day for the first time in history to eradicate human life on this planet. The question thus becomes not one of the need for a United Nations but how to increase its effectiveness.

Only through a worldwide effort can we ever hope to avoid the ultimate holocaust. If in 1995 we do not celebrate the 50th anniversary of the birth of the United Nations, it is highly likely that there will not be anyone left to celebrate anything on earth.

American-Israel Affairs

EXTENSION OF REMARKS

OF

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 7, 1965

Mr. ROSENTHAL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include at this point an address I made on June 17, 1965, at the annual installation of the Long Island region of B'nai Zion at the Forest Hills Jewish Center, Forest Hills, Long Island, N.Y.

The speech follows:

I am particularly grateful for the opportunity to discuss with you tonight a matter of mutual concern and conviction—American-Israel affairs. For the past 6 months, the growing tensions in the Middle East have been very much on my mind. I must be frank with you and say that recent activities there are not comforting, nor do they promise to be comforting if the pronouncements of Arab leaders are any guideline. But let me also say that events in that embattled area are being followed with utmost care and sobriety by the administration and the Congress. In meetings of the Foreign Affairs Committee, of which I am a member, in briefings with State Department officials, including Secretary Rusk and Governor Harriman, who has recently returned from the area, I have repeatedly communicated my own firm belief that our national commitment to Israel must remain fundamental and irrevocable.

The causes and purposes in which we join with Israel, however, are still very much in jeopardy.

At present, fully consistent with the Johnson plan which was sponsored and supported by the United States, Israel is diverting water from the Sea of Galilee to irrigate the arid Negev Desert and to develop hydroelectric power for the entire country. Water is Israel's lifeblood. But, being conscious that the entire Middle East shares that need, Israel is currently diverting no more water than she is entitled to according to the plan once agreed to by Arab engineers and scientists.

In clear opposition to that plan, Nasser and his allies have announced an Arab program against Israel, which would divert Jordan River water above Israel into Arab countries, and thus deprive Israel of her just claims. Work on this diversion scheme is already beginning in Syria. Arab armed forces are being mobilized to defend such projects and others are being planned.

What are we to say to such tactics? How can Israel and this country relate to action thus conceived in hostility and venom? How are we to respond when Arab leaders pronounce, in repeated speeches, that the day is near when Israel will be pushed into the sea? "We are prepared to march into Israel immediately," says the Syrian President. And, to do so, the Arab league now arms and supports a Palestine liberation organization, which is recruiting refugees and other Arabs for combat against Israel. How should men of peace react to such demagogy? "After waiting 17 years for justice," says the leader of this new army, "we are morally entitled to take the law into our own hands and wage war against Israel." Must Israel, after so many years of lonely tribulation, once again be the victim of men who announce their intention to "take the law into their own hands"?

President Johnson has asserted his own commitment to preserve a just and honorable peace in the Middle East. "We know that you want to live in peace with your neighbors," he told Premier Eshkol last year, "and we believe it not only possible but imperative that these problems be peacefully resolved." My own judgment is that this commitment is dependable and solid, one which all American friends of Israel can rightly acclaim.

There are, moreover, quiet and less public steps the United States is taking to preserve the integrity of the Israeli people. In diplomatic contacts, our officials can privately communicate our strong support of those Arab voices which evince a willingness to accept the permanence and rights of Israel. Likewise, the considerable political influence which accrues from the foreign aid we issue to Arab countries can be, and is being, used in the cause of calming Arab tempers and promoting there a more realistic view of world realities.

My own patience, and that of many of my colleagues in the Congress, however, is severly strained by the abusive behavior of the United Arab Republic, which still receives considerable American aid. Egypt tells us to "jump in the lake," while accepting food shipments. Its arms support Congo and Yemni rebels; its officers train troops for some mythical occupation of Israel, while its Government accepts our generosity. I see no reason why the United States should underwrite aggression and such threats to peace. I have therefore voted, sponsored, and spoken out on the floor of the House of Representatives for a curtailment of aid to the U.A.R., pending some evidence of its willingness to accept the integrity of Israel and live peacefully with its neighbors. I have likewise voted for resolutions opposing any American aid or participation in the Arab economic boycott of Israel.

Meanwhile, the United States must continue its attempts to aid the development of a healthy and prospering Israel. Handicapped by the absence of normal commercial relations with its neighbors, Israel still has made enormous progress in its economy. Increasingly threatened by the efforts of those neighbors to stifle such progress by boycotts, Israel is slowly gaining full self-sufficiency in agriculture and industry.

The accumulated wisdom and skill of a rich tradition are slowly bringing a good life to all Israelis. The willingness of Israel's friends to support with patience such growth has been instrumental in its success. Even now, for example, American and Israeli engineers and scientists are cooperating in the development of a nuclear desalting process to bring limitless sweet and fresh water to the entire country. All this must and will continue.

But without the promise of peace, progress is insecure. Israel's armed strength, however sad its necessity, is the guarantor of the country's integrity. American aid to Israel's deterrent will have to continue. Hawk missiles, provided by the United States and combined with Israel's own land forces guard Israeli integrity. The arms balance in the Middle East already implicates the United States. I am confident that we will allow no alteration in that balance.

But men of peace—Israeli, American, and Arab alike—must all look forward to an ultimate resolution of the explosive situation in the Middle East. Premier Eshkol has repeatedly called for a diplomatic confrontation with progressive Arab leaders to resolve existing problems and disputes. "A day will come when the Arab countries * * * will realize that the true division is not between Israel and the Arabs, but between lovers of peace and aggressors." These are the words of the Israeli leaders—they project a detente in the Middle East, a defusing of the time bomb feared by the entire world.

Such a Middle East, if ever we see it, might thrive and grow with a regional common market. Its security might be assured by nonaggression pacts and treaties banning the development of nuclear weapons, an event this country would particularly welcome. But most important, this should be a region where modest nations can focus their ardor and energy on good works of benefit to poor people, whose lives have for so long been victimized by senseless hatreds and aggressions.

I do not pretend that we here will ever really see such a Middle East, one in which Israel will be free to pursue policies and goals never yet open to her. I merely envisage a solution toward which we might all work, a solution toward which my own efforts on behalf of my country might be responsibly directed.

I do not believe, as do some, that the cause of a secure and growing Israel falls outside the proper responsibilities of any American Congressman or private citizen. I endorse the wisdom of Justice Louis Brandeis who said, 50 years ago, "Let no American imagine that Zionism is inconsistent with patriotism. Multiple loyalties are objectionable only if they are inconsistent."

The lesson of our meeting is that there is no such inconsistency in our loyalties and the loyalties of American foreign policy. We are and will continue to be Israel's best friend. This is the message I bring from Washington. And this is the reason I am here tonight, among you who share my loyalties and beliefs.

SENATE

THURSDAY, JULY 8, 1965

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

Rev. Edward B. Lewis, pastor, Capitol Hill Methodist Church, Washington, D.C., offered the following prayer.

Eternal God, as free people of different religions and persuasions, we bow before Thee, the Creator of all.

Thou hast created us to love and understand each other with peace and good will toward all men. We find that our feverish ways continually lead us in paths of war and distrust. Thus we come to Thee. We earnestly pray for peace among the nations of the world, beginning in our hearts, this moment.

Strengthen and sustain the untiring efforts, deliberations, and decisions of the President and all other men of national and international leadership. Pour upon them spiritual power and guidance that only God can give.

Far above the clouds of life's problems, we see the sunshine of life's blessings.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

We are mindful and thankful for the good in life that continues on, without seeking headlines. However, the sensation of the evil and wrong in man captivate our attention. We, therefore, pause in a moment of recognizing and assuring ourselves that the power of good far outweighs the power of evil. Help us to stand on this rock of faith, and permit it to work.

In this day of the thrilling adventures into outer space, teach us not to misuse the space that we already have, in setting a stage for the drama of man's inhumanity to man.

Give us the joy of inner peace and the understanding of the ways of peace, and help us to find new paths of peace on which this world will be able to find itself and its potential. We pray in the Master's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 7, 1965, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting a nomination, was communicated to the Senate by Mr. Geisler, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 2) to protect the public health and safety by amending the Federal Food, Drug, and Cosmetic Act to establish special controls for depressant and stimulant drugs and counterfeit drugs, and for other purposes.

LIMITATION OF 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.

SUBCOMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. FONG, and by unanimous consent, the Subcommittee on Labor and the Subcommittee on Migratory Labor of the Committee on Labor and Public Welfare were authorized to meet during the session of the Senate today.

STRENGTHENING AND IMPROVING THE NATIONAL TRANSPORTATION SYSTEM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 373.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1727) to provide for strengthening and improving the national transportation system, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with amendments on page 2, line 20, after the word "State", to strike out "commissioners" and insert "commissions"; on page 3, line 7, after the word "effective", to strike out "insurance," and insert "insurance or qualifications as a self-insurer under rules and regulations of the Commission,"; on page 4, line 25, after "section 209(a)(1)", to strike out the semicolon and "or who shall fail or refuse to comply with any rule, regulation, requirement, or order promulgated by the Commission pursuant to the provisions of section 204(a)(1), 204(a)(2), 204(a)(3), or 204(a)(3a),"; on page 5, at the beginning of line 7, to strike out "continue. *Provided, however,* That nothing in this section shall deprive the Commission of its primary jurisdiction to determine the validity of an operation in dispute under the primary business test" and insert "continue."; in line 17, after the word "this", to strike out "part," and insert "part (except as to the reasonableness of rates, fares, or charges and the discriminatory character thereof),"; on page 6, line 22, after the word "person", to strike out "(not including a motor carrier holding a certificate, permit, or grant of temporary authority issued by the Commission under the provisions of section 206, 207, 208, 209, or 210a of this part)"; on page 7, line 1, after the word "of", to strike out "section 203(a)" and insert "section 203(c)"; on page 8, line 2, after the word "circumstances.", to strike out "Nothing in this paragraph shall be construed to deprive the Commission of its jurisdiction to interpret or construe certificates of public convenience and necessity or permits, or rules and regulations issued by the Commission, or deprive the Commission of its primary jurisdiction to determine the validity of an operation in dispute under the primary business test."; and, after line 8, to insert:

"(3) In any action brought under subsection (b)(2) of this section, the Commission may notify the district court of the United States in which such action is pending that it intends to consider the matter in a proceeding before the Commission. Upon the filing of such a notice the court shall stay further action pending disposition of the proceeding before the Commission."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ENFORCEMENT AGREEMENTS WITH STATES ON HIGHWAY TRANSPORTATION

That subsection (f) of section 205 of the Interstate Commerce Act (49 U.S.C. 305(f)) is amended by inserting after the second sentence thereof the following new sentence: "In addition, the Commission is authorized to make cooperative agreements with the various States to enforce the economic and safety laws and regulations of the various States and the United States concerning highway transportation."

UNIFORM STATE REGISTRATION OF MOTOR CARRIER CERTIFICATES

SEC. 2. Subsection (b) of section 202 of the Interstate Commerce Act (49 U.S.C. 302(b)) is amended by inserting "(1)" immediately after "(b)" and by adding at the end thereof the following:

"(2) The requirement by a State that any motor carrier operating in interstate or foreign commerce within the borders of that State register its certificate of public convenience and necessity or permit issued by the Commission shall not constitute an undue burden on interstate commerce provided that such registration is accomplished in accordance with standards, or amendments thereto, determined and officially certified to the Commission by the national organization of the State commissions, as referred to in section 205(f) of this Act, and promulgated by the Commission. As so certified, such standards, or amendments thereto, shall be promulgated forthwith by the Commission and shall become effective five years from the date of such promulgation. As used in this paragraph, 'standards or amendments thereto' shall mean specification of forms and procedures required to evidence the lawfulness of interstate operations of a carrier within a State by (a) filing and maintaining current records of the certificates and permits issued by the Commission, (b) registering and identifying vehicles as operating under such certificates and permits, (c) filing and maintaining evidence of currently effective insurance or qualifications as a self-insurer under rules and regulations of the Commission, and (d) filing designations of local agents for service of process. Different standards may be determined and promulgated for each of the classes of carriers as differences in their operations may warrant. In determining or amending such standards, the national organization of the State commissions shall consult with the Commission and with representatives of motor carriers subject to State registration requirements. To the extent that any State requirements for registration of motor carrier certificates or permits issued by the Commission impose obligations which are in excess of the standards or amendments thereto promulgated under this paragraph, such excessive requirements shall, on the effective date of such standards, constitute an undue burden on interstate commerce. If the national organization of the State commissions fails to determine and certify to the Commission such standards within eighteen months from the effective date of this paragraph, or if that organization at any time determines to withdraw in their entirety standards previously determined or promulgated, it shall be the duty of the Commission, within one year thereafter, to devise and promulgate such standards, and to review from time to time the standards so established and make such amendments thereto as it may deem necessary, in accordance with the foregoing requirements of this paragraph. Nothing in this paragraph shall be construed to deprive the Commission, when there is a reasonable question of interpretation or construction of its jurisdiction to interpret or construe certificates of public convenience and necessity, or permits, or rules and regulations issued by the Commission, nor to authorize promulgation of standards in conflict with any rule or regulation of the Commission."

INCREASED CIVIL PENALTIES

SEC. 3. Subsection (h) of section 222 of the Interstate Commerce Act (49 U.S.C. 322(h)) is amended by striking out the words "shall forfeit to the United States the sum of $100 for each such offense, and, in case of a continuing violation, not to exceed $50 for each

additional day during which such failure or refusal shall continue" in the first sentence therein and by inserting in lieu thereof the following: "or who shall fail or refuse to comply with the provisions of section 203(c) or section 206(a)(1) or section 209(a)(1) shall forfeit to the United States not to exceed $500 for each such offense, and, in case of a continuing violation not to exceed $250 for each additional day during which such failure or refusal shall continue."

SERVICE OF PROCESS AND CIVIL SUITS FOR ENFORCEMENT OF INTERSTATE COMMERCE ACT

SEC. 4. Subsection (b) of section 222 of the Interstate Commerce Act (49 U.S.C. 322(b)) is amended to read as follows:

"(b)(1) If any motor carrier or broker operates in violation of any provision of this part (except as to the reasonableness of rates, fares, or charges and the discriminatory character thereof), or any lawful rule, regulation, requirement, or order promulgated by the Commission, or of any term or condition of any certificate or permit, the Commission or its duly authorized agent may apply for the enforcement thereof to the district court of the United States for any district where such motor carrier or broker operates. In any proceeding instituted under the provisions of this subsection, any person, or persons, acting in concert or participating with such carrier or broker in the commission of such violation may, without regard to his or their residence, be included, in addition to the motor carrier or broker, as a party, or parties, to the proceeding. The court shall have jurisdiction to enforce obedience to any such provision of this part, or of such rule, regulation, requirement, order, term, or condition by a writ of injunction or by other process, mandatory or otherwise, restraining such carrier or broker, his or its officers, agents, employees, and representatives, and such other person, or persons, acting in concert or participating with such carrier or broker, from further violation of such provision of this part, or of such rule, regulation, requirement, order, term, or condition and enjoining upon it or them obedience thereto. Process in such proceedings may be served upon such motor carrier, or broker, or upon such person, or persons, acting in concert or participating therewith in the commission of such violation, without regard to the territorial limits of the district or of the State in which the proceeding is instituted.

"(2) If any person operates in clear and patent violation of any provisions of section 203(c), 206, 209, or 211 of this part, or any rule, regulation, requirement, or order thereunder, any person injured thereby may apply to the district court of the United States for any district where such person so violating operates, for the enforcement of such section, or of such rule, regulation, requirement, or order. The court shall have jurisdiction to enforce obedience thereto by a writ of injunction or by other process, mandatory or otherwise, restraining such person, his or its officers, agents, employees, and representatives from further violation of such section or of such rule, regulation, requirement, or order; and enjoining upon it or them obedience thereto. A copy of any application for relief filed pursuant to this paragraph shall be served upon the Commission and a certificate of such service shall appear in such application. The Commission may appear as of right in any such action. The party who or which prevails in any such action may, in the discretion of the court, recover reasonable attorney's fees to be fixed by the court, in addition to any costs allowable under the Federal Rules of Civil Procedure, and the plaintiff instituting such action shall be required to give security, in such sum as the court deems proper, to protect the interests of the party or parties against whom any temporary restraining order, temporary injunctive, or other process is issued should it later be proven unwarranted by the facts and circumstances.

"(3) In any action brought under subsection (b)(2) of this section, the Commission may notify the district court of the United States in which such action is pending that it intends to consider the matter in a proceeding before the Commission. Upon the filing of such a notice the court shall stay further action pending disposition of the proceeding before the Commission."

MOTOR CARRIER REPARATIONS

SEC. 5. (a) Paragraph (2) of section 204a of the Interstate Commerce Act (49 U.S.C. 304a) is amended to read as follows:

"(2) For recovery of reparations, action at law shall be begun against common carriers by motor vehicle subject to this part within two years from the time the cause of action accrues, and not after, and for recovery of overcharges, action at law shall be begun against common carriers by motor vehicle subject to this part within three years from the time the cause of action accrues, and not after, subject to paragraph (3) of this section, except that if claim for the overcharge has been presented in writing to the carrier within the three-year period of limitation said period shall be extended to include six months from the time notice in writing is given by the carrier to the claimant of disallowance of the claim, or any part or parts thereof, specified in the notice."

(b) Section 204a of the Interstate Commerce Act (49 U.S.C. 304a) is amended by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively, and by inserting immediately after paragraph (4) thereof the following:

"(5) The term 'reparations' as used in this section means damage resulting from charges for transportation services to the extent that the Commission, upon complaint made as provided in section 216(e) of this part, finds them to have been unjust and unreasonable, or unjustly discriminatory or unduly preferential or unduly prejudicial."

FREIGHT FORWARDER REPARATIONS

SEC. 6. (a) Paragraph (2) of section 406a of the Interstate Commerce Act (49 U.S.C. 1006a) is amended to read as follows:

"(2) For recovery of reparations, action at law shall be begun against freight forwarders subject to this part within two years from the time the cause of action accrues, and not after, and for recovery of overcharges, action at law shall be begun against freight forwarders subject to this part within three years from the time the cause of action accrues, and not after, subject to paragraph (3) of this section, except that if claim for the overcharge has been presented in writing to the freight forwarder within the three-year period of limitation said period shall be extended to include six months from the time notice in writing is given by the freight forwarder to the claimant of disallowance of the claim, or any part or parts thereof, specified in the notice."

(b) Section 406a of the Interstate Commerce Act (49 U.S.C. 1006a) is amended by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively, and by inserting immediately after paragraph (4) thereof the following:

"(5) The term 'reparations' as used in this section means damages resulting from charges for transportation services to the extent that the Commission, upon complaint made as provided in section 406 of this part, finds them to have been unjust and unreasonable, or unjustly discriminatory or unduly preferential or unduly prejudicial."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 387), explaining the purposes of the bill.

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

INTRODUCTION

S. 1727 contains provisions to strengthen enforcement efforts against illegal carriage and to require motor carriers and freight forwarders to pay reparations to shippers charged unlawfully high rates.

NEED FOR PROPOSED LEGISLATION

Illegal transportation is a major problem requiring action by Congress. Illegal transportation is big business. The Interstate Commerce Commission, on the basis of road checks in 42 States, has estimated that it involves a minimum of $500 million a year. Other experts feel the cost of illegal transportation is even higher, amounting to from $1 to $5 billion a year. These experts base this higher estimate on the obvious shortcomings of the 42 State road checks in which many of the illegal carriers escaped detection.

While the annual cost of a billion dollars or more is a direct measure of the revenue lost by the regulated carriers, both truckers and railroads, to illegal transportation, the problem is more serious than that. The loss is serious in terms of the common carrier industry because these carriers are the backbone of our national transportation industry. These regulated carriers are of crucial importance because of their public interest obligation to serve all of the public, in virtually every community in America, in good weather and in bad, and in good times and in bad. Without common carriers with a universal obligation to serve, transportation would quickly deteriorate into a means of promoting the economic activity of a few. The public interest requires that we protect these carriers against the abuses of illegal carriers who assume no public responsibility.

The presence of highway poachers also penalizes the shipper, the community, and the public more directly. The illegal operator often evades tax laws as well as transportation laws, and the law abiding must pay the difference. The public also pays more for goods, because freight moved illegally takes revenues from the lawful common carriers, causing their rates to be raised to pay the fixed operating costs of labor, maintenance, and equipment. Furthermore, the evidence to date indicates that illegal truckers are far more prone to highway accidents than are the lawful operators.

This problem has been called the "gray area" of transportation. This is a misnomer. The problem is black and not gray. It arises from illegal transportation, although such illegal operations are frequently masked under various disguises and facades to give them the appearance of legality.

Combating illegal carriage is not an easy task, and even with new enforcement tools, the illegal operator will not be driven off the highways. S. 1727 would muster new weapons in this legal fight against unlawful carriage. It would increase the penalties for unlawful transportation activities, ease some of the legal burdens which handicap the enforcement efforts of the Interstate Commerce Commission, and provide new means of legal recourse for those damaged by illegal operations. Furthermore, S. 1727 would clear the way for improved enforcement cooperation between the Interstate Commerce Commission and the various State commissions.

Federal-State cooperation, with primary emphasis on State action, is a sound and effective means of proceeding. The States share with the Federal Government an equal

interest in fighting illegal carriage. Only a cooperative, coordinated enforcement effort can end illegal carriage.

Section 1 of S. 1727 would authorize the ICC to enter into cooperative agreements with the States to enforce Federal and State regulations concerning highway transportation. The rapid growth of communication between the ICC and the States would improve enforcement. Section 2 of S. 1727 would assist in the complete implementation by the States of existing operating authority registration statutes. While multistate carriers could comply with uniform standards of registration in a relatively simple operation, the illegal interstate carrier could be subject to State penalties for failure to register.

The approach embodied in S. 1727 has won solid and widespread support from virtually all segments of our highly competitive transportation system. S. 1727 is supported by, among others, the National Association of Railroad and Utilities Commissioners, the Transportation Association of America, the U.S. Chamber of Commerce, the American Trucking Association, the Association of American Railroads, the Interstate Commerce Commission, and the Department of Commerce.

The enactment of S. 1727 would be an effective, positive step toward ending the problem of illegal transportation, and thereby strengthening and improving our national transportation system.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The VICE PRESIDENT. Without objection, the amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to consider executive business.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Dr. Albert H. Moseman, of New York, to be Assistant Administrator of Technical Cooperation and Research, Agency for International Development, which was referred to the Committee on Foreign Relations.

The VICE PRESIDENT. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

U.S. MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the U.S. Marine Corps.

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.

LEGISLATIVE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate resumed the consideration of legislative business.

VIETNAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may be permitted to proceed for 2 additional minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, at first glance, it seems logical to say, there are missile sites around the Hanoi-Haiphong complex; we are fighting North Vietnamese; we have planes and missiles that can reach the sites and destroy them. Go ahead and bomb. Then there will be no more missile sites. Indeed, one might add, why not go the whole hog and use nuclear bombs to make doubly sure there will be no more missile sites in the Hanoi-Haiphong area. That, too, may have a certain logic.

But on second glance, it is also to be noted that there are missile sites in China and Russia and the Chinese and Russians are helping the North Vietnamese who are helping the Vietcong in the South where Americans are fighting on the ground. Our planes and missiles can reach those more distant targets. Why not go ahead and bomb them too, with or without nuclear weapons? That has, in some ways, a greater logic because the Russian missile sites are a far greater threat than those clustered in the Hanoi-Haiphong complex. The Russian sites are zeroed in on the United States itself, whereas those in North Vietnam, so far as I am aware, cannot even reach our forces in South Vietnam and are not, in themselves, causing any casualties among American forces in Vietnam. The Hanoi-Haiphong missile sites becomes a threat to our forces, in short, only if it is intended to spread the war further and change its nature by massive air attacks on the civilian populations of the Hanoi-Haiphong complex, for then, presumably the sites would be used against our planes. They become a threat, in short, if it is intended to deepen and expand the war.

If that is what is wanted, then the proposal makes sense. But I do not believe it was offered in that sense. As I understand it, the proposal was offered as a war-shortener, as an American casualty reducer, and in that sense, it does not make sense. On the contrary, if it were followed it is more likely, by raising the level of the conflict another notch, to bring on larger American casualties and a much broader and deeper U.S. involvement in Asia. It may be that it will come to that. Circumstances may eventually compel such an action. But let there be no illusion about what the proposal implies. And speaking for myself I cannot understand the urgency in some quarters—the anxiety to speed up the process of a deeper American involvement which can only induce greater American casualties in this Asian war.

But if that is what is sought, this probable consequence of the proposal ought to be recognized outright. Otherwise the proposal is misleading and hardly constructive in its oversimplification of a complex problem. If for no other reason, it tends to stimulate false hopes and unwarranted expectation in this Nation. It implies great results at not too painful a cost.

Simple logic is not often as simple as it seems at first glance in critical international situations such as Vietnam. This situation lies in the shadows of all-out world conflict. The effort is being made by the President, in the interests of this Nation as well as the world, to prevent such a conflict. And I would hope that those who mount the civilian ramparts and cry "Charge!" would bear that in mind.

The proposal which prompted this statement was, undoubtedly, intended to be helpful to the President, for, as stated by the distinguished minority leader of the House on July 1:

> Republicans will continue to disregard partisan considerations in foreign policy. We will be guided by the national interest.

Whatever its intention, however, the issue raised by this undoubtedly innocent and nonpolitical proposal is far larger than whether to bomb or not bomb certain missile sites in the Hanoi-Haiphong complex. From an armchair, it is possible to outline a military strategy in an isolated situation of this kind and then pass on to other problems while the consequences unfold in a deepening crisis. The President does not have that luxury. He must continue to live every minute with the ticking clock of an overwhelming catastrophe, and it is brought closer to midnight with each proposal of this kind, if it is followed, whether it originates here or in Peiping or Moscow or wherever. The fact is that the President cannot afford to be either armchair general or politican in a situation of this kind. He can only be President. He cannot make a decision without a continuing awareness of other decisions which may flow from it. He cannot speak "only for himself." He cannot speak even for his party alone. In each decision, he speaks for the entire Nation. This is one reality which all of us ought to bear in mind at all times if we wish debate on this most difficult and delicate situation to be helpful.

Mr. KUCHEL. Mr. President, this Nation is in trouble. So is the cause of

freedom. The clouds on the horizon are darkening, and growing larger. The American people support the President of the United States. No defense needs to be made for the comments uttered by our colleague in the House of Representatives, who is the leader of the Republican minority there. He has demonstrated his patriotism time and time again. I fully associate myself with his comments as quoted a moment ago by the majority leader. Although I have no right to do so, I believe I may speak for my colleagues on this side of the aisle when I approve completely the statement attributed just now to our colleague in the House of Representatives. In the present crisis, the Republican Party acts as a group of Americans dedicated to the security of the American people and to the cause of world peace.

We enjoy free debate in this country; and any time any Senator—on this side of the aisle or on the other side of the aisle—wishes to rise and make a comment criticizing the President of the United States, he has a right to do so. Anytime any Member of the Congress or any citizen of this country wishes to rise and tell the President of the United States what he believes ought specifically to be done in South Vietnam or North Vietnam, he has a right to do so.

I have listened in this Chamber on more than one occasion to some of our colleagues—perhaps I may be excused for saying that they do not sit on this side of the aisle—denouncing the policy of the Government of the United States in Indochina.

I repeat on this occasion that the cause of freedom is in trouble. Grave and dark days are ahead. We passionately pray for peace. Speaking for myself, I completely approve our earnest exertions to try to find a way by which unconditional talk may come about. At the moment, the outlook is somewhat bleak. The newspapers have told us how the Red Chinese and the Ho Chi Minh regime both have rudely and brusquely shunted aside U Thant's suggestion for discussion.

Speaking for myself, I earnestly approve what Dean Rusk said several weeks ago: that all that is necessary for peace in southeast Asia is for people to leave their neighbors alone.

I do not consider that I am qualified to give any advice on military undertakings in the defense of South Vietnam by the Government of the United States. I am a layman; I am a U.S. Senator; I am not a military expert. What I did, and what every other Member of the U.S. Senate, with two exceptions, did, was to approve, last August, a resolution clothing the President of the United States with specific authority to take such action as he deemed appropriate with respect to the gathering storm. I take it that that resolution represents today, as it did last year, the earnest judgment of the representatives of the people, and of the people of the United States themselves, with respect to the responsibilities of the President of the United States as the Commander in Chief. It is our responsibility to let the people of the world know that he discharges that responsibility in time of crisis with the approval of the American people. He will answer to the American people for his conduct in accordance with the constitutional processes. Meanwhile, I am proud that my fellow Republicans in the House and Senate support the action of this Government in defense of peace and freedom in southeast Asia.

NOTICE OF PROPOSED DISPOSITION OF SUBGRADE SMALL DIAMOND DIES AND NONSTOCKPILE GRADE BISMUTH ALLOYS

The VICE PRESIDENT laid before the Senate a letter from the Administrator, General Services Administration, transmitting, pursuant to law, a notice to be published in the Federal Register, of the proposed disposition of diamond dies and bismuth alloys held in the national stockpile which, with an accompanying paper, was referred to the Committee on Armed Services.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the House of Representatives of the State of Oklahoma; to the Committee on Labor and Public Welfare:

"H. RES. 603

"Resolution recognizing the need for summer employment for Oklahoma high school and college students—noting the many advantages derived by providing such gainful employment—requesting the Oklahoma State Employment Security Commission and the Oklahoma State Personnel Board to distribute information and material relating to this resolution to Oklahoma employers and personnel officers—directing journal entries—and directing distribution of this resolution

"Whereas thousands of Oklahoma high school and college students have recently completed another academic school year; and

"Whereas a vital and integral part of their education consists of an understanding of the business community and employer-employee relations; and

"Whereas innumerable advantages are derived by both employer and student-employee in providing gainful summer employment to these students; and

"Whereas it is a matter of economic necessity for many of our outstanding high school and college students to secure summer employment in order to continue their education; and

"Whereas a concerted effort on the part of all city, county, and State agencies and private enterprises to find meaningful summer employment for our high school and college students would be in the best interests of the welfare of the State of Oklahoma; and

"Whereas the President of the United States has recognized the need for finding summer employment for American students and has initiated similar requests for aid in securing such employment; and

"Whereas it is both fitting and proper that the House of Representatives of the 30th session of the Legislature of the State of Oklahoma take official notice of the needs for providing summer employment to students and take action toward the accomplishment of this objective: Now, therefore, be it

"Resolved by the House of Representatives of the 38th session of the Oklahoma Legislature:

"SECTION 1. That the Oklanoma State Employment Security Commission and the Oklahoma State Personnel Board are hereby requested to distribute information and material to all city, county, and State agencies and private enterprises suggesting the providing of gainful employment to Oklahoma college and high school students on a nondiscriminatory basis.

"SEC. 2. That this resolution be spread at large upon the pages of the permanent journal of the House of Representatives of the State of Oklahoma and duly authenticated copies be forwarded to the Oklahoma State Employment Security Commission and the Oklahoma State Personnel Board.

"Adopted by the house of representatives the 14th day of June 1965.

"J. D. MCCARTY,

"Speaker of the House of Representatives."

A resolution adopted at a mass meeting of Americans of Lithuanian, Latvian, and Estonian origin, residing in California, relating to the liberation of the Baltic States; to the Committee on Foreign Relations.

A resolution adopted at the convention of the Michigan Federation of American-Lebanon Clubs, supporting the Government's action and policy in Vietnam; to the Committee on Foreign Relations.

A resolution adopted by the Associated Students of Colorado State University, announcing its support of the President's policy in Vietnam; to the Committee on Foreign Relations.

A resolution adopted by the Legislative Committee of the County Officers Association of the State of New York, favoring a distribution by the Federal Government of some of its revenue to the States for local municipalities for general purposes and not earmarked for any specific purpose; to the Committee on Government Operations.

A resolution adopted by the Kentucky Heritage Commission, of Frankfort, Ky., endorcing the President's program to encourage travel throughout the Nation by Americans; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Central Labor Council of Santa Clara County, San Jose, Calif., favoring the enactment of Senate bill 1781, to prohibit interstate trafficking in strikebreakers; to the Committee on Labor and Public Welfare.

A resolution adopted by the Executive Board of Local No. 101, an affiliate of the International Ladies' Garment Workers' Union, of San Francisco, Calif., favoring the repeal of section 14(b) of the National Labor Relations Act; to the Committee on Labor and Public Welfare.

REPORT ENTITLED "ORGANIZATION OF CONGRESS"—REPORT OF A COMMITTEE (S. REPT. NO. 426)

Mr. MONRONEY, from the Joint Committee on the Organization of the Congress, pursuant to Senate Concurrent Resolution 2, submitted an interim report entitled "Organization of Congress," which was ordered to be printed.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TALMADGE:

S. 2254. A bill for the relief of Jesse C. Johnson; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 2255. A bill relating to the composition of the District of Columbia Court of General Sessions; to the Committee on the District of Columbia.

(See the remarks of Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. FULBRIGHT (by request):

S. 2256. A bill to amend further section 1011 of the U.S. Information and Educational Exchange Act of 1948, as amended; 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. MUSKIE:

S. 2257. A bill for the relief of Ellanore Edwards Simone; to the Committee on the Judiciary.

By Mr. LONG of Missouri:

S. 2258. A bill to amend title 28, United States Code (relating to the judiciary and judicial procedure), to establish a court to review certain administrative decisions relating to veterans and to prescribe its jurisdiction and functions; to the Committee on the Judiciary.

By Mrs. NEUBERGER:

S. 2259. A bill to provide for the control of outdoor advertising; to the Committee on Public Works.

By Mr. BIBLE (by request):

S. 2260. A bill to amend the District of Columbia Business Corporation Act and the District of Columbia Nonprofit Corporation Act; and

S. 2261. A bill to amend the Healing Arts Practice Act, District of Columbia, 1928, as amended, and the act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto, approved June 6, 1892, as amended, to exempt from licensing thereunder physicians and dentists employed by the District of Columbia; to the Committee on the District of Columbia.

COMPOSITION OF DISTRICT OF COLUMBIA COURT OF GENERAL SESSIONS

Mr. BIBLE. Mr. President, I introduce, for appropriate reference, a bill to increase by three the number of judges on the District of Columbia court of general sessions from 15 to 18. I believe it is important that the Congress permit expansion of this court because at the moment the public's business is not being handled with the dispatch that it should be by this undermanned court.

Additional judges will help in bringing about speedy justice for the criminally inclined charged with misdemeanors. I have been advised over recent months, since the Senate Committee on the District of Columbia continued its hearings into the crime upsurge here, that inappropriate delays between arrest and trial too often prompt those released on bail to carry out other criminal acts in the interim. I believe it is important to refer to testimony given by the Attorney General of the United States in hearings on June 10 before the State, Justice, Commerce, and Judiciary Appropriations Subcommittee of the Senate where Attorney General Katzenbach said:

At the moment, now, I think in many communities and it is true here in the District of Columbia, a good many cases get nol prossed, not because the case ought to be nol prossed, but because the state of the docket is such that the prosecutor just feels this case is not important enough because it is going to have to wait forever and he would lose all of his witnesses and he feels that it is not important. I don't think that is good for law enforcement here or in any other big city.

My remarks are not in any sense a criticism of the judges of the District of Columbia court of general sessions because my committee and the Congress itself have placed additional and substantial burdens on this court in recent years. Five months ago there were 1,200 pending jury cases before the criminal docket in that court. Chief Judge John Lewis Smith inaugurated a crash program and assigned all available judges to the criminal jury calendar to meet the record backlog. Within 5 months the eight judges so assigned have reduced that backlog to a normal condition. In the interim, however, the civil calendar has suffered and today there is a record 3,333 pending civil jury cases awaiting trial.

During fiscal year 1965 81,307 criminal cases were filed, compared to 78,925 for the previous year, an increase of almost 2,500 cases. Of the 11,049 cases handled by the U.S. attorney's office in fiscal year 1964, I am advised that 3,506 cases were dropped or dismissed for various reasons, including the fact there simply was not enough judges to handle them.

If the District is to deal effectively with its criminal element, and this city ranks first in aggravated assault and robbery in cities of comparable size throughout this country, then the accused parties must be brought speedily before the court not only for the protection of the public but for the protection of the accused parties as well.

The last half of fiscal year 1965 saw a major increase in the entire business of the court with 121,851 new cases filed in both the criminal and civil divisions, an increase of 8,167 cases over the previous 6-month period or an average of 20,309 new cases each month.

The jurisdiction of the civil division of the court was increased by the last Congress in July 1963 from $3,000 to $10,000, increasing the caseload of the court substantially. Additionally, the U.S. District Court for the District of Columbia certified 318 cases to the court of general sessions for trial in fiscal 1965, a substantial increase over 1964. Two bills are presently before the Senate that would increase the jurisdiction of the court of general sessions, both in criminal and civil areas.

I believe it is essential that this court be given more manpower at the earliest time to meet the increasing demands the public is making on it.

Mr. President, I ask unanimous consent that there appear at the conclusion of my remarks a letter from the District of Columbia Bar Association citing the need for this legislation.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2255) relating to the composition of the District of Columbia court of general sessions, introduced by Mr. BIBLE, was received, read twice by its title, and referred to the Committee on the District of Columbia.

The letter presented by Mr. BIBLE is as follows:

THE BAR ASSOCIATION OF THE DISTRICT OF COLUMBIA,
Washington, D.C., June 24, 1965.

Re additional judges for the District of Columbia court of general sessions.

Hon. ALAN BIBLE,
Chairman, Senate Committee on the District of Columbia, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: During the administration of my predecessor as president, Mr. Oliver Gasch, as well as for some years the Bar Association of the District of Columbia has been very much interested in the building up of the court of general sessions for the District of Columbia. Because of the increase of the jurisdiction of that court, the workload has increased markedly. A subcommittee of the association, after a number of conferences with the judges and the clerks and after studying the report of Chief Judge John Lewis Smith, Jr., filed this year with the Attorney General of the United States, has come to the conclusion that legislation increasing the judicial strength of that court from the present authorization of 15 to at least 18 is both desirable and necessary. These matters have been discussed at the level of the board of directors of the association, and I have been directed to communicate with you and to urge your cooperation in the introduction and passage of such legislation.

For a substantial period prior to the increase of the jurisdiction of the court and for some months thereafter the judges of this court were able to carry their heavy workload and discharge promptly and without undue delay the duties incumbent upon them. However, the heavy increase in the court's workload, stemming largely from the increase in jurisdiction, has resulted in a serious backlog of untried cases.

Among the statistical matters brought to the attention of the board of directors are the following:

In criminal jury cases, comparing the period July 1, 1949, to June 30, 1950, with the period July 1, 1963, to June 30, 1964, we find that there has been an increase of 279 percent in the number of pending criminal jury trials; there has been a 101 percent increase in the total number of jury trials demanded in criminal cases; there has been a more than 120 percent increase in the number of criminal jury cases disposed of; the monthly average of criminal jury trials demanded has increased 101 percent, and the monthly average of criminal jury cases disposed of increased by 127 percent. Of the 6,049 demands for a jury trial made by defendants before the court of general sessions in the year ending June 30, 1964, only 244 were tried by a jury.

Thirty-three years ago, one judge of the court was assigned to criminal jury trials. Today, despite the tremendous increase in all categories of criminal jury trial activities, only one judge is available and assigned to sit in criminal jury cases. As a result of this grave condition, it is at least questionable whether defendants in criminal actions are being accorded the right to speedy trials guaranteed by the Constitution.

With respect to civil jury cases, and again comparing the 1 year ending June 30, 1950, with the 1 year ending June 30, 1964; the following condition exists.

The number of civil cases in which jury demands were filed increased 60 percent; the new demands for civil jury trials filed during the year increased 119 percent; the total number of civil jury cases requiring disposition at the end of the year increased 93 percent; the number of cases disposed of by trial and/or settlement increased by 75 percent; the number of civil jury cases at the conclusion of the year on the ready calendar increased 77 percent and the number of cases which had not yet come to issue but were pending before the court increased by an overwhelming 204 percent. The monthly average of civil jury trials demanded increased by 118 percent and the monthly average of civil jury trials disposed of increased by 73 percent.

It is noted in passing that the increase in jurisdiction of this court authorizing it to try cases in which the ad damnum is $10,000 instead of the former amount of $3,000 has not only made the court infinitely more important to the people of the District of Columbia, but it has confronted the court with a materially increased caseload. Many of the important civil jury cases tried in this court are transferred to it by the judges of the U.S. District Court for the District of Columbia. In those cases there is no limit upon the amount which can be returned as a verdict, except that which is sued for. This increase in jurisdiction has resulted in cases of greater complexity being assigned to the judges of this court for trial and has, of course, required greater individual attention to the issues on trial.

The Bar Association of the District of Columbia has been highly gratified by the outstanding work of the court of general sessions since its inception and enthusiastically commends Chief Judge John Lewis Smith, Jr., for his efficient and dedicated service in administering the business of the court. We venture to express the hope that the Congress will assist the court to continue its efforts to administer civil and criminal justice within the District of Columbia by increasing the judicial strength of this court from 15 to 18 judges. We, therefore, urge that the enclosed legislation be introduced and considered as expeditiously as possible.

There is an additional circumstance that the board of directors has authorized and directed me to bring to your attention. The findings of the American Bar Association traffic court committee are impressive to all who have time to examine and study them. It is felt that material benefits are to be secured by a continuity of service on the part of the judge assigned to traffic court. It would, therefore, be definitely in the interest of improving the administration of justice if one of the judges selected for these additional vacancies would be selected for his interest in, his knowledge of and his willingness to serve in the traffic branch of the court. Such service would achieve not only a degree of continuity, but also a degree of equality of justice which is not always available when judicial personnel are shifted from month to month in this branch of the court. For these reasons the board of directors suggests that the legislative history in support of this recommended increase in judge power should reflect also that one of the three judges should be selected for service in the traffic branch of the court.

The Bar Association of the District of Columbia wishes to take this opportunity to thank you and the members of the committee for the consideration that you have always extended to us in matters in which the association has appeared to express the association's views.

Sincerely yours,

PAUL F. MCARDLE,
President.

OLIVER GASCH,
Immediate Past President.

