational needs of educationally deprived children."

Now if this is really the intent to provide better educational programs for the needs of educationally deprived children who come from families with low incomes (and in this bill defined as families with less than $2,000 income) then it is exceedingly difficult for me to reconcile the results produced by this formula.

Let me take a few examples. Kentucky has 188,101 educationally deprived children as defined in this bill as coming from families with less than $2,000 income. Louisiana has just about a thousand more—189,996. And yet under this formula Louisiana gets $191 for each poor child and Kentucky gets $150. And the total for Louisiana is $37,904,230 and the total for Kentucky is $28,215,150.

Let me make another comparison between New York and California. New York has a total of 213,201 poor children as defined in this bill and gets a total of $91,893,253. California has 14,000 more poor children than New York or a total of 227,007 and yet gets only $73,145,300 or approximately $18 million less than New York's $91 million. May I also point out that as far as effort is concerned, California is spending more per child in relation to the per capita income of the State than is New York.

Let me make two other comparisons.

The State of Arkansas has 139,702 educationally deprived children as defined in this bill as coming from families with less than $2,000 income. Michigan has 131,794 educationally deprived children. And yet under this formula Michigan gets $226 for each poor child and Arkansas gets $151. The total for Michigan is $32,729,320 and the total for Arkansas is $21,905,002. In other words, Arkansas with approximately 8,000 more educationally deprived children as defined in the bill would get $11.6 million less.

And then finally, Mr. Chairman, let's take the two extremes. New York has 213,201 educationally deprived children as defined in the bill. Mississippi has 232,603 poor children as defined in this bill. And yet New York receives $91,893,253 under the existing formula and Mississippi receives $28,028,704. In actual fact this legislation would provide only $120 under this formula for every poor child in Mississippi and $353 for every poor child in New York. May I say to my liberal friends in the House who have talked so much about inadequate educational opportunities in Mississippi, that I find this kind of solution far from satisfactory and I wonder if we are really as concerned about providing adequate educational opportunities for these deprived youngsters in those areas as we pretend.

At the session this morning in the Rules Committee, Congressman MADDEN, of Indiana, talked at some length about the number of rejectees under the Selective Service System and he took Congressman GOODELL to task for apparently letting the States continue to have the kind of inadequate educational system that would produce such a high percentage of young men rejected by the Selective Service because they could not pass the mental test. May I respectfully suggest that in this bill if we do not change the formula those very States that have the highest number of rejectees will be the very States that receive the smallest amount of money per poor child under this legislation.

Now I know that it has been said that it costs more to provide education in New York than in Mississippi. I expect that there would be a very sizable number of people in Mississippi if they had the same per capita income as the people in New York who would like to try to attract the best teachers with salaries in the $7,000 or $8,000 bracket, which is the average in New York. In addition, Mr. Chairman, this argument hardly holds because the cost of providing education in New York is no different than in California or Ohio or Illinois or even Alaska where the cost of living is probably the highest in any of the 50 States. Yet in no two of these States do we have a formula which would provide the same amount of money for each poor child as defined.

It has also been argued that this formula would provide the greatest percentage increase in the budget of the poor States. This hardly seems to me the criteria to measure the worth or the results that we might expect from this bill. But rather we should ask do we have a formula which is fair and equitable on a nationwide basis and that would actually result in raising the standard of educationally deprived children who come from families with incomes of less than $2,000, no matter what State they may reside in.

If you want to change the "Declaration of Policy" on page 70 of this legislation and say that those States that are spending the most already on education will get the most then perhaps this formula could be justified.

Now assurance has been given to me that this will be subject to review and change in 1 year. If I were not aware of the efforts through the last several years by Republican and Democratic administrations to change the formula for Federal impact legislation, I would be more impressed. But once a formula is frozen into a bill, the tendency is to examine not the equity on a nationwide basis but rather how many dollars would "my district" or "my State" gain or lose. And if the administration has sent this bill up with a formula based on 75 percent instead of 50 percent of what each State spends then all other formulas would be compared to actual dollars each State or congressional district would get under the 75-percent formula. I suggest that the time to change the formula is now, if we are really anxious to improve education programs for poor children.

Let me give a couple of other examples at the county level. In Dallas County, Ala., where Selma is located, we have about 5,259 poor children as defined in this bill. And Monroe County in New York has 4,684—approximately the same number. Now in recent days we have heard much about Selma, Ala., and the urgent needs in that area. And yet we have designed a formula in the bill which would provide a total of $736,260 for Dallas County in Alabama and $1,925,708 for Monroe County in New York when both of the counties have almost the same number of children. Is this justice?

Let me take two other counties. Sunflower County in Mississippi has 6,184 poor children (as defined in this bill) and under this formula they would receive $745,173. Westchester County in New York with a much higher per capita income has 6,210 poor children (as defined in this bill)—approximately the same number as in Sunflower County, Miss. And yet Westchester County, N.Y., would get $2,189,026 as compared with $745,173 for Sunflower County, Miss. If I may be permitted, Congressman COLMER, I can only suggest that apparently the drafters of this legislation were saying that the educational needs and programs in Westchester and Monroe Counties in New York were much greater—2½ to 3 times as great—as in Sunflower County, Miss., and in Dallas County, Ala.

May I turn now, Mr. Chairman, to the second point—Is this legislation as drafted sound public policy.

May I first quote from a statement which was made to the subcommittee by Dr. Philip A. Johnson, the executive secretary of the Division of Public Relations, National Lutheran Council:

"Study groups in the National Lutheran Council have pointed to the danger of a rapid proliferation of 'institutionalized creedal rivalries' if there is to be sufficient support for nonpublic education at elementary and secondary levels as to make the establishment of such schools economically feasible for many groups. There are indeed signs that the number of such schools already is growing at an accelerated rate, under the sponsorship of many religious and other private groups. Obviously such a development poses a serious threat to the quality of public education in a community where public schools would have many rivals. The already fragile civic unity which is found in many communities across the land would be subjected to further strain.

"It would be ironic if a laudable concern for improving the quality of education should, by stretching the public benefit theory to the limit, lead to the erosion of the public school system."

His views reflect some of my own deep concerns about this legislation in titles I and III. In the report may I call your attention to pages 6 and 7 on which we find the list of all—or at least some—of the possible programs for educationally disadvantaged children. These include teaching personnel to reduce class size, all kinds of programs, equipment, and the bill itself calls for the construction of facilities. On page 7 the report says that no provision of the bill authorizes any grant for providing any service to a private institution. This, Mr. Chairman, I consider as a half truth, because this bill does authorize funds and I have read the large print and the fine print and I find no limitation against making any or all of the programs and services and projects available both in public and private schools. This is not a shared-time bill (as has been represented) where the funds be spent exclusively in public schools and be made available to children in the private schools but rather this is a shared-services program and the services would be made available in either the private or the public school. The only limitation is that the application or plan will be submitted by the local educational agency and approved by the State agency and the public agency will control the funds and retain title to the property. I can retain "title" to a home or building and lease it for $1 a year. Or I can retain title to funds and still spend them for a variety of programs.

In section 205 are spelled out the criteria to be used in approving a basic grant or incentive grant. Paragraph 2 makes it mandatory for the local educational agency to provide special educational services and arrangements for children in all private schools.

I call the attention of the committee to the fact that if the local education agency does not meet this criteria then that local school district would not be eligible for one dime for either private or public schools.

Every service mentioned on page 6 of the report—in my judgment—could be provided in the public or in the private school in those areas where there is a high concentration of children from low income families.

As I see it—this might lead to a great proliferation of private elementary and secondary schools.

Is this sound public policy?

Let me give an example. In Portland we have the Christian Freedom Center—closely allied with Billie James Hargis. We also have our own John Birch Societies. As I read this legislation an elementary school set up by the Christian Freedom Center operated by the Reverend Walter Huss in Portland, or one set up in Oklahoma by Billie James Hargis—or an elementary or secondary school set up by Harding College in Searcy, Ark., would be just as eligible for programs, services and projects as any school that had high academic standards and operated by the Catholics, the Lutherans or the Seventh-day Adventists—the three groups having at present the largest number of private schools.

May I read, Mr. Chairman, section 605:

"Nothing contained in this Act shall be construed to authorize the making of any

payment under this Act, or under any Act amended by this Act, for religious worship or instruction."

May I point out it does not say that this legislation would prohibit the use of funds for construction of facilities where religious worship or instruction might take place.

As I see it, also, there is nothing in this bill which would prevent any religious denomination from using its Sunday educational classrooms on Monday, Tuesday, Wednesday, Thursday, or Friday for programs, projects, and services if they were in areas where there is high concentration of children from low-income families if the local educational agency approved.

And I do not see how the local educational agency could discriminate in favor of one private school and against another.

Mr. Chairman, we do not eliminate controversy but what we do accomplish perhaps is to shift this controversy from the Congress to the local community. This may have a very divisive, a very disruptive effect in a community and actually harm local educational efforts.

Since there is no limitation in this bill on which services may be provided and where, there will be no limitation on the pressures placed on the local school boards. And as a result of our action, school board members may be appointed or elected on the sole basis of their religious affiliation and beliefs. This could set the ecumenical movement back 30 years.

Mr. Chairman, let me make two other minor points if I may. On page 77 there is a section entitled "Special Incentive Grants" which can be described in no other way than an open-end appropriation. To the best of my knowledge there have been no estimates presented to the committee on the possible cost and it might run up to several billion dollars a year.

I have always defended Federal aid and have actually felt that we have not had Federal control. But may I point to the textbook part of the bill under title II which says in effect that if the State cannot give textbooks to students in private schools because of State laws or a State constitution then this legislation allows the Commissioner of Education to bypass the local educational agency and do it directly. It seems to me that this should be avoided in any future legislation because I would look at this as Federal control. And perhaps we started this in the National Defense Education Act when we allowed the Commissioner of Education to bypass the local agency and give tests in the private schools under the guidance and counseling section of the bill.

May I turn now to my third point—constitutionality. The very immensity of the innovations possible under this bill makes all the more difficult and impossible the task and responsibility for me (and others, I believe) to decide whether this bill is constitutional or as the distinguished lawyer from New York, Congressman SCHEUER said:

"The infinite variety of the innovations possible under this bill makes it difficult for Congressmen to foresee all these possibilities and to guard against programs which might be conducted in an unconstitutional manner." Congressman SCHEUER continued: "I voted for this bill in committee and I believe it to be constitutional. However, I share with several committee members, as well as with many of the witnesses who have appeared before the committee, a real concern over the possibility that the bill may be administered in an unconstitutional fashion in some local programs."

Therefore, at a minimum, I hope a judicial review section will be added to the bill.

I wanted a judicial review section in the Higher Education Facilities Act. I know time honored arguments that the Congress has its own responsibility to determine the constitutionality. But because of the "infinite variety of innovations" and the broad leeway we give to local educational agencies it seems to me it would be wise to add this provision.

I do not want a judicial review which would allow suits by every crackpot in the country. Neither do I want suits which would bring about endless litigation.

But unless we add a judicial review section there may be no way to test the constitutionality in the courts. I would hope that the House would add a severability clause that in the event one section is declared invalid, other sections of the bill would remain operative.

Let me quote from a Department of Health, Education, and Welfare memorandum prepared by the Justice Department and HEW when we were considering the Higher Education Facilities Act. In it they said:

"It should therefore be emphasized that the questions discussed in this memorandum are probably not open for judicial determination, unless adequate special statutory provisions are enacted to authorize judicial review.

"The difficulties of obtaining a court test of legislation in this area impose a solemn responsibility upon both Congress and the Executive to be especially conscientious in studying the Constitution and relevant Supreme Court decisions so that any enactment will scrupulously observe constitutional limitations."

In the Higher Education Facilities Act the Justice Department approved and drew up a judicial review section allowing an institution of higher education to bring suit.

Let me quote from their memorandum of June 7, 1963:

"Despite these decisions, some scholars feel that the rule denying standing in the Federal courts to a Federal taxpayer to attack the validity of a Federal expenditure may be argued to be merely a rule of procedure—not intended to rest on constitutional grounds, and that if Congress authorized a taxpayer to raise a constitutional issue respecting a Federal statute of this importance in the Federal courts, there is a fair chance that the Federal courts would take jurisdiction and decide the matter on the merits. Even if there is any likelihood that this view will ultimately be adopted, it seems to us that as a matter of policy the public interest would be better served by not granting taxpayers the right to sue in this kind of case. Not only would the Federal courts soon be bogged down by such litigation, but a provision of this kind 'with its attendant inconveniences' (cf. *Frothingham* v. *Mellon, supra,* 262 U.S. at 487) would establish a harmful precedent and open the dam to a flood of similar enactments respecting many other related fields—foreign aid, veterans' benefits, and numerous aid and welfare programs, which could for years hold up the operation of such programs."