District of Columbia court of general sessions (period July 1, 1964, through Dec. 31, 1964, as compared with period Jan. 1, 1965, through June 30, 1965)

NUMBER OF NEW CASES FILED

	July 1, 1964, to Dec. 31, 1964	Jan. 1, 1965, to June 30, 1965
Criminal Division:		
District of Columbia	17,307	18,681
United States	5,996	5,680
Traffic	15,834	17,809
Total	39,137	42,170
Civil Division:		
Class GS	11,330	12,142
Class C (small claims)	11,999	13,756
Landlord and tenant	48,652	51,232
Domestic relations	2,566	2,551
Total	74,547	79,681
Total cases (criminal and civil)	113,684	121,851
Monthly average of new cases	18,947	20,309
CRIMINAL JURY CASES		
Criminal jury trials pending at end of semiannual period	589	808
Total jury trials demanded in criminal cases during semiannual period	3,332	4,017
Total criminal jury cases requiring disposition	3,921	4,825
Disposed of during semiannual period	3,113	4,060
Criminal jury cases pending at end of semiannual period	808	765
Breakdown of pending criminal jury cases at end of semiannual period:		
Assigned for trial on specified dates	808	765
Unassigned		
Monthly average of criminal jury trials demanded	555	670
Monthly average of criminal jury case dispositions	519	677
Time within which trial scheduled after demand made, as of end of semiannual period	(1)	(1)
CIVIL JURY CASES		
Civil cases in which jury demands were filed pending at end of semiannual period	2,430	2,853
New demands for civil jury trials filed during semiannual period	1,360	1,465
Total civil jury cases requiring disposition during semiannual period	3,790	4,318
Disposed of by trial, settlement, etc.	600	985
Jury demands withdrawn, cases dismissed under rule, etc., prior to being placed on Ready Calendar	337	
Total cases disposed of during semiannual period	937	985
Civil jury cases as of end of semiannual period:		
On Ready Calendar	1,943	2,342
Not at issue	910	991
Balance pending at end of semiannual period	2,853	3,333
Monthly average of civil jury trials demanded	227	231
Monthly average of civil jury case dispositions	156	164

[1] 1 month.

INFORMATIONAL MEDIA GUARANTEE PROGRAM

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to revise the statutory authority under which the U.S. Information Agency stimulates and assists the commercial distribution of selected American informational and educational materials in countries important to the U.S. foreign policy objectives.

The proposed legislation has been requested by the Secretary of State 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 and explanation of draft legislation from the Director, U.S. Information Agency, dated June 29, 1965, in regard to it.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill, letter, and explanation will be printed in the RECORD.

The bill (S. 2256) to amend further section 1011 of the U.S. Information and Educational Exchange Act of 1948, as amended, 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 section 1011 of the United States Information and Educational Exchange Act of 1948, as amended, is amended as follows:

(1) In subsection (a) by striking out ", in accordance with the provisions of subsection (b) of section 413 of the Mutual Security Act of 1954, of investments in enterprises producing or distributing informational media" and inserting in lieu thereof "of convertibility to dollars of foreign currencies resulting from the sale or licensing abroad of American informational and educational materials which he determines to be".

(2) By changing the first comma of the proviso in subsection (a) to a period and striking out everything thereafter.

(3) By striking out subsection (b) and inserting in lieu thereof: "There is hereby established in Informational Media Guaranty Fund which shall be available without fiscal year limitation for payments under informational media guaranties. The Fund shall consist of all dollar amounts available for guaranties hereunder and other assets on hand and hereafter derived from the program, and shall assume the liabilities and other obligations pertaining thereto.

(4) By striking out subsection (c) and inserting in lieu thereof "Obligations for guaranty contracts under this section shall be recorded against the funds heretofore or hereafter available for such guaranty contracts in an amount not less than 50 per centum of the contractual liability therefor."

(5) In subsection (d) by adding the words "heretofore or hereafter" after the words "Foreign currencies", by striking out "after June 30, 1955,", and by substituting the word "Fund" for "special account."

(6) By striking out subsection (e) and inserting in lieu thereof:

"The Director shall establish a schedule of fees for the issuance of guaranty contracts, or amendments thereto, and all fees collected shall be deposited in the Fund and shall be available for payments under informational media guaranties."

(7) By striking out subsection (g) in its entirety and by redesignating subsection (h) as subsection (g).

(8) By striking out the newly designated subsection (g)(1) and inserting in lieu thereof:

"There is hereby authorized to be appropriated without fiscal year limitation such amounts as may be necessary to bring the U.S. dollar balance of the Fund to $10,000,000 and to restore any impairment to the authorized capital of the Fund."

(9) In the newly designated subsection (g)(2) by striking out the words "and interest accrued on notes" and substituting the word "Fund" for "special account."

(10) By striking out the first sentence of the newly designated subsection (g)(3) and inserting in lieu thereof:

"The Secretary of the Treasury shall cancel all notes issued or assumed by the Director for purposes of payments under informational media guaranties, and sums owing and unpaid thereon, including interest to the time of cancellation."

The letter and explanation presented by Mr. FULBRIGHT are as follows:

U.S. INFORMATION AGENCY,
Washington, June 29, 1965.

Hon. HUBERT H. HUMPHREY,
President of the Senate.

DEAR MR. PRESIDENT: I have the honor to transmit to the Senate for its consideration a draft of a proposed bill to amend the U.S. Information and Educational Exchange Act of 1948, as amended, and an explanation thereof. This draft bill and explanation have also been submitted to the House of Representatives.

The purpose of the proposed legislation is to revise the statutory authority under which the U.S. Information Agency stimulates and assists the commercial distribution of selected American informational and educational materials in countries important to the U.S. foreign policy objectives.

In many countries of the world, particularly in Asia, Africa, Latin America, and Eastern Europe, the inadequacy of foreign exchange resources seriously interferes with, and in some instances prevents, the commercial importation of important informational and educational materials from the United States. Thus the people of some of those countries are deprived of books, periodicals, films, and other materials which are vital to their social, educational, economic, and technological development. At the same time the United States is denied effective commercial markets in those areas and forfeits opportunities to contribute to the free exchange of ideas and information.

For more than 15 years the Government of the United States, through the informational media guaranty program, has helped to overcome the foreign exchange difficulties which confront American exporters in a few of those countries. The proposed bill would strengthen this program and permit it to make a greater contribution to the achievement of the foreign policy objectives of the United States by modifying the method of financing it and by otherwise improving its structure. It would also simplify the language of the statute by deleting references to obsolete or repealed legislation and by making it the all-inclusive statutory basis for making informational media guaranties, without reference to other statutes.

The Bureau of the Budget advises that it has no objection to the submission of this draft bill from the standpoint of the administration's program.

Sincerely yours,

CARL T. ROWAN,
Director.

EXPLANATION OF PROPOSED LEGISLATION

GENERAL

The purposes of the proposed legislation to amend section 1011 of the U.S. Information and Educational Exchange Act of 1948, as amended, informational media guaranties (22 U.S.C. 1442) are as follows:

1. Establish a fund to finance the IMG program, which will include: (a) the dollar balance in the existing special account, (b) the amount remaining for borrowing from the Treasury under the present $28 million limit, and (c) other assets derived from the program;

2. Repeal the present borrowing authority and direct the Secretary of the Treasury to cancel all indebtedness, including interest accrued to the time of cancellation;

3. Fix the ceiling on outstanding guaranties at twice the amount in the fund; i.e., require the Agency to maintain at all times a reserve of not less than 50 percent of the outstanding guaranties;

4. Authorize appropriations sufficient to bring the U.S. dollar balance of the fund up to $10 million and to replace losses to the fund;

5. Authorize the Director of the Agency to establish a schedule of fees for the issuance of guaranties; and

6. Eliminate references in the basic IMG legislation (22 U.S.C. 1442) to other provisions of law which have been repealed or which are no longer applicable.

These legislative proposals are necessary to revitalize and provide for continued capitalization of the IMG program which has operated against $28 million in public debt financing since 1948.

At the beginning of fiscal year 1959 when appropriations were first authorized to restore impairment to the fund the indebtedness to the Treasury was $16,812,390. From that date through June 30, 1964, the Congress appropriated $12,191,680. Expenditures (including interest payments of $4,700,000) during that period, however, exceeded revenues and appropriations by nearly $4,500,000. Consequently, by June 30, 1964, the indebtedness to the Treasury on notes outstanding increased to $21,292,941.

The exitsing IMG revolving fund has no source of income to offset losses or pay interest except the small amount of interest earned on foreign currency deposits and fees collected. The liquidation of the indebtedness which has accumulated since 1949 must, therefore, depend upon action by the Congress. The proposed legislation directs the Secretary of the Treasury to cancel all outstanding indebtedness under the notes, including principal and interest, thus permitting a new beginning for the IMG program under the revised authority.

SECTION-BY-SECTION ANALYSIS

Section I(1): This subsection amends section 1011(a) of the U.S. Information and Educational Exchange Act of 1948, as amended, by making a technical change in the language and by deleting a reference to section 413 of the Mutual Security Act of 1954. That section has been superseded by sections 221 and 222 of the Foreign Assistance Act of 1961, as amended. Both the original section 413, now repealed, and the current sections 221 and 222 are concerned primarily with guaranties of capital investments abroad against confiscation or expropriation, or by reason of war, and guaranties of convertibility of earnings from such foreign investments. They have little relevance to guaranties of foreign currency sales proceeds from the export of U.S. informational materials. Accordingly, the reference to section 413 of the Mutual Security Act of 1954 is deleted from the proposed legislation as being unnecessary and, for the most part, inapplicable. Similar references in other sections of the IMG legislation are also deleted by the proposed legislation in order to bring the IMG legislation up to date and to make it all inclusive.

Section I(2): This subsection restates in subsection 1011(a) that the purpose of making information media guaranties shall be the achievement of the foreign policy objectives of the United States. The proposed language does not include, however, the language of the present section 1011(a) which states that the purpose of making informational media guaranties shall also include the objectives of sections 413(b)(4)(A) and 413 (b)(4)(G) of the Mutual Security Act of 1954, as amended. Such subsections have been repealed and their substance is now included in sections 221 and 222 of the Foreign Assistance Act of 1961, as amended. These sections specifically include economic development of underdeveloped areas as an objective of investment guaranties.

In view of the subsequent repeal and recodification of the referenced sections, and since economic development of underdeveloped areas is not a primary purpose of IMG, such references are no longer necessary in IMG legislation and have been deleted. Moreover, the purpose as stated in the proposed amendment is broad enough to encompass all foreign policy objectives.

Section I(3): This subsection revises the current legislation by creating an informational media guaranty fund to replace both the existing borrowing authority and the "special account." It is expected that immediately prior to the effective date of this bill the Agency will draw down from the Treasury the balance available against notes authorized by the present statute and deposit such drawdown to the special account. Upon enactment of this subsection the special account balance and the market value of foreign currencies on hand will become the initial capital of the fund.

The dollar value of foreign currencies held by the Agency at the time of enactment of the legislation and foreign currencies received thereafter under contracts of guaranty will be included as assets of the fund. These currencies will be sold as rapidly as possible and the dollar proceeds will become available for liquidation of obligations. The present $28 million borrowing authority will be repealed and public debt financing will be discontinued. The proposed language will make section 1011 of the U.S. Information and Educational Exchange Act of 1948 the sole and all-inclusive statutory basis for making informational media guaranties.

Section I(4): This subsection repeals the formula for computing the maximum in guaranties which may be outstanding at any one time and provides a new formula. The new formula permits guaranty contracts to be obligated against the fund in an amount ranging from 50 to 100 percent of the face amount of such contracts. The amount of guaranty outstanding at any one time may not, of course, exceed twice the amount in the fund. This authority will permit the extension of more convertibility coverage with smaller appropriations. Greater operational flexibility will be possible than under the old formula.

Experience shows that due to the revolving fund feature which permits sales proceeds of foreign currencies acquired under the program to be reused, a substantial portion of the payments under each guaranty contract are financed by proceeds from the sale of currencies purchased under that contract.

Section I(5): This subsection deletes a reference to June 30, 1955, which is no longer necessary. This date was included in the

legislation in the course of prior amendments to establish the date when assets of the informational media guaranty program were segregated from assets of the investment guaranty program.

The words "heretofore or hereafter" are added to make certain that the dollar proceeds received from the sale of foreign currencies held in the IMG inventory at the time of enactment or acquired through operation of the program under the revised authority will be deposited into the informational media guaranty fund, where they will be continuously available for payment of guaranties. It also substitutes the word "fund" for the words "special account" to maintain consistency of terminology.

Section I(6): This subsection deletes the reference to the Mutual Security Act of 1954, as amended, and the authority of the Director to charge a minimum fee of not more than $50 for the issuance of an IMG contract. The latter authority was necessary when IMG fees were set by law at 1 percent of the face amount of the contract. Since the proposed legislation authorizes the Director to establish a schedule of fees the authority for a minimum fee is unnecessary.

Section I(7): This subsection repeals in its entirety the present section 1011(g) which was a transitional provision covering the segregation of borrowing authority and assets of IMG from the borrowing authority and assets of the investment guaranty program which took place in 1956. The subsection is, therefore, no longer necessary.

Section I(8): This subsection redesignates the present section 1011(h)(1) as section 1011(g)(1) and authorizes no-year appropriations to bring the U.S. dollar balance of the newly created fund up to the authorized maximum of $10 million and thereafter to restore impairment to the fund.

Section I(9): This subsection revises section 1011(h)(2) by redesignating it as 1011(g)(2) and by deleting the reference therein to "interest accrued on notes." With the cancellation of indebtedness and repeal of the borrowing authority there will be no further interest accrual.

Section I(10): This subsection modifies section 1011(h)(3) by redesignating it as 1011(g)(3) and by directing the Secretary of the Treasury to cancel all indebtedness on the effective date of the act, including interest upon notes issued or assumed by the Director for purposes of payments under IMG. Cancellation of indebtedness to the Treasury arising from public debt financing of certain other Government programs has been authorized by the Congress in the past. Obviously there is no way for such internal debt to be liquidated other than by action of the Congress.

SOCIAL SECURITY AMENDMENTS OF 1965—AMENDMENTS

AMENDMENT NO. 331

Mr. CURTIS submitted an amendment, intended to be proposed by him, to 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, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 332

Mr. BREWSTER submitted an amendment, intended to be proposed by him, to House bill 6675, supra, which was ordered to lie on the table and to be printed.

HOUSING AND URBAN DEVELOPMENT ACT OF 1965—AMENDMENTS

AMENDMENTS NOS. 333 AND 334

Mr. TOWER (for himself and Mr. BENNETT) submitted two amendments, intended to be proposed by them, jointly, to the bill (S. 2213) 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 were ordered to lie on the table and to be printed.

AMENDMENT NO. 335

Mr. TOWER submitted an amendment, intended to be proposed by him to Senate bill 2213, supra, which was ordered to lie on the table and to be printed.

ADDITIONAL COSPONSOR OF BILL

Mr. BARTLETT. Mr. President, last week I introduced legislation to protect our coastal fishery resources by establishing an additional 9-mile protective fishery zone beyond our territorial seas limit. Recently Soviet vessels have violated the 1955 United States-Russia king crab treaty in the restricted grounds off the Aleutian Islands and last week Russian trawlers have been sighted immediately off the coast of Oregon.

In my introductory remarks I noted that this measure has precedent both in terms of U.S. law and with regard to international law. The United States has maintained a 12-mile customs zone since 1799 and more than 80 coastal nations have unilaterally established their territorial sea claims or have claimed wider fishing zones.

At the time of introduction, the junior Senator from Massachusetts [Mr. KENNEDY], and the senior Senator from Washington [Mr. MAGNUSON] joined with me in cosponsoring the measure. Today I ask unanimous consent that the name of the distinguished junior Senator from Maine [Mr. MUSKIE] may be added as a cosponsor to S. 2218.

The VICE PRESIDENT. Without objection, it is so ordered.

NOTICE OF HEARINGS ON LAW ENFORCEMENT ASSISTANCE ACT OF 1965

Mr. ERVIN. Mr. President, I wish to announce that a special subcommittee of the Judiciary Committee has scheduled hearings on S. 1825 and S. 1792: bills "To provide assistance in training State and local law enforcement officers and other personnel, and in improving capabilities, techniques, and practices in State and local law enforcement and prevention and control of crime, and for other purposes."

The hearings will begin at 10 a.m., on July 22 and 23 in room 2228 of the New Senate Office Building.

There is little doubt that increasing crime is one of the greatest domestic problems facing the Nation today. It is also true, as the President commendably stated in his crime message, that "The principal enforcement responsibility still rests with State and local governments." Therefore, the administration's bill S. 1825, acts to attack the crime problem through training programs and research and demonstration projects to improve law enforcement at the local and State levels.

Witnesses at the hearings will include the Attorney General, Members of Congress, and State and local law enforcement experts. The testimony we receive should be of great assistance to the Congress as we consider these proposed bills.

Any person who wishes to testify or submit a statement pertaining to these bills should communicate with me.

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nomination of Dr. Albert H. Moseman, of New York, to be Assistant Administrator for Technical Cooperation and Research, Agency for International Development.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

ORDER OF BUSINESS

The VICE PRESIDENT. Under the unanimous-consent agreement, morning business is not to exceed 10 minutes. By unanimous consent, that agreement has been exceeded by about 2 minutes.

Mr. MANSFIELD. Mr. President, in the absence of the distinguished Senator from Louisiana [Mr. LONG], the Senator in charge of the bill, I yield 1 minute to the distinguished Senator from Oregon [Mrs. NEUBERGER] and 2 minutes to the distinguished Senator from Ohio [Mr. LAUSCHE].

The VICE PRESIDENT. Without objection, it is so ordered.

ASSISTANCE FOR CONSUMERS IN THE MARKETPLACE

Mrs. NEUBERGER. Mr. President, for several years I have joined the distinguished Senator from Michigan [Mr. HART] in sponsoring legislation to assist the consumer in making meaningful and intelligent choices in the marketplace. It has become known as either the truth-in-packaging bill or the fair packaging and labeling bill.

In this Congress the measure is designated S. 985 and was referred to the Commerce Committee of which Senator HART and I are members. Extensive public hearings were held, most of which I chaired.

The Johnson administration spokesmen, Secretary of Commerce John Connor and Special Assistant to the President for Consumer Affairs Esther Peterson, endorsed the proposal. Mrs. Peterson stated:

It is clearly time * * * for Government to assist both consumers and business by helping maintain the ground rules which enable the best practices of a free competitive market to flourish; strengthening competition by outlawing shoddy merchandising practices which—if allowed to go unchecked—would interfere with the satisfactory functioning of the competitive system; and making sure that its laws are current with the times, and adequately meet the needs of the modern marketplace.

Unfortunately, the opponents of the legislation have taken a head-in-the-sand approach to this issue, refusing to even acknowledge the existence of a market situation about which every housewife in the country is aware.

At the conclusion of the hearings, Senator HART delivered a brilliant summary statement on S. 985, placing the purposes of the bill in true perspective after the exaggerated and imaginary charges of industry witnesses.

I ask unanimous consent that his statement be printed in the RECORD.

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

STATEMENT BY SENATOR PHILIP A. HART, DEMOCRAT, OF MICHIGAN, ON S. 985—THE FAIR PACKAGING AND LABELING BILL

INTRODUCTION

Our Founding Fathers gave to Congress in article I, section 8, of the U.S. Constitution the power and responsibility: to coin money, regulate the value thereof, and of foreign coin, and fix the standards of weights and measures. They knew history taught the necessity in any civilized society for standards of weights and measures.

The prepackaging revolution of the past two decades has made the package the modern-day weight and measure. This new proliferation of package weights, sizes, shapes and their often noninformative labels has played havoc with our traditional system of weights and measures. In effect, these packaging practices now fix the standard of weights and measures.

The truth-in-packaging bill is a response to this condition. It is an opportunity for Congress to reassert its authority for the ultimate benefit of the consumer and the legitimate manufacturer.

This legislation, therefore, is not primarily directed at preventing fraud in the common law sense. It makes little difference to the economy and consumer whether price comparisons are made difficult or impossible because of fraud, deception, or only confusing practices. The seller's intent is not the important point—the practice and its effects are. Rather this legislation is aimed at bringing order out of the chaos of the modern marketplace as it pertains to consumable items—those most affected by the packaging revolution.

PRACTICES

That the practices with which the bill is concerned exist—if not proliferate—in the marketplace is agreed by most witnesses. Volumes of hearings replete with exhibits representing some of our largest and most responsible manufacturers document irrefutably the condition of our marketplace. And if anyone believes that the exhibits are exceptions—"the few bad apples"—he need only visit any supermarket at any time to verify the record.

These practices at which the bill is aimed are:

1. Inconspicuous or nonexistent quantity designations.

2. Deceptive illustrations.

3. Imprinting on the package by the manufacturer of price information implying a retail bargain where the manufacturer has no control over retail price—such as "cents off" and "economy size" designations.

4. Use of adjectives to describe the net quantity that attempt to give the impression of a greater amount than the same quantity of a competitor—such as "giant half quart" in place of "16 ounces" or "pint."

5. A proliferation of weights and measures expressed in odd amounts making price comparisons almost a mathematical impossibility; e.g., 71 quantities of potato chips under three and a half pounds. Or, a consumer, to find the better bargain, must decide between 20 ounces for 35 cents or 24½ ounces for 40 cents.

6. Use of containers of sizes, shapes, and dimensional proportions which give an exaggerated impression of the actual quantity within. This includes nonfunctional slack fill forcing the consumer to pay product prices for air.

7. The use of size designations that have no actual relation to the quantity in order to gain competitive advantage—one manufacturer's "king size" is another manufacturer's "large size" for an equivalent amount. In toothpaste the smallest size often is marked "large."

8. Meaningless serving designations. For the same quantity one package claims it "serves two;" another "serves four."

9. Lack of any useful method of price comparison where weight or count are meaningless. For example, perhaps "a unit of cleaning power" would be more meaningful than weights in detergents.

10. Lack of ingredient or composition information when this may be important, or presenting such information in an inconspicuous manner.

11. Reduction in content while masking the weight loss from the consumer by manipulation of package size and content markings.

NEED FOR LEGISLATION

The prepackaging revolution of the past 2 decades has seen the supermarket replace the neighborhood grocery store, the package replace the brown paper bag; the approximate 8,000 items on the store shelves replace the 1,500 available after World War II.

Passing down the modern supermarket aisle, the consumer-buyer is confronted not by a seller, but by rows of packages and cans, each an inanimate salesman, carrying a message from a remote manufacturer. The package has, in effect, replaced the live salesman. It is with the unfair practices arising from the package's salesman role that this bill is concerned.

The need arises from the fact that when marketing depends on prepackaging, the consumer cannot examine the product itself. He cannot look to the seller and get an assurance from him as to the product. Nor today can he readily compare products and their prices. Thus handicapped, the buyer has found it more difficult, if not impossible, to judge accurately the prices of competing products as a first step to making a rational choice between them.

And, a rational choice does require as a first step the opportunity to compare prices. If two products are of similar quality, or if they are different in quality, price per unit is the initial basic determination that must be made. Is the additional quality, if any, worth the additional cost? This bill is directed at this first consideration for rational choice.

There are three basic benefits flowing from this kind of informed and rational shopping decision.

1. To allow our free enterprise economy to function efficiently and without distortion: The pivotal point on which the American free enterprise system is poised is a marketplace in which price comparisons can be readily and easily made between competing products. Only in this way can the consumer steer production toward the socially desirable goal of the greatest good for the greatest number. It is, in fact, upon the sum of myriad, tiny directional nudges given by the buyer exercising his consumer sovereignty that we all depend for insurance that our resources will be utilized with the best possible efficiency.

However, when the buyer's ability to exercise a rational choice is inhibited, our economic directional sense is confused and the threat of waste and malpractice looms larger. Thus, when a buyer cannot or does not make such an informed choice—as happens when the practices described occur—when he pays more than he need; when he chooses the worst, not the better part, the efficient producer is punished while the inefficient is rewarded.

Certainly, if consumers are unable to compare prices, competition can exert no discipline on rivals to meet the lower prices of competitors, and competition provides no inducement to rivals to seek consumer favor through price reductions.

In short, the free enterprise system fails to function as intended.

This bill by establishing a framework of competition in which it would be more difficult for deceptive and confusing practices to flourish would:

(a) Enhance the integrity of markets in order that they may more accurately direct the productive activities of the economy.

(b) Make it more likely that profits will be channeled to the more efficient producer by promoting effective price competition.

2. Increase the effective spending power of the average family (which spends $80 billion yearly or approximately 25 percent of its income on kitchen and bathroom products covered by the bill): Various estimates have been made as to how much the consumer would save if this bill were passed. The most popular figure is $250 yearly.

Admittedly such estimates can be little more than informed guesses. But no one can disagree that the ability to focus on the best buy will and can save money—no matter what the amount. If pennies saved over a long period of time were not so important, manufacturers would not be continually engaged in the cents-off duel and couponing with their promises of money saved.

And to a substantial share of our population, pennies saved are vital.

Ernest Giddings, testifying for the National Retired Teachers Association and American Association of Retired Persons, said:

"The population aged 65 and over reached 17.6 million at the end of 1963 and the proportion of persons aged 65 and over to the total population has more than doubled since 1900. Today 1 out of 11 persons has passed his 60th birthday.

"The median income of families headed by persons aged 65 or over was $3,204 in 1962, just $200 over the poverty line, and considerably lower than the median income for families headed by younger persons. Three million elderly families live on the wrong side of the poverty line with incomes of less than $3,000 a year. At least 1.9 million aged couples live on less than $2,500 a year. Over 5 million aged individuals live on less than $1,800 a year.

"Seventy-two percent of the population aged 65 or over were receiving OASDI benefits at the end of 1963. The average monthly benefits paid to OASDI beneficiaries in 1962 were as follows:

"Individual benefits

Retired worker	$76.19
Disabled worker (all ages)	89.99

"Selected family groups

Retired workers alone—males	$81.80
Retired workers alone—females	62.60
Retired worker and aged wife	127.90
Aged widow	65.90
Widowed mother and two children	190.70

"Having just made reference to the benefits received by a widowed mother and two children, this is an appropriate time to note that 1 out of 3 persons 65 or over is supporting an aged relative.

"In 1963 over 2 million aged persons were receiving old-age assistance under the Federal-State public assistance programs and the average monthly payment received under those programs in 1963 was $77."

Esther Peterson, special assistant to the President for Consumer Affairs, testified:

"We are justly proud of the fact that food is a bargain in the United States with less than 20 percent of the average worker's paycheck spent for it. But for the poor—and there are about 35 million of them—the percentages are significantly higher. Families with incomes under $3,000 spend around 30 percent for food, according to Bureau of Labor Statistics figures. For these families, particularly, every penny is important."

The 35 million poor, too, deserve our best efforts in their daily fight to keep their heads above the economic waters.

3. To assist the legitimate manufacturer:

The practices with which this bill are concerned do not generally reflect a desire to deceive on the part of the manufacturer. Rather they are a reaction to competitive practices which have made the package the new salesman in the supermarket. If one manufacturer receives a temporary advantage by making his package look bigger while at the same time lowering the content, then the competitor feels he must follow the leader or lose sales. This process has resulted in the follow-the-leader approach to marketing, with the leader sometimes being the least scrupulous in the marketplace. Many manufacturers have said privately that they are on a merry-go-round on which they are not comfortable. But they do not know how to get off without losing sales. By establishing before-the-fact ground rules, this bill would allow the legitimate manufacturer to follow his personal ethical standards without being penalized in the marketplace. It would assist the vast majority of honest businessmen by upgrading the economic value of fair packaging and labeling practices.

Another source of concern to businessmen is legal uncertainty. This uncertainty is written into present law with its vague concepts. Yet neither the Federal Trade Commission Act nor the Food and Drug Administration Act authorize the agency involved to draft substantive regulations that would give meaning to these vague concepts by establishing guides that would be required of all competitors.

A manufacturer then has no ground rules to which he can refer. What the manufacturer can or cannot do is subject to the subjective determination of the agency and this determination is an agency's best guess of a subjective evaluation of a court. This is a bad situation, at best, for the competitor who is putting large sums of money into his packaging and labeling program and who sees his competitor taking unfair advantage of the ambiguity of present law.

The legitimate businessman is entitled in this area to the certainty he seeks and which this legislation would give.

OBJECTIONS TO THE BILL

In reading the industry testimony before the Commerce Committee, it occurred to me that someone must have substituted another bill for the original fair packaging and labeling bill while my back was turned. Certainly the horrible example cited of what could happen to industry and the supermarket if the bill were passed had no relation to any provision of S. 985 as I recalled it. But the bill was the same and dire predictions without foundation as far as I could discover. Therefore, it seems appropriate to outline some of the objections raised contrasted with the facts as they exist.

Objection 1. Present law is adequate: This is simply not true. These practices proliferate under present law. Why? Certainly the vast majority of corporations and executives involved are law abiding. Before expenditures are made, the package and labels generally must be approved by the legal staff. It stretches credulity to believe that any lawyer would give approval to a package or label he believed illegal under present law.

To say that all that is needed is more vigorous enforcement of present law presupposes that the corporations involved are deliberately violating existing law. This I cannot and do not accept.

The truth is that present law is imprecise to a degree that allows these practices to flourish. The corporations, understandably, are marketing their products to the outside limits allowed by such imprecision. And court decisions under the existing law have established legal precedents which do not prohibit the practices observed. An actual showing of deception is required. But to the consumer faced with a shopping decision, ease in price comparison is the important factor—not whether a manufacturer set out to deceive her or not.

What is needed is greater precision in the forms of specific guidelines having the force of law. Enforcement agencies cannot do this under existing law and no one claims that they can.

It is somewhat ironic that industry witnesses tell the committee that what is needed is more vigorous enforcement, not additional law. Yet the agencies charged with enforcement say it is impossible to do the job under existing law. It is not a problem of additional appropriations, it is a problem of additional legal tools.

Certainly, the agencies may and in some cases have issued advisory regulations. But these do not have the force of law. They may be ignored with impunity, and in many cases this is precisely what has happened. Yet the agency has no power to enforce them. It still must fall back to proving actual deception in each case. This bill would require that mandatory regulations having the force of law be promulgated according to specific congressional directions.

This lack of precision easily is seen from the provisions of existing law. The Federal Trade Commission Act provides "Unfair methods of competition in commerce or deceptive acts or practices in commerce, are declared unlawful."

These words give no assistance to the manufacturer who wants specifics as to what he may or may not do in terms of his packaging and labeling. Its failure as a legal tool to correct the practices with which this legislation is concerned was summed up by Paul Rand Dixon, Chairman of the Federal Trade Commission. He testified: "Because of this burden of showing deception as a basis for its actions, the Commission has not found it feasible to issue orders requiring affirmative disclosures on packages of the net contents, or establishing reasonable weights or quantities in which a commodity shall be distributed for retail sale, or defining what constitutes a serving, or requiring labels to disclose information concerning product ingredients or composition."

The pertinent sections of the Food, Drug, and Cosmetic Act are:

"SEC. 343. Misbranded food.

"A food shall be deemed to be misbranded—

"(a) False or misleading label: If its labeling is false or misleading in any particular.

"(d) Misleading container: If its container is so made, formed, or filled as to be misleading.

"(f) Prominence of information on label: If any word, statement, or other information required by or under authority of this chapter to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use."

But what does false and misleading mean? What does made, formed or filled as to be misleading mean? What does "conspicuousness" mean? It means exactly what a specific court in a specific case says it means. These vague concepts give no specifics or assurances to the manufacturer.

The FDA cannot promulgate mandatory regulations giving content to these concepts.

The practical effect was described by George P. Larrick, Commissioner of the Food and Drug Administration. He testified: "We have faced great difficulty in enforcing the requirements of the Federal Food, Drug, and Cosmetic Act with respect to conspicuousness of labeling and deceptive packaging. Where there is no well-established practice in the industry, most courts have looked with a skeptical eye upon our attempts to bring about correction of practices which we thought involved economic deception."

John Connor, Secretary of Commerce, who has a sympathetic understanding of the problems of industry, testified the bill is needed.

And the President himself through his consumer representative, Esther Peterson, announced that the bill has full administration support.

Faced with this array of testimony by the executive branch of Government, it is somewhat academic to argue about whether present law is or is not adequate. The hard fact is that the required job is not being done. When the agencies involved cite chapter and verse as to why the job cannot be done effectively under present law, it does not solve the problem to say "you can too." It is the responsibility of Congress to correct this situation. It must tell the enforcement agencies what it wants done and how it wants it done. Finally, Congress has the responsibility to give the appropriate agencies the authority necessary to effectuate these directions. This, of course, is what the fair packaging and labeling bill does.

Under the bill Congress gives to the agencies specific directions, specific authority and a specific policy. It does this within a framework of appropriate and specific safeguards. It leaves to the agency the working out of technical details within the expertise of the agencies involved. Certainly these are the kinds of technical problems which Congress ought not to legislate in detail. It would be neither feasible, practical, nor desirable.

To be more specific, testimony clearly establishes the limits of present agency authority.

Under present law, the Food and Drug Administration cannot require that the net weight be on the front panel; it cannot designate minimum type size and face for net quantity of content statements; it can-

not forbid qualifying adjectives modifying net weight. These are the first three provisions of the mandatory section of the bill (a) (1), (2), (3). On commodities not subject to the Food, Drug, and Cosmetic Act, no net weight or number is required by law.

Neither the FDA nor the FTC can prohibit the "cents off" promotion or the economy size definitions as is done in the fifth of the mandatory provisions (a)(5).

In regard to the last of the mandatory provisions, which requires regulations prohibiting deceptive illustrations, both the FDA and the FTC under present law could proceed against an allegedly deceptive illustration. But again, they would be faced with the hit and miss process of proving the legal elements of deception on a case-by-case basis taking into consideration the thousands of marketbasket items which would require review. Neither, however, can establish criteria before the fact defining a meaning for deception. Once definitions are established for "deceptive" by regulation, a far more effective and fair job can be done in restricting the use of such illustrations; (a)(6) provides the means.

A comparison of the discretionary provisions, (c)(1-6), with the Food, Drug, and Cosmetic and Federal Trade Commission Acts also indicates the utter inadequacy of present law to cope with this situation. Neither agency can establish "reasonable weights or measures" (c)(1). Neither agency can establish standards to prohibit packages of sizes, shapes, or dimensional proportions that tend to deceive. (The FDA now may establish standards of fill which this subsection also authorizes but the FTC cannot do so in regard to products which are not foods, drugs, or cosmetics. However, the FDA cannot now establish standards governing dimensional proportions or deceptive shapes which this subsection also authorizes (c)(2).

And even its authority to prescribe "standards of fill" would not apply to most of the slack-filled containers presented at the hearings. It is effective only where container sizes have already been standardized. Commissioner Larrick testified: "We would have to make a standard fill of container for every size package that any manufacturer elected to put on the market, and that would be an impossible task. It would take forever."

Neither agency can establish serving standards (c)(3). Neither agency can establish standards for size nomenclature (c)(4). Neither agency can establish standards of meaningful comparisons of quantity when neither weight nor count is significant (c)(5).

The FTC cannot require ingredient or composition information on packages or labels under present law and the FDA may require such information on food and drug packages and labels only to a limited extent. It cannot require such information on cosmetic packages or labels (c)(6).

No protection under existing law would be lost through passage of S. 985 as the legislation specifically provides that it does not repeal, invalidate, supersede, or otherwise limit the Federal Trade Commission Act, the Food, Drug, and Cosmetic Act or the Hazardous Substance Act.

There is a possibility that if the FTC and the FDA were to devote all their resources for the next 15 years to a case-by-case approach to the 8,000 or more items in the present supermarket, some improvement might be noted in some of the more extreme practices. But by then it is estimated there will be 20,000 items in the average supermarket.

The American consumer and the ethical manufacturer deserve a better shake than this. This same "present law is adequate" argument could have been and was made when the various product labeling acts were considered by the Commerce Committee. For somewhat the same reasons, the committee decided that existing law provided too tortuous a path to protect and provide information for the American consumer. Congress wisely enacted those laws; it wisely rejected the present law is adequate theme.

Some question has been raised about the adequacy of State law as it bears on this legislation. This bill specifically does not preempt State law. It sets instead minimum standards for products moving in interstate commerce.

Significantly we have been told by the State officials most concerned with the problem—the National Association of State Departments of Agriculture and the National Conference of Weights and Measures—this legislation is needed. Also noteworthy is the fact that the spokesmen for these associations were from the States of North and South Carolina, respectively, both of which have strong laws in this area.

Nevertheless, they detailed why they and their fellow State officials considered this Federal legislation necessary.

Objection 2. The consumer only can be fooled once: There are approximately 180 million consumers in the United States. The law allows even a dog only one bite. Certainly it should not allow a manufacturer 180 million.

Regardless, this argument is based on two false premises.

1. It assumes that the consumer will discover readily she has been fooled. In scores of the exhibits presented, it would be almost impossible under usual conditions for the consumer to discover she has been taken. Further, the free enterprise system can operate only if the buyer has a great deal of trust in the seller. If consumers do not act on this assumption—that the manufacturer is to be trusted; if all consumers insisted on weighing packages, examining contents; and challenging the validity of prices in the many sizes of packages; the whole system of mass distribution would break down.

Yet if the consumer does not, in fact, begin with the presumption of distrust, then the odds increase that the confusions and deceptions we have seen—most of which are cleverly concealed or in shadows—will not in the usual course of events be discovered.

Further, the consumer may like the product. There may not be reasonable substitutes. Is her only recourse in order to discipline the producer to stop using something she likes? To me, it makes more sense to prohibit the practice or to require adequate information than to require all consumers to act as policemen.

2. The argument erroneously assumes that the offending packager will always have competitors who offer packages which do not follow the offending practice.

The competing manufacturer may be seriously damaged if purchasers reject his package or shift to his competitor's container because it seems a better deal. It may not be economically feasible for him to wait for a subsequent round of purchases when disgruntled buyers of such packages again may choose his product. Instead, the manufacturer may decide to curtail or forestall injury by adopting his competitor's tactics. As an increasing number of packagers do this, whether in response to competition or on their own initiative, the availability to the consumer of acceptable substitutes steadily decreases.

Objection 3. Increase costs: Production and administrative: The fact is that the testimony relating to greater expenditures for line changes, etc., is based on presumptions foreign to this legislation.

1. Production: The only portion of the bill that requires action at the time of passage is the mandatory requirements. These pertain only to labeling. Industry has made no claim whatsoever that labeling changes would increase the costs of production. Labeling changes are constantly being made for most products and the manufacturers anticipate no production cost problems as a result of the mandatory provisions.

All testimony as to increased costs relates to sections (c) (1) and (2) of the bill. The first—(c)(1) would allow reasonable weights and measures to be established in a product line after necessity had been shown, conferences with industry and other interested persons had been held and the provisions of the Administrative Procedures Act had been followed, including formal hearings and court appeal.

The second—(c)(2)—would allow on a product line basis, and after the same procedures had been followed, the proscription of packages of sizes, shapes or dimensional proportions which are likely to deceive consumers as to net contents. However, the Administrator could not proscribe shapes designed to exploit the unique advantages of any material for use in packages of distinctive appearance.

The testimony has been directed to horrible examples of what could happen if an administrator ran amuck with the authority contained under these subsections. Most examples were in areas where reasonable weights and measures would not make good sense. These examples were based on the theory that new proposals should be judged not on what a reasonable man would do with them but what an arbitrary and unreasonable man could do if so inclined. If this theory were accepted, our administrative agencies would have to close up shop and go home. In point of fact, the courts are available to strike down an arbitrary administrator.

The point missed is that these subsections were not made mandatory and were put on a product line basis for a good reason. The reason is that there are many product lines where standardization of weights and measures would not make good sense. Certainly Congress is not prepared to study the technicalities involved in the thousands of different product lines and decide which should and which should not be standardized.

Therefore, Congress gives specific directions to the agencies involved and leaves to the Administrator the development of the technical details.

To base cost estimates on an Administrator run riot is like opposing all law because there may be a drunken or incompetent judge.

Law is premised and must be premised on the proposition that the judge, or, in this case—in the first instance—the Administrator will behave in a rational fashion.

But this bill goes even farther. It guards against an irrational Administrator by giving precise directions to him and then building in safeguards which would make virtually impossible the hypothetical situations brought to the committee's attention.

The canners, particularly, have gone to great pains to point out that you can't standardize both can sizes and weights and measures, and that they use standardized containers. These container sizes have been worked out over the years through the offices of the Department of Commerce and are in general use today in the industry.

The bill now provides that no weights and measures can be established in a product line that are inconsistent with these standardized sizes. Thus, it would appear that there is no longer merit in the suggestion of the canners that this bill could cost them great sums of money.

It cannot be emphasized too strongly that mere passage of this legislation standardizes nothing. The committee was shown canned

goods strawmen and only strawmen. As they related to other packaged products, the possibility of an Administrator acting in so arbitrary a manner is so remote as to be negligible. And finally, if there were an Administrator so inclined, the built-in safeguards in the bill would make such action an impossibility.

The Department of Commerce earlier was asked to analyze this industry argument. Their answer is attached as an appendix to this statement. Certainly it gives no support to any argument that this bill would raise the cost of production and impliedly the cost to the ultimate consumer.

2. Administration: The cost of administering the provisions of this legislation is not easy to determine. However, the bill's approach of utilizing the expertise of agencies already dealing with the problems instead of setting up a new agency should keep the cost to a minimum.

Both the FDA and FTC have staff personnel working in this area. This bill changes the emphasis from a far-flung enforcement operation to establishing guidelines, thus avoiding increased enforcement staffs. Under this bill both the Government and manufacturer would have a standard against which to measure the package. Thus, both compliance with and enforcement of the law are simplified.

We assume that once a guideline is established, the manufacturer will follow it. Presently, expenditures must be made for costly court proceedings to determine whether a given practice is or is not deceptive. Under this legislation these expenditures would no longer be necessary. Proof would only go to whether or not there is a departure from an objective standard. Certainly this is a simple and less expensive procedure as the experience of the Department of Agriculture in regard to meat and poultry products has proven. A clerk can measure whether the net weight is or is not stated in 10-point type. It takes a team of lawyers to determine whether or not the net weight is in fact "conspicuous."

There is no reason why the mandatory provisions could not be put into effect with present staff personnel.

How much effective work can be done under the discretionary provisions would depend on how much staff personnel the agencies in question would allocate to these problems within their budgetary limitations.

However, this is a decision that can be made at a more appropriate time. The bill would not require additional funds. It could be more effective in some regards if they were available.

The mere fact that the Government can take action in trouble spots, if necessary, should act as an incentive to industry to put its own house in order.

As stated by Commissioner Larrick of the Food and Drug Administration, these guidelines would permit the enforcement agencies to concentrate their regulatory activities against those who disregard rules that have been developed for the industry as a whole. Thus, it should decrease litigation and encourage self-regulation and voluntary compliance.

Objection 4. Curtail product variety and packaging improvement; eliminate or suppress nonprice competition: How this could occur because of this legislation is difficult to understand. The bill relates to packages and labels. It has absolutely nothing to do with the product within. So far as this legislation is concerned, product variety is limited only by the imagination of the manufacturer.

Nor could the bill inhibit package improvement. Colors, designs, imaginative packages are limited only by the requirement that the net weight be easily seen on the front of the package and that the illustration have reasonable relationship to the product inside so it does not deceive.

Some witnesses testified that establishment of reasonable weights and measures could suppress packaging ingenuity. Certainly the attractive package can be designed to hold 8 and 16 ounces as well as 7½ and 15, and package designers have so testified.

Insofar as the provision relating to packages of sizes, shapes or dimensional proportions which are likely to deceive, certainly packages can be designed which are convenient and distinctive without deceiving the consumer. And if deception is likely, they should not be used.