But more important the Assistant Attorney General continued:

"No doubt, considerations of this kind prompted the committee considering the pending legislation during executive session to eliminate the provision for suit by taxpayers such as was originally embodied in H.R. 4797.

"The judicial review authority granted to institutions under the proposed amendment to H.R. 6143, however, stands on an entirely different footing and in my opinion, would probably survive constitutional attack. The key section of this proposal provides as follows:

"'Any institution of higher education which is or may be prejudiced by the order of the Commissioner making such a loan in a particular year to another institution of higher education, or such a grant in such year to another institution of higher education in the same State, by virtue of the fact that the making of such loan or grant serves to reduce the amount of funds available for loans or grants in such year to the institution which is or may be prejudiced, may bring a civil action for declaratory relief to determine whether the order of the Commissioner extending the loan or grant to such other institution is consistent with the first amendment to the Constitution of the United States.'

"Unlike the interest of a taxpayer in the U.S. Treasury which is 'too indeterminate, remote, uncertain, and indirect to furnish a basis for an appeal to the preventive powers of the Court over their manner of expenditures' (cf. *Doremus* v. *Board of Education, supra,* 342 U.S. at 433), the interest of an institution given standing to sue under the above provision is direct, concrete, and substantial. It is contemplated that under this act Federal grants-in-aid would be allotted in specified, limited amounts under a formula basis to each State yearly to be distributed to all eligible institutions of higher education in the State. If a Federal court should find that certain institutions were disqualified by the first amendment from receiving this aid, allotments to eligible institutions would be correspondingly increased. This potential additional benefit or gain by some institutions arising from the denial of allotments to others held to be barred by the first amendment from participating in the Federal aid programs for higher education, is substantial and immediate enough to meet the test laid down in *Frothingham* v. *Mellon, supra,* and related cases.

"The interest of the prejudiced institution in these Federal funds is something more than a general interest in the proper execution of the laws. Its suit would be unlike the situation in *Frothingham* v. *Mellon* where the question of the validity of the Federal appropriation was deemed to be a matter of public, not private concern, and where the taxpayer's interest was negligible at most. Here the aggrieved institution would have the requisite financial interest in the outcome of the suit. Here, the amount available to each institution from a common fund provided by the Federal Government for use within a State, would be an interest personal to each institution which is qualified by law to participate in the Federal aid program. Such a claim for relief is of the character which may constitutionally be the subject of adjudication by the Federal courts."

In this legislation I am also confident a similar judicial review section could be added.

In conclusion, Mr. Chairman, let me say that I believe a judicial review section has the highest priority. I realize that a change in formula is probably hopeless but I think that a change is needed and would strengthen the legislation. And finally, that very serious consideration should be given by this Congress to whether or not the bill as presently drafted is sound public policy.

The American Association of University Women in their statement to the committee gave this warning: "We have been concerned that Federal assistance through nonpublic schools could—while rescuing individual children—tend toward weakening the public school system."

Another witness put it in about these words: "If we have a proliferation of private schools the public schools may be abandoned to the children of the poor and to the children of nonwhite minority groups."

Mr. DOMINICK. Madam President, several other things bothered me during the consideration of the bill. We were told that the bill is designed to provide assistance to educationally deprived children. Title II contains the library resources provision. It provides $500

million for additional aid to install libraries in the school systems. However, there is no provision in the bill that this amount should be concentrated in areas where there are educationally and economically deprived children.

I offered an amendment in committee to correct this defect. I did not press it too hard, because it was obvious that a majority of the committee would not accept any amendment at that place. So I send the amendment to the desk for printing, because I believe the bill shows very clearly that title II is designed to be general in nature. The bill does not even conform to the recommendations of Dr. Flemming, of the National Council on Religion, who spoke about the constitutional issue involved with respect to library aid. I think the amendment points up specific examples of some of the other problems that will be discussed as we continue the debate on the education bill.

I send the amendment to the desk for printing.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. DOMINICK. Madam President, one thing that has concerned several of us in the discussion on the bill—and we have talked with many witnesses about it—is whether or not State agencies will have the right to approve the locations of the supplemental educational centers that are provided for in title III. I have drafted an amendment which would accomplish this purpose, and I send it to the desk for printing.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. DOMINICK. Madam President, similarly, with respect to supplemental services, under title III, I had prepared and submitted to the committee an amendment which would require supplemental services to be provided in areas where there is a heavy concentration of educationally and economically deprived children. This amendment, also, was rejected in committee. I now send it to the desk for printing and ask that it lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. DOMINICK. Madam President, I now come to the last amendment which I shall submit for printing. It deals with the fundamental question of whether or not we are seeking to provide Federal aid to church-supported institutions.

It involves a constitutional issue which has been skirted, and on which there has been a great deal of testimony. There is no provision in this bill for judicial review of suits brought by individuals. There is very little provision for judicial review of any kind in the bill, to be truthful.

I believe that some other Senator will offer an amendment along this line. However, one of the things that bothered all of us was the fact that section 605, which purports to take away from the bill the possibility of using funds for facilities which would involve religious instruction does not prohibit aid to a sectarian institution which is teaching religion or teaching religious teachers.

It will be recalled that we put this prohibition in the Higher Facilities Act of 1963. I have an amendment which would conform the language of section 605 to the language in the Higher Facilities Act of 1963.

I send this amendment to the desk for printing at this time.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. DOMINICK. Madam President, I have been and shall continue to be mindful of the educational needs of this country. I have been active on this subject in my State. I have supported the tax credit program for higher education and worked very closely with the Senator from Connecticut [Mr. RIBICOFF] to have this accomplished. I intend to continue to work with him on the same situation this year.

There was testimony during the process of this hearing that perhaps the entire proposal of Federal aid to needy school districts could best be accomplished by having a Federal tax credit for a portion of the property tax which each property owner pays for the support of their local school. This proposal was put forward by Dr. Roger Freeman, who is a senior staff member of the Hoover Institution on War, Revolution, and Peace, at Stanford University in California. His statement is found in volume 5, at page 2757.

Mr. Freeman points out very clearly in this testimony that he is not sure that general aid is—in fact, he is rather sure it is not—needed for elementary and secondary schools. The same general aid need was stated before there was evidence brought up that the local districts could not possibly finance the needed expansion of schoolrooms and facilities. However, they did it, and did much more, without too many problems. I am sure they had problems and needs and still do.

In my opinion, these needs should be and could be, pinpointed. Unfortunately, the proposal that we made cannot be offered, as I understand it, as an amendment to this bill for the specific reason that it would be subject to a point of order on the ground that it would be a tax bill originating in the Senate. So it cannot be offered at all. Second, I should say that it came at such a late date that we did not have time to analyze its effects thoroughly. The procedure, however, should be considered. The procedure is to provide additional income in those districts so that, where they need it, the local school districts could raise the building levy to pick up this additional income and help out the revenues of their own schools.

According to the figures that were generated and placed in this statement, this would provide approximately $3 billion of additional revenue for local school purposes, if it were put into effect, as opposed to the $1 billion contained in title I of the bill.

I mention this because I think it is important. It is something that we ought to think about. It is something that perhaps we ought to start working on as a method by which we might raise additional funds without having the religious constitutional issue injected into a Federal aid bill.

As I said, I have been a supporter of the educational system. I have done work on this matter at the State level. I have been introducing educational bills since I first arrived in Congress. However, it strikes me that this bill would not do what it is intended to do.

Madam President, in all humility, I think it is vital to change this formula now. The Senator knows as well as I know that the minute a State gets into a position where it has a certain amount of money coming from an existing program and it tries to change that program so that it will get less, it is far more difficult than trying to find a needle in a haystack. It is almost impossible. Everyone comes in—a series of pressure groups. They say, "You cannot do that to us. Our school budgets have been based on the amount of money the Federal Government is going to give." The theory which has been expounded so often here today is that we can go ahead, put this formula in, and then change it. That simply does not work. We must either do it this time or we shall not be able to do it at all.

I yield the floor.

Mr. CLARK. Madam President, it is not my intention to reply in detail to the able address of the junior Senator from Colorado. That has been done already far better than I could do it, by the Senator in charge of the bill, the chairman of the Subcommittee on Education of the Committee on Labor and Public Welfare, the senior Senator from Oregon. His brilliant defense of the bill and of the formula was supplemented by an extraordinarily able and well marshaled defense of the formula by the junior Senator from New York [Mr. KENNEDY]. The two Senators, in my opinion, pretty well demolished the position taken by my good friend the Senator from Colorado.

I shall confine my support of this bill to a discussion of the basic philosophical concepts which resulted in its being written and submitted to Congress.

EDUCATIONAL AND THE PROMISE OF AMERICAN LIFE

THE EDUCATIONAL PROBLEM

H.R. 2362, the Elementary and Secondary School Act of 1965, is addressed to America's most grievous social failure. For generations, education has been the vehicle by which Americans of humble origin have emerged into productive and prosperous adulthood. But now, in 1965, a congeries of circumstances in operation for several decades has combined to make of too many of our schools a training camp for idleness and discontent rather than a preparation for the promise of American life.

In brief, the worst schools are located in areas most desperately in need of the very best. Modern life, both urban and rural, tends to bring together, in concentration, people of the same economic class. And the public services our so-

ciety provides tend to reflect the quality of the areas in which they are provided. The worst slums, both urban and rural, and the worst schools thus coexist in a partnership of privation and despair.

This creates the cruel circumstance that President Johnson described in his education message in which ignorance breeds poverty and poverty all too often breeds ignorance in the next generation. We might call it the life cycle of despair.

H.R. 2362 seeks to break this vicious cycle by an attack on ignorance. It is an imaginative attack and it is an ambitious one.

The Congress has been trying for many years to enact legislation to provide financial help of sufficient scale to hard-pressed local school districts so that an education of respectably minimal quality can be assured for all American children. Our failures to do so have been chronicled by Robert Bendiner in his book "Obstacle Course on Capitol Hill"—which points out the difficulties which the passage of an education bill present to our legislative body.

THE PHILOSOPHY OF THE BILL

Now we have a bill that deserves to traverse the obstacle course. This bill is the product of our experience with earlier proposals. If it does less than some of us might like, and it does, one cannot argue that it does more than we can afford.

H.R. 2362 seeks to confront a condition and not a theory. It seeks to deal, not with the sterile controversies of the past, but with the pressing problems of the present. The bill before us has been relieved, so far as is humanly possible, of what the Senator from Arkansas [Mr. FULBRIGHT] has called the political burden of extraneous controversial issues.

H.R. 2362 is based on the explicit assumption that the presence in any school district of large numbers of children from low-income families poses educational problems that require Federal financial assistance to solve and that such assistance should help, in part at least, all children, whether in public or private school.

The validity of this assumption was attested to by the large number of witnesses, representative of nearly every major organization with educational concerns, who testified before our subcommittee.

There were comprehensive and extensive hearings, in depth, on this bill. Nothing could be less accurate than to say that this bill was railroaded through, without adequate consideration, under executive pressure not to cross a "t" or dot an "i," but to pass the bill as passed by the House. This bill represents the considered judgment of 16 members of the committee. All 16 agreed that the bill should be reported by the committee. I do not need to tell my listeners that when we get 16 Senators to agree to report a bill to the floor, we do not have a bill that has been railroaded through on short notice, without adequate consideration.

Mr. MORSE. Madam President, will the Senator yield?

Mr. CLARK. I am glad to yield.

Mr. MORSE. I am glad the Senator has made that point. It is really the answer to the question as to whether or not there was any "railroading" in connection with the bill. We know our colleagues on the committee. We know what the unanimous vote to report the bill out of committee really meant. They thought it was a good enough bill to vote for if they could not get it amended.

Mr. CLARK. The Senator is correct.

Mr. MORSE. I have hopes that they will vote for it if it is not amended.

Mr. DOMINICK. Madam President, will the Senator yield?

Mr. MORSE. Or almost all of them.

Mr. CLARK. I yield to the Senator from Colorado to direct an inquiry to the Senator from Oregon.

Mr. DOMINICK. I remind the chairman that when the bill came out of committee, I reserved all rights, including the right to vote against it.

Mr. MORSE. I was about to point that out. As I interpreted the vote to send H.R. 2362 to the floor, the members of the committee thought it was good enough to get to the floor. They did say they reserved certain rights to offer amendments or to try to have it amended. My friend from Colorado said that it included his right to vote against the bill. He has that right.

What I am pleading for, in case he does not succeed in having the bill amended, is that he could still vote to send it to the President, just as he voted to report it to the Senate. I want only to tell the Senator how proud I am of the cooperation I have received, from both sides of the table, which has resulted in having this bill reported to the Senate by unanimous consent. That means something. We did not vote in a vacuum.

Mr. CLARK. To continue, most of that testimony was overwhelmingly favorable, a small portion was critical in part, and there was very little testimony in outright opposition to the principle embodied in this bill.