The bill as presently drawn does not allow proscribing the use of package shapes which have been designed to exploit the unique advantages of materials used for packages of distinctive appearance. There is nothing in the bill that would prohibit convenience packaging, unique shapes, handles on bleach bottles or instant cream containers that look like pitchers.

The borderline is "tendency to deceive" which industry witnesses have testified they have no intention of doing. They cannot consistently agree in principle on one hand and take an opposing position concerning implementation of the principle on the other.

It has been testified, too, that the bill will discourage nonprice forms of competition by putting the emphasis on price rather than quality. This testimony misses the point entirely. The bill says nothing about quality, advertising, convenience, service, innovation, or any of the forms of nonprice competition.

It recognizes only that a first step in any buying decision must be the price. It is difficult to understand why any manufacturer would dispute this. Certainly in buying the raw ingredients that go into the finished product, they consider price of great importance.

Indeed, most State agencies purchase through competitive bidding. Price is important and the purchasing agent for a governmental unit or a family has an obligation to take it into consideration when making a purchase.

Objection 5. The consumer is satisfied: If this were true, the legislation would not be where it is today. Letters, newspaper stories, magazine articles, feedback from constituents eloquently present the unrest that is prevalent among American consumers concerning packaging and labeling practices. A steady stream of letters have contained literally thousands of examples of bad packaging practices. Consumer Reports, a leading consumer magazine with 1 million readers, tells us that there is more interest in this subject than in any other consumer issue during the 30-year history of their publication.

Also, industry sponsored a survey it says represents 51 million consumers. The method was to cite the industry views on a question before it was answered. Even at that, 20 percent of respondents—representing 10 million consumers—expressed concern over many of the practices that this bill is aimed at. That is not a negligible amount.

Even if consumers were not concerned, it is vital that they should be. This free enterprise system of ours is based on the assumption of a knowledgeable, rational consumer rewarding the most efficient producer—one who offers the best product at the best price. It is essential in the aggregate that the consumer act in this manner or else there is distortion in our free market system of production and distribution.

To the extent this bill performs the function of assisting and encouraging the consumer to make this kind of informed choice, it assists the free enterprise system to perform properly and efficiently. If the consumer wants to choose one quality over another, fine. But first she must know how much that additional quality will cost her. It may be if the cost is too high, she will prefer an inferior quality. It may be if the cost is slight, she will prefer the superior product. It is elemental, however, that the initial information needed is price. The rest follows.

Quality requires a subjective determination. Computing price is an objective one and is thus suited to legislative assistance for the consumer. This bill admittedly considers price an important factor in any buying decision. To the extent that it is easily computed, more time can be devoted to quality considerations.

SPECIFIC PROVISIONS

I. Mandatory

These mandatory provisions are intended to apply to all commodities covered by the bill regardless of the kind, nature, or form of the commodity or package and label involved. The first three mandatory provisions, (a) (1), (2), and (3), apply to the method of presenting the net quantity of contents of the product involved.

They require, first, that the net weight be stated upon the front panel of the package.

This provision is not intended to limit the manufacturer if he desires to put the net weight on more than one panel. It is intended only as a minimum requirement.

The definition "front" is left with the agencies involved, because of the many sizes and shapes in which products are packaged. Flexibility is thus insured to meet the unusual and differing kinds of packaging which it would be impossible for the Congress to anticipate and delineate in a bill.

The second requirement regarding the net quantity of content statement provides for the establishment of minimum standards with respect to its prominence (including minimum standards as to type size and face) (c)(2). The purpose of this requirement is the establishment of an objective measurement for this basic information as opposed to the subjective requirement of conspicuousness in the present law. It is intended that the size of the net-quantity-of-content statement be reasonably related to the front area of the container or label involved and be of sufficient type size to make it plainly visible to the buyer with normal eyesight.

The Canadian Government has established such regulations and Mr. Roy Zimmerman of IGA Stores has stated that because IGA packages for both American and Canadian markets, it follows the Canadian regulations on many of its packages. He said: "We have not found any difficulty in complying with the Canadian law, and we do feel it represents some improvement in the direction of consumer information."

The third requirement regarding net quantity of content prohibits adding to the net quantity statement any qualifying words or phrases. This section is aimed at such phrases as the "big 6 ounces" or the "giant half quart" (c)(3). It is intended that the net weight statement stand without qualification.

This subsection would prevent a manufacturer from gaining an unfair trade advantage by using adjectives that exaggerate the net contents statement. The extensive use of this practice is eloquent testimony to the undeserved benefits derived by the manufacturer who wishes to gain a competitive edge by suggesting that his "giant" half quarter is larger than his competitor's 16 ounces.

The practice has been uniformly condemned by the National Conference on Weights and Measures, by State officials, and by industry and consumer witnesses alike.

Subsection (a)(4) allows exceptions to the foregoing three requirements relating to net quantity of content. It is realized that flexibility is necessary because of the few excep-

tional circumstances where the nature, form, or quantity of a particular commodity of the manner in which it has been customarily displayed may not permit reasonable adoption of the foregoing requirements. A small lipstick tube or purse-size perfume bottle, or certain small bottles of spices, for instance, may be of such minute quantity, or so packed, as to make front-panel net-quantity-of-content designation unreasonable.

The fourth mandatory provision (a) (5) requires regulations prohibiting the manufacturer from imprinting on packages printed matter stating or representing by implication that the commodity is offered for retail sale at a lower price than the ordinary and customary retail price, or that a retail sale price advantage is accorded the retail purchaser by reason of the size of the package or the quantity of its contents.

The subsection is concerned primarily with the so-called cents-off promotion and designation on packages or labels of "economy size." Many abuses of this promotion were developed at the hearings, such as "cents off" being used to conceal a price increase, or the cents-off price being in fact the regular price, or "economy sizes" actually being more expensive than noneconomy sizes. Cents-off bargains proclaimed by manufacturers break down in the marketplace. Basically, the manufacturer only sets the price at which the jobber, wholesaler, or retailer may obtain the product for retail sale. He neither sets, controls, nor in most cases has any influence over, the retail prices. Setting the retail price is the function of the retailer. Therefore, in the kinds of practices that this section would prohibit, the manufacturer is promising a retail price advantage on which he cannot deliver. He is, in effect, making a promise to the consumer on which the consumer cannot rely.

It has been suggested that such promotions should not be prohibited, unless they are actually false, and where false they violate existing law.

Inasmuch as there are approximately 274,000 retail outlets for food products in this country, and literally hundreds of cents-off deals and "economy size" designations in each, an army of investigators would be needed to police only this kind of practice. Certainly, the spectacle of an army of Government investigators moving into the markets to enforce the promise of a manufacturer which he cannot control himself is not the answer to this problem.

It cannot be emphasized too strongly that this subsection does not apply to the retailer in his role of selling such commodity to the ultimate consumer. If, at that level of distribution he wishes to put on sale or promote products in his retail outlet in whatever way he chooses, he is not prohibited from doing so under the provisions of the bill. Retail pricing is the retailer's function and this bill in no way intends to interfere with this function.

The question has been raised of whether the provisions of this subsection (c) (15) are applicable to chainstore operations in which the retailer also packages products to be sold in the retail outlet.

To the extent that a retailer packages his own products, he would be covered by the provisions of this subsection to the same extent as any other packager or manufacturer who distributes a commodity in commerce.

To do otherwise would give the chainstore retailer with an integrated operation including both packaging and selling an unfair competitive advantage over the independent proprietor of an ultimate sales outlet. Subsection (c) (5) does not intend to bring about such a disparity.

The last of the requirements under the mandatory subsection is contained in subsection (c) (6), and relates to illustrations or pictorial matter which are likely to deceive retail purchasers in any material aspect. This provision is aimed at deceptive illustrations and pictorial matter. It would require that the picture on the package bear a relationship to what a reasonably prudent consumer could expect from the contents, either as presently in the box or as may be reasonably expected from the finished product if the package contains raw products or ingredients.

DISCRETIONARY PROVISIONS

Subsection (c) contains the six areas where regulations may be promulgated only after necessity has been established. This is intended as a trouble-shooting subsection, giving standby authority to the Secretary of Health, Education, and Welfare (as to any food, drug, device, or cosmetic) and the Federal Trade Commission (as to any other commodity) to issue certain regulations. This may be done only when necessary to: (1) Establish or preserve competition between and among competing products by enabling consumers to make rational comparisons with respect to price and other factors, or (2) to prevent consumer deception. If the necessity is found to exist, the regulations could be issued, but only on a product-line basis and after the safeguards and procedures surrounding the issuance of the discretionary regulations had been followed.

The discretionary authority conferred in subsection (e) (1) to establish reasonable weights or quantities, or fractions or multiples thereof, in which a commodity shall be distributed for retail sale, is a reaction to the state of today's marketplace.

It has been established that some products are sold in so many weights, sometimes of varying fractional ounces, that rational comparisons become almost an impossibility.

Potato chips, according to a survey of the National Conference of Weights and Measures, are marked in 71 weights under 3½ pounds compared to regular coffee which is in 9 weights. Fractional weights are often used and compound the difficulty or comparative price per ounce, and often their use cannot be justified by technological considerations. Comparing pounds, half pounds, quarter pounds, and so forth, removes confusion from the shopping process as opposed, for instance, to comparing three 6⅓-pound containers with two 8⅔ for the same price.

This subsection is also aimed at the practice of reducing contents slightly without making the change clear to the consumer. Harrison Dunning, president of Scott Paper Co., pointed out that there is room for improvement in the field of package sizes where there are slight changes made in content without their being readily discernible to the consumer and suggested as an answer that when there was a change in net contents that it be large enough to be discerned.

This practice also has been referred to as "concealed inflation" because in many instances the price is actually raised on a per unity basis although the consumer thinks the price has been, in fact, lowered. The reason is that the package looks either the same size or larger and the total price is somewhat lower than the old price.

Reasonable weights and measures certainly have not injured the liquor industry.

The purchaser of liquor, for instance, knows that no matter what shape or size the package, he is still buying a pint, fifth, or quart and he can readily compare prices between competing fifths. It has been suggested that the housewife buying soap flakes at the supermarket should have the same protection against unfair and deceptive packaging practices as are now given her husband when he buys whisky at the liquor store.

It should be noted that the advantages of standardization in this country have been recognized since former President Herbert Hoover was Secretary of Commerce in 1926, and the Department of Commerce since that time voluntarily has established with industry cooperation 500 commodity standards. Department of Commerce spokesmen have described the many advantages to the producer, manufacturer, jobber, wholesaler, retailer, and consumer from its standardization program.

In this regard, the bill now provides that weights and measures can be not inconsistent with these standards. As a result, manufacturers adhering to commodity standards need fear no adverse results from this legislation.

The advantages both to the consumer and manufacturer from some standardization of weights and measures long has been recognized by the National Conference on Weights and Measures. Its law and regulation committee pointed out to the 48th annual conference that—"the consumer is best served and true competition exists when it is possible to make easy price comparisons. To facilitate this, the consumer must be able to make comparisons based on packages of like commodities packed in standard units."

Second, (e) (2) would prevent the distribution of commodities for retail sale in packages of sizes, shapes, or dimensional proportions which are likely to deceive retail purchasers as to the net quantity of contents.

This subsection is aimed at three practices: First is the slack filled container—the package that has more empty space than is reasonably necessary considering the nature of the product and the technological problems of fill. It seeks to limit, therefore, nonfunctional slack fill. Next, it is concerned with those packages wherein the dimensional proportions have become so distorted as to be likely to deceive the buyer as to the amount inside. Finally, it is concerned with those containers which are so shaped as to be likely to deceive the buyer as to the amount of content inside. This subsection is keyed to deception. It does not seek to interfere with convenience-packaging in any way, unless the package is likely to deceive.

Some have argued that prominent "net weight" should lessen the need for a provision preventing this type of deception.

But the point has been made that the inclusion of the weight marking should not be a license to permit the manufacturer to cheat the consumer by manipulating the size, weight, and shape of the package.

Because of the difficulty, if not impossibility, of computing price per unit because of some of the practices heretofore discussed, the ordinary purchaser is guided to a considerable degree by a visual appraisal of size by comparative dimensions of a package. J. L. Littlefield, chief, foods and standards division, Michigan Department of Agriculture, has said: "Manufacturers appear to be capitalizing on this knowledge of consumers' purchasing habits by utilizing containers which apparently enhance the size and hence the value of the commodity. Buying by container size, the consumer feels she is getting the most of a product. However, a small package right beside it may hold more product at a cheaper cost per unit."

A Government survey of consumer behavior also has indicated that a significant number of purchases are based largely on container size.

This subsection, of course, does not go so far as to suggest or require standard sizes. But it does provide a means to prohibit these extreme examples that are likely to deceive.

Third, (e) (3) provides for the defining of size nomenclature relating to quantity such as "small," "medium," or "large." It is for instance, concerned with confusions arising when one manufacturer's regular is greater than all of his competitors' "large," as was documented at previous hearings.

One witness testified that in most stores "large" is the smallest size of toothpaste.

The purpose of this section is to make size nomenclature meaningful as between

competing products in the same product line so that one manufacturer's "king size" does not represent less than another manufacturer's "large." Should such standards be established on a product line basis, there is no compulsion for the manufacturer to use them if he chooses to use no size designation whatsoever. If, however, he wishes to use size designations, they would have to be those established for the range of quantity into which the amount within his package falls.

Fourth, (e)(4) would allow the establishment of serving standards. Ellen Ann Dunham, vice president of General Foods Corp., has stressed that in certain areas with certain products "servings" were important to consumers.

Yet this serving information can vary markedly between competing brands of the same product even though the content may be the same. The manufacturer who wants to puff up his servings can thus obtain a competitive advantage over one who is more conservative in his claims.

The purpose of this subsection is to make serving information meaningful. For instance, most cookbooks consider a half cup as a serving. If a similar standard were adopted on a product line basis, and within a reasonable range to take into account varying product densities, then the consumer could depend on the serving designation to give him a measure to compare with competing products accurately.

It has been argued that serving information would be impossible to establish because of the varying tastes of consumers. One industry witness stated that what would be a serving to a midget would not be a mouthful to a giant. Aside from the fact that the National Canners Association has successfully established serving standards for scores of products, this argument evades the point.

It makes no difference whether the agency involved, after industry consultation, sets one-half cup or a cup as the standard. The important thing is that, once it has been established, a standard of comparison between the finished product of competing products will be available where none exists now. And the consumer will be assured that "serves two" on each of the competing packages means that the finished quantity of each will be the same. He has no such assurance under present marketplace conditions.

As in the size designations, a manufacturer need use no serving designations at all, if he does not desire to do so, regardless of whether they have been established.

Subsection (e)(5) relates to those products in which it is claimed that net weight or number designations are meaningless. For instance, Albert Halverstadt, vice president of Procter & Gamble, testified that in the field of detergents, a statement of weight is not significant. And this testimony was echoed by E. Scott Pattison, manager of the Soap & Detergent Association.

If net weight or number is not any guide upon which a consumer can base a price comparison, another standard is needed. This subsection would allow the establishment, in those few product lines where net weight or number are not significant, of a standard which would allow a rational comparison between the competing products in that line. For instance, a unit of cleaning powder could be established. Like serving information, it would make little difference whether that unit was keyed to a large wash or a small wash, a slightly soiled wash or an exceptionally dirty wash. The important point is that there would be a meaningful designation available for the consumer to assist in evaluating best buys in terms of price between competing brands.

The last of the discretionary sections, (e)(6), would allow the agencies involved to require that sufficient ingredient or composition information be placed conspicuously on the package, consistent with the Federal Food, Drug, and Cosmetic Act. The reason for this subsection is to allow the consumer to know what he is buying when necessary. The present law requires that information as to ingredients be placed only on food packages (and percentages are not required although in some cases they might be significant) and to a limited extent, active ingredients, on proprietary drug packages. There may well be other classes of commodities covered by the bill where either ingredient or composition information are matters of importance to the consumer who wants to choose intelligently between competing products. (For equally compelling reasons, proprietary trade secrets are exempted from this provision.)

CONCLUSIONS

It is seldom a still wind whips up such sound and fury.

S. 985 is legislation the consumer wants and needs. It is legislation the efficient operation of our economy requires. It is legislation that will benefit every legitimate manufacturer who packages and labels commodities covered by its provisions. It is legislation which will benefit every retailer who is on the firing line for practices over which he has no control, and which cost him money.

Why then does industry protest so much? Some industry spokesmen have said they are not happy with the present state of the marketplace. But fear of antagonizing their corporate brothers; fear of the unknown have forced them to adopt the industry line.

But fear and timidity should not be allowed to suffocate legislation which responds to an important need in a responsible and reasonable manner.

APPENDIX

COMMENTS OF COMMERCE DEPARTMENT ON COST TO INDUSTRY OF TRUTH-IN-PACKAGING (S. 387) MAY 27, 1963

It is difficult to be precise about what costs may be incurred by manufacturers as a result of the enactment of the truth-in-packaging bill. First, no one knows, at this time, what exact regulations will be formulated under the bill, so it is impossible to tell the extent to which present packages do or do not conform to the provisions of the bill. Second, once the regulations are known, undoubtedly it will be found that there will be wide variety in the extent to which packages require change in order to conform to the provisions of the bill and the regulation; some will require no change at all, some will require minor change, some more extensive change. Third, there are many types of packaging used on the products covered by the bill—for example, bags, paperboard boxes, plastic boxes, metal or fiberboard cans, glass or plastic bottles, metal or plastic tubes, aerosol containers, and others, and each of these types of packages has its own cost structure which will determine the cost of changes.

It should be noted that even without passage of the bill, packaging changes at the present are more or less frequent for many of the products covered in the bill. Entirely new products are being introduced regularly, and some older products are being dropped. New advertising appeals are developed for an existing product, and this frequently calls for change in the design of its package. New recipes, special offers, menu suggestions, toys and games, such as on the backs of cereal packages, are being developed frequently and require changes in packages. Sometimes the package changes are merely changes in surface printing, but oftentimes they are complete changes in the type of package, such as the shift from a fiberboard can to a plastic squeeze bottle to an aerosol container.

Any packaging changes required by the provisions of the bill and the regulations might well be accommodated in the above changes which the manufacturer contemplated making in the ordinary course of events for purposes of improving the convenience of the package, or heightening its appeal to the consumer, or tying in with a new advertising campaign. In such a case there would be no special cost to the manufacturer because of packaging changes required by the bill. In any case, the manufacturer would be allowed to run out his present inventory of packages before making any changes so that there would be no loss or wastage.

Section 3A(c), which covers the mandatory provisions of the bill, would require packaging changes in terms of surface printing only. These changes would be of two main types:

1. Minor changes in type only, probably in one color only, to comply with the requirements on how the net quantity within the container must be stated. For those packages not already complying with these provisions, it is conceivable that many of them could achieve compliance by slug changes, which would be made on the printing plates presently being used. While the cost of these slug changes would vary widely and depend upon the package involved, in most cases it can be expected that the cost would be no more than $100 per package type.

2. Changes in the illustrations, which may well be four-color or more process printing, to comply with the requirement that the illustrations not be deceptive. For those packages—probably a small number—not already complying with this provision, this will require a number of new printing plates, plus new design work and probably new color photography work. Here, too, the cost would vary widely depending upon the type of package, but as a general rule, these changes would in all likelihood be accomplished at a cost of $10,000 a package or less.

One of the mandatory provisions of the bill (sec. 3A(c)(4)) could result in savings to the manufacturer. It calls for the elimination of "cents off" printed matter. Companies frequently make up extra printed plates carrying these extra captions and keep them in inventory for use from time to time. Making up such extra plates and maintaining inventory would no longer be necessary if this provision became law.

Section 3A(e) of the bill, covering those products which individually are determined to require further regulation beyond the mandatory provisions, might require additional cost in complying with the provisions of the bill. Some of the requirements under this subsection would involve changes in surface printing only, such as the requirement with respect to the printing of ingredients. In these cases the same cost factors would apply as noted above for compliance with the mandatory provisions of the bill.

Compliance with some of the other provisions of this subsection, however, would require a change in the size and shape of the package itself. If the package were to retain its shape but be made only slightly larger, this might mean slight additional cost in the packaging material itself. On the other hand, it might mean a cost savings if the package were to be made smaller. Costs would be higher if the changes in size or shape required new molds, as in the case of plastic containers, for example. Any change in the size and shape of the package would, of course, require a change in the surface printing, which in all likelihood would require new design, new plates, etc., at the average cost figures noted above under discussion of the mandatory provisions of the bill.

Beyond that, a change in the size or shape of the package would also involve changes in the packaging line, which includes the machinery for sorting, weighing, measuring,

filling, package forming, closing, sealing, labeling, and packing into shipping cases.

Where the packaging line is set up for a large volume operation, the line is specifically designed to serve a specific package. The machinery is adaptable to other packages, but the changeover may well require 2 or 3 days downtime and it may involve a cost of $12,000 to $15,000 per packaging line. The impact of this change would, of course, be lessened if it were done in connection with a change which the manufacturer was planning to make in any case for reasons of his own, including product modification, new promotions, new advertising appeals, and so forth. The cost of adopting the packaging line is comparatively low per package because it is amortized over a large volume of packages.

In the case of a low-volume product, the packaging line is much less complex and it is not profitable to design it for use with that one package alone. Therefore, the machinery is adjustable, and with some types of packaging machinery the adjustment can be made by hand in a matter of a few minutes. Here the changeover in the machinery from one package to another would cost almost nothing.

It is our understanding that additional provisions for consultation with industry have been added to the bill since hearings were held. During such consultation, consideration should be given to the extent of change, in printing, in package design, in package construction, and in package machinery operation, that would be required by new regulations. Every effort should be made to establish regulations that are compatible with existing standards for package sizes and shapes and for machinery operation.

We trust that this information is helpful. If the committee has any examples it would like us to analyze, or if it requires additional information we would be pleased to be of assistance.

Sincerely,

DANIEL L. GOLDY,
Administrator.

PRESIDENTIAL SUCCESSION

Mr. LAUSCHE. Mr. President I did not vote for the bill dealing with Presidential succession because I was convinced that it is fraught with provisions that could well in the future jeopardize the security and stability of an incumbent government.

The provisions which caused me to vote against its approval deal with the manner in which charges shall be preferred against a President on the grounds of either his mental or physical incompetency to fill the duties of his office. The bill provides that charges of incompetency can be preferred against a President by the Vice President and either the majority members of the President's Cabinet or by a newly created "body" of the Congress.

Thus the bill gives to the Vice President power to make the declaration although if in the end the President is declared to be incompetent that Vice President becomes the acting President.

It will be observed that the bill then gives either to the majority members of the President's Cabinet or the majority members of a special body created by Congress the responsibility of making the charge. The managers of the bill on the floor of the Senate argued vigorously that this latter provision dealing with the power of the Cabinet Members on the one hand and the newly created "body" of the Congress on the other is intended to mean that only one of the two may act.

If the Congress determines to create a "body" such as mentioned in the resolution, it would supplant the power of the members of the President's Cabinet. It is with this latter provision that I have been compelled to vigorously disagree. Accusations of incompetency against a President ought to be made by individuals who presumptively would be friendly to the President. The members of his Cabinet are appointed by him, thus it could well be anticipated that they would be friendly and would only prefer the charges when they felt certain that the charges were justified.

However, the resolution gives the power to prefer the charges to a newly created "body" of the Congress. It does not tell what the political complexion of that "body" shall be, nor the number of members it shall have, nor whether they shall be members of Congress or otherwise.

I submit that it is a most dangerous technique to place the power of preferring charges of incompetency against the President in such a "body" with all of the vagaries and uncertainties that will attend its creation by the Congress.

I want to set up a hypothetical situation with the view of applying the provisions of the resolution to it and thus demonstrating the dangerous dangers that are attendant.

Assume that we have a President of one political party, a Congress of another, and an ambitious Vice President; and that the President is following a course which is vigorously unacceptable to the Congress and believed by the Congress to be inimical to the welfare and security of the Nation; and assuming further that the Congress creates a "body" to perform the functions contemplated in the Constitution—will not certain hazards arise that ought not to be permitted to exist?

The ambitious Vice President joined by the majority members of the hostile "body" created by a hostile Congress determines to charge the President with mental or physical incompetency preventing him from fulfilling properly the duties of his office. If and when that should occur, the President, of course, can deny the charges. With such charges and denial pending, the matter would then go to the Congress which within 21 days would have to conduct its hearings and if the House and the Senate each did not find by a two-thirds vote that the President was incompetent, he would be restored to his office.

The grave danger, however, in the procedure prescribed by the resolution is that a hostile Congress is a primary participant in the preferment of the charges and then, likewise, becomes the trier of the facts and thus the judge.

It should be remembered that the original resolution of which I was a sponsor vested the power of preferring the charges by a majority vote of the members of the President's Cabinet together with the declaration of the Vice President. The members of the Cabinet presumptively would be favorable to the President and would only act if and when the incompetency were certain.

The President's Cabinet members being friendly to him would have a dissuading force against an ambitious Vice President taking a course that ought not to be followed.

The provision about which I complain mainly as I have heretofore stated was not in the original bill but was inserted as a compromise among the many persons who were advocating their individual views of what the procedure ought to be.

In a matter so grave, it appears unreasonable to me that the people of the United States should grant to the Congress the inordinate power contained in the resolution. If a "body" is to be created, it should be done by specific provisions in the resolution and not by vesting the power in the discretion of the thinking of the Members of Congress. The argument that we should not expect evil things to be done by public officials when the security and the goodness of the country is involved is not sound; that same argument was advanced to the framers of our Constitution back in 1787 and the principle finally emerged that the Constitution must be written so as to envision not only the existence of good but also evil minds. When powers are granted to the Congress by the Constitution, especially in a matter of such dangerous and weighty importance, they should be clearly defined and so drafted as to preclude the temptation of evil minds setting their programs into effect.

I know that I was one of only five who voted against the measure; however, the more I think about it the more convinced I am about the correctness of the vote which I cast.

SOCIAL SECURITY AMENDMENTS OF 1965

The Senate resumed 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.

Mr. MILLER. Mr. President, I yield myself 7 minutes. I send to the desk a modification of the pending amendment and ask that it be read.

The PRESIDING OFFICER (Mr. MONDALE in the chair). The yeas and nays have already been ordered on the Senator's amendment.

Mr. MILLER. I ask that the modification be read. I understand that the yeas and nays have been ordered, but I should like to have the modification read before I ask unanimous consent that the amendment be modified.

The PRESIDING OFFICER. The modification will be read.

The legislative clerk read as follows:

It is proposed to modify the amendment by striking the period at the end of line 3 on page 4 and by adding the following: "as a

result of the first such increase of 3 per centum in monthly insurance benefits for one year only. As soon as the annual cost of the first such increase of 3 per centum in monthly insurance benefits is computed, the Secretary shall determine the increase in social security tax schedules or changes in the wage base, or both, necessary to finance such increase and report the same to the Congress."

Mr. MILLER. Mr. President, notwithstanding the fact that the yeas and nays have been ordered on the amendment, I ask unanimous consent that I be permitted so to modify my amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is so modified.

Mr. MILLER. Mr. President, I shall summarize what the amendment would accomplish. The amendment was discussed at length yesterday. I stated that the amendment provides for an automatic 3-percent increase in social security pensions whenever a 3-percent increase occurs in the retail price index. This, I might add, is in addition to the 7 percent provided by the bill. The base year against which the cost of living is measured is 1964. The reason is that the 7-percent increase proposed by the bill would take effect June 1, 1965. In other words, if the bill is enacted, there will be an automatic 7-percent increase in social security pensions. I am much in favor of this.

As I said yesterday, even with the 7-percent increase, social security pensioners will not be in as good a position from the standpoint of purchasing power as they were in 1958, due to the declining purchasing power of the dollar. However, I do not believe the bill goes far enough. It seems to me that we ought to provide for social security pensioners a cushion against the constantly increasing retail price index as a result of inflation.

Congress is responsible for the multi-billion-dollar deficit spending which has provided the foundation for the inflation which has occurred. The arguments made against the amendment were as follows: First, that it would be inflationary. Mr. President, if we are going to worry about giving social security pensioners an increase because to do so would be inflationary, I suppose we had better eliminate the 7-percent increase provided for by the bill. If there were any inflation, it would be the 7 percent, not the 3 percent which my amendment would provide.

My amendment need never take effect if Congress were to practice fiscal integrity and stop the multi-billion-dollar spending and stop inflation. I hope that the 3-percent increase would never go into effect. However, if inflationary conditions continue, the social security pensioners are covered.

A second argument was made that we might as well extend the increased cost-of-living coverage to Federal employees. I point out that we have already done so. In 1962, we passed a comparability statute under which wages and salaries of Federal employees are scaled according to comparable jobs in private industry.

It was also suggested that we might extend this coverage to Government contracts. I point out that we are already doing it. Government contractors have to pay wage increases. The administration has already laid down the wage-price guidelines of about 3 percent a year.

A further point was made that perhaps we do not have a responsibility to increase these pensions automatically. I believe that we have. The Federal Government has a responsibility to its employees. In 1962, the Senate voted for the Federal Salary Act, which provides that civil service retirees will receive an automatic 3-percent increase in their pensions every time there is a 3-percent increase in the cost-of-living index.

My amendment is modeled exactly after the Federal Salary Act of 1962. We have a responsibility to social security pensioners. They must look to the Federal Government for their pensions. This is quite a different thing from private pension funds, with relation to which the suggestion was made that we might also have an obligation.

Congress is basically responsible for inflation. If, as a result of the action taken by Congress, social security pensioners are squeezed out, we have an obligation to them. It would not satisfy the obligation if we were to propose a pension increase every 2 or 3 years, such as the 7-percent increase this year. In the meantime, pensioners are squeezed by the reduced purchasing power of their dollars.

Under my proposed amendment, pensioners would be able to roll with the punch of inflation. A 3-percent increase in the retail price index would mean a 3-percent increase in their social security pension.

I believe that it is a humanitarian amendment. Most of the pensioners must rely upon their social security pensions in order to make ends meet.

This is recognized by the fact that we are providing for a 7-percent increase in order to help them catch up somewhat with the inflation that has occurred. We are providing for that in this bill. However, why must we wait and come here 2 or 3 or 4 years from now and go into another round of pension increases? Let us do it on an automatic basis with a 3-percent increase whenever the retail price index increases.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SMATHERS. Mr. President, I yield 3 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 3 minutes.

THE CHINESE THREAT—II

Mr. SYMINGTON. Mr. President, last October the Red Chinese conducted their first atomic explosion. Their second occurred on May 14.

These two explosions have gone a long way toward changing the power structure of the world.

The Chinese do not yet have the capacity to deliver nuclear weapons, but in that they used enriched uranium instead of plutonium, we know the explosions were more sophisticated than had been expected. In fact they emphasized in their propaganda that their tests were of better quality than the first ones conducted by the United States.

One of the first congratulatory messages published by Peiping came from Hanoi. The North Vietnamese emphasized that China's progress in nuclear technology was an "extremely important factor in curbing United States imperialistic schemes of war and aggression."

Peiping also continues to emphasize the racial aspect. Their propaganda included a statement that these explosions were "a victory for all Asian, African, and Latin American peoples," and that it "dispels the myth that Western countries are the only ones capable of developing atomic weapons."

Although in the beginning other countries, such as Britain, France, and the Soviet Union were included in Red Chinese criticism of the rest of the nuclear club, recently their hate propaganda has been concentrated solely against the United States.

The influential French paper, Le Monde, stated these explosions can only mean further proliferation of nuclear weapons, added that this Chinese success would harden the Chinese position and encourage the Vietcong to hold firm until the rainy season brought them propitious conditions for heavy attack on the South Vietnam regime. We now know this attack is underway.

Today many experts believe China can have deliverable, medium-range ballistic missiles with nuclear warheads during this decade; that is, by 1970. They also believe that, because of the sophistication of these original explosions, the Red Chinese are only a few years away from production of hydrogen bombs.

Considering first their consistent heavy attacks against the United States; second, their complete commitment to world rule through various means, especially so-called wars of liberation; and third, the impact of these explosions are bound to have on the countries of southeast Asia—including North and South Vietnam—these Red Chinese explosions are fundamental in considering the future security of this country.

As to what should be done in recognition of this dangerous development, I do not know. But one thing I am certain. The foreign policy of the United States should give full recognition to the impact these explosions are bound to have on the world balance of power.

SOCIAL SECURITY AMENDMENTS OF 1965

The Senate resumed 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 PRESIDING OFFICER. Who yields time?

Mr. SMATHERS. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. SMATHERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator cannot do that other than by unanimous consent.

Mr. SMATHERS. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum with the time for the quorum call being charged to neither side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMATHERS. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Florida is recognized for 1 minute.

Mr. SMATHERS. Mr. President, I should hope that the Senate would reject the amendment of the able Senator from Iowa. His amendment is identical to the amendment offered on yesterday by the very distingiushed junior Senator from Rhode Island.

We prevailed on the junior Senator from Rhode Island to introduce, instead of his amendment, a resolution calling for a study which would be referred to the Committee on Finance. In the Committee on Finance we could look into the matter of fixed 3-percent increases or decreases relating to our cost of living.

I do not believe that if we were to adopt this amendment we would be doing anything but great injury to the public and, in my opinion, to our economy. Once we experience inflation and the cost of living begins to increase, we would have an automatic 3-percent increase in the social security payments every year. We would be like Argentina or Brazil. This is a complicated matter. It requires study.

I hope that the Senate will reject the amendment.

Mr. MILLER. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 1 minute.

Mr. MILLER. Mr. President, there was debate on yesterday as to the proposal for study. There is not a Senator on the floor who does not realize that when it is suggested that a matter be studied, the suggestion is an excellent means by which to get rid of the measure.

This problem was studied prior to 1962 for our civil service retirees. It was studied very thoroughly. As a result, Congress decided that our civil service retirees should have 3 percent increases in their pensions every time there was a 3-percent increase in the cost of living.

There is no need to study this measure. As far as financing the measure is concerned, my amendment would provide for that also.

Mr. President, if the Senator from Florida is willing, I should be happy to yield back the remainder of my time.

Mr. SMATHERS. Mr. President, I have no time remaining. I do not believe that the Senator from Iowa has any time remaining.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment offered by the Senator from Iowa. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Pennsylvania [Mr. CLARK], the Senator from Michigan [Mr. HART], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Wyoming [Mr. MCGEE], and the Senator from Michigan [Mr. MCNAMARA] are absent on official business.

I further announce that the Senator from Virginia [Mr. BYRD] is necessarily absent.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH] and the Senator from Pennsylvania [Mr. CLARK] would each vote "nay."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from Nebraska would vote "yea."

On this vote, the Senator from Wyoming [Mr. MCGEE] is paired with the Senator from California [Mr. MURPHY]. If present and voting, the Senator from Wyoming would vote "nay," and the Senator from California would vote "yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. CARLSON] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

The Senator from New Hampshire [Mr. COTTON], the Senator from Colorado [Mr. DOMINICK], the Senator from California [Mr. MURPHY], the Senator from Kansas [Mr. PEARSON], and the Senator from Pennsylvania [Mr. SCOTT] are detained on official business.

On this vote, the Senator from Colorado [Mr. DOMINICK] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Virginia [Mr. BYRD]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Virginia would vote "nay."

On this vote, the Senator from California [Mr. MURPHY] is paired with the Senator from Wyoming [Mr. MCGEE]. If present and voting, the Senator from California would vote "yea," and the Senator from Wyoming would vote "nay."

The result was announced—yeas 21, nays 64, as follows:

[No. 166 Leg.]

YEAS—21

Aiken	Harris	Pell
Allott	Hickenlooper	Prouty
Cooper	Jordan, Idaho	Proxmire
Curtis	Kuchel	Russell, S.C.
Fannin	Miller	Smith
Fong	Mundt	Thurmond
Gruening	Pastore	Tower

NAYS—64

Anderson	Holland	Muskie
Bartlett	Inouye	Nelson
Bass	Jackson	Neuberger
Bayh	Javits	Randolph
Bennett	Jordan, N.C.	Ribicoff
Bible	Kennedy, Mass.	Robertson
Boggs	Kennedy, N.Y.	Russell, Ga.
Brewster	Lausche	Saltonstall
Burdick	Long, Mo.	Simpson
Byrd, W. Va.	Long, La.	Smathers
Cannon	Magnuson	Sparkman
Case	Mansfield	Stennis
Dodd	McCarthy	Symington
Douglas	McGovern	Talmadge
Eastland	McIntyre	Tydings
Ellender	Metcalf	Williams, N.J.
Ervin	Mondale	Williams, Del.
Fulbright	Monroney	Yarborough
Gore	Montoya	Young, N. Dak.
Hartke	Morse	Young, Ohio
Hayden	Morton	
Hill	Moss	

NOT VOTING—15

Byrd, Va.	Dirksen	McGee
Carlson	Dominick	McNamara
Church	Hart	Murphy
Clark	Hruska	Pearson
Cotton	McClellan	Scott

So Mr. MILLER's amendment was rejected.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, I shall oppose the enactment of H.R. 6675. This is the social security bill that includes medicare. In this bill there is a hospital insurance program which has been known as the King-Anderson bill and is referred to as part A. Also, a supplementary medical insurance program has been added which is referred to as part B.

This bill provides for an increase of social security benefits in addition to the medicare portions of the bill. Were the medicare provisions to be deleted, I would vote for the increase in social security benefits. I am particularly anxious to support a bill which would carry a substantial increase for those beneficiaries who are drawing the smallest amounts. However, I cannot support the medicare provisions. My opposition to the bill is because of its medicare provisions and is in no sense opposition to increased benefits, which I favor.

Mr. President, when we add medicare or any other new program to social security, we are legislating for a program that will run in perpetuity. May I illustrate this? It would not be possible to add medicare to social security and provide that the program expire at the end of 10 years, so that at the end of 10 years Congress might decide what kind of program they wish. The individuals who are 55 years of age now would object to a program under which their social security taxes would be raised for 10 years and then have that program expire the date they become

eligible for benefits. So would it be with any other termination date that might be selected. This means that when we add a program to our social security program we are legislating for all time to come. The voters, many years from now, will not have the opportunity to make vital decisions on how much they should spend for welfare programs because those decisions are being made now. The far-reaching effect of our decision is such that I cannot vote for the bill. I am satisfied that this proposal is not fair, either to our elder citizens who will receive medical benefits or to our present and future workers who will have to pay the bill.

There is a problem concerning proper medical care for our citizens over 65. The proponents of the bill before us, in my opinion, have neither accurately defined that problem nor have they provided the best solution.

Just what is the problem?

We do not need a government system of medicine or a government medical insurance program to improve the quality of medical care in the United States. We have the finest medical care in the whole world.

Mr. President, a generation ago young doctors and medical students journeyed to Europe—to Berlin, Vienna, London, or Rome—for the best in medical education. All of those countries had some form of government medicine. No longer do the doctors and medical students journey to Europe for the finest medical education. Doctors and medical students from all over the world come to the United States, because here, under the free practice of medicine, we have the finest medicine and the finest medical education of any place in the whole world.

Again I say we do not need a program to improve medical care in this country. The problem is that some of our citizens over 65 do not have the income or resources to avail themselves of all the medical care they should have. This is the problem, to wit: to provide medical care for those who cannot provide it for themselves. Here the problem ends.

It is not socialism for us to be charitable. We should provide medical care for individuals over 65 who have neither the income nor the resources to provide such care for themselves. In determining who needs assistance to secure medical care I want my government to be generous.

I do not believe that recipients of medical care should be required to be paupers or be required to exhaust all of their savings or sell their homes. I do think that some reasonable income limitation should govern. Again I say that to be charitable is not socialism. However, to pay the medical bills and hospital bills of individuals over 65 who are well able to provide the same for themselves is not charity. It is not needed. It is socialism. It moves the country in a direction which is not good for anyone, whether they be young or old. It charts a course from which there will be no turning back.

Under the pending bill, an individual may be worth millions of dollars and have the highest income in his life, and he need not even be retired, but if he is 65 years of age, his hospital bills and his expenses for doctors and surgeons, within the limits of the bill, will be paid. Is there any need for that? Why throw money away like that? Is it fair to the individual who is working hard and supporting a family and buying a home and educating his children, buying life insurance and paying his own medical bills, that his social security taxes be increased to pay the bills of an individual many times more able to pay them?

I know why that provision is in the bill. It is not in the bill by reason of anyone's concern for these people. It is in the bill as a matter of social reform, to have the Government go into fields where it is not needed, to hasten the day when this medical program, if enacted, will take care of everyone from the cradle to the grave. Let no one be misled by it.

The principal objection to this bill is that it will require the taxing of all the employers, the self-employed, and the employees, which includes the young and the middle aged, the low-income groups, the blind, the physically handicapped and those who have heavy family burdens. These people will be taxed to pay doctor bills and hospital bills for many who are better able to pay their own bills, including the well-to-do and the wealthy. This is wrong.

Even if this proposed program were amended to eliminate the requirement that the medical and hospital bills of the well-to-do and the wealthy be paid, the bill still would not be a good one. The enactment of this legislation is to turn our back upon private enterprise. There are ways that assistance for medical expenses can be extended to those who ought to have help without following the pattern set forth is this bill. I will have more to say on the subject of an alternative plan as the consideration of this bill progresses.

There has been printed and is on the desk of every Senator, a copy of my motion to recommit. In substance, it would take all matters pertaining to medicare, in part A and part B, out of the bill, immediately pass the remaining portions, and then, by March 15, bring in an alternative plan.

My alternative plan is a well-established plan, a proven plan. I would extend the plan that is now in operation for retired Federal civil service employees under the Federal Employees Health Benefits Act of 1959, to all our aged, and require an individual to pay the entire premium, except that those people over 65 who are unable to pay the premium would have it paid by the Government in varying amounts.

That is the private enterprise approach. It would not call for the setting up of two Government insurance programs, which the pending bill does. Private enterprise would write the insurance. Private enterprise would carry the risk. Private enterprise would collect the premiums. Private enterprise would pay the benefits. It would provide better benefits than are found in the bill.

The whole world knows that the program for the Federal employees is a just and generous one. Why is it that an individual sometimes has difficulty in getting adequate private hospital and medical insurance for himself? It is usually the individual who does not belong to a large group that is a continuing group. That is the reason. Even though I hope that at least half of our citizens, if this proposal were to be enacted, would pay their own premiums, they would have the great advantage of being included in a large continuing group, so that the averaging process of sharing the burden of medical expenses would actually work.

Mr. President, the measure before the Senate, H.R. 6675, would set up two Government insurance programs. The King-Anderson portion of the legislation relates primarily to hospital care and it adds a hospital insurance program to our social security program. The Government is the insurer. The Government carries the risk. And the Government pays the benefits.

The supplementary medical insurance portion of this bill relates to the payment of the fees of doctors and surgeons. This, too, sets up a Government insurance program. The Government is the insurer. The Government takes the risk. The Government collects the so-called premiums. The Government pays the benefits. The benefits are available to all over 65 including those individuals who are well able to provide for themselves.

Mr. President, it is not necessary that we plung headlong into socialism to be just, generous, and kind to the people who are over 65 who ought to have some help for their medical needs.