THE PRIVATE SCHOOL PROBLEM

It is true that the bill is objected to by those who have created the fiction that any assistance to a pupil in a private school is an attack on the principle of separation of church and state because it makes attendance at the private school more attractive. But it is important to realize that this position is built upon a fiction. It finds no support in our tradition, in the history of public education, in the record of the Congress, nor in the decisions of the Supreme Court. The GI bill of rights, the school lunch program and the National Defense Education Act are all testimony to this.

I quite agree with those who argue that nonpublic schools have no right to public funds. H.R. 2362 does not seek to establish any such right. The question posed by this bill is one of wise public policy, not of constitutional right.

We are faced with the very concrete fact that almost 6 million American schoolchildren—or 1 in every 7—are educated in nonpublic schools. In my own State of Pennsylvania the proportion is much higher, nearly 1 in 4, with 630,000 pupils in private schools.

H.R. 2362 simply asserts the pragmatic recognition that the education of so substantial a proportion of our children is a public concern. If the private schools were to be closed there would be utter chaos in public education. The public interest is served by the assistance that public funds can provide in keeping alive and raising the quality of education in nonpublic schools. And the public interest is protected by the erection of safeguards to insure that all of the educational programs authorized by this legislation are publicly controlled, publicly sponsored, and publicly administered.

THE BASIS FOR FEDERAL ASSISTANCE

But much more fundamental to this bill is the basic formula on which Federal assistance is apportioned. This formula embodies the frank recognition that help should be scaled to the poverty level of each community.

This is a new concept. As I said earlier, it is an imaginative concept, and it makes of this bill an integral part, indeed an essential part, of the national war on poverty.

Under title I of this bill, for example, more than $124 million of the $1,060 million of public expenditures it calls for would go to the counties of Appalachia, including those in my own State. In other words 8.5 percent of the Nation's population would receive nearly 12 percent of the assistance it provides. And can anyone doubt that the national interest will be served by this emphasis on our most impoverished areas?

THE PROBLEM OF FINDING MONEY FOR EDUCATION

The great economic anachronism of our time—

John Kenneth Galbraith told the Joint Economic Committee in February—

is that economic growth gives the Federal Government the revenue while, along with population increase, it gives the States and especially the cities the problems.

Nowhere is this more true than in the field of elementary and secondary education. In the next 5 years 4 million more students will be in our elementary and secondary schools. They will require 400,000 new classrooms, while even now more than a million and a half of our classrooms are over 30 years old.

Yet, the 1963 Economic Report of the President pointed out that about 94 percent of taxes on personal and corporate income—the tax sources that are most productive in an affluent society—is paid to the National Government.

While corporate profits and the earnings of employees account for more than 80 percent of our national income, these tax sources are scarcely open to school authorities because of the structure of the American tax system.

Our modern industrial economy produces wealth in forms which the Federal Government taxes. Local—and State—taxes are raised from sources which may all too often be unrelated to wealth or expansion. Frequently the imposition of taxes on these sources may even decrease wealth and retard expansion.

The clear result is that State and local educational effort, our most important public responsibility, is effectively deprived of access to the wealth by which that responsibility can be discharged.

Only the Federal Government can eliminate this great economic anachronism. If the wealth that derives from economic growth cannot be marshaled in support of education, then, in spite of the most earnest efforts, our educational system, which should spearhead social progress, will lag behind and that lag will aggravate all our other social problems.

Rising costs, increasing responsibilities and declining sources of revenue—this is the lot of our local school districts whose tax revenues are closely tied to property values.

THE URBAN EDUCATIONAL PROBLEM

In my home city of Philadelphia, for example, nearly 85 percent of the money raised locally in support of the school system comes from a real estate tax. The city provides 65 percent of the total school budget. The State provides nearly an additional third, while the Federal Government contributes only 2.5 percent.

At the same time, a recently published study of urban school districts in Pennsylvania by the highly respected Fels Institute of Local and State Government of the University of Pennsylvania concluded that—

> Disproportionately large numbers of urban public school pupils have special needs produced by the negative, progressive effects of social and economic deprivation.

Mr. MORSE. Madam President, will the Senator from Pennsylvania yield at that point?

Mr. CLARK. If the Senator will let me finish the quotation I shall then be glad to yield to him.

The quotation continues:

> These special needs require new and expanded educational programs and services to enable pupils so disadvantaged to achieve adequate educational development.

I am happy to yield to the Senator from Oregon.

Mr. MORSE. I hesitate to interrupt the Senator. I do not wish to interfere with the continuity of his speech, but I should like to offer my interpretation as a supplement to the point he has just made—and I am so glad that he made it—because it adds to the vital statistics that the junior Senator from New York [Mr. KENNEDY] placed in the RECORD this afternoon, in the brilliant speech he made, which I said at the time in my judgment devastates the case of the opponents of the formula in this bill.

The Senator has just pointed out the large contributions which property owners in Philadelphia must make to support their schools; and yet they receive only a 2.5-percent contribution from the Federal Government.

That is the burden of my answer to the opponents of the formula, that although the so-called richer States such as Pennsylvania, New York, Ohio, and Illinois, will receive more dollars under the bill than the so-called poorer States such as Mississippi, Alabama, Georgia, and others, the fact remains that the poorer States will receive a much larger percentage of contributions from the Federal Government to the school budget of a given school district than will the Philadelphia school system, or Pennsylvania as a whole, or, for that matter any school district in New York, or New York as a whole. This will also be true of other wealthier States.

Therefore, my argument goes, if we are to be fair, to the taxpayers who are really making the major contribution to the support of schools in their respective States, the taxpayers whom the Senator from Pennsylvania has just mentioned; namely, the property owners, we have an obligation to do justice to them under the formula. That is what we seek to do, in view of the fact that the poorer States will receive dramatically larger percentage.

I pointed out that the highest percentage which will go to the so-called wealthier States, from the standpoint of individual school districts, will be somewhere in the neighborhood of 2.5 to 2.7 percent, but many are between 1 and 2 percent; whereas the contribution of the Federal Government, on a percentage basis, to the school budget in the poorer States will be up from 20 to 30 percent. In one of the cases I cited this afternoon it will be more than 40 percent.

Consequently, the formula as I see it does equity to the poorer States. To change it could do great injustice to the property owners in the wealthier States who are really being overtaxed so far as school contributions are concerned.

I do not know anyone who is better qualified than the Senator from Pennsylvania to point out what he has just pointed out. As a former mayor of Philadelphia, he had to suffer through the problem which I have just outlined. We all know what a serious problem it is that faces every mayor of any large city in this country in a wealthy State; or, for that matter, in the cities of any State in the Union.

However, I am glad that the Senator drove his point home so well.

Let me say, in closing, that the Senator from Pennsylvania has not been on the floor today when I wished to make a comment, because he was engaged in conference on another bill.

However, I wish the RECORD to show that the Senator from Pennsylvania has stood with me through thick and thin, through good times and bad times on educational legislation for many years in the Senate.

I am indebted to him. I am also greatly indebted to him for the wonderful cooperation and support he has given me on the pending bill, because like me, the Senator from Pennsylvania would sit down and write, in some respects, different language in connection with some sections of the bill, as he has suggested in his opening remarks.

However, he and I have agreed that this is a good bill, that it is good enough to vote on from the floor of the Senate and to send directly to the White House.

That is why he and I are urging that the Senate do that; and next year, after 1 year's experience, consideration can be given to possible amendments to the bill.

Mr. CLARK. I thank my friend the Senator from Oregon for his more than kind words. I find myself in complete agreement with the emphasis he has given to the difficulties confronting the real estate owners of the country in the vast burden of school taxes which are imposed upon them at an increasing rate every year.

The problem of upgrading the schools becomes more difficult each year. The school dropout rate, the problems of minority groups, the difficulty of getting an educational system at the local level to be something more than mediocre, are getting worse, not better.

Nevertheless, we find that the sources of local revenue, and, indeed, the sources of State revenue also, which are used to supplement in my Commonwealth the efforts of local communities are just inadequate to the task. We are faced with the straight decision: Do we wish to have a mediocre or worse educational system in America, or are we prepared to put the massive assistance of the Federal Government behind our efforts to give the boys and girls of the United States of America the greatest educational opportunities of any children in the world?

To return to my text, Madam President, the study then added that it was imperative that these special needs be taken into account both in educational policy and in the fiscal policy which relates to education. But the high cost of the broad range of municipal services that large urban areas must provide creates a tax burden that prevents these cities, without other assistance, from financing adequately their educational costs even though there may well be, in the abstract, a considerable concentration of wealth in the cities.

We have heard a great deal about local effort in support of education during the debate over this bill. But it is nearly meaningless to isolate a single municipal service and determine the burden of taxpayer support of that service without taking into account what other municipal services that some taxpayer is supporting. If this is not done, comparisons are misleading at best, meaningless at worst.

Madam President, this was done in great detail by the junior Senator from New York [Mr. KENNEDY] this afternoon, whose speech I commend to all readers of the CONGRESSIONAL RECORD, as the best documented argument in support of the formula contained in the bill and in opposition to any efforts which may be made to change that formula.

I am aware that it is possible to demonstrate statistically that the residents of many of our poorer States are contributing a larger portion of their income to education than are the residents of our heavily populated urban centers. But those poorer States, because they are less heavily populated, are not required to support the range of Government services that population density requires. Our cities, however, are required to support mass transit systems, juvenile delinquency programs, and a host of other costly services which are unnecessary in sparsely populated areas.

If it is the purpose of this bill to apportion assistance to those areas where the taxpayer deserves a break because of the heavy burden he is presently carrying then we should look at that total burden and not just a part of it. If that is not the purpose of this bill then we should stop talking about local effort. It is local need that dictated the formula for distributing funds in this bill, and I believe that we should retain that formula. Our purpose is not to relieve taxpayers but to assist children.

In the areas of rural poverty the impact on education is the same even though the problem is more easily described. Here there is simply lacking even the appearance of wealth to support the kind of educational program required by the children of the economically disadvantaged.

Some way must be found by which the relative affluence of the Federal Government, which derives from its position in the tax structure, can be shared with our increasingly hard-pressed local governments in meeting the problem of education. We have had to learn this lesson in other fields. H.R. 2362 now seeks to apply this lesson explicitly to education.

It does so because, in the society in which we live, the consequences of an inadequate education are visited on society itself. As President Johnson has said, we presently spend about $450 a year on a child in our public schools but we spend $1,800 a year to keep a delinquent youth in a detention home. Can we not come to a frank recognition that we need not wait until lives are ruined before the public responsibility for a sane and healthy society can be asserted? It is my belief that this bill is a step in just that direction.

A COORDINATED ATTACK ON IGNORANCE

I should like to see the 89th Congress take its place in history as the Congress which first recognized the need for a truly coordinated attack on the social and economic ills of our society—and the primary place of education in that attack.

This is the essential concept of the Great Society: that America possesses the resources, properly marshaled and directed by social purpose, to rid our civilization of the ills that have plagued mankind from the beginning of time.

But a constantly rising level of affluence requires a constantly rising level of education. Education not only makes affluence possible, it provides also the sense of tolerance, the practice of civility, the capacity for leisure, and the respect for creativity that the good society requires.

MANPOWER ASPECTS OF EDUCATION

And it is the foundation upon which we must rely for the trained manpower we need to run the Great Society. In the last two decades we have seen a manpower revolution in this country in which the number of jobs for those with strong backs has continually diminished while the number for those with advanced educational skills grow and grow.

Stoop labor and repetitive work are rapidly being absorbed by advancing technology opening up whole new fields of employment for those who were formerly tied to the production line or the farm field. In the future only those properly prepared and educated can win those new jobs. Our farmers have themselves become technicians operating highly complicated machinery. Our educational system, in the final analysis, is the foundation upon which a full employment economy must rest.

The educational system must provide the advances in knowledge upon which economic advance depends. And it is the only pervasive device we have for lifting those bypassed by the manpower revolution up to the skill levels needed for them to participate as wage earners in the Great Society, too.

IMPACT OF EDUCATION ON SOCIAL PROGRESS

In recent years the Congress has passed a large number of far-reaching measures to achieve further social and economic progress. In case after case we have had to learn, often very late, that the success of these programs in such disparate fields as housing, urban renewal, manpower retraining, civil rights, the Appalachia program, the poverty program, and a host of others is fundamentally dependent on the quality and pervasiveness of American education.

But at the same time, while the Congress has been able to enact legislation to provide specialized assistance, as with the National Defense Education Act, or to act in special areas, notably higher education, we have not been able to enact legislation that would provide less specialized assistance to the schools.

We can no longer afford to delay. To do so is to jeopardize gravely the success of our efforts across the whole range of public policy.

I must confess to certain misgivings, and I am confident that they are shared by others in this body, about the administration of some of the programs I have voted for in recent years. That they are addressed to genuine problems I do not doubt; that the conceptions underlying them are sound I am confident. But I question whether we have today an adequate supply of trained manpower to administer them with ability, with compassion and with understanding. No less important is it that those citizens upon whom these programs impinge possess those qualities which genuine education imparts; if they do not, programs—such as the poverty program—may well fail.

The plain truth is that our educational system is simply not producing in adequate quantities the kind of educated person who can convert the Great Society from a vision to a reality.

That is why I view this education bill as the cornerstone of our efforts. And that is why I applaud the principle of selective assistance, the concentration on low-income families, that this bill provides.

Poverty, unemployment, intolerance, delinquency and vice are the companions of ignorance. This legislation seeks to deal with the cause and not the symptoms of our social ills.

The National Government has, on the whole, moved in recent years with imagination and vigor to deal with these symptoms. It has moved far more slowly in seeking to deal with the cause.

THE FORMULA

It is, of course, possible to criticize the formula for allocating funds under this bill. I support that formula, but let me be candid about it.

This bill as it came from the House through the Senate committee to the floor is a "soak the rich" bill. By that I mean that in this, as in other programs of Federal aid, the wealthier States will get back far less than they will pay in. As a Senator from one of the wealthier States I am prepared to support that formula nonetheless.

I do so primarily because education in America is a national as well a State and local problem. There are areas in Pennsylvania that desperately need the help this bill provides. This bill makes it easier for wealthy areas in Pennsylvania to assist poorer areas and to do so more equitably and more generously than the State government is likely to do. But, in addition, I support it because I have always believed that the health of my State depends upon the health of the Federal union of States.

Having said that, let me add that the genius of the formula contained in this bill is that it pushes this principle about as far as the wealthier States can be expected to accept. Any alteration of this formula to push this principle any further will almost certainly jeopardize that acceptance.

The States and their school districts have made, in many cases, heroic efforts to meet their responsibilities. Expenditures on education by State and local governments have risen dramatically in the postwar period.

But commendable as these efforts have been, the continuing disparity in the quality of our schools has served mainly to emphasize the national nature of the problem. Wealth is simply not evenly distributed among the States. Hence vigorous local efforts, acting on an uneven base, cannot produce even substantial equality of educational opportunity.

SUMMARY OF BILL AND CONCLUSION

The National Government must use its resources to assure that goal of substantial equality and that is what this bill is designed to do. That the National Government must be the instrument is the lesson of experience. That the goal deserves the very highest national priority is the obvious lesson of contemporary events.

This assertion is in complete harmony with the repeated finding of the Joint Economic Committee of the Congress, stated most recently in March, "that few investments, public or private, can yield such rich returns to the Nation as a broad and coordinated program to increase educational facilities, techniques, and programs." H.R. 2362 is precisely such a broad and coordinated program.

Title I provides over a billion dollars for improving the education of economically deprived children. The language of the bill is broadly permissive and would authorize a wide range of programs, at the discretion and under the control of local school authorities who best know

their needs, that will have a beneficial effect on the entire educational system.

Title II institutes a 5-year program for the improvement of school library resources, including the most modern instructional materials, and the textbooks used in the Nation's schools.

Title III institutes a 5-year program to provide educational services, not broadly available presently, through supplementary centers. Special personnel and equipment will be made available in this way to serve the educational needs of whole communities.

Title IV proposes to step up educational research and dissemination of the results of that research, as well as the creation of regional educational laboratories, in order to improve the quality of teaching in our schools.

Title V proposes a 5-year program for strengthening State departments of education and thereby the educational leadership resources across the Nation.

These five titles collectively comprise a comprehensive and detailed approach to the improvement of the quality of elementary and secondary education in America. This bill is overdue; it is carefully aimed at the economic areas of greatest concern; it is thoughtfully designed to assist those portion of the educational complex—research and development—where the returns will be most lasting and consequential. It deserves our support.

On one thing both the supporters and the opponents of this bill agree. If passed it will be but a beginning. I unhesitatingly voice my hope that this is so. Let us begin by passing this bill. And then let us continue by further generous and comprehensive support of education in this country. Nothing this Congress does is more likely to earn it the respect and gratitude of posterity.

Madam President, does the Senator from Colorado desire the floor again?

Mr. DOMINICK. I have no immediate desire for it. I am willing to call it a night and go home.

Mr. CLARK. I would be glad to move that the Senate stand in adjournment, but my good friend the senior Senator from Oregon [Mr. MORSE] was called to the telephone. He said that he would return in a minute or two. So I think I should suggest the absence of a quorum in order to give him an opportunity to return to the Chamber.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Madam President, I wish to make a very brief statement which I believe is owed the President of the United States. I make this statement most respectfully.

While I fully understand the point of view of my highly esteemed colleagues on the minority, I feel that I owe it to the President to point out that the majority of the committee is not reporting the bill and urging that it be adopted by the Senate without amendment under any dictation from the President of the United States. The majority does not feel that it is under any pressure from the President of the United States or suffering from any so-called arm twisting by the President of the United States. I assure my good friends, the minority members of the committee, that the majority members of the committee are urging the passage of H.R. 2362, without amendment, on the basis of our independent value judgments as to how best we can serve the boys and girls in these elementary and secondary schools of our country which most need our help.

I have not talked with a single one of the Senators on the majority who has reported to me that the President has ever had a conference with him about the bill. Only the chairman of the subcommittee and the majority leader of the Senate, to my knowledge, have had a conversation with the President in regard to the bill.

This afternoon I reported on the floor of the Senate, as it was due the President to report, that the President agreed with the position that the majority on the committee had taken that the bill ought to be reported without amendment; and that it ought to be sent from the Senate to the White House so that it can become law, avoiding any of the possible risks that are always involved in connection with an education bill in conference sessions.

On the basis of this record in connection with the bill, the President of the United States is not deserving of any criticism that he is dictating to the majority of the committee or that he is dictating to the Senate. If one takes a look at the individuals who constitute the majority of the committee and each of their records, judicial notice can be taken that the President could not dictate to these Senators anyway. Merely because the President finds himself in agreement with us in regard to the legislative policy which we feel ought to be followed; and the mere fact that we find ourselves in agreement with the President's conclusions also as to the legislative policy that should be followed, does not, in my judgment, justify giving the impression to the country that the President is in any way dictating to the committee or to the Senate.

Mr. CLARK. Madam President, will the Senator yield?

Mr. MORSE. I yield to my friend from Pennsylvania.

Mr. CLARK. The Senator from Oregon is one of the most outstanding constitutional lawyers in the country today. He has wide experience in the whole general field of constitutional law, and particular experience and erudition in the area of the inter-relationship between the 3 coordinate branches of our Federal Government—the legislative, executive, and judicial. I wonder what he thinks of the suggestion of our friends on the other side of the aisle that when the Senate passes a bill which comes over to us from the House without amendment we are, in effect, endangering the whole fundamental constitutional structure of our Federal Government.

Mr. MORSE. I do not believe that there is any basis in fact, from the constitutional standpoint or otherwise. Yet, I do not wish to seem to be criticizing Senators on the minority side of the aisle, because I am not. I know they would like to amend the bill. I should like to have them to attack me and to attack my colleagues on the committee, rather than to attack the President of the United States. We are the ones who are responsible for the legislative strategy that the bill be sent to the President without amendment.

I have only reported—and I did this in committee; it is not a new report from me, because for quite some time I have reported to my colleagues on the committee—that the President agrees that the best way we can give assurance that we are going to provide aid to the educationally deprived in our elementary and secondary schools is to pass the House bill without amendment, because it is a good bill. But I take full responsibility for having urged the committee to accept the bill without amendment. In fairness to the President, I want to relieve him of any responsibility for having influenced or directed members of the committee in respect to the proposals I have made.

Mr. DOMINICK. Madam President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOMINICK. I always welcome the Senator's comments. I have never before known the Senator from Oregon to worry about what the House would or would not do.

Mr. MORSE. I have worried many times.

Mr. DOMINICK. If he thought there was a proposal which was better in the national interest, he went ahead regardless of what the situation was.

Mr. MORSE. I would now, too.

Mr. DOMINICK. The situation at the present time seems a little strange to me. Time after time today the Senator from Oregon, the Senator from Pennsylvania, and the Senator from West Virginia have said on the floor of the Senate, in effect, "We will pass the bill as it is this time. Next year, if amendments are needed, we will seek to amend the law."

Mr. MORSE. We do not say that amendments will be needed. We do say that if amendments are shown to be needed after a year's experience, we will support them. But we want to have a year's experience.

Mr. DOMINICK. The Senator from Oregon never answered my comments about the difficulty of trying to overcome the allocation problem under the grant program after it went into effect.

Mr. MORSE. I do not believe there will be any difficulty if facts can be shown which will justify a change. I have great confidence in the legislative process of the Senate and in the judgment of Senators. If a case can be made to justify a change, I think a change can be made.

Mr. DOMINICK. The Senator's colleague in the House, Mrs. GREEN, referred specifically to the difficulty of changing the allocation of funds under the impacted area act and some of the

grants-in-aid programs that have been enacted.

Mr. MORSE. I have great respect for my colleague in the House, but I believe she is in error in her conclusion, because Congress has amended the impacted area legislation several times. Congress has amended rather extensively the National Defense Education Act and the coverage and formulas of the Vocational Education Act several times. I say most respectfully that I think my colleague in the House made her argument without fully examining the record.

Mr. DOMINICK. It has been suggested to me that perhaps this proposal ought to be called "legislation by trial marriage"; that we should wait a year to see what happens.

Mr. MORSE. No; I think we ought to legislate by basing our votes on what the record shows we now need.

## OVERWHELMING COSTS OF PROTRACTED, SEVERE ILLNESS

Mr. McCARTHY. Madam President, the Association of Minnesota Internists recently adopted a resolution to be presented at the 1965 convention of the American Society of Internal Medicine.

The concern of the Minnesota group is about "the overwhelming costs of protracted, severe illness wherever it may strike."

They state:

In order for a solution to this problem to be truly effective, it cannot direct its efforts toward a part of the problem; it must seek to protect all Americans when catastrophe strikes. As a consequence, ASIM should depart from the existing pattern, and seek a national policy of medical insurance for all who fall victim to overwhelming medical expense.

I do not share the view of the Minnesota Association that we should defer action on medical care for the aged until the entire problem is restudied. The problems of those over 65 are of a special type and I believe we should act now to meet that particular problem. However, I believe the resolution adopted by the Minnesota Association in reference to the problem of overwhelming medical expense, no matter what one's age, is an example of constructive approach which this organization is taking to the basic problem of health and medical services for citizens. I ask unanimous consent that the resolution be printed at this point in the RECORD.

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

RESOLUTION NO. 1 OF ASSOCIATION OF MINNESOTA INTERNISTS TO BE PRESENTED AT THE 1965 ASIM NATIONAL CONVENTION

Whereas legislation is presently pending in the Congress of this Nation which will, if passed into law, drastically affect the practice of medicine; and

Whereas the overwhelming preponderance of practicing physicians in this country have indicated their dissatisfaction with some principles embodied in the aforesaid legislation; and

Whereas the Association of Minnesota Internists embarked on a program of evaluation of national health legislation approximately 9 months ago, for the purpose of proposing action on the part of ASIM during 1965: Therefore be it

*Resolved*, That the American Society of Internal Medicine proceed, with the utmost diligence, to formulate its own policy as to national health legislation, with such policy to embody all parts of the following recommendations which, after additional careful study on a national level, are proven to be workable in solving the Nation's health problems.

RECOMMENDATIONS

1. National health legislation policies can be soundly formulated only through careful correlative studies, involving, at the very least, representatives of the Government, the insurance industry, and the medical profession. Because of this, it is deemed advisable that:

(a) Representatives of ASIM seek liaison with interested individuals in other fields related to the problems concerned in the further development of all important concepts.

(b) The American Medical Association encourages the study and formulation of ideas on the matter among members of the profession. Because of this, the American Society of Internal Medicine has the unparalleled opportunity of using its unique concentration on socio-economic matters toward solving the biggest problem of the medical profession during the 20th century. Once formulated, the findings and conclusions of ASIM should be submitted to the governing bodies of the AMA in a timely manner, in order that organized medicine can utilize what is meritorious therein in presenting its case to Congress and the American people.

(c) It is specifically recommended that Members of Congress be enjoined to hold a national conference on health legislation, with representatives from all involved groups present, prior to the passage of any pending legislation on health insurance, in order that such can embody the experiences of each.

2. Whereas the target of most national health legislation proposals has been those Americans over an arbitrarily selected age, the real problem created by the advances in medical science consists in the overwhelming costs of protracted, severe illness wherever it may strike. In order for a solution to this problem to be truly effective, it cannot direct its efforts toward a part of the problem; it must seek to protect all Americans when catastrophe strikes. As a consequence, ASIM should depart from the existing pattern, and seek a national policy of medical insurance for all who fall victim to overwhelming medical expense.