This supplementary medical benefits program not only puts the Government in another insurance program but one-half of the premium is a direct Government subsidy. This subsidy is not limited to the people who for economic reasons ought to have it, but is a subsidy for everyone. It is not only socialism—it is brazen socialism.

Social security taxes are going to increase rapidly without medicare added to the program. With medicare added, there will be a tremendous increase in social security taxes. The social security tax both for the present program and what is proposed in this bill is very burdensome for individuals with low earnings. This is because their entire income is taxed. There are no deductions or exemptions allowed. The wage base, which is now $4,800, is raised to $6,600 in H.R. 6675 and this places a heavy burden on the individuals in the middle and higher income brackets as well.

When social security started 30 years ago, the maximum tax that either an employee or an employer could pay was $30 per year. If this bill is enacted as reported out by the Finance Committee, the maximum employee tax for the calendar year 1966 will be $275.55, and a similar amount would have to be paid by the employer.

In other words, for every employee the maximum tax will be over $750, half from the employer and half from the employee. The maximum social security tax on the self-employed in 1966 will be $404.25. As time goes on, these taxes will

increase without any additional legislation. By 1973, which is not far off, the maximum tax on an employee will be $363, with a similar amount on the employer—in other words, $726, half on the employee and half on the employer—and the maximum tax on a self-employed person will be $501. By 1987, without any increase over the present bill, the maximum employee tax will be $379.50 and for the self-employed $518.10. Can you Senators imagine that the originators of social security could have anticipated that some 30-odd years later individual citizens would be paying nearly $59 per month for social security taxes? That is where we are headed.

We can illustrate the cost of what is being done today in another way. I would like to quote from the testimony taken during the hearings:

Senator CURTIS. Briefly, it shows this, does it not, that in 1964 the amount of benefits paid out was about $16.223 billion, isn't that right?

Mr. MYERS. That is correct, Senator CURTIS.

Incidentally, Mr. Myers is the chief actuary of the Social Security Administration.

Continuing to read:

Senator CURTIS. It will take a while to get this program in motion, so the first full year that this bill will operate, so far as benefits are concerned, is calendar 1967.

Mr. MYERS. That is correct.

Senator CURTIS. And you estimate there that the benefits paid out in 1967 will be $24.498 billion?

Mr. MYERS. Yes, Senator CURTIS.

Senator CURTIS. So if this bill is passed, the amount paid out in social security benefits which were old-age and survivor and disability in 1964 and which for 1967 will include those plus the hospital insurance and the supplementary health benefits will be increased roughly by a little over $8 billion.

Mr. MYERS. There would be an increase from 1964 under the present program, and the new program as envisaged by the bill in full operation in 1967.

In other words, we have before the Senate a bill that immediately is a $8 billion bill measured in annual cost. We are experiencing a time when the cost of living is steadily rising. Few people doubt that inflation will continue to plague us. The payroll tax which supports social security will be fully needed to adequately provide social security benefits, without medicare. Raises in benefits will be needed in the future. We should not turn to social security taxes to finance medicare or other programs. This point was clearly emphasized by the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] when he testified before the Committee on Finance. The Senator said:

Just as today we recognize that some adjustments in social security benefits is in order to keep pace with rising living costs, so, inevitably the day will come when the Congress will decide that a further adjustment upward is called for. If H.R. 6675 is enacted, for the first time we will be linking to the social security system a service benefit as opposed to a cash benefit. That is, we will be providing payment for a service such as hospitalization, regardless of what that service may cost; that is something quite different from providing for the payment of a specified amount of dollars at some future date. We must recognize that this will place a strain on the system. A future Congress may not be able to provide increased cash benefits under the social security program because so much revenue from the payroll tax will be going into medical care.

Senator SALTONSTALL continued and included a quotation from the distinguished chairman of the Ways and Means Committee. Senator SALTONSTALL said:

In December of last year, Chairman MILLS raised other important questions which relate specifically to the problem at hand and are worth recalling. He said:

"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."

We must look at the social security program as it actually exists. It is not a program of prepaid insurance. It is not a program in which the benefits one receives are the result of his own payments and the interest accumulation thereon. The program would come to a halt for present beneficiaries if it were not for the taxes being collected now from the workers, the employers, and the self-employed. Even though this program is 30 years old, it is only 10 percent contributory. This is not my theorizing. I wish to quote from the hearings:

Senator CURTIS. Here is my first question, and no doubt Mr. Myers will be the one to answer it. This relates to the OASI existing law only, not the disability, and I confine my question to those beneficiaries now on the rolls. What portion of the benefits that they have already received, plus the expected benefits that they will receive have they or their primary beneficiaries paid for?

Mr. President, an astonishing but an honest answer was given—not astonishing as coming from Mr. Myers, because he is one of our best civil servants; but astonishing concerning a program that so many believe is prepaid:

Mr. MYERS. Senator CURTIS, of course as you realize the amount that has been paid by the employer and the employee varies widely for individual cases. Some have paid extremely little, and some have paid somewhat more, but on the average I believe about 10 percent of the actuarial value of the benefits that have been received or may be expected to be received in the future by those on the rolls are represented by the combined employer-employee taxes.

Senator CURTIS. Now, about 10 percent of what our present beneficiaries have received and are expected to receive in the balance of their days has been paid by the employer and the employee both.

Mr. MYERS. Yes, Senator CURTIS.

There are many things about social security for retirement purposes that need further attention before we add a program of medicare, which includes medicare for people well able to pay for it themselves. For instance, a great many fine, elderly people now draw only $40 a month which will be increased to $44 under the provisions of the bill. These are the people most in need. The social security planners have contended that the individual pays for his own benefits. This erroneous contention has resulted in a system wherein the highest benefit goes to those most able to provide for their old age and the lowest benefit goes to those who have the greatest need and who had the least opportunity to provide for their own old age. Of all the benefits that are now being paid, and that will be paid during the lifetime of present beneficiaries, 90 cents of every dollar has been paid by others. Greater justice should be done for those receiving the very low social security checks before we embark on two new insurance programs relating to medical care, as this bill does.

We will soon have 20 million individuals in the United States who are over 65. None of them has paid anything in the form of taxes or premiums of any kind for medicare. Not one nickel. The entire burden of the medicare program for the present aged will have to be borne by others. There will be some who will be receiving medical benefits who are far more able to pay their own medical and hospital bills than the people who will be paying the taxes.

The table which follows shows the estimated dollar expenditures under social security for the years 1966–72. The first column shows what the social security expenditures are expected to be if no legislation is passed. The second column indicates what social security expenditures are estimated to be if the present bill is passed but does not include either of the two medicare programs. The third column shows the expected expenditures if the bill is passed with the medicare provisions. This table was prepared by the Chief Actuary of the Social Security Administration.

Mr. President, I ask unanimous consent that the table be printed in the RECORD.

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

Calendar year	Present law	Senate Finance Committee bill	
		Without health insurance	With health insurance
1966	$18,363	$21,033	$22,288
1967	19,220	22,169	25,683
1968	20,061	23,150	27,181
1969	20,888	24,117	28,443
1970	21,717	25,086	29,738
1971	22,549	26,064	31,021
1972	23,377	27,046	32,322

Mr. CURTIS. Mr. President, never in the history of social security has a projected schedule of tax rates and expenditures been carried out without subsequent increases. It is not unrealistic to expect that the amounts represented in the foregoing table will be substantially raised a time or two before 1972.

The foregoing table shows, for instance, that when these two medicare

programs get started next year they would cost $1.2 billion. Three years later, by 1969, medicare alone would cost $4.3 billion. Three years later, by 1972, medicare would cost $5.3 billion. If this program were to follow the historical pattern, additional increases would be voted about every 2 years from now on.

Mr. President, I again remind the Senate that I shall offer an alternative proposal, under private enterprise, by which a better program could be reached which would save at least $2.5 billion annually. Some people believe that the Federal Government can transact business better than private industry. I wish those people would join the Post Office Department and use their talents to help us get our mail.

Any notion that social security taxes are not an impact upon our economy and upon our individual citizens, as are other taxes, is erroneous. Wages and income taken to pay social security taxes are not spent for other things. They are a drain upon our economy and upon every individual taxpayer, as are our other forms of taxes.

One does not have to be a prophet to recognize that inflation and the ever-increasing cost of living are the cruelest and most difficult problems facing retired people. For more than 5 years this Government has run a deficit of over $5 billion a year. The debt ceiling is at an all-time high—$328 billion. The unfunded liability, or deficiency in Government contribution, of the civil service retirement fund on June 30, 1963, was $36 billion. The comparable liability of the Foreign Service retirement fund as of December 31, 1962, was $203 million.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. LAUSCHE. Mr. President, I should like to interpolate that with regard to the Foreign Service retirement fund, even though the Government paid the $203 million, the amount of contributions that would be required to keep the fund actuarially sound in the future would have to be 30 percent under nomal circumstances—15 percent by the Foreign Service worker and 15 percent by the Government.

Thus, if a man were earning $10,000 a year, he would have to pay $1,500 into that fund in order to keep it sound. It is now suggested that the Government pay 22.5 percent and the worker pay 7.5 percent. When we view the matter from that standpoint, we find that the Government, with relation to a $10,000 annual salary, would have to pay $2,250 into the fund to keep it actuarially sound.

Mr. CURTIS. Mr. President, I thank the distinguished Senator from Ohio. In view of circumstances such as those related by the distinguished Senator, is this the time to provide for free hospital and medical benefits for those who are well able to pay for them?

This country cries out for leadership that would save us from inflation and ever-increasing debts and obligations of the Government. Today, a program is being advanced which would propose to take care of matters that many individuals are well able to take care of for themselves.

Mr. President, the unfunded liability of military retired pay as of 1965 was computed as $61.1 billion. Yet in the face of all of these burdens, it is proposed that we start two new Government insurance ventures relating to medical assistance.

I am not so sure that honesty is not on the side of the individual who wants to place the money of the people in private insurance companies, as contrasted with the desire and demand for increasing taxes and building up a bureaucracy to handle a program with which they have never had any experience.

This bill would tax people who cannot afford to be further taxed and it would burden a Government that cannot afford to be further burdened in order to provide benefits for individuals many of whom are well able to provide for themselves. This is the basic issue.

Mr. President, I shall have more to say about this bill as the debate proceeds. This bill ought to be amended so that by means of a deductible, or otherwise, its benefits would not go to people who are well able to pay their own medical expenses.

Mr. President, I shall offer such an amendment. My amendment has already been printed and is on the desks of Senators. I hope that the amendment will not be voted upon today. I shall have an analysis and an explanation of that amendment for every Senator. The analysis shows that everyone whose income falls in the lower 80 percent bracket would not be affected by it. However, the amendment would adequately take out of the program those people who are well able to pay for such care themselves. It is said that the amendment would not constitute much of a saving. It would amount to almost a half billion dollars a year according to the statement of the actuary of the Social Security Administration. The amendment woud preserve an important principle—the principle that we shall not force a Government system of medicine on people when it is not needed. The amendment would be a safeguard against extending this measure to everyone regardless of age.

Let no one pass it off as being of no significance. Some may disagree with the principle. Some may wish to have a bill which would pay for the medical bills of an individual with unlimited capital assets and high income, an individual who is not even retired. If that is the case, they have, in the pending bill, a measure which would do that. However, I shall offer an amendment which, I believe, would be easily administered and would reach that very issue.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. LAUSCHE. Mr. President, the Senator has mentioned that he contemplates the offering of an amendment. Does the Senator intend by that amendment to eliminate all provisions dealing with medicare?

Mr. CURTIS. No. I am not referring to my motion to recommit. There would be a rollcall. I refer to an amendment which, by means of a deductible, would eliminate the payment of hospital and medical bills for the individual of over 65 who is well able to pay such bills himself.

Mr. LAUSCHE. Mr. President, does the Senator contemplate imposing upon the individual the responsibility of fully or substantially exhausting his own assets?

Mr. CURTIS. Not at all.

Mr. LAUSCHE. Does the Senator intend to protect the individual?

Mr. CURTIS. It would be accomplished by means of an income test. It would be a generous provision. It would not, by any stretch of the imagination, call for anyone to exhaust their savings or sell their home.

It will mean that if their income is over a certain amount, that the income tax liability is going to be the yardstick. When the time comes, I shall explain why I use it as the yardstick. Eighty percent of our people will not be affected; it will affect 20 percent, and it ought to.

Mr. LAUSCHE. And the 20 percent are in the classification of ample income?

Mr. CURTIS. That is the opinion of the junior Senator from Nebraska.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. BENNETT. I have in my hand the Senator's amendment No. 330, with the title "Alternate Variable Deductibles Under Parts A and B Related to Income Tax Liability." Is that the amendment to which the Senator is referring?

Mr. CURTIS. It is.

Mr. BENNETT. So I would say to the Senator from Ohio that he can see on his desk amendment No. 330 and get the details of the amendment the Senator from Nebraska is discussing.

Mr. CURTIS. I thank the Senator.

The American people are used to the idea of a deductible. It has some connection with automobile insurance, involving policies which contain $100 deductible items, which means that the automobile owner pays the first $100 and the insurance company pays the remainder. Or a holder may have a $250 deductible insurance policy. That principle could well apply in this program.

In the hospital section of the bill there is provided a $40 deductible. It may increase in the future, but as of now it is $40. My proposal provides that there shall be a $40 deductible or last year's income tax, whichever is higher.

I shall have a table prepared to show each Senator how it would work out before the vote on the amendment tomorrow. I will have figures from actuaries showing how many people do not pay any income tax at all; and therefore their benefits would not be affected. I will have figures from the actuaries showing how this proposal would save us from $420 to $480 million every year.

I shall continue and mention some other amendments.

An amendment should be adopted which would limit the direct subsidy for the premiums on the supplemental health benefits to those who need the subsidy.

Part B is a program called supplemental health medical benefits. It was born overnight. The country has never had an opportunity to look at it and debate it. It provides, in substance, that every individual over 65 can send in a $3 premium in order to buy protection against expenses of doctors and surgeons and other related items. Then it provides that out of the general Treasury there shall be paid an additional $3. For individuals in need? Not at all. For everybody.

Here we are departing from the private enterprise road that made us so great and strong. Not only are we establishing a new insurance program called "supplemental medical health benefits," but the so-called premium is subsidized out of the Treasury by the same Government that has not balanced its budget in a long time, by the same Government that would raise the debt limit this year.

We are not doing something for the people today, or this week, if we pass the bill. We are doing something to the people. I am not going to have a part in it. I am not going to let the children of this country point a finger at me and say I led a parade either in committee or on the floor to vote for two socialized insurance programs and robbed the payroll tax to pay benefits to our aged and started a program that will run in perpetuity, that children 50 or 100 years from now will have no choice about. They will either have to pay the obligation or refuse to pay it. Either alternative is bad.

The Senate can best meet its responsibility by striking the medicare provisions from the bill and directing the committee to bring to the Senate at a later time a proposal which, under our private enterprise system, meets the problem we face, to wit, assisting with the medical expenses of those elder citizens who ought to be assisted. This can be done.

As I said a while ago, this program would be patterned after the program for our retired Federal civil service employees under the 1959 act. The benefits are generous. The problem in private health insurance is that an individual finds it difficult to buy insurance within a cost that he would like unless he belongs to a big group, a continuing group. What we would do for our citizens is what we are doing for our retired civil service people now. We would let them in on the same program. As to those who could not pay for it at all, the Government would pay the premium. As to those who could pay a part of it, the Government would pay a part of it. As to those who could pay their own premium—and the cost would be a bargain because it would be such a big group—they would pay for it, and not the Government.

It would give greater benefits to our people. Private enterprise would write the risk. Private enterprise would take the risk. Private enterprise would collect the premiums. Private enterprise would pay the benefits. Private enterprise would administer the program.

Under this proposed program, the biggest confession of failure one can imagine is in the bill itself, and that is that they are not relying on the advice of the medical association or doctors collectively to make the program work. Who are more qualified on the issue of illness than the doctors? Yet for years, as the drive has been on to socialize medicine in America, what have those who have advocated that program done? They have downgraded the medical profession or associations. Just as there are a few scoundrels in politics, there are a few doctors who may not have done what they should have in their practice. But who are the doctors of the country? Who constitute the medical associations?

They include our family doctor. They include my family doctor. They include everyone's family doctor. I believe that they represent today a noble profession. All of us have witnessed the many times when they have gone beyond the last mile in caring for their fellow man. Yet, they have been downgraded and criticized because that was a necessary step in order to socialize the country.

Mr. President, the insurance industry has a remarkable record. The idea of private insurance is an American idea.

It was Benjamin Franklin, acknowledging that America had obtained the concept of fire insurance and other kinds of insurance from England, who said, "Why should we not insure a man's most valuable possession, his life?"

The oldest life insurance company in the United States is a company organized to help Presbyterian ministers. That company is still in existence today.

The insurance industry has made great progress in offering private insurance to the American people. Some policies have been disappointing because medical costs have been going up so high, and policies on hospital insurance which were written some years ago turn out today to be a disappointment. That does not detract from the fact that although those policies are all right, are of less benefit than people expected, there are millions of good policies in existence. After all, we are dealing with an industry which stands out in America.

What was the industry, during the time of depression, which meant so much to so many households because of its financial stability? It was the insurance industry. Millions of Americans obtained loans or received cash benefits on insurance. Many of those same companies are now attacking the problem. Great progress has been made. We use the private insurance company to take care of the retirement of our civil service workers. We should use it here.

Mr. President, the choice is clear. Some time in the march of socialism we shall find ourselves closer to the other shore than the side from which we started.

This country began under the great private enterprise system. If the proponents of the bill plead for the elderly who need help in paying their medical expenses, my answer to them is, Amend the bill so as to limit it to that.

If we wish a program to provide benefits for those who do not need it, we are offering a program of socialism, pure and simple. It is not public welfare. It is not charity. It is not kindness. It is socialism.

Socialism is not the answer to anything.

Mr. President, to enact H.R. 6675 is not the best way to meet the problem of the medical expenses of our elderly people. It is grossly unfair to the individuals who will have to pay the bill. It is wrong in principle. It starts something which cannot be stopped. It should never be accepted or used as a vehicle to raise the cash benefits to our elderly people. Another bill can be and should be passed to raise the ordinary social security benefits, particularly for the people who are receiving the lowest amount.

Mr. President, as I have stated, I shall have more to say concerning the bill as debate progresses, and I shall offer several amendments.

Mr. BENNETT. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I am happy to yield to my distinguished colleague, the Senator from Utah.

Mr. BENNETT. As one of the minority members of the Finance Committee who voted with the distinguished Senator from Nebraska on these problems in committee, I commend him for what has been a historic presentation of the alternatives in this situation, as well as the dangers.

I would be proud to associate myself with all that he has said rather than to try, in my own weak way, to repeat them.

Mr. CURTIS. I thank the Senator from Utah.

Mr. SIMPSON. Mr. President, after reviewing H.R. 6675 as reported to the Senate by the Finance Committee, I was both encouraged and discouraged by the proposed amendments to our social security laws.

Several of the suggested changes in our social security program are well reasoned out and I support them wholeheartedly. One such amendment would increase social security benefits by 7 percent to all beneficiaries with a $4 minimum increase for a worker who retired at age 65 or older.

Another amendment I have been particularly interested in that has been recommended by the Senate Finance Committee will increase the amount an individual is permitted to earn without losing benefits. With the rising cost of living and the inflation that we are experiencing, it would be unrealistic to tie our older citizens to the limits that at one time, but no longer, are reasonable. A social security beneficiary under age 72 will be permitted to earn $1,800 in a year without any reduction in his benefit amount. If his earnings exceed $1,800, $1 in benefits would be withheld for each $2 of earnings between $1,800 and $3,000 and for each $1 of earnings thereafter.

Many of my Wyoming friends have urged me to support an amendment which would extend social security benefits to age 22 for those children attending school who, under the present law, receive benefits because of the tragic loss of their supporting parent. I think this is a good amendment and am pleased to support it.

I am also pleased to note that the committee is recommending the adoption of an amendment which would limit the duplication of disability benefits and those under workmen's compensation.

I am encouraged when I see these amendments presented because the need has been shown and responded to with responsible and intelligent efforts.

However, I am discouraged when I study the amendments which are being put forth as a solution to the problem we are confronted with in giving medical aid and attention to our older citizens.

I am well aware of the need of some of our older citizens. Government assistance to meet the cost of adequate medical care and treatment for them is necessary and I have supported, and will continue to support, legislation which will meet this need. However, no evidence has been presented which would indicate that the suggestion put forward will meet the real need. In fact, the evidence suggests that this is a gigantic proposal that will increase our social security taxes to 11.5 percent of a person's wages; cost about $7 billion per year; give some assistance to many, rich and poor alike, and yet not really meet all the needs of those who are in desperate need of financial assistance.

I oppose any legislation which would derive its financing from a compulsory tax on the first dollars of wages earned by the Nation's working men and women to pay the hospital and other medical bills of the well-to-do and wealthy aged, most of whom are well able to meet such bills from their own resources.

The administration's spokesmen claim that the program will cost about $6.8 billion. This figure will not even cover early-year program costs according to business actuaries and experts with experience in the health insurance and health care fields.

Other governments which have adopted compulsory health programs have found that costs have skyrocketed. Costs in the British social security program have so skyrocketed that some responsible Englishmen prominent in the welfare field in an effort to avoid bankruptcy of their entire welfare system are now advocating a change to that only the needy would be aided.

I am disturbed about the effect this legislation would have upon our economy and upon our private insurance system. The administration and our economic planners are already concerned about the brake this would put on our economic growth because almost $7 billion would be taken from the consuming public. This program could destroy private initiative for our aged to protect themselves with insurance against the costs of illness.

Presently, over 60 percent of our older citizens purchase hospital and medical insurance without Government assistance. This private effort would cease if Government benefits were given to all our older citizens.

I expect that this socialized program will continue to grow and to be extended to additional age groups in our population. In fact, the advocates of this legislation are already pointing out how this bill represents merely the beginning of Government medical care for persons of all ages.

It is interesting to note that the two most knowledgeable groups on the subject in our society—the insurance industry and the medical profession—oppose the enactment of this legislation. It is discouraging to realize that without the cooperation of these two groups the success of this program cannot be realized.

I am proud of our medical system and our medical profession. We have made great strides in research and in understanding the problems of our people, particularly those problems of our senior citizens. Special steps should be taken to perfect and perpetuate the system we now enjoy. We should not be moving in the direction in which this legislation would have us move if we are to remain a physically healthy and sound nation meeting the needs of the young and the old.

The social planners who have dreamed up this socialized medicine program have tied it to amendments to our social security program which are needed and acceptable. By doing this the social planners have tried to put us—those who seek responsible legislation—in an embarrassing position because if we vote as our conscience dictates on the amendments calling for a socialized medicine program, we then are forced to vote against those amendments which are needed in perfecting and broadening the coverage of our present social security program. The hope of the social planners and the administration's spokesmen is to force us to conform to their wishes and desires. I choose not to prostitute my vote in this matter and because portions of this bill are objectionable to me, I am compelled to vote against the total bill, even though I support parts of it.

Mr. FANNIN. Mr. President, I am opposed to H.R. 6675, not because of its objective, but because there is a better way to meet the problem.

I am sure that every Member of the Congress recognizes that hospitalization and medical treatment must be provided for those elderly citizens who cannot afford to pay for this care. There is no argument on this issue.

The advocates of this particular approach have no monopoly on compassion for the aged who need help, nor do they have any monopoly on the soundest and most effective way to provide that help.

We have a responsibility to strive for the most beneficial legislation possible in these areas of demonstrated human need. Medicare falls short in many respects by comparison with the benefits of the elder-care bill which I was privileged to cosponsor.

But the majority has seen fit to dismiss the elder-care approach with virtually no consideration of the bill on its merits. And in so doing, they are disregarding the expert counsel of both the medical profession and the insurance industry.

There is abundant evidence, based on reputable polls, to indicate that millions of Americans are confused about the extent of benefits that medicare will provide.

At best, this bill will cover only about half of the average medical costs for the aged. And it will do this at the expense of providing benefits to millions of Americans who are perfectly capable of meeting their own medical expense problems.

It is this scheme of compulsory financing and benefits for all, regardless of need, that I regard as the bill's chief defect. I am genuinely concerned about its potential weakening effect upon the stability of the entire social security system.

The plain truth is that nobody knows how much this bill will cost the taxpayers. We do know we are talking about nearly $7 billion a year—and that is only the beginning.

The experience of nations in Western Europe and Canada adds up to a sober warning for us. We can surely expect the total cost to skyrocket in the future.

In my judgment, this poses a clear and present danger to the system upon which most Americans depend for the basic foundation of their retirement years. I cannot support a bill to increase the taxes of almost every American wage earner, to pay health benefits to millions of their fellow citizens who are both able and willing to pay for their own care.

Instead of this blanket approach, we should have paid more attention to what the needs really are. In that regard, let me remind you that the Health Insurance Council reported only last month that 79 percent of our population is now covered by some form of health insurance.

There is another weakness inherent in the medicare bill which concerns many of us. All of us know that the people of the United States today enjoy the finest quality of medical care that any nation has ever achieved. Any legislation we pass in this field certainly should aim at strengthening, not weakening, this great national asset.

One of the unique and most important features of our system is the voluntary, private relationship between the individual patient and the physician of his choice. It is one of the principal reasons why our system of medicine is the best in the world.

Some of the organizations and spokesmen who have given such strong support to medicare also have declared that it represents just the beginning step toward a completely federalized and State-dominated system of medical and hospital care.

Surely, none of us wants to see the quality of health care in this country decline from its present unchallenged position of world leadership. Yet there are reasonable grounds to fear the eventual consequences of the first step this bill represents.

I want to commend the minority of the Finance Committee for their able analysis of this bill's limitations. I agree with them that the merits of this legislation are outweighed by its deficiencies.

Mr. GRUENING. Mr. President——

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. MANSFIELD. Mr. President, will the Senator from Alaska yield briefly?

Mr. GRUENING. I am glad to yield to the Senator from Montana.

VISIT TO THE SENATE BY SENATOR FREDERICK RODRIQUES DUHANEY, PRESIDENT OF THE JAMAICAN SENATE

Mr. MANSFIELD. Mr. President, the Senate has the honor to have in the Chamber Senator Frederick Rodriques Duhaney, President of the Senate of Jamaica.

Senator Duhaney was elected to the first Jamaican Parliament in 1962. He is a member of the executive committee of the Jamaican Labor Party.

He was born in Jamaica but went to school in the Boston Latin School, to Dunbar High School in Washington, D.C., and is a graduate of Howard University of this city.

At the present time, he has a nephew at Howard University. Previous to that, his father, his brother, his aunt, and his wife were all Howard University graduates.

By profession Senator Duhaney is a dental surgeon. He is stopping off in Washington on his way back from England, where he participated in the 700th anniversary of the Parliament of Simon de Montfort held in 1265, the first parliament to include representatives of the people.

Mr. President, at this time it is my pleasure and privilege to introduce to the Senate our distinguished guest, the President of the Jamaican Senate, Senator Frederick Rodriques Duhaney.

[Applause, Senators rising.]

Mr. MANSFIELD. Mr. President, I thank the Senator from Alaska for yielding to me.

SOCIAL SECURITY AMENDMENTS OF 1965

The Senate resumed 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.

AMENDMENT NO. 328

Mr. GRUENING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alaska will state it.

Mr. GRUENING. Is the offering of an amendment in order at this time?

The PRESIDING OFFICER. The offering of an amendment is in order.

Mr. GRUENING. Mr. President, I call up my amendment No. 328 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

Mr. GRUENING. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment (No. 328) offered by Mr. GRUENING is as follows:

On page 349, between lines 12 and 13, insert the following:

"RECTIFYING ERROR IN INTERPRETING LAW WITH RESPECT TO CERTAIN SCHOOL EMPLOYEES IN ALASKA

"SEC. 342. For purposes of the agreement under section 218 of the Social Security Act entered into by the State of Alaska, or its predecessor the Territory of Alaska, where employees of an integral unit of a political subdivision of the State or Territory of Alaska have in good faith been included under the State or Territory's agreement as a coverage group on the basis that such integral unit of a political subdivision was a political subdivision, then such unit of the political subdivision shall, for purposes of section 218 (b) (2) of such Act, be deemed to be a political subdivision, and employees performing services within such unit shall be deemed to be a coverage group, effective with the effective date specified in such agreement or modification of such agreement with respect to such coverage group and ending with the last day of the year in which this Act is enacted."

VALIDATING SOME ALASKA SCHOOL DISTRICT CONTRACTS UNDER SECTION 218

Mr. GRUENING. Mr. President, my amendment, now before the Senate, seeks to correct an injustice which would befall many school personnel in Alaska because of an error in interpreting the provisions of the Social Security Act.

Many school employees in Alaska are in danger of losing social security benefits because the provisions of section 218 were incorrectly interpreted. Originally, certain city school districts in Alaska were ruled to be "political subdivisions" under the terms of section 218 and agreements with such city school districts were approved by the Social Security Administration.

Now, after 13 years of coverage, and after paying the social security taxes due and expecting to receive social security benefits upon retirement, the school personnel of such city school districts have been informed that such districts cannot be considered "political subdivisions" within the meaning of section 218 of the Social Security Act and that these school employees are not covered under the act.

My amendment simply validates the agreements entered into in good faith by these school districts to cover their school employees under the social security program.

I have been informed that the administration supports this amendment.

I hope that the able and distinguished Senator in charge of the bill will accept this simple amendment.

Mr. LONG of Louisiana. Mr. President, the Senator from Alaska has discussed his amendment with us, and also with those who represent the department, and we believe that the Senator has a good point in his amendment. It was not studied by the committee, but we believe that the Senator from Alaska is probably right about the matter, and we shall be happy to take the amendment to conference.

Mr. ANDERSON. Mr. President, will the Senator from Alaska yield?

Mr. GRUENING. I yield.

Mr. ANDERSON. The situation to which the Senator from Alaska refers is similar to the one with which we dealt in Arkansas. Therefore, there is no reason to deny to Alaska what was done for Arkansas.

I agree with the Senator in charge of the bill that the Senator's amendment should be accepted.

Mr. GRUENING. I thank the Senator from Louisiana and the Senator from New Mexico.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alaska.

The amendment was agreed to.

"HOSPICARE" PROVIDED BY H.R. 6675 NEEDED AND LONG OVERDUE

Mr. GRUENING. Mr. President, I support, in general, the provisions of H.R. 6675 because the program which it provides is long overdue. The legislation has long been misnamed with the title of "medicare." It provides hospital care and should be known as "hospicare."

To my own knowledge, I have known many men and women who have completed successful work careers and who have retired with savings and pensions apparently ample to live in comparative comfort for the rest of their lives. Then these individuals have been struck by severe illnesses and in a very brief period have seen their life's savings drained away in paying for the high costs of medical and hospital care and drugs.

For people in such circumstances, H.R. 6675 marks a milestone and will go far to enable them to meet the overwhelming burden of hospital expenses—and some medical expenses—attendant all too often on old age.

This bill marks a milestone and a crowning achievement for the many men and women who for years have worked tirelessly for its achievement.

President Johnson can rightfully take pride in the enactment of this far-reaching hospital care bill. He worked for its enactment as a U.S. Senator from Texas, as Vice President, and as President. He has at all times indicated that, on his list of needed domestic measures, hospital care for the aged had high priority. Its enactment so early in his administration must be and should rightfully be considered a personal, outstanding achievement for President Johnson.

Another among the many individuals to whom credit and praise should be given for his work in securing the passage of a hospital program for the aged is the very able and distinguished senior Senator from New Mexico [Mr. ANDERSON], who through the years, in the face of great opposition, has fought valiantly for the enactment of this legislation.

Many others deserve high praise for the successful conclusion of this struggle including our distinguished majority leader [Mr. MANSFIELD], the majority whip [Mr. LONG of Louisiana], and the indefatigable Under Secretary of the Department of Health, Education, and Welfare, Mr. Wilbur Cohen.

All these—and many more—deserve the highest praise for a job well done.

In sending his health message to the Congress on January 7 of this year, President Johnson quoted from Thomas Jefferson who wrote:

> Without health there is no happiness. An attention to health, then, should take the place of every other object.

With this statement I heartily concur. With the passage of H.R. 6675, the Congress will be taking a giant step forward to making health "take the place of every other object." It is a step that long needed to be taken.

Mr. McNAMARA. Mr. President, for the past 7 years the problems of our older citizens have been the subject of intensive and continuing study by the Congress. That long and hard work is resulting, at last, in legislation which will significantly contribute to the ability of the Nation's elderly to live independently and with dignity during their retirement years.

Earlier this week, the House of Representatives agreed to the Senate amendments to H.R. 3708—the Older Americans Act of 1965. This important measure—which I sponsored in the Senate and in which I was joined by 23 cosponsors—now awaits the President's signature.

The Older Americans Act—it will be recalled—establishes a new high-level agency—the Administration on Aging—within the Department of Health, Education, and Welfare. The Administration on Aging, headed by a Commissioner appointed by the President and subject to Senate confirmation—will devote its full attention to the problems and potentials of our older population. It is an agency which—among its other responsibilities, will administer a program of grants which will enable the States to support and expand their services in behalf of the elderly.

The Older Americans Act represents a milestone on the road toward a better life for our elderly citizens. We now have an opportunity to enact another landmark piece of legislation—H.R. 6675—the medicare bill. I believe we will take that opportunity.

Although—my interest and activities dealing with the problems of older people predates by many years my service in the Senate, it has been my privilege since 1959 to be deeply involved in the efforts of the Senate to determine and cope with the needs of the elderly.

During the 87th Congress, I was privileged to serve as chairman of the Senate Special Committee on Aging. For 2 years prior to that—I was chairman of the Subcommittee on Problems of the Aged and Aging of the Labor and Public Welfare Committee. Currently, I am chairman of the Subcommittee on Health of the Elderly of the Special Committee on Aging.

During these last 7 years—under a mandate from the Senate—we have thoroughly investigated and evaluated the status of the 18 million Americans who are 65 years of age and over.

We have consulted with the acknowledged experts in the field of aging and have benefited from their research.

We have held public hearings throughout the country to learn firsthand the difficulties and the unique problems facing our older citizens. A long list of committee reports attest to the scope and the depth of this factfinding effort.

And from these years of work, two basic conclusions emerge:

First, the older people of this country have a deep and abiding desire to live their retirement years in independence and dignity;

Second, the greatest threat to this desire for an independent and dignified existence is the pronounced inability of our older citizens to cope with the heavy and inevitable expenses of necessary hospital and medical care.

Other problems, to be sure, trouble people in their retirement years. But completely overshadowing everything else is the haunting fear of financial catastrophe resulting from serious illness.

We cannot, of course, eliminate the likelihood of serious illness among the elderly.

But we can extend to them the hope that when illness does strike, it will not leave them financially destitute.

The legislation we are considering today—a program of hospital insurance through social security and a program of voluntary medical insurance—would offer them that hope.

I believe that we now have before us a bill which would establish a well-balanced program of protection against the crushing expenses of illness. This is a program which will relieve the elderly of the intolerable pressures generated by high health costs on the one side and reduced income on the other. This is a program which will solve the dilemma confronting the young and middle-aged families who are trying to provide for themselves and their children at the same time that they are faced with the tremendous burden of trying to help pay the continuing direct costs of the illnesses of their parents and grandparents.

In evaluating the legislation before us—we must not overlook the substantial and meaningful liberalizations which it makes in the Kerr-Mills program.

Over the years, the Subcommittee on Health of the Elderly has issued three reports on the operation and effectiveness of the Kerr-Mills program. We have never argued against the need for such a program. Our criticism was directed at the idea that Kerr-Mills—by itself—constituted the Federal answer to the problem. Among the specific criticisms of Kerr-Mills made by the subcommittee—for which the present bill now offers remedies were:

First. The family responsibilty provisions which imposed hardships on the children and grandchildren of elderly applicants for aid—and which often served to deter otherwise qualified individuals from seeking help. The new bill would limit the application of the family responsibility provision to the spouse, if any, of the applicant.

Second. We had criticized the in-or-out income tests employed by some States in determining eligibility. For example—if a State had a test of $1,500 in income, a person with $1,501 would be ineligible despite the fact that he might have had thousands of dollars of expenses—while an individual with $1,499 in income and only $100 or $200 in expenses would be eligible. The new legislation corrects this situation by requiring the States to relate their income tests to the expenses incurred by the applicant.

Third. We were critical of the fact that the Federal Government would only match up to $15 per month in vendor payments for recipients of old-age assistance while we would match unlimited medical vendor payments for recipients of medical assistance for the aged. It seemed highly unfair to us that we should provide less in money for those who are most in need. Additionally—this imbalance was the prime reason behind the State's switching many of their OAA people to MAA. The present bill authorizes matching on an equal basis for both OAA and MAA and further—specifies that the States may not provide less in benefits under one program than it provides in the other.

Fourth. We were also concerned over the fact that many States provided only the most limited types of health services, for example, a State might provide only hospital care and some services in the outpatient department of a hospital. The new legislation requires that the States include inpatient and outpatient hospital care, other laboratory and X-ray services, skilled nursing home services, and physicians' services.

Mr. President, I should like to stress one other consideration. I believe that proper and appropriate administration of the program is vital to effectuating the congressional intent.

In this regard—and particularly in the case of the basic medicare section of the bill—"part A"—administrative responsibility and operation should, to the greatest extent possible, be assumed by public agencies.

Any administrative tasks which are delegated by the Department of Health, Education, and Welfare should in all instances be assigned to State and local health departments, where these public agencies are willing and capable of performing those responsibilities. The public interest would be fully served by giving preference to public agencies.

In conclusion, Mr. President, I would say that the medicare bill now before the Senate is not perfect. I am positive that we will modify it in future years—as experience exposes defects.

But it does represent an enormous step forward by the Congress in meeting one of the most urgent social needs of our times. Its enactment has been demanded by an overwhelming majority of Americans—of all ages—for many years.

I regard it as both a privilege and an honor to be associated with this legislation as a cosponsor and I shall cast my vote in favor of it with a deep sense of satisfaction and fulfillment.

Mr. JAVITS. Mr. President, I know that some of my colleagues in the Senate wish to speak. I should like to make the remaining committee amendment the pending business, if it is agreeable to the Senator from Louisiana. I wish to an-

nounce that the committee amendment is opposed by the Senator from New York [Mr. KENNEDY] and myself jointly, in lieu of our offering an amendment. Normally, an amendment would be offered if the committee amendment had been treated as original text. We have undertaken, therefore, to oppose the committee amendment.

If we may have the remaining committee amendment made the pending business, I shall yield the floor and let other Senators speak.

The PRESIDING OFFICER. Does the manager of the bill wish to call up the remaining committee amendment?

Mr. LONG of Louisiana. Mr. President, I ask that the committee amendment be made the pending business.

The PRESIDING OFFICER. The clerk will state the committee amendment.

The legislative clerk proceeded to state the committee amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment is as follows:

On page 267, line 8, after the word "ending", it is proposed to insert "on or"; on page 268, after line 2, to strike out:

"COVERAGE OF TIPS

"SEC. 313. (a)(1) Section 209 of the Social Security Act is amended by striking out 'or' at the end of subsection (j), by striking out the period at the end of subsection (k) and inserting in lieu thereof '; or', and by adding immediately after subsection (k) the following new subsection:

"'(l) (1) Tips paid in any medium other than cash;

"'(2) Cash tips received by employee in any calendar month in the course of his employment by an employer unless the amount of such cash tips is $20 or more.'

"(2) Section 209 of such Act is further amended by adding at the end thereof the following new paragraph:

"'For purposes of this title, tips received by an employee in the course of his employment shall be considered remuneration for employment. Such tips shall be deemed to be paid to the employee by the employer and shall be deemed to be so paid at the time a written statement including such tips is furnished to the employer pursuant to section 6053(a) of the Internal Revenue Code of 1954 or (if no statement including such tips is so furnished) at the time received.'

"(b) Section 451 of the Internal Revenue Code of 1954 (relating to general rule for taxable year of inclusion) is amended by adding at the end thereof the following new subsection:

"'(c) SPECIAL RULE FOR EMPLOYEE TIPS. For purposes of subsection (a), tips included in a written statement furnished an employer by an employee pursuant to section 6053(a) shall be deemed to be received at the time the written statement including such tips is furnished to the employer.'

"(c)(1) Section 3102 of such Code (relating to deduction of tax from wages) is amended by adding at the end thereof the following new subsection:

"'(c) SPECIAL RULE FOR TIPS.

"'(1) In the case of tips which constitute wages, subsection (a) shall be applicable only to such tips as are included in a written statement furnished to the employer pursuant to section 6053(a), and only to the extent that collection can be made by the employer, at or after the time such statement is so furnished and before the close of the 10th day following the calendar month in which the tips were received, by deducting the amount of the tax from such wages of the employee (excluding tips, but including funds turned over by the employee to the employer pursuant to paragraph (2)) as are under control of the employer.

"'(2) If the tax imposed by section 3101, with respect to tips received by an employee during a calendar month which are included in written statements furnished to the employer pursuant to section 6053(a), exceeds the wages of the employee (excluding tips) from which the employer is required to collect the tax under paragraph (1), the employee shall furnish to the employer on or before the 10th day of the following month an amount of money equal to the amount of the excess.

"'(3) The Secretary or his delegate may, under regulations prescribed by him, authorize employers—

"'(A) to estimate the amount of tips that will be reported by the employee pursuant to section 6053 in any quarter of the calendar year,

"'(B) to determine the amount to be deducted upon each payment of wages (exclusive of tips) during such quarter as if the tips so estimated constituted the actual tips so reported, and

"'(C) to deduct upon any payment of wages (other than tips) to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted upon such wages of the employee during the quarter to the amount required to be deducted during the quarter without regard to this paragraph.'

"(2) The second sentence of section 3102 (a) of such Code is amended by inserting before the period at the end thereof the following: '; and an employer who is furnished by an employee a written statement of tips (received in a calendar month) pursuant to section 6053(a) to which paragraph (12) (B) of section 3121(a) is applicable may deduct an amount equivalent to such tax with respect to such tips from any wages of the employee (exclusive of tips) under his control, even though at the time such statement is furnished the total amount of the tips included in statements furnished to the employer as having been received by the employee in such calendar month in the course of his employment by such employer is less than $20'.

"(3) Section 3121(a) of such Code (relating to definition of wages under the Federal Insurance Contributions Act) is amended by striking out 'or' at the end of paragraph (10), by striking out the period at the end of paragraph (11) and inserting in lieu thereof '; or', and by adding after paragraph (11) the following new paragraph:

"'(12)(A) tips paid in any medium other than cash;

"'(B) cash tips received by an employee in any calendar month in the course of his employment by an employer unless the amount of such cash tips is $20 or more.'

"(4) Section 3121 of such Code is further amended by adding at the end thereof the following new subsection;

"'(q) TIPS.—For purposes of this chapter, tips received by an employee in the course of his employment shall be considered remuneration for employment. Such tips shall be deemed to be paid to the employee by the employer, and shall be deemed to be so paid at the time a written statement including such tips is furnished to the employer pursuant to section 6053(a) or (if no statement including such tips is so furnished) at the time received.'

"(d)(1) Section 3401 of such Code (relating to defintions for purposes of collecting income tax at source on wages) is amended by adding at the end thereof the following new subsection:

"'(f) TIPS.—For purposes of subsection (a), the term "wages" includes tips received by an employee in the course of his employment. Such tips shall be deemed to be paid to the employee by the employer, and shall be deemed to be so paid at the time a written statement including such tips is furnished to the employer pursuant to section 6053(a) or (if no statement including such tips is so furnished) at the time received.'

"(2) Section 3401(a) of such Code (relating to definition of wages for purposes of collecting income tax at source) is amended by striking out ', or' at the end of paragraph (6) and inserting in lieu thereof '; or', by striking out the period at the end of paragraph (12) and inserting in lieu thereof '; or', by striking out the period at the end of paragraph (15) and inserting in lieu thereof '; or', and by adding after paragraph (15) the following new paragraph:

"'(16)(A) as tips in any medium other than cash;

"'(B) as cash tips to an employee in any calendar month in the course of his employment by an employer unless the amount of such cash tips is $20 or more.'

"(3) Subsection (a) of section 3402 of such Code (relating to income tax collected at source) is amended by striking out 'subsection (j)' and inserting in lieu thereof 'subsections (j) and (k)'.

"(4) Section 3402 of such Code is further amended by adding at the end thereof the following new subsection:

"'(k) TIPS.—In the case of tips which constitute wages, subsection (a) shall be applicable only to such tips as are included in a written statement furnished to the employer pursuant to section 6053(a), and only to the extent that the tax can be deducted and withheld by the employer, at or after the time such statement is so furnished and before the close of the calendar year in which the employee receives the tips which are included in such statement, from such wages of the employee (excluding tips, but including funds turned over by the employee to the employer for the purpose of such deduction and withholding) as are under the control of the employer; and an employer who is furnished by an employee a written statement of tips (received in a calendar month) pursuant to section 6053 (a) to which paragraph (16)(B) of section 3401(a) is applicable may deduct and withhold the tax with respect to such tips from any wages of the employee (excluding tips) under his control, even though at the time such statement is furnished the total amount of the tips included in statements furnished to the employer as having been received by the employee in such calendar month in the course of his employment by such employer is less than $20. Such tax shall not at any time be deducted and withheld in an amount which exceeds the aggregate of such wages and funds minus any tax required by section 3102(a) to be collected from such wages.'

"(e)(1) Section 6051(a) of such Code (relating to receipts for employees) is amended by adding at the end thereof the following new sentence: 'In the case of tips received by an employee in the course of his employment, the amounts required to be shown by paragraph (3) shall include only such tips as are included in statements furnished to the employer pursuant to section 6053(a); and the amounts required to be shown by paragraph (5) shall include only such tips as are reported by the employee to the employer pursuant to section 6053(b).'

"(2)(A) Subpart C of part III of subchapter A of chapter 61 of such Code (relating to information regarding wages paid

employees) is amended by adding at the end thereof the following new section:

" 'SEC. 6053. REPORTING OF TIPS.

" '(a) Every employee who, in the course of his employment by an employer, receives in any calendar month tips which are wages (as defined in section 3121(a) or section 3401(a)) shall report all such tips in one or more written statements furnished to his employer on or before the 10th day following such month. Such statements shall be furnished by the employee under such regulations, at such other times before such 10th day, and in such form and manner, as may be prescribed by the Secretary or his delegate.

" '(b) For purposes of sections 3102(c), 3111, 6051(a), and 6652(c), tips received in any calendar month shall be considered reported pursuant to this section only if they are included in such a statement furnished to the employer on or before the 10th day following such month and only to the extent that the tax imposed with respect to such tips by section 3101 can be collected by the employer under section 3102.'

"(B) The table of sections for such subpart C is amended by adding at the end thereof the following:

" 'SEC. 6053. REPORTING OF TIPS.'

"(3) Section 6652 of such Code (relating to failure to file certain information returns) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

" '(c) FAILURE TO REPORT TIPS.—In the case of tips to which section 6053(a) applies, if the employee fails to report any of such tips to the employer pursuant to section 6053(b), unless it is shown that such failure is due to reasonable cause and not due to willful neglect, there shall be paid by the employee, in addition to the tax imposed by section 3101 with respect to the amount of the tips which he so failed to report, an amount equal to such tax.'

"(f) Section 3111 of such Code (relating to rate of tax on employers under the Federal Insurance Contributions Act), as amended by section 321 of this Act, is amended by adding at the end thereof the following new subsection:

" '(c) TIPS.—In the case of tips which constitute wages, the tax imposed by this section shall be applicable only to such tips as are reported by the employee to the taxpayer pursuant to section 6053(b).'

"(g) The amendments made by this section shall apply only with respect to tips received by employees after 1965."

And in lieu thereof, to insert:

"COVERAGE OF TIPS

"SEC. 313. (a) Section 211(c) of the Social Security Act, as amended by section 311 of this Act, is amended by adding at the end thereof the following new sentence: 'The provisions of paragraph (2) shall not have the effect of excluding cash tips received by an employee in the course of service which constitutes employment under this title, on his own behalf and not on behalf of another person, from "net earnings from self-employment"; except that (i) this sentence shall not apply in the case of tips which constitute remuneration for employment under this title, and (ii) in applying subsection (a) with respect to tips to which this sentence is applicable, only the deductions attributable to such tips shall be taken into account.'

"(b) Section 1402(c) of the Internal Revenue Code of 1954 (relating to definition of trade or business), as amended by section 311 of this Act, is amended by adding at the end thereof the following new sentence: 'The provisions of paragraph (2) shall not have the effect of excluding cash tips received by an employee in the course of service which constitutes employment under chapter 21, on his own behalf and not on behalf of another person, from "net earnings from self-employment"; except that (i) this sentence shall not apply in the case of tips which constitute remuneration for employment under chapter 21, and (ii) in applying subsection (a) with respect to tips to which this sentence is applicable, only the deductions attributable to such tips shall be taken into account.'

"(c) The amendments made by this section shall apply only with respect to taxable years beginning after December 31, 1965."

Mr. MORTON. Mr. President, a national health care program for the needy aged is long overdue in this country. Millions of our senior citizens who are living on very modest incomes have for years faced a serious problem in meeting the costs of health care.

We are all thankful for the fact that the exciting and rapid scientific advances in medicine, surgery and therapy have substantially increased the life span of our people. These advances have obviously led to greater cost to the patient. Treatments have been developed which are very complex involving costlier drugs, operations, hospitalization, specialized nursing home care, and so forth. The healing arts community is to be congratulated on the great progress that it has made and society in general is the beneficiary.

In 1949 as a Member of the House I, along with a group of Republicans, introduced a comprehensive national health care program for the needy aged. One of the cosponsors was my colleague, the distinguished senior Senator from New York [Mr. JAVITS]. As I recall, the Honorable Christian Herter, then a Member of the House, and the Honorable Richard Nixon, at that time a House Member, were also cosponsors.

My interest and concern with this problem go back many years. I introduced a comprehensive measure in 1962 and this year I am a cosponsor of the bill introduced by the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL].

In reality, my interest in this problem dates from my childhood. My father was a doctor of medicine and a general practitioner in Louisville, Ky. One of my earliest memories is spending a year in Europe when my father studied in Germany and Austria to gain specialized training in the general area of heart disease. Today, the doctors of Europe come to this country for specialized training, and many prominent Europeans come to this country for treatment. The Duke of Windsor recently visited Houston for surgery and I think it is commendatory that in one generation we have gone to the forefront in medical science. I know that we all want America to stay in that position.

In spite of my long interest in this problem and my keen desire to do something about it, I cannot support this bill. I have always maintained that if the program is to be successful, it must meet three criteria: First, it must be voluntary. Second, it must be based on need. And third, it must not be financed through a payroll tax.

Those with adequate incomes who happen to be covered by social security and who can well afford their own medical care directly or through insurance, should not be forced to join a program.

A needs clause, I think, is essential. I do not think it proper for a young man going to work and expecting to support a family to have to pay a hospital, or any other bill, for the millions in this country who can afford to pay their own. I do not think a means test should require a so-called pauper's oath. The bill which I introduced in 1962 applied the means test by the income tax return of the individual. Critics of the means test say that its application would force a person to sell his home before he could benefit from the program. This is not the case. Let the income tax return be the only means test.

I vigorously oppose financing so much of this program through payroll taxes. The payroll tax with an arbitrary limit, be it $5,600 or $6,600 a year, is a regressive tax in the same sense that a sales tax or retail excise tax is regressive. Under the terms of this bill a man earning $6,600 a year will pay just as much in taxes as a man earning $66,000. This is certainly not the American way. I can not understand the logic of the labor leaders of this country in their almost unanimous support of this method of financing health care for the needy aged. These same leaders argue persuasively against a sales tax saying that it falls equally on those who can afford it and those who cannot afford it. It seems to me that the same philosophy applies here.

Furthermore, a payroll tax is a direct manufacturing cost. When direct costs go up, prices go up. We are having difficulties today competing in the world market. By increasing these direct costs our difficulties will be compounded. Experience has shown in other countries, especially in Western Europe where we find our keenest competition, that payroll taxes which finance a health program have skyrocketed over the years. In spite of these high taxes Germany and Italy can undersell us on many products because their basic factory or mine wage is far below ours. If wages were comparable, their present higher rate of payroll tax would eliminate them as a competitor.

Our own experience with the social security program, and the discussion of this bill in the Finance Committee, and the debate here on the floor make it obvious that this program will be sharply expanded in future years. I do not think anyone can question this. Benefits will be broadened and taxes increased. For this reason, it is all the more important that we set the proper guidelines at the initiation of this program. In my judgment, the broad guidelines are contained in the three criteria which I have set out. This is going to be a huge program.

Let us set it in the proper framework so that it will enhance and not impair the great American will to produce.

I wish this bill could be amended so that I might support it. I am afraid that is a remote and forlorn hope. If I have properly judged the temper of the Senate none of the three criteria which I have spelled out will be achieved and, I am sorry to say, none was achieved in the bill which the House of Representatives sent to us. Therefore, it seems clear, Mr. President, that my vote on final passage will have to be in the negative.

Mr. FONG. Mr. President, H.R. 6675 is a monumental measure of far-reaching consequences.

It deals with fundamental human needs of millions of Americans.

It extends a helping hand not only to our senior citizens, but also to children, blind, and disabled persons, and needy individuals.

There is general agreement on the humanitarian objectives of this bill although many differ regarding the methods of achieving these objectives, particularly in the field of medical care for the aged.

BRIEF DESCRIPTION OF PROVISIONS

H.R. 6675 has four main parts.

First. In the area of medical care, it provides as follows:

(a) A compulsory hospital-nursing home plan for most persons past 65 financed by higher social security taxes on workers, their employers, and the self-employed; and by payments elderly patients must make toward their care—deductibles and daily charges.

(b) A voluntary supplementary plan covering physicians' services and certain other health costs financed by monthly premiums paid by those past 65; by matching premiums paid by the Federal Government out of general revenues; and by fees patients must pay for care—deductibles plus 20 percent of remaining costs, and

(c) An expanded Kerr-Mills medical assistance program for the needy and medically needy aged, blind, disabled, and families with dependent children. This combines five existing medical assistance programs into a single program.

Second. H.R. 6675 provides expanded services for maternal and child health, crippled children, child welfare, and the mentally retarded, and establishes a 5-year program of special project grants for comprehensive health care and services for needy children, including those emotionally disturbed of school age or preschool age.

Third. H.R. 6675 provides greater benefits and coverage under social security old-age, survivors' and disability programs, including a 7-percent increase in monthly benefits for social security recipients with a $4 minimum increase for an individual and a $6 minimum increase for a couple.

Fourth. H.R. 6675 improves and enlarges public assistance programs.

From this brief description, the scope and breadth of this legislation are merely indicated. I shall not attempt at this point to describe the bill in full, for it is a very comprehensive, very technical bill totaling 387 pages. More details can be found elsewhere in my statement.

SOCIAL SECURITY BILL WILL BECOME LAW

It is very apparent that H.R. 6675 will pass the Senate and that, after differences in the House and Senate versions are resolved, it will receive approval by Congress and will be signed by the President.

It will become the law of the land—and most of the programs, including the new basic hospital insurance plan and the supplementary insurance plan for medical care of Americans past 65, will become permanent programs.

In a far-reaching bill of this complexity and nature, no one is completely satisfied with every provision. I have consistently fought for comprehensive medical care for any aged person who needs assistance in paying his medical bills, with such a program to be financed out of general revenues. Although this bill in part relies on general revenues, the basic hospital-nursing home plan relies on social security taxes and makes limited benefits available to everyone regardless of need.

This legislation has been developed according to established congressional procedure, with all Americans allowed an opportunity to present their views. In particular, the subject of medical care for the aged has been investigated, studied, and debated for a number of years, quite intensively during the past 5 years.

Now the majority in Congress has worked its will and, in the American way, everyone accepts that.

It now behooves all of us to do our best to make these programs as workable and as effective as possible.

Let us put acrimony behind us. Let us bind up our wounds and with malice toward none let us get on with the enormous job of implementing this measure.

LANDMARK LEGISLATION

The inauguration of the basic hospital insurance program and the supplementary insurance program will be hailed as landmark legislation, as indeed it is.

It will unquestionably be important in helping our senior citizens meet their hospital, doctor, and certain other medical expenses.

It is estimated the basic and supplementary plan together will cover just under 50 percent of the average medical costs of those past 65.

Nevertheless, we all have a duty not to oversell these programs. We should not lead those past 65 to believe more is provided than actually is provided.

BILL DOES NOT COVER ALL MEDICAL NEEDS

For example, H.R. 6675 does not provide aid for every kind of medical care an individual past 65 may need.

The basic plan for instance does not pay for private rooms, private nurses, long-term stays in psychiatric hospitals or drugs outside a hospital; nor does it cover very long "catastrophic" illness.

The supplemental plan does not cover routine physicals, extensive psychiatric care, routine dental work, drugs, dentures, orthopedic shoes, eyeglasses, or hearing aids.

BILL DOES NOT COVER ALL MEDICAL COSTS

It is important for Americans to understand that H.R. 6675 is not a free medical care bill. The hospital and other medical services covered by the two plans are not paid in full under these plans.

Under the basic hospital plan, a patient must pay the first $40 of cost during the first 60 days, plus $10 a day for each day after that during the next 60 days. The plan does not pay any hospital costs after these 120 days during one spell of illness. So the patient has to find some means of paying hospital care after 120 days.

A patient sent to a nursing home after receiving hospital care would pay $5 a day beginning with the 21st day through the 100th day in the nursing home. After 100 days of a single spell of illness, the plan pays nothing more toward nursing home care.

Furthermore, if costs of hospital and nursing home services go up, patients may have to pay greater amounts beginning in 1968. Hospital costs have been rising about 7 percent a year over the past few years.

Under the supplementary insurance plan, those past 65 wishing this insurance must pay $3 per month. The Federal Government also pays $3 per month.

Under H.R. 6675, these premiums could be increased every 2 years. If costs of the services covered go up sufficiently, those past 65 can look forward to further increases in their monthly premium.

In addition, under the supplementary plan, patients must pay a $50 deductible, which means they must pay the first $50 of expenses incurred for physicians' services and other health items covered by this insurance. In addition, patients must pay 20 percent of costs above the first $50.

OLDER AMERICANS NEED MORE PROTECTION

I mention these matters so that Americans past 65 will be aware that the two medical plans contained in this bill will not pay all of their health and medical bills.

It is only fair to caution our senior citizens that they should protect themselves against medical expenses not taken care of by the basic plan or the supplementary plan through additional insurance. Otherwise, they may face some costly bills to pay out of savings.

EFFECTIVE DATE OF TWO NEW MEDICAL PLANS

Another very important reminder to those who will be eligible for these medical programs: benefits under the basic plan will not be available until July 1, 1966. Benefits under the supplementary plan will not be available until January 1, 1967.

So, I say to our older Americans, when this bill passes, do not cancel your present health insurance policies. Do not let your health insurance lapse between now and the date when these plans become effective.

Your present insurance company will probably revise its policies so that they will not overlap the benefits of the health insurance plans of this bill. They will, I am confident, devise policies offering coverage and benefits not provided under the two plans of this bill.

Also, most businesses with health insurance programs for their employees will revise these policies to be effective after the basic Government insurance and supplementary insurance plans go into effect.

URGES HEALTH INSURANCE FOR ELDERLY

I say again to our older Americans: Do not leave yourself unprotected during the next year and a half before benefits are available to you under H.R. 6675.

If you do not now have health insurance that will help pay hospital, doctor, and medical bills, I would urge you to obtain such insurance. No one knows when illness may strike. It might be before benefits under either plan in H.R. 6675 will be available to you. So take the sensible precaution of protecting yourself against costly illness.

Here I would like to urge private health insurance companies to do their very best to provide reasonable cost and effective policies to protect older persons against medical costs not covered in the two plans of this bill.

SOCIAL SECURITY IMPROVEMENTS

Now I would like to comment on the social security increase and some of the other improvements in old-age, survivors, and disability programs proposed in H.R. 6675.

SEVEN PERCENT INCREASE

The 7-percent, across-the-board increase in benefits for the present 20 million social security recipients is retroactive beginning with January 1965 benefits.

There is a guaranteed $4 monthly minimum for retired workers who are past 65 in the first month they are paid the increased benefit.

The guaranteed minimum increase is provided to make sure everyone over 65 would receive at least enough to take advantage of the supplementary insurance costing those past 65 $3 per month. The $4 minimum for an individual would cover the premium with $1 to spare. A man and his wife would receive a minimum total increase of $6, which would cover the health insurance premium for both.

Unfortunately, the 7-percent increase does not keep pace with the 8.9 percent increase in cost of living since 1958.

In other words, even with this increase, social security benefits will buy less than in 1958.

SUPPORTS SOCIAL SECURITY INCREASE

I have strongly favored a cost-of-living increase in social security. Last year I voted for the increase provided in the bill passed by the Senate. I deplore the fact that this much-needed increase was allowed to die in conference committee between House and Senate in the dispute over medical care.

On the first day bills could be introduced this year, I sponsored a bill—S. 39—providing for a 7-percent increase. At the time, I urged that consideration be given to an 8-percent increase because I believed the cost of living was heading upward. It did rise and is still rising. The cost of living is now nearly 9 percent more than in 1958.

So in this bill we are not restoring buying power of social security benefits to the 1958 buying power.

WHY COST-OF-LIVING INCREASE NOT HIGHER

It is well understood that social security benefits could have been increased by 8 or 9 percent, had not the hospital insurance plan been added to this bill.

In order to keep social security taxes from jumping too high at this time, the social security increase had to be limited to 7 percent and the hospital benefits had to be curtailed.

Thus, in the very drafting of this bill both the cash benefit program and the hospital insurance program for the aged have had a restrictive impact on each other.

There are those who claim the new hospital program will not endanger the cash benefit programs for retirees, for widows, children, dependents, and the disabled under the existing social security programs—old-age, survivors', and disability insurance.

Those making this claim say the new health insurance trust fund set up in H.R. 6675 would be separate from the present social security trust fund. They point out the bill requires social security withholding for hospital benefits to be deducted from wages separately from the regular old-age, survivors', and disability social security deductions.

Separate accounting will not insulate one program from the other. Both programs have already had and will continue to have an impact on each other.

The reason is that the revenues for the old-age, survivors', and disability benefits and the revenues for the new hospital benefits will be derived from the same source: wages of workers in social security covered jobs and railroad retirement covered jobs.

In a very real sense, the OASDI cash benefits programs and the new hospital benefits program are competing for social security taxes levied on wages.

We cannot put too heavy taxes on wages, or we shall deprive workers of the wherewithal to pay their living expenses.

As employers must match the social security tax for each of their workers, this will raise the cost of doing business and this added cost will be passed on to consumers in higher prices. Higher prices make it more difficult to sell abroad in competition with foreign companies.

So the sky is not the limit when it comes to the amount of social security taxes that can be extracted from wages.

There is no doubt that, at some time in the future, when we want to increase the cash benefits for social security retirees, for dependents, disabled persons and all the rest and when the costs of the hospital program require an increase, we are going to reach a point where we cannot increase the burden on wage earners by hiking social security taxes on their wages or self-employed income, or by making more of their wages subject to the tax—raising the taxable wage base.

Some people think that day is not far off.

Even some ardent advocates of hospitalization through social security taxes have already admitted that future social security improvements may have to be financed out of general revenues.

Endorsement of the supplementary insurance program, which is not financed out of social security taxes, is tacit recognition that a fully comprehensive medical care program should not be financed out of social security. The burden would be too great on one segment of our population, the wage earners.

Of course, there is an alternative. That is to make the elderly patients pay a greater share of the costs of this program. I have already pointed out that the bill provides for automatic increases in the amount patients must pay for hospital and nursing home care, starting in 1968, if costs of these services rise enough by then. A patient hospitalized for 120 days would pay $640. If he stays the full 100 days in a nursing home after hospitalization, he would pay an additional $400, for a total of $1,040.

Under provisions of H.R. 6675, if hospital and nursing home costs rise appreciably, the amount the patient would pay also will rise.

To make patients pay even more than the bill provides would put a greater burden on the elderly, the very people we seek to help under this program.

GENERAL REVENUE FINANCING FORECAST

I predict that eventually the OASDI cash benefit programs or the hospital program will have to be financed, in whole or in part, out of general revenue financing.

Cash benefits for a worker, his survivors, or dependents under the present old-age, survivors, and disability insurance program—social security—are related to wages earned by the worker.

Retirement benefits, survivors' benefits, child's benefits, and disabilty benefits of the existing social security program are of fundamental importance to the economic well-being of Americans.

It is certain this program will have to keep pace with the rising cost of living and necessary further improvements will have to be made in the future.

It seems to me the sensible procedure is to continue the existing OASDI social security programs under the social security tax system.

Hospital benefits under the basic plan of H.R. 6675 are, however, not related to the amount of wages each worker has earned.

Therefore, it makes much more sense to me to finance the hospital program out of general revenues. In this way, the cost of the hospital program can be spread among all taxpayers, according to their income and ability to pay.

Now to return to my commentary on other features of H.R. 6675.

CHILD'S BENEFITS EXTENDED FOR FULL-TIME STUDENTS

Child's social security benefits, which formerly terminated at age 18, are continued by the bill up to age 22, provided the child is attending school full time until then.

I voted for this provision last year in the bill that regrettably died in conference October 3. This year I introduced a bill—S. 498—to extended the age to 22. I fully support this extension, which will help an estimated 295,000 children this year continue their schooling.

I am delighted the provision was made retroactive to January 1, 1965.

DISABLED CHILD'S BENEFITS EXTENDED

Under an amendment—No. 125—which I introduced and which the Senate Finance Committee adopted, benefits are provided for a child disabled before age 22—present law says before age 18—should his parent die, become disabled, or retire under social security.

The mother of the child would also be eligible for benefits so long as she continued to have the child in her care.

Under present law, an individual is considered dependent and is paid child's insurance benefits if he has been continuously disabled since before age 18.

Young persons disabled between ages 18 and 22 ordinarily would not have worked the 5 years needed to qualify under existing law for social security disability based on his earnings. It is likely, even if this person is working, his parent would assume financial responsibility for his support following disablement.

Therefore, it is appropriate to extend child's benefits to those disabled prior to age 22.

I am very pleased the committee accepted my amendment.

An estimated 20,000 persons—disabled children and their mothers—will become immediately eligible for benefits. The effective date of this provision is the second month after the month in which the bill is enacted.

While the number of people affected is small, compared with some other provisions of the bill, the benefit for those eligible is significant.

We cannot ease the heartache involved for these disabled young people and their families. But we can, and do, in this provision help to ease the financial strain.

WIDOWS' BENEFITS AT AGE 60

H.R. 6675 permits widows to receive benefits at age 60, on a reduced basis. Under present law, a widow must wait until age 62 before she may receive any social security benefits. At that time she receives the full benefit. This bill allows her to elect a reduced benefit starting at age 60 if she would prefer, and in this way gives a widow greater leeway in deciding what is most advantageous in her particular circumstance.

BENEFITS FOR SOME PAST AGE 72

H.R. 6675 reduces to a minimum of three quarters the requirement for social security covered employment of certain persons past 72 so that they can qualify for a $35 a month benefit. Wives of those who qualify would receive $17.50 a month and widows $35 a month.

Some 355,000 persons past 72 would be eligible for benefits, effective the second month after the month of enactment.

This is another provision I voted for last year in the bill that later died. This year I introduced a bill—S. 764—providing these benefits. I am delighted the pending bill includes this feature.

EARNINGS LIMIT RAISED

H.R. 6675 increases to $1,800 (now $1,200) the amount a social security recipient may earn without losing any of his social security benefit.

For each $2 earned between $1,800 and $3,000, he would lose $1 of his social security benefit. For earnings above $3,000 he would lose $1 in benefits for $1 of earnings.

Now he loses $1 in benefits for each $2 earned between $1,200 and $1,700; and he loses $1 for each $1 earned above that.

In addition, under H.R. 6675 the amount of earnings a beneficiary may have in a month and still receive full benefits for that month, regardless of his yearly earnings is raised to $150—now $100.

About 850,000 persons would be helped by this feature which is effective beginning calendar year 1966.

Earlier this year, I introduced a bill (S. 765) to raise the annual earnings limit to $2,400 and the monthly limit to $200 without loss of social security benefit.

At least the committee provision is a substantial step in the right direction.

MATERNAL AND CHILD HEALTH AND WELFARE AMENDMENTS

H.R. 6675 increases the amount authorized in present law for maternal and child health services.

For fiscal year 1966, the increase is $5 million and for the succeeding fiscal years, the increase is $10 million a year.

This would raise the 1966 total to $45 million, rising each year until 1970 and thereafter when the total will be $60 million.

Authorizations for crippled children's service and child welfare would also be increased by $5 million the first year and $10 million the following years.

In addition, H.R. 6675 authorizes $5 million for 1967, $10 million for 1968, and $17.5 million yearly thereafter for grants to institutions of higher learning for training professional personnel in health and related care of crippled children, particularly mentally retarded children and those with multiple handicaps.

A new provision added to the bill authorizes a 5-year program of special project grants for comprehensive health care and services for children of school age or for preschool children.

For fiscal year 1966, $15 million would be authorized and this authorization would increase until it reached $50 million for fiscal year 1970.

PUBLIC ASSISTANCE IMPROVEMENTS

H.R. 6675 improves and expands the public assistance programs by such amendments as—

First, increasing the Federal matching share for cash payments for the needy aged, blind, disabled, and families with dependent children;

Second, eliminating limitations on Federal participation in public assistance to aged individuals in tuberculosis and mental disease hospitals under certain conditions; and

Third, allowing States greater latitude in disregarding certain earnings in determining need of public assistance recipients.

These are some of the highlights in the bill requiring special comment before I proceed to discuss the two health and medical care plans.

BASIC HOSPITAL-NURSING HOME PLAN

As I have already stated, the basic plan for hospital, nursing home, and related care would be financed through an increase in the social security tax on wages of workers, their employers, and self-employed persons; by higher railroad retirement taxes, and by charges levied on elderly patients.

The tax increase would go into effect January 1, 1966. But benefits for patients would not be offered until July 1, 1966.

About 17 million persons insured under social security and railroad retirement and 2 million uninsured persons past age 65 would qualify at that time.

Costs of the program for uninsured persons would come out of general revenues of the U.S. Treasury.

After 1974, anyone wishing to qualify must have sufficient social security or railroad retirement coverage.

Benefits under this compulsory plan are as follows:

First. Up to 120 days in a hospital in each spell of illness. Sixty days must elapse between each spell of illness. Patient pays $40 deductible, plus $10 a day for each day in hospital after first 60 days. No doctors' nor private duty nursing services paid by this plan.

Second. After hospitalization, up to 100 days in a nursing home or other facility having an arrangement with the hospital from which the patient is transferred. After the first 20 days, the patient pays $5 a day toward his care.

Previous bills have limited nursing home care to hospital-affiliated institutions. Since there are not many hospital-affiliated nursing homes in America, this would have helped very few aged persons. The change contained in H.R. 6675 permitting an arrangement

with a hospital will make nursing home care available for many more patients.

Third. Outpatient hospital diagnostic service, with the patient paying a $20 deductible amount and 20 percent of the cost above that for diagnostic studies by the same hospital during a 20-day period.

Fourth. After hospitalization, home health services for up to 175 visits after discharge from the hospital or nursing home and before the beginning of a new spell of illness. These services would include intermittent nursing care, therapy, and the part-time services of a home health aid.

COST OF BASIC HOSPITAL-NURSING HOME PLAN

The first full year this plan is in effect would cost $2,358 million out of the health insurance trust fund and $285 million out of the U.S. Treasury. In time the bill provides that all costs would be paid out of the health insurance trust fund.

TAXES FOR HOSPITAL-NURSING HOME PLAN

The social security tax rate would be 0.325 percent on earnings up to $6,600, starting next January 1. The tax rate would rise from time to time to 0.850 percent starting in 1987.

A worker or a self-employed person earning $6,600 would pay $21.45 for hospital insurance in calendar year 1966. His employer would match the tax each of his workers pays.

In 1967, the tax on $6,600 on the worker would total $33, and it would go up until it reached $56.10 a year in 1987 and thereafter.

PREFERS GENERAL REVENUE FINANCING OF HOSPITAL PLAN

As I have already stated, I believe general revenue financing should be used for the hospital-nursing home program, which is a service program, not a wage-related cash benefit program, as existing social security is.

Certainly, this would be a much fairer way to distribute the cost burden. Then each person under 65 would pay taxes according to his income; in other words, according to his ability to pay.

Moreover, before income taxes are levied, a taxpayer is allowed to exempt $600 for himself and $600 for his spouse and $600 for each dependent. He also is permitted to subtract either the standard or itemized deduction from his gross income before the income tax applies.

Not so with social security taxes.

Social security taxes apply to the first dollar of wages earned and to every dollar earned up to the maximum taxable, $6,600 under H.R. 6675. No exemptions and no deductions from gross income are allowed before social security taxes are applied.

Social security taxes are not based on ability to pay. A $6,600 worker pays the same amount of tax as a $66,000 executive.

This is grossly unfair.

Last year Congress enacted an antipoverty program designed to help those in low-income brackets, roughly those with $3,000 or less income a year.

Congress also reduced income taxes last year to relieve lower income-receiving persons of this burden. More than one and one-half million low-income-receiving persons were relieved entirely of paying Federal income taxes.

Yet H.R. 6675 proposes higher social security taxes, which hit lower income groups hardest.

This is very inconsistent to say the least.

But it is plain that a move for general revenue financing of the entire hospital insurance program would be overwhelmingly defeated in the Senate today. Too many are committed to the social security approach in support of the administration.

CONCERN FOR WAGE EARNERS

Nevertheless, I must express my concern for the wage earners of America. For, this hospital program is bound to expand and the burden on wage earners to increase.

Those who pay the hospital insurance tax will be men and women workers under age 65. During their working lives they bear the cost of feeding, clothing, and housing themselves and their families, of paying for an automobile and other necessities, of educating their children, and of buying life insurance and hospital and medical insurance to protect themselves and their families.

These workers will pay taxes for as long as 45 years or more.

Yet no worker will receive any hospital benefits under this bill until he reaches age 65—and then only if he becomes sick and needs hospitalization.

Meanwhile, 40 percent of all income in America subject to income taxes will escape social security taxation to pay for the hospital plan in this bill.

This is most unfair.

SUPPLEMENTARY INSURANCE PLAN

All persons past age 65 would have an opportunity to buy this insurance by paying $3 a month premium. The Federal Government would pay $3 a month to match this.

After paying an annual deductible of $50 toward costs of services incurred, the insured patient would pay 20 percent of any additional cost—the plan would pay 80 percent—of the following services:

First, physicians' including osteopaths and surgeons' services, whether furnished in a hospital, clinic, office, in the home or elsewhere;

Second, chiropractors' services;

Third, podiatrists' services;

Fourth, home health service for up to 100 visits each calendar year—with no prior hospitalization as is required under the basic hospital plan;

Fifth, diagnostic X-ray and laboratory tests and other diagnostic tests;

Sixth, X-ray, radium and radioactive isotope therapy;

Seventh, ambulance services; and

Eighth, surgical dressing 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 a part of an internal body organ; braces and artificial legs, arms, eyes, and so forth.

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

SUPPLEMENTARY PLAN IMPROVES BILL

The inclusion in H.R. 6675 of an insurance plan to supplement the basic hospital plan is a definite improvement over last year's bill, which was limited to hospital-nursing home care under social security.

For a number of years, the King-Anderson hospital insurance approach, which forms the basis for the hospital insurance plan in this bill, has been correctly criticized as being woefully inadequate in terms of benefits for the aged.

Earlier versions of the King-Anderson bill would have covered only about 25 to 30 percent of the average medical expenses of older persons.

The skimpy benefits of the King-Anderson bills of 1962 and 1964 were among the main causes of my voting against these earlier plans. Instead, I voted for medical care plans that were more comprehensive and gave greater benefits to those who really need financial help in meeting medical bills.

It is fair to say, I believe, that this criticism of King-Anderson has been very constructive. The supplementary insurance plan in the bill pending today would not be in this bill except for the exposure of the shortcomings of the King-Anderson plan.

America's senior citizens will have far greater financial assistance toward their hospital and medical bills under the two plans in this bill—because in the past many of us revealed King-Anderson to be inadequate.

So those of us who criticized King-Anderson served a useful purpose, for our criticism resulted in the addition of the supplementary insurance plan.

CONSOLIDATED MEDICAL ASSISTANCE PROGRAM

H.R. 6675 consolidates five existing medical assistance programs into one Kerr-Mills program with improvements.

This should greatly simplify administration of medical assistance for the needy, the indigent aged, the medically indigent aged, dependent children, the blind, and the permanent and totally disabled.

In addition, it should make possible better medical care program for them.

In the past, Federal old-age assistance has been available to provide medical care for those who are indigent. In 1960, Congress enacted the medical assistance for the aged program to help those who are normally self-supporting but who lack sufficient funds to pay their hospital, doctor, and medical bills. I voted for this program.

Since 1960, this program, known as the Kerr-Mills program, has been put into effect in 40 States, the District of Columbia, Puerto Rico, Virgin Islands, and Guam. During the brief life of this program so far, it has helped hundreds of thousands of sick people past 65.

Critics have lambasted this program. Yet no one today proposes to repeal the Kerr-Mills program. Instead, the pending bill, H.R. 6675, provides a more effective Kerr-Mills program for the aged and expands its coverage to the other four groups I mentioned, now cared for under other programs.

In order to make sure that certain basic medical care is available under the consolidated program, the bill specifies that, at the option of the State, by July 1, 1967, 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, a skilled nursing home, or elsewhere—in order to receive Federal funds.

Past experience revealed, that despite Federal old-age assistance and despite the Kerr-Mills assistance program, there remain a large number of Americans past 65 whose incomes are too large for them to qualify for these programs and too small for them to buy comprehensive health insurance which would protect them against costly illnesses.

As a member of the Senate Special Committee on the Aging, and as a Senator who has devoted much study to the problem of medical care for the aged, I have long been convinced that one of the greatest fears of older persons is an illness that could wipe out lifetime savings and result in destitution. I cosponsored legislation in the 86th, 87th, and 88th Congresses to provide financial assistance to older Americans for comprehensive health insurance.

One of the major purposes of H.R. 6675 is to reduce these fears of Americans past 65 and help provide them a bulwark against these hazards of illness and impoverishment.

While the bill does not do the entire job, it does a significant and important job.

MEDICAL BILLS ONLY ONE PROBLEM OF AGING

I would like to remind Members of Congress and the executive branch that the health provisions and social security liberalizations in this bill are but steps toward solving the serious problems of our Nation's senior citizens.

We in Congress, Federal departments, and agencies, and our State and local governments must not neglect other major problems of older Americans.

1. BETTER INCOMES

We must search for ways to improve further the income of our senior citizens so that they can live in dignity and self-sufficiency.

One forgotten group among our older people is the group that does not receive social security retirement benefits, nor railroad retirement benefits, nor military pensions, nor Federal Government retirement.

Congress has adjusted annuities for these latter groups of retirees from time to time because this is in the province of Congress. But those retired under many private systems or living off savings received no increases to keep pace with the rising cost of living.

2. HALT INFLATION

We must make far greater efforts to halt inflation, which is steadily eroding pensions and incomes and wages.

Inflation hurts most those with low incomes or fixed incomes. While the cost of living goes up and up, their incomes remain the same and their few dollars buy less.

Inflation is the root cause of the 7-percent social security increase provided in H.R. 6675.

3. BAN EMPLOYMENT DISCRIMINATION

Another problem of our older people demanding our attention is the discrimination against employing those who are ready, willing, and qualified to work.

The U.S. Department of Labor in June issued a lengthy report urging elimination of arbitrary age discrimination in employment.

To deny a person a job solely because of a policy that no one beyond a certain age shall be hired is bad practice. It hurts not only those past 65, but also those in much younger age brackets, even as young as 25.

4. OTHER AREAS

There are other areas of special concern to older Americans: housing; diseases of the aging; frauds, deceptions, and quackery aimed at older persons, and many others which demand our attention at all levels of Government.

So, while the bill H.R. 6675, we are voting on soon, is wide in scope and important, it is not the total answer to the problems of older Americans.

CONCLUSION

Mr. President, I wholeheartedly support the objectives of this bill to help the aged, children, blind and disabled persons, and needy Americans.

I agree existing programs are not meeting fully the need of many elderly people for financial assistance toward their medical expenses.

I believe it is wrong to provide medical care for those well able to pay their own medical bills.

I believe more assistance could be provided elderly people who really need help if the bill excluded those who do not need help.

I believe the tax burden on low-income people for medicare would be far less if medicare were financed out of general revenues, rather than social security taxes.

By tying this program to social security taxes 40 percent of the taxable income in America will escape the burden of helping to pay for a hospital-nursing home plan.

This means the tax burden is that much heavier on wage earners, self-employed, and employers.

But the majority of the Senate and the majority of the House of Representatives through established congressional procedures, have indicated they clearly favor the plan in this bill, which provides limited medical care for the aged, regardless of need, financed by social security taxes on wages, regardless of ability of wage earners to pay them.

Mr. President, I believe a far better medical care plan could be provided, but in view of the legislative situation and in view of the many, many necessary, long overdue, and humanitarian provisions of this enormous and complex measure, I shall vote to pass H.R. 6675.

I shall do so because I believe there is now a gap in protection of America's senior citizens against costly illness. This bill will help to fill that gap.

I shall do so because I believe the 7-percent social security increase is urgently needed by all those millions of Americans now receiving social security.

I shall do so because I believe social security programs need improvement to better help retirees, children, dependents, the disabled, and the blind. The bill has many provisions to improve social security.

I shall do so because I believe that through this legislation America is once again proving we are a Nation with a heart, throbbing with compassion for the sick, the aged, the deprived; that we are a Nation with a conscience that pricks us to meet the human needs of our people; and that we are a Nation with the spirit and the will to make sure all Americans can live in dignity, free from fear of destitution.

H.R. 6675 is a milestone in our Nation's march toward greater progress and well-being for all Americans.

I shall vote for the bill.

Mr. President, I ask unanimous consent that a statement I have prepared on Hawaii beneficiaries and several tables from the Senate Finance Committee report on H.R. 6675 be printed in the RECORD at this point.

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

HAWAII

In Hawaii, it is estimated 3,000 people will receive increased social security monthly benefits, totaling $5 million a year under H.R. 6675.

An estimated 39,000 Islanders past 65 would be eligible to receive hospital-nursing home benefits under the basic plan when effective July 1, 1966. Benefits payments to them are estimated at $2 million a year.

An estimated 39,000 Islanders past 65 would be eligible to buy the voluntary supplementary insurance which would cover physicians' services and certain other medical services. Benefit payments are estimated at $1 million a year.

Total additional payments in Hawaii under these programs are estimated at $8 million a year.

Summary table of full year benefit costs, number of persons affected, and effective date of items with cost importance in H.R. 6675, Finance Committee version

Item	Trust fund	General Treasury	Number of persons affected	Effective date
Health care programs (1967):				
	Millions	*Millions*		
1. Basic hospital	$2,358	$285	17,000,000 insured, +2,000,000 uninsured.	July 1966.
2. Voluntary supplementary		[1] 600	16,900,000 estimated [2]	January 1967.
3. MAA liberalization		200	8,000,000	January 1966.
Health care total	[3] 2,358	1,085		
OASDI amendments (1966):				
7 percent benefit increase	1,470		20,000,000	January 1965 (retroactive).
Child's benefit to age 22	195		295,000 children	Do.
Broader definition of child	10		20,000 children and mothers	2d month after month of enactment.
Child disabled at ages 18–21	10		do	Do.
Reduced age for widows	(2)		185,000 widows	Do.
Special benefits at age 72	140		355,000 aged	Do.
Disability definition	40		60,000 workers and dependents	Do.
Retirement test	590		850,000	Taxable years ending after 1965.
OASDI total	2,455			
Public assistance and child health (1966):				
Increase in formula		150	7,200,000	January 1966.
TB and mental exclusion		75	100,000 to 150,000	Do.
Maternal and child health, crippled children, special project grants, study.		61	No estimate available	Fiscal 1966.
OAA income exemption		1	do	Jan. 1, 1966.
MAA definition		2	do	July 1, 1965.
Mental retardation projects		3	do	Fiscal 1966.
Aid to families with dependent children earnings exemption		1	3,500 children	July 1, 1965.
Aid to the permanently and totally disabled earnings exemption		1	5,000 persons	Jan. 1, 1966.
Child welfare services		5	No estimate	Fiscal 1966.
Public assistance total		299		
Grand total payroll insurance	4,813			
Grand total general revenue		1,384		

[1] Based on an averaging of low- and high-cost estimates, and on averaging estimates of participation (87½ percent). Total benefit expenditure would be about $1,000,000,000 with participants contributing $600,000,000.

[2] 1st year benefit expenditures not reflected in cost table: $165,000,000 for widows' benefit, 1st year (no long-term cost); $600,000,000 in individual contributions for voluntary supplemental health plan.

[3] Excludes administrative cost.