3. In a like sense, there is no wisdom in affording protection in situations where need is nonexistent. Doing so would be open invitation to overusage. There is no evidence that, in the United States, there is a need for Federal legislation to provide for medical expense coverage for either short-term medical care, or for the ordinary routine care of the common chronic illnesses. The indigent are covered by existing Federal and State laws, and, if any such need exists, it can most efficaciously be taken care of by extending them. New health legislation should be directed toward major medical expense alone, and ASIM should pursue such a direction.

4. At the present time, private health insurance is available which protects its beneficiaries from medical expenses beyond a minimal deduction and up to maximums of $10,000 to $15,000. Such coverage would appear to characterize the real needs of the American people generally.

While it is not within the province of a group of physicians alone to set the deductible amount which the overwhelming preponderance of Americans could sustain in a short time, such a figure would appear to be between $300 and $500. Coverage of the above type, for a family of two adults and two children, covering an illness for a period up to 3 years, would cost the average wage earner about 1½ percent of his monthly income.

Since the goal of this program is to include all people, some of whom may not be eligible under existing coverage through private insurers, the Government must assume some fiscal responsibility for collection and distribution of premiums.

5. The relationships between the degree of governmental regulatory control of medical facilities and medical costs has a long record of direct proportionality. Because costs of government at all levels are approaching their limits of tolerance, and because medical expenses on a national basis could severely aggravate such a condition, it would appear to be sound policy to limit the role of the Federal Government to that minimal one commensurate wth success of the plan. In our opinion, this role would include the following:

(a) In order to get all people into the program, it appears necessary that subscription be compulsory. The Government is best equipped to accomplish this through the use of the income tax agencies. Along with tax payments, payments can be made for health insurance. The simplest method of allowing individuals to procure their own insurance thereafter would appear to be the return to the taxpayer (or income tax return filer) of a certificate from the Internal Revenue Bureau, which he could use to procure his choice of private major medical insurance. As will be seen later, such a choice can be of considerable importance in a plan covering citizens of all ages.

(b) A special fund, perhaps labeled as the tax insurance fund, would be set up nationally as a depository for health insurance payments made to the Government, with premiums paid from such funds to insurance carriers as health plan certificates are turned in by them. This fund would be under governmental control. It seems possible that, during an initial adjustment period, moneys from the general fund would be needed as supplements to the tax insurance fund, until experience ratings determined the true costs involved. After an experience period, the tax increment paid by individuals would equal the value of certificates, plus an additional amount needed to cover insurance company losses in providing such coverage.

(c) In turn, private insurance companies participating in the program would establish a reinsurance pool among themselves. This pool would be administered, collectively, by them, and the companies, individually and collectively, would report to and share in the experience of the reinsurance pool on all coverage provided under the proposal.

If benefit payments plus expenses of the private insurers, as reflected in the operation of the reinsurance pool, exceed the premiums collected, the Government would subsidize the reinsurance pool from moneys held in the tax insurance fund (or taken from the general fund). As experience under the program emerges over a period of years, the individual contribution level would be adjusted to reflect the actual benefit costs plus administrative expenses incurred in providing the coverage.

6. In order to prevent overutilization of medical service after payment of the initial deductible amount, it would appear wise to include a coinsurance feature in all coverage. Such a feature would entail payment by the insured of a small part of additional costs. How such payments should be applied might best await the development of this concept by insurance experts. As an example, however, the individual might be expected to pay 20 percent of the cost of the first thousand dollars; 10 percent of the cost of the next thousand, etc.

7. Coordination between the compulsory major medical program and other aspects of private health insurance as presently established is a factor of considerable significance in the formulation of such a program.

(a) Private industrial corporations have already established extensive group health insurance plans for their employees. Where such plans exist, major medical premiums under the above plan can be used to supplement them: either by extending such coverages or otherwise.

(b) By combining compulsory major medical with other types of coverage, private carriers could continue to maintain a competitive relationship with each other, to the public's benefit.

8. From the standpoint of what medical services would be included in the coverage of major medical insurance, a number of factors are of importance. These include the following:

(a) It would appear reasonable to cover charges by qualified physicians, both in the hospital and out of it. This is true because:

1. While most office charges would be unlikely to exceed the deductible amount, follow-up care after discharge from a hospital would be in excess of the deduction.

2. Under currently existing private health care plans, there is an undeniable waste, due to the fact that hospitalization occurs so that patients may be covered by their insurance. Were coverage for office charges to be a part of such plans, the public would be saved the cost.

3. There is a real possibility that, if Government-sponsored and other insurance plans were to cover the hospital but not the office, private practitioners would be forced to forfeit income to hospitals, and patient care would degenerate through substitution of the hospital-employed doctor for the private physician.

(b) Hospital and nursing home care, which comprise the greatest expense among modern medical costs, would necessarily be covered under the plan.

(c) Home nursing care, properly supervised and developed, can readily serve as a means of precluding hospitalization. They should be included and encouraged as part of the health care plan.

(d) The costs of drugs and appliances prescribed by physicians outside of the hospital should probably be included in the plan, though such might well need more careful study and regulation than other aspects of care.

9. Utilization review boards, on a hospital staff basis, are becoming a significant factor in the practice of medicine, and are a healthy development when kept within the profession, whether connected with Government-sponsored health insurance or not. They should be developed within the profession, and cannot logically include lay people, who cannot judge the merit of medical procedures, and, therefore, could only add confusion to the functioning of such groups.

10. In strict contrast, provisions in pending legislation in Congress provide for granting certain powers of discretion as to utilization to the Secretary of HEW and, through him, to State health agencies. They also provide for the creation of a Hospital Insurance Advisory Council to assist the Secretary. It would appear that such powers and appointments are both inadvisable and unnecessary under our proposed plan for the following reasons:

(a) The primary purpose of national health legislation at this time is to alleviate financial disasters to people created through medical expenses. There is no indication that existing regulations, within the profession and outside of it, are not adequate for the policing of the care doctors are giving their patients.

(b) If overutilization is a matter for consideration, a serious look at its presence or absence in Government-sponsored institutions should serve as a guide to the capabilities of Government agencies in this regard.

(c) The presence of a deductible amount and of a coinsurance clause in Government-sponsored health coverage, such as is recommended in our proposal, is far more effective in curbing overutilization that are Government boards and councils devoted to this matter.

11. Summary: The prime target of national health legislation should be determined initially before such legislation is passed into law. It is our contention that this target must be the amelioration of financial disasters, following in the wake of catastrophic illness, and that previously recommended concepts have been aiming wide of the mark. Our recommendations have been made with the thought of covering the need, the whole need, and nothing but the need. It is our opinion that, if such a policy is adhered to, in any consideration as to health legislation, the public welfare will be maximally benefited and minimally harmed.

## GOLD FLOW AND BALANCE OF PAYMENTS

Mr. McCARTHY. Madam President, I am somewhat concerned that the United States is overreacting to the problems of gold flow and the balance of payments.

The strength of the dollar does not depend primarily upon gold reserves; rather, it depends upon the world's most productive and efficient economy.

The strength of the dollar rests upon the world's strongest creditor position.

The strength of our dollar rests upon the world's most favorable trade position.

And it rests upon a most important factor, a stable government with the power and potential to determine tax and fiscal policy which is necessary to maintain the stability of the dollar.

I suggest the following U.S. policies to achieve these goals:

Our efforts to reduce direct military expenditures and foreign aid, however limited this possibility is, should be continued.

American bankers should be encouraged to give further attention to the problem of international finance and to increase their involvement in the area of international finance.

We should look to the suspension of those policies presently in effect which set restrictions upon the use of the dollar as an international currency and upon the free movement of the dollar in international trade, and upon American investment abroad.

The interest equalization law should be most carefully reconsidered and voluntary programs recommended to industry and finance in the country also weighed most carefully by the Government and by the businessmen and financiers who may be moved to comply.

Tax policies which unduly discourage foreigners from investing in the United States should be changed; tax policies which discourage the repatriation of earnings by American firms established overseas should be modified.

Along with these basic efforts, continued attention must be given to a system of improving international exchange so that the temporary imbalances can be quickly and easily adjusted and the needs of expanding trade more effectively met.

A combination of these policies would eliminate the principal economic or fiscal considerations regarding the strength of the dollar and should eliminate altogether the unfounded fear and suspicion which may run against the dollar and our international monetary and currency position.

## TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

## PRINTING OF REVIEW OF REPORTS ON NEW YORK HARBOR (ANCHORAGE AREAS), NEW YORK (S. DOC. NO. 17)

Mr. McNAMARA. Madam President, I present a letter from the Secretary of the Army, transmitting a favorable report dated July 10, 1964, from the Chief of Engineers, Department of the Army, together with accompanying papers and an illustration, on a review of the reports on New York Harbor (anchorage areas), New York, requested by a resolution of the Committee on Public Works, U.S. Senate, adopted July 16, 1957. I ask unanimous consent that the report be printed as a Senate document, with an illustration, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965—AMENDMENTS

### AMENDMENTS NOS. 74, 75, AND 76

Mr. DOMINICK (for himself and Mr. ALLOTT) submitted three amendments, intended to be proposed by them, jointly, to the bill (H.R. 2362) to strengthen and improve educational quality and educational opportunities in the Nation's elementary and secondary schools, which were ordered to lie on the table and to be printed.

### AMENDMENT NO. 77

Mr. DOMINICK (for himself, Mr. ERVIN, Mr. ALLOTT, and Mr. FANNIN) submitted amendments, intended to be proposed by them, jointly, to House bill 2362, supra, which were ordered to lie on the table and to be printed.

### AMENDMENT NO. 78

Mr. DOMINICK (for himself, Mr. PROUTY, and Mr. ALLOTT) submitted an amendment, intended to be proposed by them, jointly, to House bill 2362, supra, which was ordered to lie on the table and to be printed.

## ADDITIONAL COSPONSORS OF BILL

Mr. CLARK. Madam President, on April 1, 1965, the junior Senator from Illinois [Mr. DIRKSEN] introduced a bill (S. 1660), which was cosponsored by several other Senators, to incorporate the Italian-American War Veterans of the United States.

On behalf of the Senator from Illinois, I ask unanimous consent that the names of the senior and junior Senators from Maryland (Mr. BREWSTER and Mr. TYDINGS), and myself, be added as cosponsors at the next printing of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADJOURNMENT TO 10 A.M. TOMORROW

Mr. MORSE. Madam President, I move that the Senate adjourn, in accordance with the order previously entered, until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 13 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, April 8, 1965, at 10 o'clock a.m.

## CONFIRMATIONS

Executive nominations confirmed by the Senate April 7, 1965:

OFFICE OF ECONOMIC OPPORTUNITY

Jack T. Conway, of Michigan, to be Deputy Director of the Office of Economic Opportunity.

Glenn W. Ferguson, of Maryland, to be Assistant Director of the Office of Economic Opportunity.

Otis A. Singletary, of North Carolina, to be Assistant Director of the Office of Economic Opportunity.

Theodore M. Berry, of Ohio, to be Assistant Director of the Office of Economic Opportunity.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

*To be captains*

John O. Phillips
Robert C. Darling
Miller J. Tonkel

*To be lieutenant*

William R. Curtis

DEPARTMENT OF JUSTICE

John Doar, of Wisconsin, to be an Assistant Attorney General.

Harold Leventhal, of the District of Columbia, to be U.S. circuit judge for the District of Columbia circuit.

Robert B. Green, of Oklahoma, to be U.S. attorney for the eastern district of Oklahoma for the term of 4 years.

INTERSTATE COMMERCE COMMISSION

The following-named persons to the positions indicated:

Rupert L. Murphy, of Georgia, to be Interstate Commerce Commissioner for a term of 7 years expiring December 31, 1971.

John W. Bush, of Ohio, to be Interstate Commerce Commissioner for a term of 7 years expiring December 31, 1971.

# EXTENSIONS OF REMARKS

## Senior Citizens' Health Programs

EXTENSION OF REMARKS
OF

### HON. ELMER J. HOLLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 7, 1965*

Mr. HOLLAND. Mr. Speaker, under leave to extend my remarks, I want to call to the attention of the membership my views on medicare as outlined in my monthly report to the residents of my congressional district last month.

SENIOR CITIZENS' HEALTH PROGRAMS

(From Congressman ELMER J. HOLLAND, 20th District of Pennsylvania)

At long last it appears that Congress—both the House and the Senate—will act favorably on legislation to provide adequate hospitalization, nursing home care, home nursing care and diagnostic services for our elder citizens, 65 and over, the program will come under the Social Security Act, as I have long advocated.

President Johnson sent the following message to a recent luncheon meeting held in Washington and sponsored by the Senior Citizens Golden Ring Council of New York. In substance, he said:

"The crusade for health care is on the verge of victory.

"The long debate is drawing to a close. There is going to be a program of health insurance for older people in this country. And the basis of that program is going to be our great social security system.

"For far too long older Americans have had to cope as best they could with the steeply rising costs of hospital care and other health services that you need.

"You have been patient in your actions, progressive in your thinking. Now your patience is to be rewarded by action."