Tax rate, tax base, and tax amount applicable to employers, employees, and self-employed persons under the House and Senate Finance Committee versions of H.R. 6675—Basic hospital insurance program, 1965–87 and after

Year	Tax on employer, employee, and self-employed (each)					
	Under House bill			Under Senate Finance Committee bill		
	Tax rate (percent)	Tax base	Tax amount [1]	Tax rate (percent)	Tax base	Tax amount [1]
1965						
1966	0.35	$5,600	$19.60	0.325	$6,600	$21.45
1967	.50	5,600	28.00	.500	6,600	33.00
1968	.50	5,600	28.00	.500	6,600	33.00
1969–70	.50	5,600	28.00	.500	6,600	33.00
1971–72	.50	6,600	33.00	.550	6,600	36.30
1973–75	.55	6,600	36.30	.600	6,600	39.60
1976–79	.60	6,600	39.60	.650	6,600	42.90
1980–86	.70	6,600	46.20	.750	6,600	49.50
1987 and after	.80	6,600	52.80	.850	6,600	56.10

[1] For each self-employed person and employee with earnings or wage equal to or in excess of the tax base; employers pay same amount on behalf of such employees.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Tax rate, tax base, and tax amount applicable to employers and employees (each) under present law and under House and Senate Finance Committee versions of H.R. 6675—Old age, survivors, and disability insurance program 1965–87 and after

Year	Tax rate—Employer and employee (each) (percent)			Tax base			Tax per employee with wage equal to base wage under Finance Committee bill [1]							
							Amount of tax			Increase under House bill		Increase under Finance Committee bill		
	Under present law	Under House bill	Under Finance Committee bill	Under present law	Under House bill	Under Finance Committee bill	Under present law	Under House bill	Under Finance Committee bill	Over present law	Over 1965	Over present law	Over House bill	Over 1965
1965	3.625	3.625	3.625	$4,800	$4,800	$4,800	$174	$174.00	$174.00					
1966	4.125	4.000	3.850	4,800	5,600	6,600	198	224.00	254.10	$26.00	$50.00	$56.10	$30.10	$80.10
1967	4.125	4.000	3.850	4,800	5,600	6,600	198	224.00	254.10	26.00	50.00	56.10	30.10	80.10
1968	4.625	4.000	3.850	4,800	5,600	6,600	222	224.00	254.10	2.00	50.00	32.10	30.10	80.10
1969–70	4.625	4.400	4.450	4,800	5,600	6,600	222	246.40	293.70	24.40	72.40	71.70	47.30	119.70
1971–72	4.625	4.400	4.450	4,800	6,600	6,600	222	290.40	293.70	68.40	116.40	71.70	3.30	119.70
1973–75	4.625	4.800	4.900	4,800	6,600	6,600	222	316.80	323.40	94.80	142.80	101.40	6.60	149.40
1976–79	4.625	4.800	4.900	4,800	6,600	6,600	222	316.80	323.40	94.80	142.80	101.40	6.60	149.40
1980–86	4.625	4.800	4.900	4,800	6,600	6,600	222	316.80	323.40	94.80	142.80	101.40	6.60	149.40
1987 and after	4.625	4.800	4.900	4,800	6,600	6,600	222	316.80	323.40	94.80	142.80	101.40	6.60	149.40

[1] Employers pay same amount on behalf of such employees.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Tax rate, tax base, and tax amount applicable to self-employed persons under present law and under House and Senate Finance Committee versions of H.R. 6675—Old age, survivors, and disability insurance program 1965–87 and after

Year	Tax rate (percent)			Tax base			Tax per self-employed person with earnings equal to base earnings under Finance Committee bill							
							Amount of tax			Increase under House bill		Increase under Finance Committee bill		
	Under present law	Under House bill	Under Finance Committee bill	Under present law	Under House bill	Under Finance Committee bill	Under present law	Under House bill	Under Finance Committee bill	Over present law	Over 1965	Over present law	Over House bill	Over 1965
1965	5.4	5.4	5.4	$4,800	$4,800	$4,800	$259.20	$259.20	$259.20					
1966	6.2	6.0	5.8	4,800	5,600	6,600	297.60	336.00	383.80	$38.40	$76.80	$85.20	$46.80	$123.60
1967	6.2	6.0	5.8	4,800	5,600	6,600	297.60	336.00	382.80	38.40	76.80	85.20	46.80	123.60
1968	6.9	6.0	5.8	4,800	5,600	6,600	331.20	336.00	382.80	4.80	76.80	51.60	46.80	123.60
1969–70	6.9	6.6	6.7	4,800	5,600	6,600	331.20	369.60	442.20	38.40	110.40	111.00	72.60	183.00
1971–72	6.9	6.6	6.7	4,800	6,600	6,600	331.20	435.60	442.20	104.40	176.40	111.00	6.60	183.00
1973–75	6.9	7.0	7.0	4,800	6,600	6,600	331.20	462.00	462.00	130.80	202.80	130.80	0	202.80
1976–79	6.9	7.0	7.0	4,800	6,600	6,600	331.20	462.00	462.00	130.80	202.80	130.80	0	202.80
1980–86	6.9	7.0	7.0	4,800	6,600	6,600	331.20	462.00	462.00	130.80	202.80	130.80	0	202.80
1987 and after	6.9	7.0	7.0	4,800	6,600	6,600	331.20	462.00	462.00	130.80	202.80	130.80	0	202.80

Source: Staff of the Joint Committee on Internal Revenue Taxation.

VISIT TO THE SENATE BY MEMBERS OF THE CONGRESS OF BRAZIL

During the delivery of Mr. FONG's speech,

Mr. FONG. Mr. President, I ask unanimous consent that I may yield to the distinguished senior Senator from Oregon, without losing my right to the floor, so that he may introduce a group of distinguished parliamentarians from the Congress of Brazil.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, the Committee on Foreign Relations was highly honored today to have as our guests at a committee luncheon four members of the Congress of Brazil. I ask unanimous consent that biographical sketches of these distinguished visitors be printed at this point in the RECORD.

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

THE HONORABLE ATILIO FONTANA

Present position: Senator from Santa Catarina, Social Democratic Party (PSD).

Personal data: Born: August 7, 1900, Santa Maria, Rio Grande do Sul; address: Super Quadro 105, Block 7, Apartment 24, Brasilia.

Previous positions: 1954, 1958, elected to Congress; 1962, elected to the Senate.

Objectives of U.S. visit and special interests: The Honorable Atilio Fontana will visit the United States for 35 days with four other members of the Brazilian Chamber of Deputies to observe representative examples of civic activity, industry, and agriculture. He is especially interested in wheat farming and cattle raising, and is known as an expert on these matters. Also, he is a member of the Economic Committee and is most interested in economic and financial matters.

THE HONORABLE ALUISIO BEZERRA

Present position: Member of the Brazilian Chamber of Deputies from Rio Grande do Norte, Social Democratic Party (PSD).

Personal data: Born: October 24, 1926, Santa Cruz, Rio Grande do Norte, Brazil; address: Rua Manual Machado 356, Natal, Rio Grande do Norte, Brazil; academic training: Mr. Bezerra holds a degree in law.

Previous positions: 1950, elected a State deputy; 1962, elected to Federal Congress.

Travels abroad: Mr. Bezerra attended the Seventh World Youth Festival in Vienna; he has previously visited the United States.

Objectives of U.S. visit and special interests: The Honorable Aluisio Bezerra will visit the United States for 35 days with four other members of the Brazilian Chamber of Deputies to observe representative examples of civic activity, industry, and agriculture. He is especially interested in land tenure and agricultural development and strongly supports agrarian reform. He is highly interested in banking policy and is concerned with Brazil's banking system and the question of a central bank. Community and regional economic development are other interests.

THE HONORABLE AURINO DO NASCIMENTO VALOIS

Present position: Federal Deputy from Pernambuco, Brazil, Brazilian Labor Party (PTB).

Personal data: Born: June 12, 1918, Vitoria de Santo Antao, Pernambuco; address: Avenida 17 de Agosto 698, Recife, Pernambuco; academic training: Law degree, University of Recife, 1964.

Previous positions: 1950, State Deputy, Brazilian Labor Party; 1962, Federal Deputy, Brazilian Labor Party.

Travels abroad: This will be his second visit to the United States.

Objectives of U.S. visit and special interests: The Honorable Aurino do Nascimento Valois will visit the United States for 35 days with four other members of the Brazilian Chamber of Deputies to observe representative examples of civic activity, industry, and agriculture. He is especially interested in agricultural development and agrarian reform, social and developmental problems of Brazil's northeast.

THE HONORABLE JOSÉ ALTINO MACHADO

Present position: Federal Deputy from Acre, Brazil, Brazilian Labor Party (PTD). Member of the Foreign Affairs Committee, Chamber of Deputies.

Personal data: Born: 1930, São Paulo, Brazil; address: Super Quadro 105, Block 2, Apartment 504, Brasilia, D. F., Brazil.

Previous positions: Governor of Acre, appointed by former President, Janio Quadros. (Deputy Machado's father was long active in Acre matters.)

Objectives of U.S. visit and special interests: The Honorable José Altino Machado will visit the United States for 25 days with four other members of the Brazilian Chamber of Deputies to observe representative examples of civic activity, industry, and agriculture. He is especially interested in economic development, and problems of remote and newly developing territories.

Mr. MORSE. Mr. President, as I said at the luncheon, and should like to say on the floor of the Senate, not only is the Committee on Foreign Relations honored, but the entire Senate is honored, our Government is honored, and our country is honored by the visit of these distinguished parliamentarians from Brazil. Brazil has demonstrated that there can be great changes within the body politic without destroying the democratic processes.

I take great pride, as I stated many months ago on the floor of the Senate, in the fact that the Brazilians, in bringing about reformation and changes in their government, neither destroyed their constitution nor their congressional processes. We have four distinguished men here today as witnesses to demonstrate the truth of my comment.

Mr. President, it is my great honor to present to the Senate at this time the following distinguished visitors: The Honorable Atilio Fontana, Senator from Santa Catarina; the Honorable Aluisio Bezerra, Deputy from Rio Grande do Norte; the Honorable José Altino Machado, Deputy from Acre; the Honorable Aurino de Nascimento Valois, Deputy from Pernambuco.

We welcome our distinguished visitors with open arms. It is a great honor and privilege to have you with us.

[The distinguished visitors rose in their places and were greeted with applause, Senators rising.]

The PRESIDING OFFICER (Mr. MONTOYA in the chair). The Chair welcomes our distinguished visitors, and hopes that their visit will be pleasant and rewarding.

SOCIAL SECURITY AMENDMENTS OF 1965

The Senate resumed 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.

UNANIMOUS-CONSENT AGREEMENT

Mr. LONG of Louisiana. Mr. President, it was the hope of a number of us, and it is still my hope, that there may be some prospect of completing action on the bill today. It seems to this Senator that the reason the Senate recently remained in session until December to do a 6 months' job was that it was within the power of any individual Senator to insist on debating a matter in the Senate at great length and keeping the Senate in session an extra day on the matter. By so doing, Senators often lose votes that they might have had in the beginning if they had not prolonged the debate. For example, there are Senators present today who would vote for amendments of a controversial nature who will not be present tomorrow to vote with the sponsors of the amendments.

I know that Senators feel strongly about such matters, and perhaps think that it looks good to their constituents back home to know that they spoke day and night to keep the Senate from doing something. I myself have done it on occasion, so I cannot complain about it. But it is the taking of 2 or 3 days' discussion that could have been done in 1 day that has caused the Senate to stay in session past Labor Day, into the fall, when it could have completed the job during the summer.

I hope Senators will give us cooperation. They are not going to change many votes. Senators know pretty well how they are going to vote on amendments. Senators have been discussing them over luncheon tables, in committee rooms, in the cloakrooms, and elsewhere, and they know how they are going to vote on the amendments. I hope Senators will cooperate in bringing their amendments to a vote as soon as possible.

As the Senator in charge of the bill, I ask Senators, if there are amendments we can discuss, and perhaps agree to accept, that they bring up such amendments. The floor managers have been most generous in accepting amendments that they believed contained merit.

With respect to the pending amendment, it is a committee amendment. It is not an amendment of any particular Senator. With respect to that amendment, I ask unanimous consent that we limit the time on it—I have done my best to clear it on the other side of the aisle—so that the time will be divided, 1 hour to be under the control of the Senator from Louisiana, and the other hour to be under the joint control of the two Senators from New York [Mr. JAVITS and Mr. KENNEDY].

Mr. JAVITS. Mr. President, reserving the right to object, I have only one reservation—and I am sure the Senator will agree—that a quorum call may be had during the debate without its being charged to either side.

Mr. LONG of Louisiana. Mr. President, I include that in my request.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). Is there objection to the unanimous-consent request? Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 10 minutes.

Mr. JAVITS. There has already been some debate upon this question. I have little doubt that Senators know how they feel about it. When we find a provision in the bill which is so grossly inequitable, which is opposed by the Government departments concerned, which is completely out of relationship to the relationship between government and employees in respect of social security taxation, to let this complete hybrid be enacted without trying to do our duty, without trying to change it, would be a great mistake.

Every one of the adjectives I have cited applies to what the Senate Finance Committee substituted for the House provision with respect to tips.

Let us first understand the issue. The bill as it came from the House required—I emphasize the word "required," because it is mandatory on the employee—that income an employee receives from tips must be declared for the purpose of both social security and income taxes every month. These declarations would be made through the returns which the employer already files for social security taxes on the wages he pays the very same employee. An employee invariably receives a stated wage on which he and the employer pay social security tax and added to that, subject to the House provision, is a declaration so far as tip income is concerned.

There is no new return which the employer has to file. He is filing one anyhow, for the particular employee.

The bill also contains provisions to protect the employer against having to pay out money for taxes on tip income not reported to him; and there are other matters with relation to income tax withholding which are not germane to the basic issue.

The basic issue is that as the bill came from the House, tip income is considered a part of the wage of the employee who is receiving the tips and those tips are taxed as wages. The mechanics of how he reports them, and so forth, are not material to this debate.

As the Senate committee has amended the bill, tip income must be declared as self-employed income rather than as a part of the wages. The big difference, insofar as the employee is concerned, is that in the case of the House provision the employer pays his share of the social security tax and the employee pays his share. In the Senate provision, the employee pays the entire amount. That is the only difference.

Thus, under the Finance Committee version, the employee pays 1½ times in social security taxes what he would pay under the House provision. This is the essence of the problem. As a practical matter, as the bill is now written, the employee, under the House provision, would pay 3.65 percent of his tips as a social security tax. Under the Senate provision, he would pay 5.4 percent of his tips as his tax, and that goes up—in 1973—to 4.8 percent under the House version, and 7 percent under the Senate version. Consequently, the employee is more heavily taxed.

In order to arrive at their provision, the Finance Committee adopted the most artificial basis possible; namely, to make tip income self-employment income.

Why do I say that it is the most inconsistent basis possible? In the first place, let us understand that what my colleague [Mr. KENNEDY] and I seek to do is to try to retain the House provision and stop the Senate committee's attempt to strike it out and substitute the self-employment idea.

Not only do we say that the Senate substitute is a complete hybrid and has no relation whatever to the relations of employer and employee with regard to the tips of employees, but it is also opposed by the Treasury Department, the Department of HEW, and the AFL-CIO. In short, the Senate committee amendment flies in the face of everything the Government departments themselves believe should be done about the situation.

Mr. President, I ask unanimous consent to have printed in the RECORD that part of a letter signed by Stanley S. Surrey, Assistant Secretary of the Treasury, dated May 17, 1965, which relates to this amendment and which says, in part:

The Treasury Department strongly supports this measure—

Namely, the House provision.

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

SOCIAL SECURITY COVERAGE OF TIPS

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

A second provision of the bill which is of special concern to the Treasury Department is section 313. That section would treat tips received by employees from customers as wages for social security and income tax withholding purposes. Under present law, only regular wages of waiters, waitresses, and other employees whose earnings are principally from tips may be counted toward social security benefits. Since the wages of these employees are usually relatively low, they can qualify only for very limited benefits for themselves and their dependents. Also, the advantages of the pay-as-you-go income tax system are largely foreclosed to them. To deal with both of these problems, the Treasury Department and the Department of Health, Education, and Welfare, after considerable study, developed the measure now contained in section 313 of the bill. The Treasury Department strongly supports this measure. A memorandum is enclosed explaining in greater detail the operation of the section and the reasons for its enactment.

The Bureau of the Budget has advised the Treasury Department that there is no objection from the standpoint of the administration's program to the presentation of this report.

Sincerely yours,

STANLEY S. SURREY,
Assistant Secretary.

Mr. JAVITS. Mr. President, I also ask unanimous consent to have printed in the RECORD a memorandum on the House provision in which the Treasury Department states, in part, that the Treasury Department is opposed to the provision adopted by the Senate committee as section 313, which would cover tips under social security as earnings from self-employment "because it applies to inconsistent theory in taxing earnings on tipped employees for social security purposes and imposes unfair burdens on these employees."

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

SECTION 313 OF H.R. 6675, COVERAGE OF TIPS

The Treasury Department supports the adoption of section 313 of H.R. 6675, as approved by the House, which would treat tips as wages for purposes of social security and of withholding for income tax. The Department is opposed to the provision adopted by the Senate [1] as section 313, which would cover tips under social security as earnings from self-employment, because it applies inconsistent theories in taxing earnings of tip employees for social security purposes and imposes unfair burdens on these employees.

The House provision recognizes that employers of individuals who receive a major part of their remuneration from tips paid by customers of the employers have an obligation to provide adequate social security coverage for their employees and to assist the Government in the collection of the social security and income taxes due from the employees on their tip income.

The House provision is a rational, equitable and workable method for the coverage of tips under social security. It would not impose any unusual financial burden on employers. Under section 313 employers of tip workers, like other employers, would be liable for only their share of tax on reported tips. As withholding agents, they would, again like all employers, be responsible for the employees' share of social security tax and income tax withholding only to the extent of funds of the employees within their control.

The Senate provision not only increases the social security tax liability of tip employees but it fails to provide for the collection of this tax, as well as of the income tax, on the pay-as-you-go system through withholding from current wages, a privilege which is available to all other employees. This is a double hardship on taxpayers whose individual earnings, on the average, are relatively low and who, because they receive this income from day to day in small cash amounts, find it difficult to budget for their annual tax liabilities.

The Senate provision contradicts long-established common law rules and concepts governing employer-employee relationships. The provision adopts the novel theory that an individual in a master-servant type relationship, while performing the same service, may be an employee for certain purposes and an independent contractor for other purposes.

There is now pending before each House of the Congress a proposal recommended by the President to amend the Fair Labor Standards Act so as to allow employers to take account of tips reported to them by employees in determining whether such employees are being paid the minimum Federal wage. (H.R. 8259 and S. 1986 (89th Cong.).) The proposal on tips in these two bills accords completely with the House provision on tips in H.R. 6675. Also, on June 28, 1965, the House by unanimous vote approved amendments to the District of Columbia Minimum Wage Act which would include tips within the definition of the term "wages" as used in this act.

If the Senate provision treating tips as self-employment income for social security purposes and the proposals to allow employers to treat tips as wages for purposes of the minimum wage laws were both approved, the Federal statutes would contain contradictory definitions of the same term (tips—self-employment income and wages). In each case, that definition most favorable to the employer and most unfavorable to the employee would have been chosen. The principal reason for this inconsistency in the law is to allow certain employers to continue to avoid social responsibilities that have been imposed on other employers for many years. The Senate provision, if adopted, would be a setback in the Government's continuing program for the improvement of the conditions of labor.

Employee representatives testified this year before the Committee on Ways and Means (page 869 of executive hearings on H.R. 1, the social security bill) that it would be better not to have any legislation on tips than to have legislation treating tips as self-employment income for social security purposes.

A more detailed statement is attached which explains why the House treatment of tips as wages is the only fair and workable system to cover tips under social security and the withholding provisions of the income tax.

JULY 7, 1965.

Mr. JAVITS. Mr. President, I also ask unanimous consent to have printed in the RECORD a digest of the Treasury Department's views entitled "Coverage of Tips," the subject to which I shall be referring in the course of my remarks, together with a copy of a letter from Douglas Dillon, then Secretary of the Treasury, to the chairman of the House Ways and Means Committee, and a memorandum on this subject prepared by the Department of Health, Education, and Welfare.

There being no objection, the digest, memorandum, and the letter were ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT VIEWS ON H.R. 6675, 89TH CONGRESS, SECTION 313: COVERAGE OF TIPS

DESCRIPTION OF COVERAGE OF TIPS IN H.R. 6675

Beginning in 1966, employees who in the course of work with any one employer receive at least $20 in cash tips in a month would be required to report their tips in writing to the employer. This report would have to be made at least by the 10th day of the month following the month in which the tips were received. More frequent reports could be required by employers and the bill would authorize employers to gear these tip reports to their payroll schedules. The employer would add the amount of reported tips to the employee's wages. He would withhold from the wages the employee's share of the social security tax and the appropriate amount of income tax due on the combined amount of tips and wages. The employer's liability for his share of the social security tax on tips would be limited to those that are reported on time and even as to these he would be responsible for his tax only to the extent that he had enough unpaid wages due the employee or funds turned over by the employee to cover the employee share of the tax.

The bill would require employees to turn over funds to the employer to cover the employee share of the social security tax whenever the appropriate amount of tax could not be withheld because of insufficient unpaid wages. This is a most unlikely situation however. See discussion on page 4 regarding adequacy of wages to cover both social security tax and income tax withholdings. In any case in which an employee failed to report tips or failed to make additional funds available if needed, the employee would be required to pay both the employer's and employee's share of the social security tax. With regard to the withholding of income tax, an employee would not be required to turn funds over to his employer to make sure the full amount of tax due is collected from month to month as in the case of the social security tax. The employer, however, would withhold throughout the year whatever he could from wages. The employee would, of course, be responsible to pay the full amount of income tax either in quarterly installments or with his return at the end of the year to the extent that withholding did not cover his full liability.

BACKGROUND

The Congress has considered various proposals to cover tips under social security since 1950. In that year, during the 81st Congress, a bill (H.R. 6000), which later became the Social Security Amendments of 1950, came before the Committee on Finance with a provision which would have treated tips received in the course of employment as remuneration paid to the recipient by his employer. The bill would have required employees to report in writing to their employer by the 10th day after the end of a quarter all tips received during the quarter. The committee stated in its report on the bill that it believed such a change in the law would introduce administrative complications and it did not accept the proposal (S. Rept. No. 1669, 81st Cong., 2d sess., 17).

Since 1950, many proposals on tips have been introduced in both Houses and many of these, at some time or other, have been before one or the other or both of the tax committees. The Treasury Department and the Department of Health, Education, and Welfare have examined and studied carefully all of these proposals. Studies of various other suggestions and alternatives for extending social security and income tax coverage to tips have also been made. In 1958 the Committee on Ways and Means gave serious consideration to a proposal based on a system of reporting by employees similar to that it had approved in 1950. The committee, however, was unable to satisfy itself that the plan would be workable on a national scale and it requested the two Departments to further study the problem (H. Rept. No. 2288, 85th Cong., 2d sess., 7). In 1960 the Departments recommended a proposal which combined a system of reporting of actual tips with a formula for estimating tips when the actual amount was not known to the employer. This plan was also rejected because the committee could not arrive at a formula that it considered equitable when applied to all regions of the country. The extensive discussions of the formula approach in committee convinced this Department and the Department of Health, Education, and Welfare that the only acceptable solution to the problem would be one which used as a base for the tax and benefits computations the actual amount of tips received by an employee and that it had become essential to devise a workable system to accomplish this.

At about this time, employee groups had become interested in getting tips covered under social security because, as the result of tip drives by the Internal Revenue Service, more and more employees were beginning to report their tips for income tax. Employers, as a matter of self-interest, had always urged that tips should be recognized as earnings from self-employment and

[1] The Senate provision refers to the provision adopted by the Senate Finance Committee.

taxed at the self-employment rate. Tips, however, are in reality remuneration for services rendered in an employment relationship and thus cannot legally be regarded as self-employment income. Moreover, it is common knowledge that in setting wages of employees who customarily receive tips employers take account of the tips. This is apparent from the terms of bargaining agreements covering nontip as well as tip employees. Tips, accordingly, are part of the wage pattern in certain industries and they should be treated as wages for all purposes. (See discussion below of minimum wage laws.) It would also be unfair to tax tips at the self-employment rate, which is one and one-half times the employee rate of tax on wages, if tips are in fact wages.

It has sometimes been suggested that, since tips are paid directly to employees, and employers have no interest in knowing how much is received in tips, employees should report the tips directly to the Internal Revenue Service and pay the employee share of the tax due on the tips with this report. The Service would then bill the employer for his share of the tax on the basis of the employee report. Although this system appears simple it has no advantage for anyone. Employees would be burdened with keeping records for 3-month periods, filing quarterly reports and computing their own tax liability. The Internal Revenue Service would be burdened with many more wage reports to process and would have to collect the employer tax 1 year or more after the tips were claimed to have been received. Finally, employers would be at a disadvantage in contesting their liabilities in view of this timelag. Employee groups originally suggested a plan of this type, but they have since realized its shortcomings for all concerned and are no longer urging it.

THE PROPOSAL IN H.R. 6675 IS REALISTIC

In developing the proposal which is now in H.R. 6675, the Department of Health, Education, and Welfare and the Treasury inquired concerning the operations, especially the pay and bookkeeping practices, of businesses where tipping is customary. All the various objections made by employers against the adoption of a system of reporting of tips by employees such as the one in H.R. 6675 have also been considered carefully. Many modifications were made in the original recommendation as the result of these employer comments and studies. The proposal as it now stands makes no unnecessary or unreasonable demand on employers. The system of reporting required under H.R. 6675 is as simple and efficient as it can be in view of the nature of tips and the objectives of the proposal, which are: more comprehensive social security coverage of over a million workers and their dependents and better reporting and easier payment of income tax liability on tips.

TIP REPORTS CAN BE GEARED INTO THE PAYROLL

Employers will have a great deal of freedom in determining the frequency and the manner in which employees report their tips. The only requirement is that at least one report be filed for each month by the 10th day of the following month. Also, within any quarter withholdings for social security and income taxes may be made at a predetermined and constant rate for each pay period, provided that before the end of the quarter the amounts withheld be adjusted to reflect the taxes due on the actual amounts of tips reported during the quarter. This will allow large employers whose payrolls are prepared with the aid of business machines to gear the tip reports into their payrolls. The addition of tips to wages will require some additional recordkeeping, but since employers are already withholding and reporting to the Internal Revenue Service social security and income taxes on wages the basic records are already in existence and the procedures are well established. The additional work required should be manageable.

WAGES ARE ADEQUATE TO COVER WITHHOLDING FOR TIPS

An argument which employers frequently assert against the tip proposal in H.R. 6675 is that wages of tip employees are generally so low that in most cases there will not be enough to cover the social security and income taxes that should be withheld. The facts have been examined carefully and there would appear to be no real basis to this argument. Surveys of hotels and eating and drinking places conducted in 1961 and 1963 by the Bureau of Labor Statistics (Bulletins No. 1328, 1329, 1400, and 1406), show that, although regular wages of tip employees in these industries are relatively low, in the great majority of cases the wages would be more than adequate to cover the social security and income taxes which would have to be withheld under the terms of the bill.

The allegation that wages paid to tip employees will generally not be sufficient to cover the full amount of taxes that would have to be withhheld is based on an overestimation of the amounts of social security and income taxes that are collected on wages. The current combined rate of withholding is approximately 18 percent (3⅝ percent for social security and 14 percent for income tax); next year it would be exactly 18 percent under the new rates proposed in the bill. At the current rate, a weekly wage of only $15 would be sufficient to pay the taxes on $15 in wages plus $75 in tips, or total weekly earnings of $90. A weekly wage of $15 would represent an average hourly wage of 37½ cents (only 9.3 percent of all waiters and waitresses in the United States received in 1963 an average hourly wage under 40 cents) for a 40-hour workweek (84 percent of restaurant workers in the United States work 40 hours or more per week). Weekly tips of $75 represent earnings at the rate of $1.50 per hour during a 48-hour week or $1.87 per hour during a 40-hour week. In the 1961 Bureau of Labor Statistics survey of eating and drinking places, the only survey with tip data, only 40 percent of waiters and waitresses in large metropolitan areas surveyed were reported to earn $1.25 and over an hour in tips. Because the survey was primarily interested in the lower paid workers, tabulations were not made beyond $1.25. These illustrations are submitted to show that even at the lowest end of the pay scale enough wages would ordinarily be available to an employer from which to withhold the social security and income taxes due on tips. A more typical example would have an employee earning a weekly wage of $32 (on the basis of 81 cents per hour, the average wage of waiters and waitresses in the 1963 survey). Such a wage would approximately cover the taxes on combined earnings in wages and tips of $200 a week.

EMPLOYERS KNOW APPROXIMATELY WHAT EMPLOYEES EARN IN TIPS

It has also been claimed that employees want no part of a plan of social security coverage which will require them to disclose the amount of their tips to the employer because, it is reasoned, if employers knew how much tips employees receive they would want to reduce the already low regular salary paid to employees. This argument assumes that employers are ignorant of the amounts received by their employees. This may have been true years ago, but today tipping habits are fairly uniform and well known. Moreover, more and more tips are being paid through employers by users of credit cards so that employers have a fairly accurate knowledge of the sums received by their employees. Another recent development which has contributed to the general knowledge concerning tips has been the publicity attending trials of taxpayers charged with understating their tip income. In these cases, various formulas have been applied by the Commissioner of Internal Revenue to determine the amount of unreported tips and determinations fixing tips at levels between 10 percent and 15 percent of the price of meals served have generally been upheld by the courts.

TIPS AND THE MINIMUM WAGE LAW

Employers have argued that the coverage of tips under social security would be unfair to them so long as they are prevented, under certain State laws, from taking tips into account in determining whether a minimum wage is paid. At present, there is no uniformity among the States on the treatment of tips under State minimum wage laws. Of the 36 States having minimum wage laws, 14 now prohibit the counting of tips. At the last session of the Congress a bill (H.R. 9824) was introduced in the House which reflected the administration's views that tips should be counted toward the minimum wage where they are accounted for by an employee to the employer. It is believed that the adoption of Federal legislation incliding tips under social security would be influential on the States to also modify their laws to permit the counting of tips for minmum wage purposes.

In any event, after tips are covered under social security employers will be in a better position to demand the amendment of State minimum wage laws to take tips into account. This argument was influential in the final decisions made this year by the Ways and Means Committee.

THE TAX RECEIPT ARGUMENT

The inclusion of a provision in H.R. 6675 requiring the withholding of income tax on tips reported to the employer has caused employers to comment that because of the low wages paid to these employees no cash wages will be left after all the taxes are withheld and instead of wages employees will receive, in their pay envelope, only a receipt showing the taxes withheld. The implication in this argument is that employees think of wages only in terms of take-home pay and if no cash wages remain after taxes are collected the employers will be pressed for an increase in wages. This is largely an educational problem which employers and employees must face. It is not at all certain that employees will be unhappy to have their income tax on tips collected on the pay-as-you-go withholding system. It seems almost incontrovertible that employers will find that the majority of their employees would consider the proposed arrangement very helpful. Certainly the current furor over slight amounts of underwithholding for 1964 and the growing consensus for graduated withholding indicate that taxpayers prefer paying taxes on a pay-as-you-go basis. Another answer to this objection of employers is that, as was pointed out earlier, although wages of tipped employees are relatively low, they are not so low that all cash wages of workers will be needed to cover the taxes to be withheld. On the contrary, these cases will be the exception rather than the rule.

WITHHOLDING IS THE ONLY HUMANE WAY OF COLLECTING INCOME TAX ON TIPS

The chief argument in favor of withholding of income tax on tips is that this is the only humane way to collect the income tax from the low-bracket taxpayers. It is expected that once tips are covered for social security there will be better reporting of tips for income tax. In view of this, it seems only fair to afford employees who receive most of their earnings from tips the opportunity available to other employees to pay their income tax currently by having the tax due on the tips withheld from regular wages. Without withholding, tip employees will be forced into paying their tax in quarterly installments. This method of payment is

usually reserved for more sophisticated taxpayers, professionals or the wealthy who receive large amounts of income in dividends or interest. For the low-income taxpayer the filing of estimates of income and making quarterly payments would be a hardship which could subject them to penalties. Many of them would find it difficult to budget in order to meet the quarterly payments which can be substantial.

Since tips are an integral part of the compensation of persons engaged in certain occupations, it is reasonable that this form of compensation should be treated as wages and that employers, who take account of tips in setting the wages of these employees, should also be required to assume the burden of withholding on tips. This burden would only be one of bookkeeping since employers would never be required to advance their own funds for the payment of employee tax liability. Their obligation to withhold would always be limited to the cash wages or other funds of the employee under their control. Withholding of income tax on tips will make the payment of taxes much easier on employees. It will increase the revenue collections and at the same time reduce the number of costly administrative and legal collection procedures that are now required to enforce the payment of income taxes on tips.

UNDERREPORTING OF TIP INCOME

Tips are one of the few sources of income which under our self-assessment system continue to escape effective taxation. Enforcement activities of the Internal Revenue Service have been only moderately productive in this area. After many years of continuous efforts to educate tip recipients to their obligation to report and pay taxes on their tips, the Service is convinced that the only recipients reporting tips with any degree of regularity and accuracy are those who, in prior years, have had their returns examined, had substantial deficiencies assessed against them and know that their returns continue to be examined.

Field offices of the Service were contacted recently for information regarding tip-enforcement activity. Reports were received from offices covering the north central, south and southwest States, the only regions conducting special tip drives in recent years. In 1 large northern city in 1964 group examination of employees of 5 restaurants and 2 hotels revealed that of 154 employees who would normally be expected to receive tips practically no one had reported any tips. Following this examination, 40 percent of these taxpayers agreed to deficiencies averaging $460. The other cases involved deficiencies averaging $600. These cases have not yet been settled. At the same time and in the same city, 62 beauticians working in department stores agreed to deficiencies averaging $200 on account of tips received over 2- or 3-year periods. Some 33 others had been assessed deficiencies averaging $400 over similar periods.

In a large city in the South, 552 returns of waiters and waitresses were examined in 1960 and 1961 resulting in deficiencies being assessed in the total sum of $132,222. This represents an average deficiency per return of approximately $240. In the same period, 316 returns of beauticians at downtown shops and department stores were examined and deficiencies were assessed in the amount of $45,234 for an average deficiency per return of about $140. In a city of the Southwest, examinations were made in 1962 of 420 returns of the tip employees at 2 hotels (waiters, waitresses, bellhops, et al.). More than 50 percent of these returns showed no tip income whatever. As a result of this examination, deficiencies averaging $200 per return were assessed against these employees for a total deficiency of $83,614.

MARCH 11, 1965.

Hon. WILBUR D. MILLS,
Chairman, Committee on Ways and Means, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that your committee now has provisions in H.R. 1 that would extend social security coverage to tips and would make tips subject to withholding of income tax by employers.

We have examined and weighed carefully comments and objections raised against this and other similar proposals, and we are convinced that the present provisions that your committee is now considering are sound, that they are administrable and that they are fair. Over the years many other alternatives have been considered, and we have found all of them lacking in some important respect.

I believe it is only fair that employees whose earnings are largely from tips should be permitted to have all of these earnings included under social security, like other employees, and that this should be done under the employer-employee systems rather than the self-employment system. I also believe that consideration for the modest circumstances of the majority of tip workers demands that they be granted the advantages of the pay-as-you-go system for paying their income taxes.

For these reasons I am most pleased to hear that your committee is giving this proposal the consideration which I think it deserves.

Sincerely yours,

DOUGLAS DILLON.

MEMORANDUM PREPARED BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE ON COVERAGE OF TIPS

House-Senate difference:

House: Covers tips as wages.

Senate: Covers tips as self-employment income.

Department position: Favors House provision.

Considerations:

1. The social security taxes that employees would have to pay on their tips if they were covered as income from self-employment would be substantially more than if their tips were covered as wages. Yet the income to the social security trust funds would be less, because if tips were covered as wages the employer would match the employee's share of the tax.

2. On principle, it does not seem fair to require tipped employees to pay the higher self-employment tax rate on earnings that are related to their services as employees, or to relieve employers of tipped employees of their responsibility to pay their share of the social security taxes due on the earnings of their employees.

3. Many employers of tipped workers favor including tips as wages under State minimum wage laws and under the Fair Labor Standards Act. If tips were counted as income from self-employment for social security purposes it would be difficult to justify treating them as wages for purposes of the minimum wage laws. Requiring employees to report their tips to their employers for social security purposes would overcome a major difficulty in the way of counting tips as wages for minimum wage purposes.

4. If tips were covered as income from self-employment, amounts totaling less than $400 a year could not be reported. Some tipped employees might fail to report their tips as self-employment income if their income was not high enough to require them to pay income tax. Others might file only the short income tax return form, and fail to include the separate self-employment tax return. Requiring the employee to report his tips to his employer at least once a month and requiring the employer to withhold the social security tax on tips is the most effective way to get reports of tips and to collect the tax.

5. Employees with tip income ought to have the opportunity to pay their taxes currently on a pay-as-you-go basis, as other employees do. Employees, especially those with relative low income, find it burdensome to pay their taxes in large lump-sum payments.

Cost: To be obtained.

TREATMENT OF TIPS UNDER STATE MINIMUM WAGE LAWS

There are only 14 States that have operative minimum wage laws covering the customary tipping occupations and that do not make any allowance for tips. Another 13 States cover the customary tipping occupations by operative minimum wage laws, but either permit counting tips toward the minimum wage or set a lower minimum wage rate for workers in tipping occupations.[1] The remaining 23 States do not have operative minimum wage laws covering the customary tipping occupations: 16 do not have minimum wage laws; 4 have inoperative minimum wage laws (the laws provide for establishing minimum rates, but no action to implement them has been taken); and 3 have operative minimum wage laws that do not cover the customary tipping occupations.

I. Fourteen States that cover tipping occupations by operative minimum wage laws make no allowance for tips:

1. Alaska.
2. Arkansas.
3. California.
4. Colorado.
5. Hawaii.
6. Idaho.
7. Kentucky.
8. North Dakota.
9. Oregon.
10. South Dakota.
11. Utah.
12. Washington.
13. Wisconsin
14. Wyoming.

II. Thirteen States that cover tipping occupations by operative minimum wage laws do make allowance for tips:

(a) Seven States permit counting tips toward the minimum wage:

1. Connecticut.
2. Michigan.
3. Minnesota.
4. Nevada.
5. New York.
6. Pennsylvania.
7. Rhode Island.

(b) Six States set lower minimum wage rates for tipping occupations:[1]

1. Massachusetts.
2. New Hampshire.
3. New Jersey.
4. New Mexico.
5. Ohio.
6. Vermont.

III. Twenty-three States do not have operative minimum wage laws covering the customary tipping occupations.

(a) Sixteen States do not have minimum wage laws:

1. Alabama.
2. Delaware.
3. Florida.
4. Georgia.
5. Indiana.
6. Iowa.
7. Maryland.
8. Mississippi.
9. Missouri.
10. Montana.
11. Nebraska.
12. South Carolina.
13. Tennessee.
14. Texas.

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[1] The District of Columbia and Puerto Rico also set a lower minimum wage rate for workers in tipping occupations.

15. Virginia.
16. West Virginia.

(b) Four States have inoperative minimum wage laws (the laws provide for establishing minimum wage rates, but no action to implement them has been taken).

1. Illinois.
2. Kansas.
3. Louisiana.
4. Oklahoma.

(c) Three States have operative minimum wage laws that do not cover the customary tipping occupations.

1. Arizona.
2. Maine.
3. North Carolina.

TREATMENT OF TIPS UNDER THE FAIR LABOR STANDARDS ACT

Present law

The minimum wage provisions of the Fair Labor Standards Act do not now generally apply to industries where there are a substantial number of tipped employees. In general, the Fair Labor Standards Act applies to employees engaged in interstate commerce or in the production of goods for interstate commerce, and to employees of certain large enterprises that are so engaged. The types of industries covered by the Fair Labor Standards Act are warehouses, factories, construction companies, transit companies, and department stores. The largest group of tipped employees covered by the Fair Labor Standards Act are railroad terminal employees who carry baggage (redcaps). Although the Fair Labor Standards Act does not contain any reference to tips or gratuities, the United States Supreme Court established the precedent for the treatment of tips under the Federal minimum wage law in the 1942 case of *Williams et al.* v. *Jacksonville Terminal Co.* To the extent that tips are accounted for by the employee to the employer in the industries covered by the act, they are treated as wages under the act. The Federal law does not apply to restaurants and hotels or other small retail establishments.

Bill to cover tips under the Fair Labor Standards Act

On January 31, 1964, Representative JAMES ROOSEVELT introduced H.R. 9824, a bill which would amend the Fair Labor Standards Act of 1938, as amended, to extend the minimum wage and overtime protection of the act to approximately 738,000 workers, over half of whom work in small retail establishments, such as restaurants and food service establishments and hotels, where tipping is prevalent. The bill also contained a provision under which tips would be counted toward the minimum wage if they were accounted for to the employer or received through him.

From February 7 through April 6, 1964, the Subcommittee on Labor of the Committee on Education and Labor of the House of Representatives held hearings on H.R. 9824. At the beginning of the hearings, Representative ROOSEVELT, chairman of the subcommittee, announced, "This bill, of course, is the bill representing the views of the administration and the requests of the administration." On April 9, the subcommittee went into executive session, and on June 25, 1964, the subcommittee ordered a clean bill, H.R. 11838, favorably reported to the full committee. Representative ROOSEVELT introduced H.R. 11838 on June 30, 1964. No further action has been taken on the bill, and the administration has not expressed any views on it.

There are several differences between H.R. 9824 and H.R. 11838. The major change is that a separate administration bill which would increase the rate of pay for overtime work has been incorporated into H.R. 11838. The coverage of the small retail establishments in which large numbers of tipped employees work has been retained in the clean bill. The provision under which tips would be counted toward the minimum wage has been substantially altered. Under H.R. 11838, the Secretary of Labor would determine the average value of tips "for defined classes of employees and in defined areas," and this amount would be counted toward meeting the minimum wage requirement. The Secretary could use amounts set by State minimum wage laws if he deemed them appropriate. Where the employee accounted for tips, or was paid tips through the employer, that amounted to more than the applicable average as determined by the Secretary, the amount reported could be used; otherwise the average would apply.

CONSIDERATIONS AGAINST COVERING TIPS AS INCOME FROM SELF-EMPLOYMENT

I. Tax aspects:

(a) Employees would pay substantially more than the employee rate on the tip part of their income; this would take a significant amount of their pay and be a hardship on these employees who generally have low income.

(b) Income to the trust funds would be less because employers would pay no tax and the amount of tips reported would be less; income tax collections would probably be less than if the tips were covered as wages.

(c) It does not seem reasonable that employers should be relieved of the obligation to pay their share of the social security tax, and they should assist the Government in collecting the social security and income taxes due on tips received by their employees.

(d) Tipped employees should have the opportunity to pay their taxes on a pay-as-you-go basis through withholding from current wages, as is the case for other employees.

II. Amount of protection: Covering tips as income from self-employment would not result in as much protection for tipped employees as would be obtained under the House-passed provision. Many of the tipped workers who wouldn't get full protection would be those who need protection the most.

(a) There would be no withholding of the social security tax; employees would have to pay substantial amounts in a lump sum.

(b) Employers would not have the responsibility of making reports of employees' tips.

(c) Employers would not have occasion to pass on the amount of tips reported by employees.

(d) Some employees would report a small part or none of their tips to minimize or escape paying social security and income taxes; they would find it difficult to pay the full amount in a lump sum.

(e) Some would not need to pay income tax and would not file an income tax return.

(f) Some would file the short income tax form (or long form) without a Schedule C or without including tip income.

(g) Since social security taxes were withheld from regular wages, some would feel they had "paid enough"; this would be particularly true if they were insured and could qualify for an average benefit based on regular wages.

(h) Employees would be required to file a more complicated tax return.

(i) Some employees would be indifferent to filing tax returns; some tipped workers have never filed in past years.

(j) Some would not know to file or would have difficulty filing—many tipped workers are foreign-born or have little education; some would have to pay to have the returns prepared.

(k) Tax enforcement for low-income workers is expensive in view of the amount of tax involved.

(l) Since amounts less than $400 would not be covered, benefits would be less than if tips were covered as wages.

(m) Some employees would find it difficult to distinguish between tips and service charges under the advance agreement ruling.

(n) Employers might be tempted to shift certain payments now wages, such as service charges, to "tip" status.

III. OASDI program philosophy:

(a) Tips received by an employee in the course of performing services for his employer under the usual employer-employee relationship should be defined as wages.

(b) If tips were covered as self-employment income, employees would be paying two types of social security taxes (at different rates) on earnings from the same activity; while performing the same service, they would be an employee for certain purposes and an independent contractor for other purposes.

(c) Tips received by employees should be treated the same as the regular wages they receive for purposes of the retirement test.

(d) Tips received by employees have always been thought of as wages and some tips are now covered as wages. Tips that are now covered as wages should not be covered as income from self-employment.

(e) For income tax purposes, tips have consistently been considered employee income and some tips are wages for income tax withholding; all tips received by employees are reported as employee income on form 1040.

IV. Impact on other employee programs: Tips are considered wages under workmen's compensation laws, unemployment insurance laws, and minimum wage laws.

(a) Covering tips as self-employment income would tend to reduce protection for tipped workers under other programs. It would be a setback in the Government's continuing program for the improvement of the conditions of labor.

(b) There would be confusion if tips were wages under other programs and self-employment income under social security.

V. Administrative problems:

(a) There would be about a million extra self-employment returns (schedules C) to process; if tips were wages, tip income would be included on the same report as non-tip wages.

(b) Since annual self-employment tax returns would be involved, there would be more problems when social security claims were filed.

(c) There would be difficulties in applying the retirement test. Income would be divided between wages and self-employment income; it would be difficult to avoid inequities under the monthly measure of retirement. An employee might object to being assessed deductions under the substantial services test if his total earnings were no more than $100 in a month. Substantial services would require investigation.

(d) There would be an impact on eligibility requirements; employees could get four quarters of coverage by working in one quarter of the year.

(e) There would be difficulties with respect to determining the amount of expenses that could be attributed to tips that would be considered earnings from self-employment. Part of the employee's expenses would relate to earning his regular wages. Some tipped employees work on more than one job and their tips would be covered as wages on one job and as income from self-employment on another.

Mr. JAVITS. Mr. President, in short, the Senate is being asked to adopt a provision notwithstanding and over the objections of the Treasury Department, the Department of HEW, and the trade unions involved.

How often do we hear the Senator in charge of the bill say that we cannot do

this by way of amendment because the Government departments say it is impractical?

This is a case where the Senate committee is going in exactly the other direction.

I believe that the argument against the position which is taken in the Senate version of the bill is so persuasive that we just have no business allowing the provision to go uncorrected.

The first point made by the Treasury Department is that tip income represents remuneration of the employee as wages, and that when the employer of a tipped employee arranges for that employee's wages, he invariably considers and includes the fact that the employee will be receiving tips as a part of the reason for setting a certain wage.

The best proof of that is in the recent survey conducted by the U.S. Department of Labor, which has been filed with Congress, dated January 1964. It is clear that the hourly wages of tipped employees as compared with the hourly wages of non-tipped employees are set after taking tips into consideration. The hourly wages—and I refer to the report at page 25—the average hourly wage paid to non-tipped employees in the same establishment where other employees are tipped is $1.34 per hour. The wage for employees in the very same establishments who customarily receive tips is 81 cents an hour—in other words, one-third less.

Mr. President, this makes crystal clear what the Treasury Department has stoutly maintained, namely, that tip income is wage income and is allowed for as wage income when wages in these industries are fixed.

It seems to me that is a conclusive reason for retaining the House language. If any other were needed, I point out that there are some 13 States which take into consideration the tips that employees receive when determining the minimum wage, so that an employer is deemed to be paying an employee the minimum wage when that employee receives both the amount the employer pays him and tips.

This is a critically important fact, because this is the practice, not the theory.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 additional minutes.

Mr. JAVITS. Mr. President, this is an important point. I point out to Senators who feel strongly about the committee provision that they may very well be fooling themselves, because if this is self-employed income it will not continue to be counted as a part of the minimum wage, even in those States which allow it.

Hence, employers who are now a strong lobby in opposition to the House provision—and I say that from my own personal knowledge, not from anything I have heard—do so under some mistaken notion that if they defeat the House provision, it will save them recordkeeping time, and of course will save them one-half the social security tax. I point out to those employers that in such populous States as my own State of New York and in Pennsylvania, the minimum wage in this industry will have to be increased if tips are to be classified as self-employment income. That applies also to six other States which allow a lower minimum wage for employees who are tipped. Those States include such populous States as Massachusetts, New Jersey, and Ohio.

Mr. President, this is a serious aspect of the situation. The Treasury Department points it out. I believe we would be extremely remiss in our responsibilities, indeed, if we were to fly in the face of that fact.

One other thing that is very important is that the employees, it is said, may prefer the existing system. In the first place, from my own experience with hundreds of tipped employees in the State of New York, that is not so. Every trade union of employees wants the tip business regularized and to have the tips treated as wages, as they should be treated.

Beyond that, we do not want to be parties, after the long, trying period we have had in dealing legitimately with tips, to making it easier for employees who receive the tips to avoid paying not only social security tax, but also their income tax. This is distinctly tied to the income tax, and it is mandatory under both the House provision and the Senate provision.

It is perfectly incomprehensible to me that the Congress should not wish to extend itself very strongly in order to develop a system, now approved by the Treasury Department and the Department of Health, Education, and Welfare, which will, as nearly as we can, make foolproof the Government's not being deprived of either income taxes or social security taxes.

So, Mr. President, it seems to me that the case we make is, for all practical purposes, irrefutable. The only question is, Will the restaurant owners succeed in persuading Members of the Senate, to reject a system which has been developed and approved by the other body and approved by Government departments, and which will at long last regularize what has been so completely irregular?

I believe it is to the great credit of the hotel and restaurant workers and their trade unions that they are fighting for honesty, while the Senate seems to take the attitude, if it lets the amendment stand, that these employees do not want to make their full contribution, as the House contemplated, based upon a plan developed by the Government departments, with the greatest expertise in this field.

I have not undertaken this task lightly. I understand fully what it means to a number of restaurateurs, who may be very unhappy with me. However, in such restaurants I pay my bill, and I think I will still be welcome.

I cannot for the life of me see how we can fly in the face of regularizing what has been so unhappily and miserably irregular, and which is now proposed to us by both the House of Representatives and the Government departments, because we are asked to listen to what I think is a very shortsighted attitude on the part of the restaurateurs.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield myself 1 more minute.

Normally, logically, and properly, the social security taxes are wages of the employees. The restaurateurs know as well as we do that the tips are included in the wages of the employee, as is shown by the difference between the wages paid to tipped and nontipped employees.

I hope very much that the Senate will not allow itself to be used in this way, and that the committee amendment will be defeated. If it is defeated, it will result in leaving the House provision as it is; and at long last a regularized and honorable plan will be the order in the United States for tipped as well as nontipped employees.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. JAVITS. I am on limited time, but I am happy to yield to the Senator from Nebraska.

Mr. CURTIS. If the House language is restored, will it not mean that an employee——

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. JAVITS. I yield myself 1 additional minute.

Mr. CURTIS. Will it not mean that the employer will have to pay a tax on money that never went through his hands?

Mr. JAVITS. In the first place, he will actually not have money in his hands, except that he will have in his hands the money with which to pay the employee's social security tax.

Mr. CURTIS. He will have also funds belonging to the employees, but he will be required accurately to report income that another person has received and that does not go through his hands.

Mr. JAVITS. I do not agree with that at all. He will not be required to report anything that the employee does not certify to him. He is completely accurate under the law if he reports what his employee tells him.

If he has in his hands the money with which to pay the employee's taxes, he will not handle the tips, except to the extent that I have mentioned.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield myself 1 additional minute.

My case shows that the tips are taken into account in setting the employee's wages. I have figures which bear that out. The Treasury bears that out. It is the same as when an employer feeds an employee. He is not handling the food when he feeds the employee. Normally the employee feeds himself. However, the employer computes that cost in figuring the wages.

Mr. CURTIS. It is quite different. The employee does not go out of the establishment.

Mr. JAVITS. The employee does not go out of the establishment to get his

tips. He does not get them unless he is in the establishment.

Mr. CURTIS. But they never come to the employer. There is no case in which the business community has been called upon to collect taxes on money that does not go through a person's hands.

Mr. JAVITS. The money for the taxes goes through his hands. The other is tantamount to that, because it is a part of the wage.

I yield 5 minutes to my colleague from New York.

Mr. KENNEDY of New York. I should like to ask the Senator one or two questions.

Mr. President, is it not correct to say that the employers claim that the tips that are received by the individual employee are a part of the wages when there is consideration of the minimum wage law?

Mr. JAVITS. Yes. I have given the States in which that is true.

Mr. KENNEDY of New York. Is it not correct to say that, on the one hand, it is claimed not to be a part of the wages under the social security law, but is a part of the wages when considering the minimum wage law?

Mr. JAVITS. The answer is "yes," except that it is now the Finance Committee that is claiming that, although there is an enormous lobby here, too.

Mr. KENNEDY of New York. I appreciate the Senator's comment. It is claimed that it is not income so far as social security is concerned, but that it is income so far as the minimum wage law is concerned.

Mr. JAVITS. The Senator is correct.

Mr. KENNEDY of New York. That is an entirely inconsistent position, is it not?

Mr. JAVITS. Yes.

Mr. KENNEDY of New York. Mr. President, I rise in opposition to the Senate Finance Committee's amendment regarding the status of tips as income for social security purposes. Section 313 of the bill as passed by the House gave tips a status like any other kind of wages, insofar as social security is concerned. The House bill recognized what seems like a most obvious fact—that tips are for practical purposes a part of an employee's wages even though not paid directly by the employer, and that it is unjust not to have both employee and employer contribute to social security benefits on tip income just as they do on the rest of the employee's income. Now the Senate committee seeks to undo this sensible provision and to substitute in its place the fiction that the tip employee is self-employed when he receives tips.

This change will be onerous for the employee, since he will have to pay the entire contribution himself for the social security benefits that are based on his tip income. And of course the Finance Committee amendment constitutes a great boon for employers by relieving them of the obligation which the House version imposed.

There is no justification for this. The tip employee is not self-employed in any sense. Tips are as much a part of his wages as the money he gets directly from his employer. He is always subject to his employer's direction, and never off on an unrelated effort of his own. Tips are directly attributable to his employment, and the certainty that he will receive them means that his employer can get away with paying him less in basic wages. The fact is that tips are always taken into consideration in collective bargaining in the hotel and restaurant industries. It therefore makes very little sense for the employer to contend that these wages are so far removed from the employment relationship as to be attributable to self-employment efforts.

The inequity of present law is clear. The waiter who gets $35 a week in wages and $55 a week in tips—and there are many like this—would receive monthly social security benefits, beginning at age 65, of $74. Under the House provision, he would receive $125. Since the tips he receives are derived directly from his employment, there is no reason not to regard them as wages for social security purposes. And there is no reason not to require the employer to contribute to social security benefits for his employees on that part of their earnings.

It should also be pointed out that waiter's tips are treated as regular income by the Internal Revenue Service. This income is subject to withholding tax under current tax regulations. The waiter must keep records on his income; I think the employer should be able to maintain similar records.

There is one implication of the Finance Committee amendment that is particularly intolerable. That is the possibility that hotel and restaurant employers, armed with a congressional finding that tips are the results of self-employment efforts, will argue that this is a reason for continuing to exclude their employees from the coverage of the minimum wage. Thus the Finance Committee's amendment is not only undesirable because it singles out one class of employee for unfair treatment under social security, but because it could also prejudice later efforts in the minimum wage area.

The employers have taken the position that tips should be included in income for purposes of deciding whether there is any need to extend the minimum wage to hotel and restaurant employees. It is especially anomalous that they are at the same time contending that tips should not be included in wages for purposes of social security. This is inconsistent, and the employers should have to fish or cut bait. If they want tips to be computed as part of wages for purposes of the minimum wage coverage question, they should be willing to have tips included in wages for purposes of social security.

What the Senate Finance Committee's amendment does is to give the employer the best of both worlds. By calling tip income the result of self-employment efforts, employers save themselves the payment of social security on it and also give themselves the argument that there is no need to cover hotel and restaurant employees under the minimum wage since those people have already been adjudged by the Congress—if the Finance Committee amendment sticks—to be self-employed.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield another 2 minutes to my colleague.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. KENNEDY of New York. I wish to state categorically that, so far as I am concerned, the self-employment finding is a fiction, of no realistic significance in either the social security or the minimum wage area.

I might also add that we have an opportunity here to eliminate poverty. A significant number of retired citizens have an income that does not meet our minimum standards of support. A waiter retiring at 65 who had only counted his wages towards social security benefits, would receive approximately $74 a month or $888 a year. I know you will agree that this is totally inadequate. By insuring that the waiter's tips are included in calculating his social security benefits, his benefits would be raised to approximately $1,500.

For those reasons, I hope we can act today to restore section 313 as the House passed it.

Mr. LONG of Louisiana. Mr. President, I yield myself as much time as I may require.

The House proposal for which the two Senators from New York are contending would create an irrebuttable presumption that it was the employer who paid the tip, which would be completely contrary to fact. That is a false presumption. The House proposal, for which the Senators from New York contend would presume a so-called fact even though it be a lie.

Mr. President, when we create an irrebuttable presumption that an employer has paid the tips, even though he never saw the money, I say that it is pretty ridiculous. I am reminded of a passage from Dickens in which Mr. Bumble is reported as having said:

> If the law supposes that, the law is a ass, a idiot.

To create an irrebuttable presumption that something is correct when it is not correct is not proper.

Employers do not pay the tips. They do not always know about them. They now have enough trouble with their help without trying to snoop on that help.

The proposal sent to the Senate by the House is subject to all sorts of mischief. A small owner of a restaurant, a barbershop or some other establishment who hires people to serve the public could be victimized, and it should not be that way.

For example, a young working man or working woman who is single would not find it to his or her advantage to report tips at all. They would not report them. By not reporting them, they would avoid the social security tax and the income tax, which we could presume would be a great deal more than the social security tax. It would be to their advantage to avoid such taxes.

Suppose such a person reaches the age of 60. At that point he might decide that he would like to drop out the 5 low

years of his earnings in which he had reported no tips at all and to build up his credit in the high years. He decides to report tips on $4,000 when he received only $150 in tips.

What is wrong with that? What is wrong is that he would then impose on his boss a tax of $160 by telling a lie, and the boss would not have any recourse but to go ahead and match what the employee puts up to help that man's social security entitlement when the man by rights would not be due it.

If an employee wishes to engage in that sort of conduct, that would be his privilege under the amendment of the Senator from New York. But why penalize the boss for it? Why should a man who operates a little restaurant have to pay $160 in taxes merely because an employee chose to avail himself of an opportunity to misrepresent his income and to attain a higher entitlement than is his due?

Mr. President, in many instances it is up to the individual to determine whether he wishes to report income from tips. The Treasury is making every effort under the sun to try to collect a tax on tip income. I hope they have success, although a relatively small amount of income is involved.

So the Treasury Department in trying to find out how to collect income tax on tips, attempts to create an irrebuttable presumption that the employer paid the tip and thus require him to snoop on his employees. It would create all sorts of hard feelings between the employer and the little waitress, the barber, or whoever the person might be, as to what the amount of tip income was and about how much of the tax the employer should pay. Then the employer must withhold an equal amount from the employee's wages.

Mr. President, it would create all sorts of bookkeeping problems. Employees want nothing to do with it. We hear talk about people being for the proposal. I know Mr. Nelson Cruikshank speaks for the American Federation of Labor in this field. He started in the Federal Security Administration. He was one of those who helped put the social security law on the statute books. He wishes to apply basic social security concepts to everyone. Labor chieftains have so much confidence in him that they take his word, with reverence. So we have heard that the AFL–CIO is for the proposal. Senators should ask employees if they are for the proposal.

In my State I have not found a waiter or waitress who has said that he or she is for it. Every restaurant, every taxicab company, and every barbershop in my State is opposed to the proposal that the Senator from New York wishes to impose on the American people. They are solidly opposed to it. They say that they do not want to engage in this kind of conduct.

So they do not want anything to do with it; they want to be relieved of it. The committee has made it possible for employees to pay a tax to the Internal Revenue Service just as though they were self-employed people. The employer pays a tax on what he pays the employee. Then the employee has an obligation to report the tips and pay a tax on them.

If we are to follow the general theory of the social security law, we should say that the person who owes the tax on the tips is the employee, on the one hand, and the patron who comes in and pays the tip, on the other.

Suppose we followed the legal fiction upon which the Social Security Act is supposed to be based. The theory is that it is a program of insurance paid half by the employer and half by the employee. In this event, the employer part of the tax would be owed by the patron. What would he do? He would give the waiter, perhaps, a $1 tip.

The waiter would say, "Thank you, sir. Now please hand me 4 cents for the tax on the tip, as your employer's part of the tax."

Mr. President, what would you do if you had handed the waiter a dollar? Would you cash an extra dollar and say, "My friend, I neglected to include the tax in the tip"? No; you would say "When I gave you the tip, I tipped you 96 cents, and the other 4 cents included in the dollar I gave you was to cover the tax due. Just take it out and settle with Uncle Sam."

Upon that basis, the employee would pay 4 cents for himself and 4 cents for the man who gave him the tip—8 cents. We propose to let him pay 6 cents.

In most cases, this employee is going to get the same retirement benefits one way or the other. Suppose his social security benefits are figured only on a low salary and not also on tips, he will supplement the resulting low social security check with public assistance. Thus, it may make little difference what social security tax is paid by such tipped employees. His retirement checks will be the same in amount though they may be welfare checks in part instead of only social security checks.

If Senators think people do not understand this procedure, let me relate to them this personal story. My wife told our maid what a fine thing she was doing; she was paying the social security tax for the maid and for the Long family. The maid replied, "I am going to wind up with $90 whether I have social security or not, because I can get welfare. I do not care whether you pay a tax or not."

That is how many low income, tipped employees look at the situation.

So far as those in the upper income brackets are concerned, their only problem is how to get somebody else to pay something he does not owe.

I suppose waiters at the Stork Club and other high-class places in New York might think it is a fine idea. But the average employee in a cafe, motel, or barbershop could not care less. The committee bill provides them all the social security coverage.

So far as the Treasury is concerned, that is something else. Senators may recall that some years ago the Treasury wanted Congress to provide that every bank, every building and loan institution, and every insurance company should tax the interest and dividends of their patrons at the source and send this tax to the Government, whether the tax was owed or not. Senators may recall that the executive branch pressed for passage of such a law to withhold the tax on interest and dividends whether the persons concerned owed the tax or not. The patrons would then have to worry about getting their money back.

Under the leadership of our distinguished Senate Finance Committee chairman, HARRY FLOOD BYRD, of Virginia, the Congress resisted the Treasury Department and defeated the proposal. Instead, we enacted a law that provided for the assignment of a number to every taxpayer, so that computing machines could ascertain where the income was and how much, so that the tax could be collected. It has worked very well. We avoided the need to make someone pay a tax he did not owe.

In this instance, I hope we shall be successful in avoiding the imposition on a cafe owner, the owner of a barbershop, the owner of a shoe shine parlor, or the owner of any small business of all the bookkeeping, all the responsibility, all the irritation, and all the squabbling with his employees that would result from the responsibility of paying a tax on money the employer did not pay, did not receive, knows nothing about, and does not want to know anything about.

If we want to do what the employees want, those who are employed by small businesses, we can provide that employees be treated as self-employed on tip income, which is what the Committee on Finance has done. But if Senators want to vote for something that in their States will be the most unpopular thing since the bubonic plague, they can vote for the provision to tax all those employers on money they do not know the first thing about and do not want to know anything about.

I hope the Senate will agree with the Committee on Finance and agree with many thousands of owners of small enterprises and will spare them from this proposal and from persecution by the imposition on them of all sorts of paperwork and a responsibility that is not properly theirs.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. BENNETT. A statement was made that the employer takes tips into consideration when he sets wages. Is it the impression of the Senator from Louisiana that all tipped employees, although they may receive the same basic wage in the same establishment, receive exactly the same amount in tips?

Mr. LONG of Louisiana. Of course not.

Mr. BENNETT. What makes the difference between the low-tipped man and the high-tipped man in some establishments? Is it not hard work?

Mr. LONG of Louisiana. It depends on how well the employee does his work. If he gives good service, if he serves extremely well, if he is a good waiter, for example, he will receive more in tips than the person who renders poor service.

Mr. BENNETT. So how can it be said that an employer can take that into consideration when he sets an employee's

wages? How can it be said that an employer has any control over the ability of a certain waiter to earn more than another waiter? That is entirely a matter of his personal activity, of his personal ability, of his personal attitude toward his customers. If that is not self-employment, I do not believe we could get a better definition of it. Does the Senator agree?

Mr. LONG of Louisiana. I do. So far as the Treasury is presently concerned, the amount of tips an employee receives is self-employed income. The Treasury is not too happy about it because all the tips are not being reported. The Treasury would like to find some way of collecting more taxes; I understand that. But to create an irrebuttable presumption, to persecute somebody who had nothing to do with the transaction in the first instance, is ridiculous.

Mr. BENNETT. It seems so to me. I offered the amendment in committee which was finally adopted and included in the bill that was reported, because I think that is really the logical approach to the situation.

Mr. LONG of Louisiana. It is the most logical approach to it. This is the way the matter should be handled. Perhaps with better methods of detection, a way could be found to solve the problem. But I am satisfied that to include the House provision on tips would be one of the most unpopular things that ever happened. I should say that we would do well, first, to experiment and see how the self-employment program works before we try to impose on these employers an obligation that is not properly theirs.

Mr. KENNEDY of New York. Mr. President, will my colleague yield me 3 minutes?

Mr. JAVITS. I yield 3 minutes to my colleague from New York.

Mr. KENNEDY of New York. Mr. President, I gather that the Senator from Louisiana is opposed to the proposal of the Senators from New York.

I want to ask whether the argument which the Senator from Iowa made with regard to tips for the employees of the same restaurant is really the relevant point. The amount of tips received may, of course, vary from one employee to another, but is it not also correct that the employers claim that the employees' tips should be counted as a part of their wages for purposes of determining whether they are receiving the minimum wage? If the employers admit tips are a part of wages for this purpose, why will they not admit that tips are a part of wages for purposes of social security?

Mr. LONG of Louisiana. They contend that tips ought to be taken into consideration in determining the income of tipped employees. But the employers do not contend they are paying all of the income of the tipped employees.

Mr. KENNEDY of New York. Mr. President, does the Senator concede that the position of the restaurant owner as to the employees under these circumstances is inconsistent in this area? It is claimed that the tips should be considered as a part of the salary of the employees as far as the minimum wage is concerned. However, on the other hand, so far as social security is concerned, it is claimed that tips should not be considered as a part of the wage.

Mr. LONG of Louisiana. Not in the very least. The employers say: "You want to pass a minimum wage law to require us to pay the employees a certain amount of money. We are not paying him that wage. However, he is receiving income from other sources, so that he is receiving more than we pay him and when these other sources are included, his income is equal to or in excess of the minimum wage being championed."

They are not contending that they pay his tips. They frankly concede that another man pays him. However, they contend that the employee is making more than they pay him in wages.

Mr. KENNEDY of New York. Is the employee not under the control of the employer in that restaurant, or, for example, in a barbershop?

Mr. LONG of Louisiana. It is as simple as if the Senator from New York and I were to get together, hire a waiter, and agree that the Senator from New York would pay half of the man's wage and I would pay the other half of his wage, and that together we should pay him $1.25 an hour. Although I was only paying 62.5 cents an hour, the employee would be still making the minimum wage based on what the Senator and I would be paying him.

Mr. KENNEDY of New York. The employee would be receiving extra compensation, as far as tips were concerned. If we were to argue that this income should be included as part of the minimum wage, we should also concede that he was receiving that income because he was working in the restaurant.

Mr. LONG of Louisiana. It is contended that that tip is income but just because it is income does not necessarily mean that all of the income comes from the same source. The employer does not pay the tip part of the employee's income.

Mr. KENNEDY of New York. I believe that the position is inconsistent. When the Senator describes the situation of the employees in Louisiana—who, he is fearful, will falsify their records and say that they are making much more money in tips in order to force the employer to pay social security—he does not mention that those employees would have to pay income taxes on that extra money.

Mr. LONG of Louisiana. I did not say they would falsify their records for that reason. They would not declare more earnings in tips than they are receiving for the purpose of forcing the boss to pay higher social security taxes. They would do it in order to get a higher benefit under social security than they have a right to receive.

Mr. KENNEDY of New York. Does the Senator recognize that the employees would have to pay income taxes on that declaration?

Mr. LONG of Louisiana. The Senator is correct.

Mr. KENNEDY of New York. Does the Senator realize that those income taxes would be perhaps four times as high as the amount that the employee would have to pay under social security?

Mr. LONG of Louisiana. Yes. However, under the social security system, some people receive in benefits 10 or 20 times the amount that they have paid in taxes. We know of a case in which a man received one thousand times what he paid into the system.

Mr. KENNEDY of New York. People who work in restaurants, hotels, and barbershops in the United States are as honest as anybody else. They are as honest about maintaining their records as anybody in the Senate Chamber or in the gallery.

Some of us say that this will be an unpopular measure in our particular district or State, but the fact is that it would do quite a lot of good. Some people need the benefit of such protection. That should be the criterion. As Lord Acton once wrote:

> Laws should be adapted to those who have the heaviest stake in the country, for whom misgovernment means not mortified pride or stinted luxuries but want and pain, and degradation and risk to their own lives and to their children's souls.

We are talking about employees who need protection and need help.

Mr. LONG of Louisiana. It was the former Senator from Massachusetts, the brother of the present Senator from New York, the late beloved President John F. Kennedy, who made more effort than anybody else to attempt to place a withholding tax on interest and dividends. The argument was made that we were not receiving the proper amount of tax money on such items, that the people were not paying it. The particular area of the law which we are now debating is an area that has been abused more than that area was.

This is an area in which some people would be completely honest. However, some people would be governed by what they think is their own selfish interest. If they want to be governed by their own selfish interest, unfortunately either the House or the Finance Commitee tax on tips provision would give them a good opportunity to do it.

An advantage to the pending amendment though is that it would not give people the opportunity to victimize the employer, and it would not create problems between labor and management.

Mr. BENNETT. Mr. President, I ask the Senator from New York to let me move back into my State of Utah. He moved me into the State of Iowa. If I have the right, I would like to move back into Utah.

Mr. JAVITS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, it is easy to be entertained by passionate argument. However, one ought not necessarily to be persuaded by it. I should feel very disheartened if I were to permit the argument made by the junior Senator from Louisiana to stand unanswered, no matter what follows.

We have heard some rather astounding doctrines. One such doctrine deals

with taxes. It has been said: "It is up to the individual to do what he wants to do." That is a rather unheard of proposition to be uttered in the Senate of the United States.

Are we encouraging citizens to avoid their tax liability, or are we writing laws to enforce the payment of taxes?

There is another proposition which I have heard advanced here which I must say is rather novel.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. LONG of Louisiana. Mr. President, the senior Senator from New York has been an Attorney General. The junior Senator from New York has been an Attorney General. I have never been an Attorney General and I have never been investigated.

The tax collector can investigate all he wants to investigate. I urge him to do so as far as the social security law is concerned.

When an employee reports his tips as income, we would arrange things so that the employer would not be penalized under the social security law. We should not penalize the employer.

Mr. JAVITS. Mr. President, according to the Senator from Louisiana this is a sporting proposition. The tax collector can collect the tax if he is able to collect it, but the Senate of the United States should not help him to do so. It is claimed to be a sporting proposition. We are urged to pit the tax collector against the person receiving the tips and see who comes out ahead.

It is not a sporting proposition so far as I am concerned. We are dealing with 1 million U.S. citizens. As my colleague the junior Senator from New York [Mr. KENNEDY] properly said, most of our restaurant and other employees want to be honest and regular, like every other employee.

The other proposition that I have heard, which to me as a lawyer is astounding, is that notwithstanding the control exercised over the employee by the employer, notwithstanding the fact that that employee is covered by the minimum wage, workmen's compensation, and even the social security law with regard to the wage which the employer pays him—it is nonetheless argued that this would be different from everything else that happens in that establishment because when he receives the tip, it is his self-employment income.

Mr. President, we may hear many things about business practices when it comes to the Federal minimum wage law—which law is now up for consideration before my committee with regard to these very employees. We will see what the restaurateurs say about that one when they have to pay the Federal minimum wage, notwithstanding that which the tipped employee gets in wages right now, as an average, is 81 cents—and not the $1.25 or the $1.50 that would have to be paid by the employer under a minimum wage law.

We know very well that we are not going to enforce any such doctrine in respect of other law. All we are doing is carving out a situation because the restaurateurs say this is more convenient to them, and we are making it unique and anomalous. It does not make any difference; I do not care whether we win or lose on the amendment—it makes no sense.

If it is unpopular for such a tax to be paid, let us remember it is unpopular to pay an income tax. It is unpopular to have to apply for a license. On that basis we would have an anarchical society.

The owner of a barbershop must file reports for every barber under his control with respect to social security. He would have to do no more with respect to tips, because he already has to file reports, for purposes of social security, on whatever wages he pays the barber.

These are very strange, anomalous doctrines, and all we would have done in the Senate, if we should let the amendment stand, would be to lend ourselves to a scheme for the convenience of a group of people—60,000 is the figure which has been given us here—as against 1 million employees. Those latter people should be considered when we are considering the matter of convenience. It is inconsistent with what is provided in the common law and in the statutes, and what is the practice as between employers and tipped employees in other respects.

If the Senate wants to do that now, no one can stop it, except the House of Representatives in conference, but it makes no sense.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BENNETT. Every American citizen makes his own declaration of conscience on his income tax report. That may be a sporting proposition, but the Government has ways of checking on it. But we all control the income that we report. That may be a sporting proposition, but the Government has ways of checking on it. But we all control the income that we report.

Mr. JAVITS. That is not strictly accurate. The employer pays wages. Every time he pays wages, he must tell the Internal Revenue Service what the employee has been paid. So it is not correct that everything we report is within our own control.

Mr. BENNETT. It is within our control. We may misreport, and the Government can check up and find out, but when I report my income, I sit down with my own conscience and my own set of books when I made out my income tax return.

Mr. JAVITS. If the Senate follows the House proposal, fundamentally the tipped employee will sit down with his conscience in the same way and will report what he says his tips have been, and that is what the employer will have to report.

Mr. McCARTHY. Mr. President, will the Senator yield me 3 minutes?

Mr. JAVITS. I yield 3 minutes to the Senator from Minnesota.

Mr. McCARTHY. Mr. President, I support the position taken by the Senator from New York [Mr. JAVITS] and supported by the junior Senator from New York [Mr. KENNEDY]. The procedure provided in the House bill, which we seek to restore, represents a reasonable compromise to a most difficult problem which has been under study by the House Ways and Means Committee and by the Senate Finance Committee since at least 1950.

It provides needed coverage for income which, in substance is derived from tips.

A compelling argument for this proposal is that the income of the workers who will be affected by this provision is generally very low. Such persons, therefore, are most in need of pension income which they will receive at the time of retirement under the social security and old-age pension system.

Various recommendations have been made throughout the years. Some of them have come close to being accepted. Usually at that point it was the view that such proposals should be given additional study.

This year there was a general agreement by the people responsible for the administration of the social security program, perhaps in part because of the development of new electronic equipment, but, at any rate, we had general agreement that this program could be administered. I believe, therefore, that the proposal to restore the provisions in the House bill should be accepted by the Senate.

I do not believe that the Senate committee's proposed solution is adequate. Service employees are not really self-employed. They work at places designated by their employers. They work at times designated by their employers. They work under the direction of the employers and under conditions determined by the employers.

The record is quite clear that those who work for tips have been so recognized under almost every other piece of legislation in which a distinction has been made as between self-employed and those who work for salaries and wages. They are covered under unemployment compensation. They are also covered under minimum wage provisions and workmen's compensation. We do not apply minimum wage standards to those who are self-employed. In every other area, except for the purposes of including tip income under social security, such employees have been regarded as wage earners. So I believe the Senate ought to follow this tradition and accept the recommendation made by the administration and adopted by the House Ways and Means Committee.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCARTHY. I ask unanimous consent that I may have 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCARTHY. It is my judgment that the House Ways and Means Committee will insist on its position in any case. I urge the Senate to accept its responsibility for action today. Some Members of the Senate may feel they can bypass taking action and be saved by what the House will do in conference; but it is my judgment that, if the Finance Committee and the Senate are to carry

out their responsibilities in regard to tax matters, and also in the field of social welfare, the Senate should restore the reasonable procedure provided in the House bill and not hope that, somehow, the House will save the situation. I ask unanimous consent that the views of the Treasury on this matter, as presented to the Finance Committee—hearings, page 524 and following—be printed in the RECORD.

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

TREASURY DEPARTMENT VIEWS ON COVERAGE OF TIPS

DESCRIPTION OF COVERAGE OF TIPS IN H.R. 6675

Beginning in 1966, employees who in the course of work with any one employer receive at least $20 in cash tips in a month would be required to report their tips in writing to the employer. This report would have to be made at least by the 10th day of the month following the month in which the tips were received. More frequent reports could be required by employers and the bill would authorize employers to gear these tip reports to their payroll schedules. The employer would add the amount of reported tips to the employee's wages. He would withhold from the wages the employee's share of the social security tax and the appropriate amount of income tax due on the combined amount of tips and wages. The employer's liability for his share of the social security tax on tips would be limited to those that are reported on time and even as to these he would be responsible for his tax only to the extent that he had enough unpaid wages due the employee or funds turned over by the employee to cover the employee share of the tax.

The bill would require employees to turn over funds to the employer to cover the employee's share of the social security tax whenever the appropriate amount of tax could not be withheld because of insufficient unpaid wages. This is a most unlikely situation, however. See discussion on page 4 regarding adequacy of wages to cover both social security tax and income tax withholdings. In any case in which an employee failed to report tips or failed to make additional funds available if needed, the employee would be required to pay both the employer's and employee's share of the social security tax. With regard to the withholding of income tax, an employee would not be required to turn funds over to his employer to make sure the full amount of tax due is collected from month to month as in the case of the social security tax. The employer, however, would withhold throughout the year whatever he could from wages. The employee would, of course, be responsible to pay the full amount of income tax either in quarterly installments or with his return at the end of the year to the extent that withholding did not cover his full liability.

BACKGROUND

The Congress has considered various proposals to cover tips under social security since 1950. In that year, during the 81st Congress, a bill (H.R. 6000) which later became the Social Security Amendments of 1950 came before the Committee on Finance with a provision which would have treated tips received in the course of employment as remuneration paid to the recipient by his employer. The bill would have required employees to report in writing to their employer by the 10th day after the end of a quarter all tips received during the quarter. The committee stated in its report on the bill that it believed such a change in the law would introduce administrative complications and it did not accept the proposal (S. Rept. 1669, 81st Cong., 2d sess., p. 17).

Since 1950, many proposals on tips have been introduced in both Houses and many of these, at some time or other, have been before one or the other or both of the tax committees. The Treasury Department and the Department of Health, Education, and Welfare have examined and studied carefully all of these proposals. Studies of various other suggestions and alternatives for extending social security and income tax coverage to tips have also been made. In 1958 the Committee on Ways and Means gave serious consideration to a proposal based on a system of reporting by employees similar to that it had approved in 1950. The committee, however, was unable to satisfy itself that the plan would be workable on a national scale and it requested the two Departments to further study the problem (H. Rept. 2288, 85th Cong., 2d sess., p. 7). In 1960 the Departments recommended a proposal which combined a system of reporting of actual tips with a formula for estimating tips when the actual amount was not known to the employer. This plan was also rejected because the committee could not arrive at a formula that it considered equitable when applied to all regions of the country. The extensive discussions of the formula approach in committee convinced this Department and the Department of Health, Education, and Welfare that the only acceptable solution to the problem would be one which used as a base for the tax and benefits computations the actual amount of tips received by an employee and that it had become essential to devise a workable system to accomplish this.

At about this time, employee groups had become interested in getting tips covered under social security because, as the result of tip drives by the Internal Revenue Service, more and more employees were beginning to report their tips for income tax. Employers, as a matter of self-interest, had always urged that tips should be recognized as earnings from self-employment and taxed at the self-employment rate. Tips, however, are in reality remuneration for services rendered in an employment relationship and thus cannot legally be regarded as self-employment income. Moreover, it is common knowledge that in setting wages of employees who customarily receive tips employers take account of the tips. This is apparent from the terms of bargaining agreements covering nontip as well as tip employees. Tips, accordingly, are part of the wage pattern in certain industries and they should be treated as wages for all purposes. (See discussion below of minimum wage laws.) It would also be unfair to tax tips at the self-employment rate, which is 1½ times the employee rate of tax on wages, if tips are in fact wages.

It has sometimes been suggested that, since tips are paid directly to employees, and employers have no interest in knowing how much is received in tips, employees should report the tips directly to the Internal Revenue Service and pay the employee's share of the tax due on the tips with this report. The Service would then bill the employer for his share of the tax on the basis of the employee report. Although this system appears simple it has no advantage for anyone. Employees would be burdened with keeping records for 3-month periods, filing quarterly reports and computing their own tax liability. The Internal Revenue Service would be burdened with many more wage reports to process and would have to collect the employer tax 1 year or more after the tips were claimed to have been received. Finally, employers would be at a disadvantage in contesting their liabilities in view of this time lag. Employee groups originally suggested a plan of this type, but they have since realized its shortcomings for all concerned and are no longer urging it.

THE PROPOSAL IN H.R. 6675 IS REALISTIC

In developing the proposal which is now in H.R. 6675, the Department of Health, Education, and Welfare and the Treasury inquired concerning the operations, especially the pay and bookkeeping practices, of businesses where tipping is customary. All the various objections made by employers against the adoption of a system of reporting of tips by employees such as the one in H.R. 6675 have also been considered carefully. Many modifications were made in the original recommendation as the result of these employer comments and studies. The proposal as it now stands makes no unnecessary or unreasonable demand on employers. The system of reporting required under H.R. 6675 is as simple and efficient as it can be in view of the nature of tips and the objectives of the proposal, which are: more comprehensive social security coverage of over a million workers and their dependents and better reporting and easier payment of income tax liability on tips.

TIP REPORTS CAN BE GEARED INTO THE PAYROLL

Employers will have a great deal of freedom in determining the frequency and the manner in which employees report their tips. The only requirement is that at least one report be filed for each month by the 10th day of the following month. Also, within any quarter withholdings for social security and income taxes may be made at a predetermined and constant rate for each pay period, provided that before the end of the quarter the amounts withheld be adjusted to reflect the taxes due on the actual amounts of tips reported during the quarter. This will allow large employers whose payrolls are prepared with the aid of business machines to gear the tips reports into their payrolls. The addition of tips to wages will require some additional recordkeeping, but since employers are already withholding and reporting to the Internal Revenue Service social security and income taxes on wages, the basic records are already in existence and the procedures are well established. The additional work required should be manageable.

WAGES ARE ADEQUATE TO COVER WITHHOLDING FOR TIPS

An argument which employers frequently assert against the tip proposal in H.R. 6675 is that wages of tip employees are generally so low that in most cases there will not be enough to cover the social security and income taxes that should be withheld. The facts have been examined carefully and there would appear to be no real basis to this argument. Surveys of hotels and eating and drinking places conducted in 1961 and 1963 by the Bureau of Labor Statistics (Bulletins Nos. 1328, 1329, 1400, and 1406) show that, although regular wages of tip employees in these industries are relatively low, in the great majority of cases the wages would be more than adequate to cover the social security and income taxes which would have to be withheld under the terms of the bill.

The allegation that wages paid to tip employees will generally not be sufficient to cover the full amount of taxes that would have to be withheld is based on an overestimation of the amounts of social security and income taxes that are collected on wages. The current combined rate of withholding is approximately 18 percent (3⅝ percent for social security and 14 percent for income tax); next year it would be exactly 18 percent under the new rates proposed in the bill. At the current rate, a weekly wage of only $15 would be sufficient to pay the taxes on $15 in wages plus $75 in tips, or total weekly earnings of $90. A weekly wage of $15 would represent an average hourly wage of 37½ cents (only 9.3 percent of all waiters and waitresses in the United States received in 1963 an average hourly wage under 40

cents) for a 40-hour workweek (84 percent of restaurant workers in the United States work 40 hours or more per week). Weekly tips of $75 represent earnings at the rate of $1.50 per hour during a 48-hour week or $1.87 per hour during a 40-hour week. In the 1961 Bureau of Labor Statistics survey of eating and drinking places, the only survey with tip data, only 40 percent of waiters and waitresses in large metropolitan areas surveyed were reported to earn $1.25 and over an hour in tips. Because the survey was primarily interested in the lower paid workers, tabulations were not made beyond $1.25. These illustrations are submitted to show that even at the lowest end of the pay scale enough wages would ordinarily be available to an employer from which to withhold the social security and income taxes due on tips. A more typical example would have an employee earning a weekly wage of $32 (on the basis of 81 cents per hour, the average wage of waiters and waitresses in the 1963 survey). Such a wage would approximately cover the taxes on combined earnings in wages and tips of $200 a week.

EMPLOYERS KNOW APPROXIMATELY WHAT EMPLOYEES EARN IN TIPS

It has also been claimed that employees want no part of a plan of social security coverage which will require them to disclose the amount of their tips to the employer because, it is reasoned, if employers knew how much tips employees receive they would want to reduce the already low regular salary paid to employees. This argument assumes that employers are ignorant of the amounts received by their employees. This may have been true years ago, but today tipping habits are fairly uniform and well-known. Moreover, more and more tips are being paid through employers by users of credit cards so that employers have a fairly accurate knowledge of the sums received by their employees. Another recent development which has contributed to the general knowledge concerning tips has been the publicity attending trials of taxpayers charged with understating their tip income. In these cases, various formulas have been applied by the Commissioner of Internal Revenue to determine the amount of unreported tips and determinations fixing tips at levels between 10 and 15 percent of the price of meals served have generally been upheld by the courts.