Congressman MILLS, chairman of the House Ways and Means Committee—attended that luncheon, and told the guests the health care package would include the following:

1. A basic social insurance program of hospital care, based on the King-Anderson bill.

2. An increase in social security cash benefits.

3. An optional supplementary program covering many health expenses—not included in the basic hospital insurance program—to be partially financed from Federal funds.

4. Improvements in the existing Kerr-Mills Act (medical assistance for the aged)—to include provisions for medical care to needy children, as well as the needy elderly who cannot qualify under the social security program.

The bill—including the four programs—was reported out by the Ways and Means Committee on March 23. It is now in the Rules Committee awaiting a rule under which it will be considered by the House. (The Rules Committee determines whether a bill comes out under a closed rule—meaning no amendments can be offered from the floor—or an open rule—meaning that amendments can be offered by the Members for consideration.)

One thing is certain—however—the bill will reach the floor of the House for a vote. Early this session, Members of the House passed a resolution reinstating the 21-day rule—which authorizes the Speaker of the House to call up for House action any bill approved by a legislative committee that has not been cleared for House consideration by the Rules Committee within 21 days. In other words, the Rules Committee received the legislation on March 24, and if it takes no action, Speaker MCCORMACK can have the measure placed before the House for consideration after April 14. Therefore, we will soon have the opportunity to vote for the legislation.

In 1956, when I ran for Congress in a special election, I campaigned on a platform stating my support of the Forand bill to provide hospitalization, medical care and drug costs for persons receiving social security and railroad retirement benefits. After my election, I introduced the Forand bill and became a cosponsor (84th Cong.).

I have reintroduced that bill each Congress—up to the present—(89th Cong.). This session I cosponsored the King-Anderson bill (H.R. 1813). The administration backed the King-Anderson program, and while it did not provide broad coverage, I have stated I would vote for it if a better program was not obtainable. However, I felt the provisions of the Forand-Holland bill were preferable. In an effort to appease the American Medical Association, the administration deleted the portion of the old Forand-Holland measure "to provide coverage of medical and drug costs" and kept the hospitalization and nursing care coverage.

The AMA was not to be appeased, however, and it opposed even the limited version. That organization, over the years, has prevented the legislation from coming before Congress.

The AMA first opposed, then endorsed—and finally supported—the Kerr-Mills Act (medical assistance for the aged). This is a welfare program under which all persons 65 and over, who are on relief, can receive needed medical and hospital care, plus dental and eye care, diagnostic services, home nursing services and drugs with all costs paid by the State and Federal Governments. Under that program persons, 65 and over, who are receiving Social Security and Railroad Retirement benefits are entitled to hospitalization and nursing home care only, provided the pensioner can prove that he and/or his children cannot afford to pay for such care. * * * His income is below a certain amount * * * and * * * he has no private life insurance or property over a specified amount. (Each State is different.)

Pennsylvania citizens—65 and over who are on relief or pensions—do not receive any benefits under the Kerr-Mills Act which they did not already have under the State welfare program. The only help the act gives our State is to reduce the cost to the State, as the Federal Government now pays half the costs. Several other States with welfare programs similar to ours—New York, Michigan, New Jersey, etc.—also participate in the Kerr-Mills program, since it authorizes the Federal Government to share in the State's cost. Many States, however, do not wish to pay their share of the cost—so they do not participate in the program; consequently,

their elder citizens (with or without pensions) receive no health care.

In the November 1964 election, the people of America elected a President and Vice President, as well as Congressmen and Senators, who campaigned on platforms including adequate health care for our senior citizens. There was little doubt that the limited program—under the King-Anderson bill—would be enacted into law.

However, the American Medical Association—in a hysterical, last-ditch stand—came up with a fancy-named program, eldercare, and it claims to cover everything at no cost to any individual (just the State and Federal Governments * * * who are really you and me), but in the fine print—you find out that maybe you will have to pay something after all.

Supposedly, the main concern of the AMA is the lack of health insurance coverage for doctors' fees and medicines, yet, this coverage was provided by the Forand-Holland bill, and the AMA claimed it would result in socialized medicine. Now, it laments for the poor pensioners because inadequate care is not offered under the original King-Anderson bill. But under the King-Anderson bill, as amended by the committee, this is not true.

The amended King-Anderson bill has a provision of considerable interest to our pensioners not included in the other bills. It grants a 7-percent increase to the 20 million social security beneficiaries (about $1.3 billion a year).

Another section of the amended bill increases the Federal share of public assistance programs in the various States, helping old-age assistance recipients, blind pension recipients, and persons receiving assistance because of disability (other than social security disability). Needy children—on relief—will also be included.

Federal funds to the States will be increased under this section—for programs conducted in behalf of the aged in mental and tuberculosis institutions.

Following is a résumé of the major medical care proposals. You may judge for yourself, the true facts.

*Résumé*

| Provisions | King-Anderson bill (medicare) | Herlong-Curtis bill (eldercare) | Byrnes bill (GOP) |
|---|---|---|---|
| Who is eligible? | All persons 65 years of age and over | All persons 65 years of age and over | All persons 65 and over. |
| Benefits | 60 days inpatient hospital care; patient to pay cost for 1 day (approximately $40).<br>60 days in nursing home if posthospital care required and patient is transferred from a hospital.<br>240 health care visits at home.<br>Outpatient hospital diagnostic services; patient to pay ½ amount required under inpatient service (approximately $20) for each 30-day period of diagnostic service furnished.<br>Optional voluntary insurance to cover doctors' fees, surgical fees, and medicines, $3 per month by pensioner and $3 per month by Federal Government.[1] | Would depend upon type of contract that State would make with private insurance companies.<br>Would hope to have all medical and hospital costs covered. | Would pay first $1,000 (except for $50) and 80 percent of remaining costs of hospital and 80 percent of medical costs. |
| Who would administer the program? | Social security system | States, either through the department of welfare or the department of health. | Department of Health, Education and Welfare and Treasury Department of Federal Government. |
| How program would be financed. | Increase in social security taxes; not over 50 cents per week, $26 annually, and general revenue taxes for those not covered by social security or railroad retirement (persons on relief). | Federal Government and State government would participate, and in many cases the pensioner would have to pay part or all of the premium, other than Government share, if personal income so merits. (States will decide maximum income allowed to permit pensioner full benefits, free of personal cost, like Kerr-Mills.) | Graduated premium contribution by pensioner based on income, by State and Federal contribution. |
| Estimated maximum yearly cost to individual. | $26 while working | Would depend upon State plan | $114 after age 65. |
| Total cost of program (estimated). | $2,000,000,000 (without optional insurance) | $2,100,000,000 | $3,400,000,000. |

[1] Private insurance companies, that pool resources to provide, on a nonprofit basis, approved low-cost health insurance to the elderly for health costs not covered under social security plan; the Federal Government will exempt them from antitrust laws.

Eldercare: Let's look at it—calmly.

This is a medical insurance program for all persons 65 and older—and would be voluntary on the part of the States and individuals—(meaning the State legislatures would have to vote to take part in the plan before it would be available to its citizens—same as the Kerr-Mills program). Benefits would differ with the various States (according to private insurance policies contracted by the States) * * * and financed by "matching funds" with the Federal Government paying up to 84 percent to States to help pay costs of private insurance coverage.

Now—here is an interesting item, little publicized or discussed, the legislation provides that "recipients would pay all, part or none of the premium costs, depending on their income and the State plan. * * *

"Participants would certify their income to the State agency administering the program. Persons paying the full premium would have the benefit of an income tax deduction for payments, as well as statewide bargaining for * * * health insurance" (Congressional Quarterly, Mar. 5, 1965). States could administer the program through their department of health or department of welfare (as Kerr-Mills), and private insurance companies—such as Blue Cross and Blue Shield—could also help administer it through contract with the State.

The cost would depend on, if and how, the States used the plan. It has been estimated, however, that $2.1 billion of State and Federal funds would be required.

There is little doubt the American Medical Association is spending millions of dollars on spot announcements on 792 radio stations, the ABC television network and 166 independent channels, on page-size ads in the three national newspapers chains, small weekly publications, and in the 14 million pamphlets and circulars distributed in doctors' offices throughout the Nation.

Yet the sponsor of the AMA's eldercare bill, Congressman A. S. HERLONG, rebuked the association last week, as reported by the New York Herald Tribune:

" 'These advertisements,' Representative HERLONG said, 'stated or implied that if and when H.R. 3727 (the eldercare bill) passed, these comprehensive hospital, medical, and drug benefits would automatically follow.' This is 'not accurate,' he said, 'because such benefits would flow only if a State chose to participate in eldercare.'

" 'I knew what was in the (eldercare) bill before I sponsored it,' Representative HERLONG said. 'I was strongly for it' because the States would determine a patient's eligibility and the extent of benefits he would receive. 'I am still for that principle and I don't think you have to make any exaggerated claims for it.' "

PERTINENT FACTS

1. Our population now has more than 18 million persons—65 and over.

2. Four out of five have a chronic ailment.

3. After age 65—over 90 percent are hospitalized at least once, 66 percent are hospitalized two or more times.

4. Persons over 65 usually stay in hospital twice as long (15 days) as younger persons.

5. One-half of aged couples—where one is hospitalized sometime during the year—have total medical bills over $800 in 1 year.

6. Fifty-four percent of aged have no hospitalization insurance and many have inadequate coverage. Two-thirds of aged—with incomes less than $2,000—have no hospital insurance.

On the basis of the information furnished, I feel certain you will approve my vote in support of the administration's King-Anderson program.

## A Resolution To Declare Election Day a National Holiday

EXTENSION OF REMARKS

OF

### HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 7, 1965*

Mr. FINO. Mr. Speaker, today I have reintroduced a resolution to declare election day a national holiday.

In my opinion, there is no reason why election day should not be a national holiday. Even when the election being held on the first Tuesday after the first Monday of November is a State or municipal election, the day itself is still a day of democratic decisionmaking characterizing the American way.

I believe that this one day a year when the American public makes its great political decisions ought to be a legal holiday. I urge the Congress to make it such.

## Small Bank and Small Town in Wisconsin Show How in Cooperation With the Small Business Administration They Have Created 4 Industries Employing 400 People

EXTENSION OF REMARKS
OF

### HON. ALVIN E. O'KONSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 7, 1965*

Mr. O'KONSKI. Mr. Speaker, each day I have received half dozen letters from people in small towns asking why the Government does not establish some business in their town to create jobs. If the Federal Government were to build a plant in every small town in our Nation, we would go into bankruptcy overnight.

The people and the banks of the small towns must do the job themselves and the sooner the people of our small towns awaken to this fact, the better it is going to be for their communities.

The job of obtaining industries and creating jobs can be done if the people in the little towns will cooperate and if the banks in their little towns will cooperate and enlist the services of the Small Business Administration.

My good friend Walter Jensen, president of the First Bank of Grantsburg, of Grantsburg, Wis., has furnished me with a résumé of what they have done in their town. There is no reason under the sun why every town in our Nation cannot do the same thing if they just have the will to do it, and if they are determined that their community will not die. I doubt whether there is anyplace in America where a small-town bank has done so much for the attracting of industry as has this little bank in northwestern Wisconsin.

I am putting the accomplishments of this little town and this little bank in the pages of the CONGRESSIONAL RECORD for all Americans to see what can be done if there is the will to do it among the people in a community.

Grantsburg is a village of 900 people in Burnett County. The Congress of the United States salutes Grantsburg, Burnett County; Walter Jensen, the First Bank of Grantsburg, and the Small Business Administration for a job well done and an inspiration to the people of our great Nation.

We have analyzed the results of financing industrial development in our area the past 9 years and we thought some facts and figures may be of interest to other small banks, our Congressmen, State officials, and others engaged in trying to build industry for their community.

We find that most industries need long-term financing for the purchase of machinery, land, and buildings and they also need a considerable amount of short-term credit on a seasonal basis for the production of goods and the carrying of inventory. We are happy to state that excellent help and advice along with a participation in industrial loans has been furnished us by the Small Business Administration. We are also glad that we have had much help from our correspondent banks in furnishing overline financing of inventory and accounts receivable. In all instances our bank has participated in both the long-term financing as well as the short-term financing. We would like to give some facts and figures on three companies all of whom have been assisted by SBA and by correspondent bank financing.

Company No. 1: This company needed long-term financing for the purchase of additional production machinery and vehicles to increase production and to cut the cost of production. The company secured an SBA-bank loan the early part of 1956 for $30,000 and such loan was increased to $70,000 in the early part of 1959 at which time the original loan had been paid down to $15,767, so the total investment by the SBA and bank in long-term finances amounted to $84,232. In the early part of 1956 the company had 32 men working, with gross income that year of $260,545 and a total payroll of $86,974. The following year after additional machinery and equipment was added, sales jumped to $406,798, employment increased to 40 men and a payroll of $95,251. During 1964, this same company had a gross volume of business of $1,209,705 with a total payroll of $349,000 and during the period of 1956 through 1964 the company paid State and Federal income taxes of $176,886. At the present time, the company has 111 employees with a payroll of over $370,000. The bank-SBA long-term loan has now been paid in full.

Company No. 2: This company obtained a bank-SBA long-term loan of $40,000 in the early part of 1957 which was later increased to $66,000 in 1960 and again increased to $95,000 in 1962. Actual total loans after deducting payments during the period amounted to $130,342. In early 1957, the company employed 28 persons and had gross income of $241,811 with a payroll of $81,189. The company has shown a growth each year since 1957 and in 1964 it had gross sales of $757,000 with a payroll of $269,000 and a total of 86 employees. During the period from 1957 through 1964, the company paid Federal and State income taxes of $74,678.

Company No. 3: In the latter part of 1958 this company was in dire need of additional machinery, equipment, and working capital. A bank-SBA long-term loan was completed for $160,000 and in 1962 such loan was increased to $200,000 and in 1963 an additional loan of $35,000 was granted for the purpose of adding to their plant building and modernizing their heating plant. After deducting interim payments on the real estate-chattel mortgage loan granted by the bank and SBA, total loans to this company is $344,591. In 1959 the company had gross sales of $611,109 with a total payroll of $285,304. At that time they employed 98 people. The company has showed continuous growth and has now more than doubled the sales since 1959. In 1964 total sales were in excess of $1,300,000 and at the present time production is on an annual basis of $1,750,000. Total payroll in 1964 was $663,000 and the company employed 160 people. Since the first SBA loan was made the company has paid Federal and State income taxes of $126,000.

Summarizing the results of three loans made in cooperation with the Small Business Administration and with help on short-term financing by our correspondent banks, the results would be as follows: Total employment increase from 158 to 357 persons, gross payroll has jumped from $453,367 to $1,281,518, gross sales has increased from $1,113,000 to $3,367,000. During the period covered above, the three companies received bank-SBA long-term loans of $559,165 and during the same period have paid Federal and State income taxes of $377,600.

The above figures do not tell the whole story. The 357 employees also pay income tax to the State and Federal Governments and they create buying power which is beneficial to small town businessmen and to the bank. In the above analysis we have not taken into consideration fringe benefits paid to employees by these companies.

Company No. 4: Figures and facts relating to this company are not included in the above figures. We just completed a new $76,500 bank—ARA–SBA participation loan for the purpose of purchasing the plant occupied by the company and for constructing additional manufacturing spaces. Also included are funds for the purchase of modern machinery to step up production. In this case the bank has handled all the financing for the company for the carrying of seasonal variations in inventory and now they are set up with long-term financing on buildings and machinery and the bank will continue to finance seasonal inventory loans. The company started with 5 employees and will now employ 40 to 50 people.

In all fairness to these industries, we must give them credit for sound management and for creating wealth locally that is beneficial to local governments as well as the tens of thousands of dollars such industries spend each year for other machinery, equipment, and supplies which also creates employment and profits to others.

With a continued downtrend in farm income and with the prospects of fewer and fewer farms it is highly desirable that we continue to promote industry in our small towns if our towns are to grow and prosper and if our banks are to continue to grow and prosper. Our deposits have increased from $5 million in 1956 to $10 million as of December 31, 1964. We feel this could not have been possible without the growth of these industries and these industries would not have grown and prospered without financial assistance from the Small Business Administration, our correspondent banks, and our bank.

From the above information it would appear that industrial development is simple. It is not my intention to convey or suggest that building industry in a small town or anywhere else, for that matter, is easy. First of all, we need someone with an idea, then we need men who are trained and have the ability to operate and manage an industry. Also

we need men who are willing to furnish risk capital ahead of the bank and SBA.

There is a lot of untapped human resources in every community and men who are willing to risk funds if they are given some cooperation and encouragement.

At this time I want to give high praise to the Small Business Administration for the wonderful job that they have done in this community. Besides paying the SBA loans back with interest, in a matter of 5 years these industries will pay in Federal taxes more than the amount of the loans that they have received from the Small Business Administration. In other words, the Small Business Administration is making taxpayers out of Americans instead of taxeaters.

I hope that these examples furnished by this small town of Grantsburg, Wis., will be an inspiration to the thousands of other small towns in America as to what can be done.

## Voting Rights Act of 1965

EXTENSION OF REMARKS
OF

### HON. JOE D. WAGGONNER, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 7, 1965*

Mr. WAGGONNER. Mr. Speaker, I know of no man in either body for whom I have more respect, both professionally and from a standpoint of personal probity, than the venerable senior Senator from Virginia, HARRY FLOOD BYRD. It behooves all of us in both Houses to hearken when he speaks; to consider at length his position on any item of legislation. He speaks with a wisdom that comes only from long years of unselfish dedication to the cause of responsible Federal Government.

His statement of April 2 on the so-called Voting Rights Act of 1965 is required reading, in my opinion, before any Member of the Congress casts his or her vote on this proposal. There are Members who have not had an opportunity, I am sure, to read all of his statement and, with unanimous consent, I insert it at this point in the RECORD.

I urge every Member to read each sentence. Take this issue of the RECORD home with you, if necessary, and study Senator BYRD's remarks. We are given, in this statement, every reason any man needs to defeat this proposal, now, before it is too late; before, in future years, we have to undo the mischievousness this bill will create if it is hastily and unwisely enacted.

The statement is as follows:

STATEMENT BY SENATOR HARRY F. BYRD, DEMOCRAT, OF VIRGINIA, ON THE ADMINISTRATION'S SO-CALLED VOTING RIGHTS ACT OF 1965

*To the People of Virginia:*

This is a statement about the administration's so-called "Voting Rights Act of 1965." I am making it as a Member of the U.S. Senate representing Virginia under oath to uphold the Federal Constitution.

I am intensely aware of the democratic liberties to be achieved through our form of government, and to be guarded by it.

I am also dedicated to preservation of the principles and requirements of our State-local-Federal system and the checks and balances necessary to protect it.

The Federal Government of this country has worked itself into fiscal, monetary and military difficulties which are exceedingly serious.

Now the Federal administration is allowing itself to be influenced beyond reason by the emotion of domestic hysteria; and by its own actions it is inflaming so-called civil rights issues.

The so-called voting rights bill now before Congress is an act of the present administration. It admittedly was drafted by the Federal Attorney General.

It is a vicious bill. It clearly bears the unreasonable stamp of hysteria. Even Chairman EMANUEL CELLER, the New York chairman of the House Judiciary Committee, has called it "harsh."

The administration has pushed its consideration ahead of everything else. Committee hearings have been arbitrarily limited. Efforts to amend it are discouraged.

There is a terrific administration pressure to pass the bill before Easter. But this statement is not made with such intemperate haste. Instead, it is made with all deliberate speed.

I have analyzed all provisions of the bill. They are iniquitous in effect and contemptible in design. The administration has been advised of the odium in which I hold its proposal.

I have also studied the Federal Attorney General's testimony. He admits drafting the bill. Neither the bill nor the testimony is worthy of men entrusted with high office in the National Government of this country.

The proposal is made in the name of voting justice. It would be less hypocritical and more accurate to describe it as Federal law designed for vindictive use against six States selected in advance.

It is a proposal grossly to offend Virginia; and not only this. It is subversive of the Constitution of the United States and the whole system under which we are governed.

The Attorney General has documented his own cynicism. He has proclaimed his impatience with judicial process, and his lack of faith in it.

I quote directly from the prepared testimony of the Federal Attorney General before the Senate Judiciary Committee on March 23, 1965. He said:

"The judicial process, upon which all existing remedies depend, is institutionally inadequate to deal with practices so deeply rooted in the social and political structure."

I never expected to hear a responsible member of the legal profession or an Attorney General of the United States take such an attitude or make such a public statement about the judicial process.

Based on this rejection of government by law and not men, this Federal Attorney General seeks in a voting rights bill to arrogate judicial power to himself in areas of his own choosing.

A written Constitution protects us from despotic rule. For this protection against oppressive government we rely on the checks and balances of division of power and separation of powers.

The power of government is divided between State and Federal Government. And in both State and Federal Government, legislative, judicial, and executive powers are separated.

The Federal Attorney General, speaking for the administration, is demanding that the legislative branch of the Federal Government empower him—a political appointee in the executive branch—to preempt the judicial branch in areas he has chosen to punish.

That is not all. He is demanding power by Federal legislation to usurp the constitutional power of States he has already chosen to be his victims.

There is more. He is demanding this power under general Federal law which by his own design is limited to enforcement in only a handful of States.

He decries racial discrimination in voting practices, but he deliberately wrote this bill to exempt all voting discrimination in a four-fifth majority of the 50 States from its application.

The Federal Attorney General tortures legal reasoning in the scheme he contrived to include and exclude States from the vengeful clutches of his bill.

The States he wants to incriminate are caught by his own dictates combined with a devious statistical formula. Under terms of the bill—

The Federal Attorney General—by asserting that the voting requirements in a target area are racially discriminatory—may indict a whole State or any subdivision as violating the Constitution of the United States and Federal law; and

If 50 percent of the voting age people in the area were not registered to vote on November 1, 1964, or if 50 percent did not choose to vote in the 1964 presidential election, the State or locality—with never a day in court—is automatically guilty of the Federal Attorney General's indictment.

When a State or locality is convicted by this kangaroo procedure, the Federal Attorney General orders invasion of the State or subdivision by an unspecified number of Federal registrars.

Occupation of the State or subdivision by the Federal registrars will continue for an unspecified and indefinite period of time.

The purpose of the Federal registrars is to impose and enforce the will of the Federal Attorney General with respect to voting laws, ordinances, and practices in the State or locality.

The practices, operations, and locations, etc., of the Federal registrars are limited only by the whim of the Federal Attorney General, but they will include registration of persons to vote when they claim they have been disqualified under State or local requirements. And the Federal registrars will collect annual poll taxes in States where they are imposed.

(And the Federal Attorney General says he will extend his authority to all elections—Federal and State, general and primary, and local and district, including those for bond issues and the like.)

The State or locality has no rights to any sort of judicial appeal until it is actually incriminated by the Federal Attorney General's drumhead court. Then it may enter an appeal from the position of a culprit already convicted and sentenced.

The appeal in that position cannot be to test the validity of the Federal Attorney General's action. It is in the nature of an appeal for a pardon which is necessary before the State or locality can be released from the clutches of the Federal Attorney General and his Federal registrars.

But like the State or locality, the pardon appeal is virtually prejudged by the terms of the bill.

The appeal can be made only in a remote specially selected three-judge Federal court in Washington, D.C. (The Federal Attorney General says this is desirable for uniformity of decision.)

The State or locality is convicted by the Federal Attorney General of racial discrimination in voting practices, but much more than this is involved in getting a pardon from the Federal Attorney General's special court at the doorstep of the Federal Justice

Department in Washington, which is headed by the Federal Attorney General.

This court is allowed to grant a pardon to a State or locality only when it is able to prove to the court's satisfaction that for 10 past years—

Not only the State or locality, but also everybody in it, "acting under color" of its laws or ordinances, has been totally innocent.

Not only of racial discrimination in voting practices, but also totally innocent of all discrimination suggestive of voting discrimination.

(The Federal Attorney General says complying with the "equal but separate education" doctrine of the Federal Supreme Court which stood as the law of the land for a half-century would be an example of a practice suggestive of voting discrimination.)

Until a State or locality convicted by the Federal Attorney General is given such a pardon, under such conditions, by such a court, it is not allowed to enforce any change in any of its election laws or ordinances without permission from a district Federal court in Washington.

The extremes to which the administration and its Attorney General have gone to exempt the majority of States and convict a minority are beyond the realm of reason.

They demonstrate the bias and prejudice under which the bill was conceived and with which it will be enforced. The bill itself is literally based on discrimination as between States.

There is nothing in the Virginia constitution or statutes which can be honestly interpreted as discriminatory with respect to voting rights or registration.

I doubt that the Federal Attorney General can find a State where it is simpler or easier for anyone to register than it is in Virginia, or where election practices are cleaner.

If in truth, or consequence, there is any evidence of discriminatory voting practice or procedure in Virginia I am unaware of it.

If there is any evidence of racial discrimination in the registration laws or voting practices in Virginia, the Federal Attorney General has not given it the usual Federal fanfare.

Even the Federal Civil Rights Commission—with all of its bias and prejudice and snooping—has found that—

In Virginia there appears to be no racial discrimination with respect to voter registration and that Negroes "appear to encounter no significant racially motivated impediments in voting."

Despite all the activity of his own agents combined with that of the Civil Rights Commission agents, the Federal Attorney General says there is no widespread voting discrimination in Virginia.

But the Federal Attorney General persists in misrepresenting Virginia as a State with discriminatory registration laws or engaging in discriminatory voting practices.

He admits that this bill which he has drafted for the administration is fixed so that he can incriminate Virginia.

He admits also that he has designed this administration bill so that he can exempt Texas from its application.

In advance he has said that he will incriminate Virginia and exempt Texas.

He says Virginia is caught in his numbers game because 41 percent (not 50 percent) of its voting-age people voted in the presidential election of November 1964.

But he says Texas, where 44 percent (not 50 percent) of its voting-age people voted in the presidential election of November 1964, is not to be subjected to the application of his numbers racket.

When the Federal Attorney General was asked why Texas was to be exempt, he said:

"Texas is out for the reason that it does not have a literacy test. The literacy tests are the devices that have been primarily used in order to prevent Negroes from registering."

For those who may be misled by the Federal Attorney General into believing that Virginia has a literacy test, I shall compare the so-called voting tests and other requirements for voting in Virginia and Texas.

Both States voted less than 50 percent in the presidential election of November 1964.

Both States have a relatively high percentage of nonwhite population.

Both States in November 1964 required the payment of poll taxes as a prerequisite for voting in all but Federal elections.

The voting lists for the 1964 presidential election in Texas were composed of the names of persons certified by the poll tax collectors as having either paid their $1.75 poll tax, or as having formally applied for and received a certificate of exemption from payment for voting in the Federal election.

Like Texas, Virginia voters were exempt from payment of their $1.50 poll tax as a requirement for voting in the 1964 Federal election. The voting lists in Virginia were composed of the names of persons who had been registered under the Virginia voting registration laws.

In Texas, the so-called test is applied to prospective voters by the tax collector when they undertake to pay their poll tax; or when they formally apply for a certificate of exemption.

In Virginia the prospective voter is billed for his poll tax along with other taxes. He is asked simple questions of identification when he registers to vote at the office of a registrar.

In Texas the prospective voter must be able to understand the questions asked by the tax collector, and give the answers. In certain cases a husband can apply in behalf of his wife, and a wife can apply in behalf of her husband.

In Texas, article 5.14 of the election code requires the following questions to be answered:

Name?
Age?
Sex?
Race? (This is presumed to have been outlawed by a recent Federal court decision).
Occupation?
Length of residence in the State of Texas?
U.S. citizenship?
Native-born or naturalized citizen?
State or county of birth?
Length of residence in county.
Texas post office address (if residence is in an incorporated city or town give the ward, street, and number of residence in lieu of post office address, and length of residence in such city or town)?
Political party affiliation?

In Virginia, title 24, section 68, of the code requires the following questions to be answered in writing by the person registering, without assistance:

Name?
Age?
Date and place of birth?
Residence?
Occupation?
Have you ever voted before?
State, county and precinct where you last voted?

(Members of armed services are required to give their service, serial number and discharge date where pertinent.)

(Naturalized citizens are required to give date, court and State where they received their naturalization papers, along with their petition and certificate numbers.)

All persons registering are required to sign the following oath:

"I ——— do solemnly swear (or affirm) that I am entitled to register under the constitution and laws of this State, and that I am not disqualified from exercising the right of suffrage by the constitution of Virginia."

But the Federal Attorney General, while admitting that both States are ensnared in his voting numbers trap, reveals that he has written this bill for the administration so that—

He can exempt Texas by simply asserting that Texas has no literacy test. But he can incriminate Virginia by inferring that Virginia has some kind of a voting test that will not get his approval.

The fact is that in State and local elections on questions of bond issues, debt, and other matters of public finance, Texas voters must own taxable property.

There is no such requirement in Virginia.

For State and local elections Texas requires payment of poll taxes for 1 year; Virginia requires their payment for 3 years, but the 3-year requirement does not apply to new voters coming of age or moving into the State.

What does the Federal Attorney General do about poll taxes? He exempts Texas from application of his bill. But his bill provides that his Federal registrars sent to poll tax States will collect the taxes for 1 year—as in Texas—from persons they qualify to vote.

Beyond this, he has testified that neither he nor his Federal registrars will "recognize" the 3-year poll tax requirement—as in Virginia.

But while the Federal Attorney General refuses to recognize the requirement to pay poll taxes for 3 years as a requirement to vote, he provides in his bill that he and his Federal registrars can disenfranchise persons they have qualified to vote contrary to State laws if they do not vote "at least once during 3 consecutive years while listed."

The people of Virginia, and the Nation, are justified in the condemnation of legislation such as the Federal administration and its Attorney General propose in the so-called Voting Rights Act of 1965.

They would pin a rose on Texas, but incriminate Virginia.

And when they incriminate Virginia, they deny it the judicial process accorded a murdered.

They would convict Virginia of voting discrimination, but deny it a pardon until it has proved its innocence of something else for 10 years.

They admit there is already ample law under which allegations of discrimination can be tested in the judicial process, but they want this special law to bypass judicial process for the punishment of the States of their choice.

For purposes of this law, the Federal administration and its Attorney General condone an eighth-grade education voting test in New York, but they want the power to qualify a moron to vote in Alabama.

They decry discrimination devices, but they have proposed a law which in itself is a discrimination device.

The Federal Attorney General has no patience with the judicial process for the victims of this bill. He wants the power to deal with them himself.

The Federal administration and its Attorney General propose to incriminate certain States by means of dictator-type decree and a statistical formula.

They demand for themselves the right, under certain conditions which they name, to disenfranchise people they themselves qualified to vote.

The Federal administration and its Attorney General propose by a single Federal statute to take away the constitutional rights of States and substitute Federal Executive decree.

If this can be done for this administration, for the purposes of this bill, to punish the

States it has chosen, it can be done at other times for other purposes to destroy the constitutional rights of others, the Constitution notwithstanding.

It is significant that this bill would extend Federal control over all elections—Federal, State, local, and party primaries.

Federal agents are not to confine their control only to elections for political office. They extend it to State and local elections with respect to public finance—bond issues, credit, expenditures, etc.

Simply by changing the statisical formula the Federal administration and its Attorney General can be empowered to extend their control over any and all States they wish to give this treatment.

What would remain of our form and system of government if all elections in all States and localities were controlled by the Central Government.

Only last month 99.9 percent of the people in Moscow voted in an election of candidates who had no opposition. And when Mr. Khrushchev voted, he was not required even to produce identification.

## Congressman Zablocki Discusses General de Gaulle's European Policies

EXTENSION OF REMARKS

OF

### HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 7, 1965*

Mr. REUSS. Mr. Speaker, in a statement broadcast yesterday over station WAUK in Milwaukee, the gentleman from Wisconsin, Representative CLEMENT J. ZABLOCKI, gave a thoughtful and informative appraisal of General de Gaulle's policies toward Germany and Eastern Europe.

Congressman ZABLOCKI's talk also includes a concise description of the European policy proposed for the United States by Dr. Zbigniew Brzezinski, director of Columbia University's Research Institute on Communist Affairs.

I believe that Representative ZABLOCKI's remarks will be of wide interest in the House:

DE GAULLE, FRANCE, AND THE WESTERN ALLIANCE

(Broadcast by Hon. CLEMENT J. ZABLOCKI, of Wisconsin, on WAUK's "Report from Washington," April 4, 1965)

One of the most significant trends of the early 1960's has been the growing breach between France and the United States—two traditional allies. Today, I would like to explore briefly some of the causes, effects, and implications of this growing foreign policy problem.

France today is led by one of the great men of its history—President Charles de Gaulle. He is a strong leader who has brought France into the ranks of the world's prosperous nations, while liquidating its colonial empire.

For many years this otherwise brilliant man has had an unreasonable prejudice against those he terms "Anglo-Saxons," that is, the British and the Americans.

Part of this attitude may result from still-smoldering resentment at his treatment by Prime Minister Churchill and President Roosevelt during World War II. Those two leaders often acted in ways that enraged De Gaulle.

There is more to the rift in the Western Alliance, however, than De Gaulle's personal pique. He views France as a great nation with a glorious past and an even more promising future.

He believes that France can best work out its destiny as the leader of a Europe which is free of the influence of England and the United States.

The Europe which De Gaulle envisions goes far beyond the six nations of the Common Market—France, West Germany, Italy, Netherlands, Belgium, and Luxembourg.

His vision encompasses also Eastern Europe and at least that part of the Soviet Union west of the Ural Mountains in west-central Asia. To this end France has been developing friendships with East European states, including Poland.

Through this policy he hopes to help Germany to achieve reunification within a European framework.

Although France and Germany have been age-old enemies, De Gaulle has attempted to bind the two nations closely together. He appaerntly believes that a reunited Germany, led by France and dependent upon France for nuclear protection, would no longer be a threat to Europe, but rather the opportunity for Europe to emerge as a third great power.

At the same time, De Gaulle opposes any organized unity in Europe. He seeks to keep ties between Western European nations loose in order to allow the eventual admission of the eastern bloc countries into his federated states of Europe.

To achieve both the reunification of Germany and free intercourse with Eastern Europe, De Gaulle knows he must have the agreement of the Soviet Union.

For that reason he has made efforts to enlist the Soviet Union as a collaborator. The Russians, eager to exploit any trend which weaken NATO, the Western Alliance and the position of the United States in Europe, have been receptive to these moves.

France and Russia appear to be alining their policies on the future of Germany.

Both want to exclude the United States and Great Britain from discussions on German unity, the frontiers of the German state and the level of armaments which it will be allowed to maintain.

They want to substitute as negotiators the neighbors of East and West Germany—including Poland and Czechoslovakia.

The United States, of course, vigorously opposes such a move. It is still the American presence in Europe which is the principal deterrent to a Soviet attack on Berlin and Germany. Our nuclear-armed planes and missiles still form a protective umbrella over all Europe—including France.

The present German Government—and the opposition German Socialist Party—recognize the necessity for continued American influence in European affairs. Germany, therefore, has not been enthusiastic about De Gaulle's so-called grand design for Europe.

While the United States has opposed initiatives by President de Gaulle, our own policies in Europe largely have been frustrated—often largely because of the hostility of the French leader to any concepts that originate in Washington.

President Kennedy's European policy largely was centered around the concept of encouraging increased economic and political unity among the states of Europe, including Great Britain. This integrated Europe would then deal closely with the United States in a political and economic alliance.

This strategy, for all its merits, was wrecked by De Gaulle's refusal to allow Great Britain to join the European Common Market.

Also thwarted have been U.S. efforts to fortify NATO by creating a nuclear-armed fleet of ships to operate in European waters with crews of mixed nationalities. Once again, France refused to cooperate. Our other European allies—with the exception of Germany—also were generally reluctant and so the plan has been shelved.

That is the situation today. We are attempting to stop initiatives by France, and France is attempting to short circuit our policies in Europe. The result has been virtual stalemate and the deterioration of the Western Alliance.

Many feel that there is a great danger that America may cease to be relevant or important to the future of Europe, and that Europe itself may become increasingly dominated by narrow nationalisms.

Among them is Dr. Zbigniew Brzezinski, the noted Polish-American expert on communism. Dr. Brzezinski, who is director of Columbia University's Research Institute on Communist Affairs, recently testified before the House Foreign Affairs Subcommittee of which I am chairman, during hearings on the Sino-Soviet split.

In his testimony, Dr. Brzezinski presented a program for American initiatives in Europe which he proposed as a Johnson plan.

Although I do not agree entirely with all aspects of this proposal, I think it deserves careful study at the highest levels of policy-making in our Government. Dr. Brzezinski believes that American policy in Europe should have five main objectives:

First, to convince the East Europeans—particularly the Poles and the Czechs—that East Germany limits their freedom without enhancing their security. This would require greater contacts with Eastern Europe by the United States while isolating East Germany.

Second, to promote Polish-German reconciliation. This would require an American declaration that the present Oder-Neisse frontier would be formally and finally recognized at the very moment that Germany is reunified.

Third, Dr. Brzezinski proposes that U.S. policy should aim to minimize Russian fear of Germany by encouraging West Germany to assure the Russians that under no circumstances will it develop a nuclear capability.

Fourth, it should relate the expansion of trade with Eastern Europe to more extensive cultural and social contacts with the people of that area. In this way, Dr. Brzezinski believes, the position of the Communist governments can be undercut.

Fifth, he believes that the United States should promote multilateral ties with West Europe and in East Europe. As Soviet control wanes and Eastern European nationalism reasserts itself, it should be the goal of American policy to promote political and economic integration—both in East and West Europe.

To achieve these goals, Dr. Brzezinski proposes a general all-European economic development plan which would cut across present East-West partitions, in which the United States would take the initiative and participate.

The Columbia University professor believes that by seizing the initiative for reuniting Europe, the United States would thwart the ambitions of President de Gaulle and reestablish our influence on the Continent.

This is one proposed solution to the present impasse in Europe—caused largely by President de Gaulle. Undoubtedly there are other approaches. The President and the State Department presently are giving the situation careful study.

I am confident that their policy decisions will be aimed at retaining for the United States its historic role in fostering a new Europe from the ashes of nations ruined by World War II.