TIPS AND THE MINIMUM WAGE LAWS

Employers have argued that the coverage of tips under social security would be unfair to them so long as they are prevented, under certain State laws, from taking tips into account in determining whether a minimum wage is paid. At present, there is no uniformity among the States on the treatment of tips under the State minimum wage laws. Of the 36 States having minimum wage laws, 14 now prohibit the counting of tips. At the last session of the Congress a bill (H.R. 9824) was introduced in the House which reflected the administration's views that tips should be counted toward the minimum wage where they are accounted for by an employee to the employer. It is believed that the adoption of Federal legislation including tips under social security would be influential on the States to also modify their laws to permit the counting of tips for minimum wage purposes. In any event, after tips are covered under social security, employers will be in a better position to demand the amendment of State minimum wage laws to take tips into account. This argument was influential in the final decisions made this year by the Ways and Means Committee.

THE "TAX RECEIPT" ARGUMENT

The inclusion of a provision in H.R. 6675 requiring the withholding of income tax on tips reported to the employer has caused employers to comment that because of the low wages paid to these employees no cash wages will be left after all the taxes are withheld and instead of wages employees will receive, in their pay envelope, only a receipt showing the taxes withheld. The implication in this argument is that employees think of wages only in terms of take-home pay and if no cash wages remain after taxes are collected the employers will be pressed for an increase in wages. This is largely an educational problem which employers and employees must face. It is not at all certain that employees will be unhappy to have their income tax on tips collected on the pay-as-you-go withholding system. It seems almost incontrovertible that employers will find that the majority of their employees would consider the proposed arrangement very helpful. Certainly the current furor over slight amounts of underwithholding for 1964 and the growing consensus for graduated withholding indicate that taxpayers prefer paying taxes on a pay-as-you-go basis. Another answer to this objection of employers is that, as was pointed out earlier, although wages of tipped employees are relatively low, they are not so low that all cash wages of workers will be needed to cover the taxes to be withheld. On the contrary, these cases will be the exception rather than the rule.

WITHHOLDING IS THE ONLY HUMANE WAY OF COLLECTING INCOME TAX ON TIPS

The chief argument in favor of withholding of income tax on tips is that this is the only humane way to collect the income tax from the low-bracket taxpayers. It is expected that once tips are covered for social security there will be better reporting of tips for income tax. In view of this, it seems only fair to afford employees who receive most of their earnings from tips the opportunity available to other employees to pay their income tax currently by having the tax due on the tips withheld from regular wages. Without withholding, tip employees will be forced into paying their tax in quarterly installments. This method of payment is usually reserved for more sophisticated taxpayers—professionals or the wealthy who receive large amounts of income in dividends or interest. For the low-income taxpayer the filing of estimates of income and making quarterly payments would be a hardship which could subject them to penalties. Many of them would find it difficult to budget in order to meet the quarterly payments which can be substantial.

Since tips are an integral part of the compensation of persons engaged in certain occupations, it is reasonable that this form of compensation should be treated as wages and that employers, who take account of tips in setting the wages of these employees, should also be required to assume the burden of withholding on tips. This burden would only be one of bookkeeping since employers would never be required to advance their own funds for the payment of employee tax liability. Their obligation to withhold would always be limited to the cash wages or other funds of the employee under their control. Withholding of income tax on tips will make the payment of taxes much easier on employees. It will increase the revenue collections and at the same time reduce the number of costly administrative and legal collection procedures that are now required to enforce the payment of income taxes on tips.

UNDERREPORTING OF TIP INCOME

Tips are one of the few sources of income which under our self-assessment system continue to escape effective taxation. Enforcement activities of the Internal Revenue Service have been only moderately productive in this area. After many years of continuous efforts to educate tip recipients to their obligation to report and pay taxes on their tips, the Service is convinced that the only recipients reporting tips with any degree of regularity and accuracy are those who, in prior years, have had their returns examined, had substantial deficiencies assessed against them, and know that their returns continue to be examined.

Field offices of the Service were contacted recently for information regarding tip enforcement activity. Reports were received from offices covering the North Central, Southern, and Southwestern States, the only regions conducting special tip drives in recent years. In one large northern city in 1964 group examinations of employees of 5 restaurants and 2 hotels revealed that of 154 employees who would normally be expected to receive tips practically no one had reported any tips. Following this examination, 40 percent of these taxpayers agreed to deficiencies averaging $460. The other cases involved deficiencies averaging $600. These cases have not yet been settled. At the same time and in the same city, 62 beauticians working in department stores agreed to deficiencies averaging $200 on account of tips received over 2- or 3-year periods. Some 33 others had been assessed deficiencies averaging $400 over similar periods.

In a large city in the South, 552 returns of waiters and waitresses were examined in 1960 and 1961 resulting in deficiencies being assessed in the total sum of $132,222. This represents an average deficiency per return of approximately $240. In the same period, 316 returns of beauticians at downtown shops and department stores were examined and deficiencies were assessed in the amount of $45,234, for an average deficiency per return of about $140. In a city of the Southwest, examinations were made in 1962 of 420 returns of the tip employees at 2 hotels (waiters, waitresses, bellhops, et al.). More than 50 percent of these returns showed no tip income whatever. As a result of this examination, deficiencies averaged $200 per return were assessed against these employees for a total deficiency of $83,614.

Mr. JAVITS. Mr. President, I yield 2 minutes to the Senator from Ohio [Mr. LAUSCHE].

The PRESIDING OFFICER. The Senator from Ohio is recognized for 2 minutes.

Mr. LAUSCHE. Mr. President, in this matter I believe the question posed is whether or not the 1 million workers whose income in part is made up of tips should have the benefit Congress intended be given under the Social Security Act. To me, that is the vital question to be answered in determining how one shall vote on this question.

I believe it is axiomatic that the 1 million workers, a part of whose income is derived from tips, are told by employers, "Your daily or hourly wage is small because your income will be increased by the tips you receive."

When one wraps the factors into one package and looks to the general purpose of the social security laws, he necessarily must ask himself the question, "Is this worker receiving the benefits of what we intended under social security when the employer does not contribute any wage taxes on the tips which the employee receives?"

It has been suggested by the questions which have been put that the employers are in a conflicting position. In one instance they tell the employees, "You shall receive 45 cents an hour, but the main part of your income comes from tips."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. I ask the Senator to yield me 2 additional minutes.

Mr. JAVITS. I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. In the next instance the argument is made that a part of the employee's pay is a contribution which the employer makes to sustain the social security payments.

I believe it is obvious that there is a conflict between those two positions.

Many employers have come to see me, arguing against the proposal of the Senator from New York, as we have heard in the arguments today.

Viewing the question strictly from the standpoint of justice, without considering the pleas of the employers or the employees, we should answer the question, Are these 1 million workers receiving that which is given to all the other workers of the country?

I believe that the answer must be in the negative. Since the answer is in the negative, I will support the proposal that contemplates remedying and removing the disparity in payment which these workers are receiving.

Mr. JAVITS. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER (Mr. BASS in the chair). The Senator from New York is recognized for 1 minute.

Mr. JAVITS. Mr. President, I shall suggest the absence of a quorum, immediately after I have concluded my minute, because I have no further requests for time, and then would hope that as many Senators as possible would come into the Chamber, so that we may conclude debate within a few minutes thereafter.

Let me say in closing that the debate has been thorough. I am grateful to my colleague [Mr. KENNEDY] for joining so ably in it, as well as the Senator from Minnesota [Mr. MCCARTHY], the Senator from Ohio [Mr. LAUSCHE], and other Senators.

The technical situation is such that the vote for our side of the argument, when it comes, must be "nay," because it will mean turning down the committee amendment, which will reinstate the House provision; whereas, a "yea" vote would be a vote for the committee substitute, which is the position we have opposed. By voting "nay," the position of the House of Representatives will be sustained, and that is the position for which we have argued.

Therefore, Mr. President, unless the Senator from Louisiana [Mr. LONG] wishes me to yield him further time, I am about to suggest the absence of a quorum.

Mr. President, pursuant to the unanimous consent agreement, 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.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. JAVITS. Mr. President, I wish to take these 2 minutes to state to the Senate—if I may have the attention of the Senators—that I believe we can complete this debate and be ready to vote within a very few minutes.

First. Let me emphasize that the vote on the amendment, if one wishes to favor our position—which is the position of those who have spoken in favor of the House provision—would be "nay," because we are seeking to defeat the committee substitute for the House provision. A "nay" vote would reinstate the House provision, whereas a "yea" vote in this case would represent going along with what the Senate Finance Committee has reported.

Second. Summarizing the argument, it is based upon two fundamental facts. First, the relationship of employer and employee exists between the employer and those who receive tips, and that for purposes of social security, income tax, and workmen's compensation, they shall be treated as employees. They should not be segregated as independent contractors for the particular purpose of social security alone; second, the 1 million employees concerned should be given the opportunity, which the House provision would give them, to regularize their situation by paying their part of the social security tax, and by paying their income taxes in a way which would be based upon a declaration of what they receive as tips.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 additional minutes.

Mr. JAVITS. The 81 cents an hour which tipped employees receive as wages is contrasted with $1.34 an hour for employees in the same establishment who are not tipped and, therefore, the employer should not have it both ways. He should not be able to profit from the fact that his employees are receiving tips by paying them a lesser wage. He should not be able to profit additionally—as the Senate provision would allow him to do—by calling tips self-employment income when it comes to paying social security taxes.

Finally, in terms of the United States, it is high time we were in balance in treating these employees with equal justice.

We are supported in that respect by the Treasury Department and by the Department of Health, Education, and Welfare, and by the organized trade unions. That view is opposed by the Senate committee.

The plan proposed to us by the House is the right and honest plan, and is proper for employees and proper for employers, although I know employers do not agree. It is a plan fair to the Treasury. We should close this issue now by adopting the House plan. I hope the Senate will vote "no" on the committee amendment, thereby reinstating the House provision.

Mr. LONG of Louisiana. How much time have I remaining?

The PRESIDING OFFICER. The Senator has 46 minutes remaining.

Mr. LONG of Louisiana. I yield myself 5 minutes.

Let us understand this question. The Senate amendment is favored by every restaurant and every shoeshine parlor and every barber shop and every small business in America. Also, the overwhelming majority of the waiters and waitresses themselves favor the Senate committee's position. I will prove that in 1 minute.

Mr. MCCARTHY. I hope the Senator will prove it in 1 minute.

Mr. LONG of Louisiana. I will prove it. The Senator from New York has just stated that the average person working as a waiter on tips receives $1.34 an hour. That works out to $200 a month.

So far as the bill is concerned, these people would be drawing $75 a month in social security income, and perhaps less. The overwhelming majority of the States, under their public welfare laws, fix a requirement for income that exceeds $75 a month. Louisiana fixes it at $90 a month. It continues to increase. Those people will go to the public welfare agency and get the amount to bring them up from $65 or $75 to $90, which is regarded as the amount a person needs to get by on. If a person receives $60 under social security, the State will give him $30 in public assistance on top of it. If he receives $40, the State will give him $50 a month, to bring him up to $90 a month.

So far as 75 or 80 percent of the waiters are concerned, their income will be identical, whether they receive more in social security and less in public welfare, or less in social security and more in public welfare. It will be the same thing in any event. It is exactly as my maid explained to my wife, when my wife was paying the maid's part of the social security tax. She said, "Mrs. Long, I will get whatever the maximum is no matter how much I get in social security. All you do when you get me more in the social security check is to cut my public welfare check, but I wind up with the same overall payment."

Those people do not care one way or another. Those who are really concerned are the restaurant, hotel, and barbershop and other small business proprietors. They are wildly opposed to the House provision. They say it would put them out of business. They say it is a terrible thing. I spoke to the restaurant association in Chicago the other day. There were about 60,000 people in that organization. They nearly tore the place apart when I said I was against their paying a tax on money they neither gave nor received.

The Senator from New York says that it is unpopular to pay a tax. Yes; it is. It is even more unpopular to pay a tax when one does not owe it, when one has

not received the income on which the tax is due, when one has not received any benefit from it, and when one does not want to know the first thing about the money involved. I agree that it is unpopular.

Another point which can be made is that in many instances an employer can be forced to pay a tax based on mere whim or caprice. For example, let us take a person who is 60 years of age. Let us say that he is not a low-paid employee, but that he is a high-paid employee in the Stork Club in New York.

Let us say that he wants to get the maximum benefit for the minimum amount of taxes. He wants to pay taxes as though he received $5,000 in tips, which is not true. Under the House provision, he pays 4 percent, and his boss matches that 4 percent with his own money. The boss has no choice. By virtue of the complete falsehood told by the employee, the employer must pay 4 percent on the $5,000, or a $200 tax based on a complete falsehood, under a law that is presumed to be correct. There is nothing that the boss can do about it. The first presumption is that the boss paid the employee that $5,000 income and that is a lie; the other is that the man actually made $5,000 in tips and that is a lie. All the boss knows is what the man said.

Another argument against the House provision is that it may cause a reduction in the wages of tipped employees. Some employers because they must pay a 4-percent social security tax for these employees will reduce their employees' wages by a like amount, so that overhead is not increased.

Then there is the tremendous administrative problem that would be caused by the House provision. And it will not be solved by automation. If the waiter is halfway honest, he will report different tips every day and that sort of calculation cannot be done by a programed machine. Thus, the check will have to be made out by hand. Why should we have all this mess, so far as the administration is concerned? It is one more effort on the part of the Treasury Department to get all the help it can.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG of Louisiana. I yield myself 1 more minute.

It is an effort to make one party responsible for taxes owed by another party. It is an outrageous imposition. Some small business owners tell me that this proposal would put them out of business. They beg us not to impose this burden on them.

Mr. JAVITS. Mr. President, I yield myself 1 additional minute; then I shall be prepared to yield back the remainder of my time.

I believe the whole ball game has been exposed by one statement the Senator from Louisiana made. He said that the employer has no benefit from it. If he has no benefit from it the Senate Committee on Finance is right. I maintain, however, that as a fundamental policy he has every benefit from it, because he hires workers for 81 cents an hour instead of $1.34 an hour because the workers receive tips.

I maintain that the Committee on Finance was in error in this respect, that the House is correct, and that we should restore the House language.

Mr. LONG of Louisiana. The Senator's argument makes no sense. The Senator compares the wages of the tipped employee and those of the nontipped employee without comparing their duties and their responsibilities. The tipped employee has just as important a job as the nontipped employee but he works under different conditions and has certain opportunities not available to the nontipped employee.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. McCARTHY. Is this not a self-policing situation? A person would pay more in income taxes and pay more in social security taxes, but eventually the Treasury Department would question what he was doing. A penalty is built in, in other words. It would prevent a man from overreporting his income. Is that not correct?

Mr. JAVITS. I thoroughly agree with the Senator from Minnesota. I believe we have made our case. A vote for our position is a vote of "No." In that way we shall sustain the House provision. I hope very much that the Senate will vote that way.

Mr. LONG of Louisiana. Mr. President, I yield to the Senator from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. President, when this legislation is passed we will have raised social security benefits some 7 percent for the 20 million people who now receive social security checks. We have considered ways, and amendments have been accepted, in the course of this debate, to perfect the social security system—again for the benefit of current beneficiaries and those soon to be beneficiaries. We also have an obligation to see to it that recipients of social security receive incomes after age 65 that are in keeping with the standard of living they have enjoyed when fully employed. This to me is the issue that is basic to the question of treating tips as wages for purposes of social security.

It appears to me that the Committee on Ways and Means had at last found the most equitable and workable way to include tips under social security coverage. There is no doubt in my mind that tips are wages, and any attempt to classify them as a form of income much like that received by the self-employed is an empty comparison. A waiter or waitress is not self-employed in the real meaning of that word.

I know that the Committee on Ways and Means had worked closely with experts in and out of Government to devise a way in which tips could be covered under social security with the smallest possible burden on the employer. The employee would simply report tips paid to him in writing to the employer and, as every other wage earner in the country, would then pay his portion of the social security taxes and the employer would match that with an equal amount. The committee provided as a convenience to the employer that he could withhold the employee's share of the social security tax from current wages on the basis of an estimate of the employee's obligation. This allowed the employer to gear this new procedure into his usual payroll reporting periods. The committee explicitly provided that the employer would have no liability with respect to tips not reported to him and if an employee did not report his tips he would himself be liable for the tax due, as well as for an additional amount equal to the tax.

So what we are talking about is a procedure that appears to have been thoughtfully designed so that these employees would no longer be different from any others as regards their obligation to the social security system or the benefits that they would receive. I find little in the arguments of the opposition to convince me that the Senate Finance Committee was correct in continuing to differentiate between tip recipients and other wage and salaried people. Tips are wages for services performed in the employer's place of business. It stretches reality to consider them otherwise, and creates the injustice of calling upon these employees to pay the self-employed social security tax rate. I urge the defeat of this committee amendment.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

Mr. LONG of Louisiana. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. Will the distinguished Presiding Officer state the issue?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment to strike section 313 beginning at page 268 after line 2 and to insert a new section.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. If the committee amendment is not agreed to, the result will be to leave in the bill the House provision. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LONG of Louisiana. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG of Louisiana. Is it correct to state that a vote for the committee amendment is a vote of "yea"?

The PRESIDING OFFICER. The Senator is correct.

Mr. LONG of Louisiana. I hope the committee amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. MORSE. Mr. President, the Senate has just accepted by voice vote the language proposed by the Finance Committee relative to coverage of tips for social security purposes. It treats this type of income as income from self-employment.

Since the House bill treats it as income from employment by an employer, it will be up to the conference committee to reconcile these two positions.

I have no quarrel with the Senate language, because the employer does not actually pay out of his income this part of his employees' earnings. That is why I supported the Senate committee's language.

I ask unanimous consent to have several telegrams I have received from Oregon on this matter printed in the RECORD at this point.

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

SALEM, OREG.

Senator WAYNE L. MORSE,
Senate Office Building,
Washington, D.C.:

Sincerely urge your support of provision in bill approved by Senate Finance Committee to treat tip income as self-employment income.

MARION MOTOR HOTEL,
GO. B. NORTH,
General Manager.

MEDFORD, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Urge support to the proposal that the Senate Finance Committee made pertaining to tax on tips.

Sincerely,

EDGAR DAHACK,
President, Jackson-Josephine Chapter Oregon Restaurant Beverage Association.

GRANTS PASS, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Our establishment, Larrys Restaurant, Inc., 515 Southeast Rogue River Highway, Grants Pass, Oreg., would like to put in a "No" vote on the proposed bill pertaining to employees being responsible for declaring their tips. This will also cause a hardship on the employer which is more expense to us.

MRS. LARRY BASSETT.

MEDFORD, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

We urge support of the proposal that the Senate Finance Committee made pertaining to tax on tips.

Sincerely,

RAYMOND ZERR,
BROWNS CAFE, INC.

MEDFORD, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I respectfully urge you to support the proposal that the Senate Finance Committee made pertaining to tax on tips.

Sincerely,

DON JORDAN MANAGER,
HOLLAND HOTEL

NORTH BEND, OREG.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

May I urge you to support Senate Finance Committee recommendation regarding waitress tip income aspect of medicare bill.

FRANK SNELGROVE,
THE BROILER

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

FRED MCKEE.
THE GROVE.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

PAUL FORCHUK,
MAYFAIR HOUSE.

COOS BAY, OREG.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

May I urge you to support Senate Finance Committee recommendation on regarding waitress tip income aspect of medicare bill.

DARRELL BEAUMONT,
CHANDLER HOTEL.

COOS BAY, OREG.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

May I urge you to support Senate Finance Committee recommendation regarding waitress tip income aspect of medicare bill.

ROBERT PERKINS,
TIMBER INN.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

MARIE ROBERTS,
ROBERTS FINE FOOD.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

TONY PIETROMONACO,
MILTON & OSCAR'S.

PORTLAND OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

HENRY FORD
HENRY FORD'S RESTAURANT,
Portland.

NORTH BEND OREG.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

May I urge you to support Senate Finance Committee recommendation regarding waitress tip income aspect of medicare bill.

WADE MCDOUGALL.
HILL TOP HOUSE.

COOS BAY, OREG.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

May I urge you to support Senate Finance Committee recommendation regarding waitress tip income aspect of medicare bill.

PEARL AFFHALTER
BLACK & WHITE CAFE.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

LEO BOYCE PORKY'S.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

ROY SMITH SAGEBRUSH.

COOS BAY, OREG.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

May I urge you to support Senate Finance Committee recommendation regarding waitress tip income aspect of medicare bill.

FOSTER MCSWAIN,
THE COURTEL.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

JOHN E. TEHAN,
SONNYS, 1033 Northwest 16, Portland.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

KENNETH K. GEORGE,
KENNY'S MURAL ROOM.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

HOWARD EASTMAN,
MERLE'S CLUB.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax

on tips. This is the type of proposal I hope you will support.

SLIM JORDAN,
SATELLITE & STARLIGHT.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

ELIO CECCANTI,
MONTE CARLO.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

LYDIA ROHLOFF,
LYDIA'S.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

WILLIAM CAMPBELL,
CLUB 21.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I urge your support on the Senate Finance Committee proposal pertaining to the tax on tips. This is the type of proposal I hope you will support.

AL R. HARRIS,
THE PORTSMOUTH.

MEDFORD, OREG.

Senator WAYNE MORSE,
Washington, D.C.:

Urge support to proposal that Senate Finance Committee made pertaining to tax on tips.

BERNEAL O. SLEAD.

AMENDMENTS NO. 310

Mr. SCOTT. Mr. President, I call up my amendments No. 310 and ask for their immediate consideration.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). The amendments of the Senator from Pennsylvania will be stated.

The legislative clerk proceeded to read the amendments.

Mr. SCOTT. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

Beginning on page 12, line 1, strike out all through page 134, line 2, and insert in lieu thereof the following:

"TITLE I—HEALTH INSURANCE SIXTY-FIVE ACT AND MEDICAL ASSISTANCE PROGRAMS

"*Short title*

"SEC. 100. This title may be cited as the 'Health Insurance Sixty-Five Act'.

"*Part 1—Health insurance sixty-five, and miscellaneous*

"Subpart A—Health Insurance Sixty-Five

"Entitlement to benefits

"SEC. 101. (a) Every individual who—

"(1) has attained age sixty-five;

"(2) makes application for benefits under this part; and

"(3) at the time such application is made is the beneficiary of a qualified private health insurance policy with respect to which premiums are payable by him (or on his behalf);

shall be entitled to the benefits provided under the health insurance sixty-five program (hereinafter referred to as the 'program').

"(b) Benefits provided under the program to an individual entitled thereto shall consist of one or more money payments, made with respect to any enrollment year, to assist such individual in defraying the premium costs for such year of a qualified private health insurance policy of which he is the beneficiary.

"(c)(1) The aggregate of the amounts payable to an individual as benefits under the program for any enrollment year shall be equal to whichever of the following is the smaller (A) one-half of the premium costs of the qualified private health insurance policy of which he is the beneficiary, or (B) $90.

"(2) Any payment of benefits under the program to which an individual is entitled shall be made—

"(A) directly to such individual by way of reimbursement, in case there has been paid by or on behalf of such individual the insurance premium on the basis of which he becomes entitled to such payment; or

"(B) to the carrier offering the qualified private health insurance policy with respect to which such premium is payable, in case such individual has authorized (in the manner prescribed by regulations) such payment to be made to such carrier.

"Administration of program by Secretary of Health, Education, and Welfare

"SEC. 102. (a) This part shall be administered by the Secretary of Health, Education, and Welfare (hereinafter in this part referred to as the 'Secretary').

"(b) The Secretary shall have authority to prescribe such rules and regulations as he may deem necessary or proper to carry out the provisions of this part

"(c) Wherever, in this part, the term 'regulation', 'regulations', 'rule', or 'rules', is employed, such term shall, unless the context otherwise indicates, refer to one or more regulations, as the case may be, or one or more rules, as the case may be, prescribed by the Secretary in carrying out the provisions of this part.

"Qualified private health insurance policy

"SEC. 103. (a) The term 'qualified private health insurance policy' means a policy of health insurance which—

"(1) is provided by a carrier or carriers authorized to do business in the State wherein such policy is issued;

"(2) is authorized to be issued within such State under the laws and applicable regulations of such State;

"(3) is approved by the Secretary as providing the benefits described in section 104;

"(4) is provided by a carrier which, in areas served by such carrier, offers such policy to all individuals residing therein who are aged sixty-five or over;

"(5) is offered to individuals aged sixty-five or over on a guaranteed renewable basis;

"(6) contains provisions under which the carrier offering such policy to any individual aged sixty-five or over agrees not to increase, with respect to such individual, the rate of premiums payable therefor for one year following the date such individual subscribes to such policy.

"(b)(1) As used in subsection (a)(5), the term 'guaranteed renewable basis' refers to an insurance policy which is renewable at the time it otherwise would expire at the option of the subscriber of such policy and which cannot be canceled by the carrier except for failure of payment of premiums thereon; except that the reservation by a carrier of the right to terminate an entire policy in a State in accordance with applicable laws and regulations of such State shall not be construed as grounds for disqualifying such policy as being offered on a guaranteed renewable basis.

"(2) No insurance policy for purposes of this part shall be considered to be offered on a guaranteed renewable basis unless increases or decreases in amounts of premiums payable therefor are applied to all subscribers aged sixty-five or over without regard to health condition, health services utilized or claimed, or other personal characteristics of the policyholder.

"Benefits to be provided by insurance

"SEC. 104. (a) No private health insurance policy shall be approved by the Secretary pursuant to section 103(a)(3) unless the Secretary finds that, under such policy, the beneficiary thereof for any enrollment year is entitled to have payment made by the carrier issuing such policy of the costs incurred by him during such year by reason of his having received any or all of the following services which his physician has determined to be medically necessary—

"(1) inpatient hospital services (but not for more than seventy-five days unless such policy so provides);

"(2) nursing home care (but not for more than sixty days unless such policy so provides);

"(3) surgical services (but not in excess of $300 unless such policy so provides);

"(4) outpatient diagnostic services (but not in excess of $90 unless such policy so provides);

"(5) home health services (but not for more than thirty days unless such policy so provides).

"(b) The Secretary shall approve, for purposes of section 103(a)(3), any private health insurance policy which complies with the requirements of subsection (a).

"Definitions of benefits

"SEC. 105. (a) The term 'inpatient hospital services' means the following items furnished to an inpatient by a hospital—

"(1) bed and board (at a rate not in excess of the rate for semiprivate accommodations) and includes any special foods necessary to fulfill any diet requirements prescribed by the patient's physician;

"(2) general nursing services;

"(3) drugs, biologicals, supplies, appliances, and equipment, for use in the hospital, as are customarily furnished by such hospital for the care and treatment of inpatients;

"(4) use of operating, recovery, and other special rooms; and

"(5) use of laboratory, X-ray, electronic equipment, and other related services for diagnostic purposes.

"(b) The term 'nursing home care' means the following items and services furnished by a nursing home to an individual who is an inpatient thereof, after transfer, upon the recommendation of his physician, from a hospital in which he was an inpatient for not less than seventy-two hours immediately prior to such transfer (but only, in the case of any individual, to the extent that the aggregate cost of such items and services does not exceed $15 multiplied by the number of days such individual is an inpatient in such nursing home)—

"(1) nursing care provided by or under the supervision of a registered professional nurse;

"(2) bed and board in connection with the furnishing of such nursing care;

"(3) physical, occupational, or speech therapy furnished by such home or by others under arrangements with them made by such home;

"(4) such drugs, biologicals, supplies, appliances, and equipment furnished for use in the nursing home as are customarily furnished by such home for the care and treatment of inpatients; and

"(5) such other services necessary to the health of the patient as are generally provided by nursing homes.

"(c) The term 'hospital' means a hospital which is licensed as a hospital in the State in which it is located.

"(d) The term 'nursing home' means a nursing home which is licensed as such by the State in which it is located, and which (1) is operated in connection with a hospital, or (2) has medical policies established by one or more physicians (who are responsible for supervising the execution of such policies) to govern the nursing home care and related medical care and other services which it provides, and (3) provides nursing care by or under the supervision of one or more registered nurses.

"(e) The term 'outpatient diagnostic services' means diagnostic services which (1) are furnished by a hospital to an individual as an outpatient of such hospital, and (2) are customarily furnished by such hospital to its outpatients for the purpose of diagnostic study. For purposes of the preceding sentence, a service shall be deemed to be furnished by a hospital if such service is provided by others under arrangements with them made by such hospital, and if the service so provided is provided in facilities operated by or under the supervision of such hospital or its organized medical staff, or, in case the service provided is professional service, is provided by or under the responsibility of members of the hospital medical staff acting as such members.

"(f) The term 'home health services' means the following items and services furnished by a home health agency to an individual in a place of residence used as such individual's home—

"(1) part-time or intermittent nursing care provided by or under the supervision of a registered professional nurse,

"(2) physical, occupational, or speech therapy,

"(3) medical social services, and

"(4) medical supplies (other than drugs and biologicals), and the use of medical appliances.

"(g) The term 'home health agency' means an agency which—

"(1) is primarily engaged in providing skilled nursing services or other therapeutic services,

"(2) has policies, established by a group of professional personnel (associated with the agency), including one or more physicians and one or more registered professional nurses, to govern the services (referred to in paragraph (2)) which it provides, and provides for supervision of such services by a physician or registered professional nurse,

"(3) maintains clinical records on all patients, and

"(4) in the case of an agency in any State in which State or applicable local law provides for the licensing of agencies of this nature, (A) is licensed pursuant to such law, or (B) is approved, by the agency of such State or locality responsible for licensing agencies of this nature, as meeting standards established for such licensing.

"Miscellaneous definitions

"SEC. 106. For purposes of this part, the term—

"(a) 'carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization which is lawfully engaged in providing, paying for, or reimbursing the costs of, health care or services for individuals under health insurance policies in consideration of premiums payable to the carrier;

"(b) 'health insurance policy' means the policy, contract, agreement, or other arrangement entered into between a carrier, and another person whereby the carrier, in consideration of the payment to it of a periodic premium, undertakes to provide, pay for, or reimburse the cost of, health care or services for the individual who is the beneficiary of such policy, contract, agreement, or other arrangement; and

"(c) the term 'premium' means the amount of the consideration charged by a carrier for coverage by health insurance policy offered by the carrier.

"Payment of benefits by the Secretary

"SEC. 107. (a) The Secretary shall not make any money payment to or on behalf of any individual, as benefits provided by this part, until he is satisfied that—

"(1) such individual is entitled (under section 101(a)) to benefits under this part;

"(2) such payment is in reimbursement of, or will be used for the purpose of paying, one or more premiums payable for a qualified private health insurance policy of which such individual is the beneficiary.

"(b) The Secretary shall establish such procedures as he deems appropriate under which interested parties may obtain a finding by the Secretary as to whether or not a particular private health insurance policy is a 'qualified' private health insurance policy for purposes of this part."

On page 135, line 1, strike out "MEDICAL EXPENSE DEDUCTION" and insert in lieu thereof the following:

"Subpart B—Miscellaneous

"Medical expense deduction"

On page 135, line 2, strike out "106" and insert "110".

On page 136, lines 10, 11, 12, and 13, strike out "(including amounts paid as premiums under part B of title XVIII of the Social Security Act, relating to supplementary medical insurance for the aged)".

Beginning on page 138, line 11, strike out all through page 141, line 14.

On page 141, line 16, strike out "109" and insert "111".

On page 141, line 24, and page 142, lines 1 and 2, strike out "the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund".

On page 142, lines 4 and 5, strike out "and the programs under parts A and B of title XVIII".

Beginning with the word "The" on page 143, line 13, strike out all through page 144, line 2.

On page 144, line 9, strike out "110" and insert "112".

Beginning on page 144, line 13, strike out through page 159, line 2.

On page 159, line 9, strike out "XIX" and insert "XVIII".

On page 159, line 12, strike out "1901" and insert "1801".

On page 160, line 4, strike out "1902" and insert "1802".

On page 160, line 12, strike out "1903" and insert "1803".

On page 163, line 9, strike out "1905" and insert "1805".

On page 164, line 4, strike out "1905" and insert "1805".

On page 165, line 8, strike out "1905" and insert "1805".

Beginning on page 165, line 24, strike out all through page 166, line 15.

On page 166, line 16, strike out "(16)" and insert "(15)".

On page 166, line 22, strike out "(17)" and insert "(16)".

On page 167, line 25, strike out "(18)" and insert "(17)".

On page 168, line 14, strike out "(19)" and insert "(18)".

On page 168, line 19, strike out "(20)" and insert "(19)".

On page 170, line 12, strike out "(21)" and insert "(20)".

On page 170, line 21, strike out "(22)" and insert "(21)".

On page 173, line 10, strike out "1903" and insert "1803".

On page 173, line 16, strike out "1905" and insert "1805".

On page 175, line 23, strike out "1905" and insert "1805".

On page 178, line 15, strike out "1904" and insert "1804".

On page 178, line 20, strike out "1902" and insert "1802".

On page 179, line 7, strike out "1905" and insert "1805".

On page 182, line 11, strike out "XIX" and insert "XVIII".

On page 182, line 15, strike out "XIX" and insert "XVIII".

On page 183, line 7, strike out "XIX" and insert "XVIII".

On page 183, line 13, strike out "XIX" and insert "XVIII".

On page 183, line 14, strike out "1902" and insert "1802".

On page 183, line 14, strike out "1903" and insert "1803".

Beginning on page 183, line 15, strike out all through page 184, line 2.

On page 184, line 3, strike out "OTHER".

On page 294, line 8, strike out "titles II and XVIII" and insert "title II".

On page 297, line 9 and 10, strike out "no payments shall be made on his behalf under part A of title XVIII,".

On page 297, lines 16 and 17, strike out "and part A of title XVIII".

On page 303, line 21, strike out "(a)".

Beginning on page 304, line 13, strike out all through page 306, line 3.

On page 306, line 9, strike out "(a)".

Beginning on page 306, line 23, strike out all through page 307, line 24.

On page 308, line 4, strike out "(a)".

Beginning on page 308, line 19, strike out all through page 309, line 20.

On page 142, line 19, strike out "and the Federal Hospital Insurance Trust Fund".

On page 311, lines 5 and 6, strike out "and the Federal Hospital Insurance Trust Fund".

One page 311, lines 16 and 17, strike out "and the Federal Hospital Insurance Trust Fund".

On page 311, lines 18 and 19, strike out "and the Federal Hospital Insurance Trust Fund".

On page 311, line 25, strike out "and the Federal Hospital Insurance Trust Fund".

On page 312, lines 1 and 2, strike out "and part A of title XVIII".

On page 364, line 5, strike out "XIX" and insert "XVIII".

On page 365, line 4, strike out "1904" and insert "1804".

On page 366, line 7, strike out "XIX" and insert "XVIII".

On page 366, line 18, strike out "XIX" and insert "XVIII".

On page 367, line 15, strike out "1903" and insert "1803".

On page 367, line 22, strike out "XIX" and insert "XVIII".

On page 369, line 6, strike out "XIX" and insert "XVIII".

On page 369, line 11, strike out "XIX" and insert "XVIII".

On page 369, line 16, strike out "1903" and insert "1803".

On page 371, line 9, strike out "XIX" and insert "XVIII".

On page 386, line 3, strike out "XIX" and insert "XVIII".

On page 386, line 3, strike out "1902" and insert "1802".

On page 386, line 4, strike out "1903" and insert "1803".

Amend the table of contents to the bill so as to reflect the contents of the bill after the foregoing amendments are made.

Mr. SCOTT. Mr. President, my amendment would substitute a health

insurance 65 program for the basic hospital insurance and voluntary supplemental insurance plans provided in H.R. 6675. It would help aged individuals to purchase private health insurance policies which will enable them to provide adequate medical care for themselves.

Under my amendment, any individual aged 65 or over would be eligible to receive from the Government cash payments financed from the general revenues to defray the annual premium cost of a health insurance policy purchased by or for him provided that such policy offers at least the benefits specified therein and meets certain other standards spelled out in the amendment.

Such payments would amount to one-half the annual premium of the policy or $90, whichever is smaller. These payments may be made directly to the individual beneficiary in reimbursement for the Government's share of the premium cost, or, if the beneficiary prefers, directly to the insurance company issuing the policy.

The Secretary of Health, Education, and Welfare would administer the program authorized by my amendment and would disburse the benefits payments provided thereunder.

To qualify for coverage under my amendment, a health insurance policy must contain at least the following benefits during the year in which the policy is in operation: First, 75 days inpatient hospital services; second, $300 worth of surgical treatment; third, 60 days nursing home care; fourth, 30 days home health services—including visiting nurse; and, fifth, outpatient hospital diagnostic services. I have been advised that the gross annual premium cost of a policy containing these benefits would be approximately $175.

My health insurance 65 program is preferable to health plans embodied in H.R. 6675 in two respects: First, it is voluntary; and second, it clearly preserves the fiscal soundness of the social security system because it has no connection with that system.

Mr. President, the health plans which my amendment would replace represent a far-reaching revision and extension of the social security system. This system was designed as a bulwark against the loss of earnings when a worker becomes disabled, retires or dies. H.R. 6675 would depart from this basic purpose.

Chairman WILBUR MILLS, of the House Ways and Means Committee, questioned the wisdom of this departure last September when he said:

> The central fact which must be faced on a proposal to provide a form of service benefit—as contrasted to a cash benefit—is that it is very difficult to accurately estimate the cost. These difficult-to-predict future costs, when such a program is part of the social security program, could well have highly dangerous ramifications on the cash benefits portion of the social security system. The American people must be assured of the continued soundness of the OASDI program.

Despite H.R. 6675's establishment of a separate hospital insurance trust fund to be financed by a separate payroll tax, the question raised by Chairman MILLS remains valid.

I strongly support the 7-percent across-the-board increase in old-age, survivors, and disability insurance benefits provided in H.R. 6675. I want, however, to be certain the social security system can support such future increases. What bothers me about the health insurance provisions of H.R. 6675 is the addition of a program of service benefits to the existing system of cash benefits because I do not want to jeopardize the prospect of future increases in the OASDI cash benefits.

The successful operation of the social security system depends upon its financial soundness. I earnestly hope that the system will be able to sustain the burden of a health benefits program as well as the present cash benefits program. If not, I am afraid that Congress will be called upon to increase sharply the payroll taxes which finance the system. This would be an unwelcome task since I doubt that the American people favor unlimited taxation in the area of social security. Otherwise, Congress might have to reduce the cash benefits or health benefits in order to preserve the fiscal soundness of the social security system, surely an equally unwelcome task.

The social security system should stick to its basic purpose and should therefore be divorced from any program to provide health benefits to the aged or any other group of citizens. For this reason, I prefer the approach embodied in my amendment to H.R. 6675.

I urge the Senate to adopt my amendment.

Mr. SMATHERS. Mr. President, very briefly, the Finance Committee does not support this particular proposal of the able Senator from Pennsylvania. As I understand the Senator's amendment, it would reverse the whole philosophy of taking care of elderly people in their hospital and medical needs through social security. That is the same argument—and I respect the able Senator for making it—that was made 4 or 5 years ago by the insurance industry itself and by other very esteemed people. But we have passed that stage, and I think it has been rather evident that the majority of the Members of the Senate as well as the House, and certainly the great overwhelming majority of the people of the United States, desire a medical care program under the social security system. For that reason I hope that the amendment will not be agreed to.

Mr. SCOTT. Mr. President, in this Chamber one always lives with the reality of the situation which immediately confronts him. I think it is fairly obvious what would happen if I were to request the yeas and nays and proceed to a record vote. Therefore, I shall not insist upon a record vote. I yield back the remainder of my time.

Mr. SMATHERS. Mr. President, I thank the Senator. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

SOCIAL SECURITY EXEMPTION FOR THE AMISH

Mr. SCOTT. Mr. President, I am deeply gratified that the social security legislation which we are now considering contains provisions which will enable those with firm and sincere religious convictions against insurance benefits, such as the Amish people of my Commonwealth of Pennsylvania, to file application for exemption from the social security program.

These plain people, as they are known in Pennsylvania, have strong religious scruples against receiving any type of insurance benefits, including social security benefits. They prefer to take care of their own older citizens who may be disabled, and have been doing just that for years.

I have long urged the Senate to right this injustice because I do not believe that the U.S. Government should be in the position of levying taxes for insurance against people whose religious beliefs forbid their acceptance of insurance benefits.

Mr. PROUTY obtained the floor.

Mr. PROUTY. Mr. President, I yield to the junior Senator from New York.

Mr. KENNEDY of New York. Mr. President, I submit an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from New York will be stated.

The legislative clerk read as follows:

> On page 108, it is proposed to delete the parentheses in lines 7 and 9 and all matter enclosed therein.
>
> On page 108, line 10, before the period, it is proposed to insert the following: "; except that, in the case of any State or political subdivision of a State which imposes higher requirements on institutions as a condition to the purchase of services in such institutions under a State plan approved under title I, XVI, or XIX, the conditions so prescribed with respect to such institutions in such State or political subdivision, as the case may be, may not be lower than the requirements so imposed by such State or political subdivision".

Mr. KENNEDY of New York. Mr. President, this amendment is designed to insure that funds supplied to hospitals by the medical care for the aged program do not lower the standards of medical care in any area.

The amendment provides that if State or local standards for hospitals are higher than those specified by the Joint Commission on Accreditation of Hospitals, Federal funds will be administered according to the higher standards.

This amendment insures that there will be no downgrading of existing regulations governing hospital standards in States such as California or cities like New York City. The amendment will prevent Federal law from interfering with State and local law and regulation.

I have been informed that this amendment has the approval of the Department of Health, Education, and Welfare.

Section 1861(e)(8) of the bill as drawn—page 81 of the bill—prohibits the Secretary of Health, Education, and Welfare from enforcing any requirements or standards on hospitals which are higher than those imposed "for the accreditation of hospitals by the Joint

Commission on Accreditation of Hospitals." This provision would work a considerable set-back on the efforts of State and local health authorities to upgrade the quality of hospital care.

In New York City, for example, extensive codes have been promulgated for the operation of hospitals; these efforts have been paralleled in California and in certain large cities in other States. An instance of these standards is the New York requirement that only qualified specialists may perform major surgery. The Joint Commission on Accreditation of Hospitals, by contrast, does not attempt to deal with comparable quality standards in more than a minimal fashion.

These State and local health authorities enforce their hospital codes, in the main, by refusing any payments under the medical assistance for the aged program—Kerr-Mills—for services performed in hospitals which do not conform to their codes. This monetary lever—which amounts to about 20 percent of a hospital budget—has been a very effective tool for securing compliance.

But under H.R. 6675, the Federal Government will begin to supply an equivalent amount of money to these hospitals. If the Federal standards are lower than the State and local standards, hospitals will be able to maintain their present volume and scope of operations without complying with the State and local codes—merely ignoring the MAA and other State-controlled payments.

In fact, the following anomalous situation could easily arise: an indigent person over the age of 65 could receive care in a hospital not complying with local requirements, but which did comply with the lower Federal requirements for the 120-day limit provided in H.R. 6675. At the end of that time the money for his care would have to come from the local MAA program—which would insist on his transfer to another hospital.

Moreover, it must be recognized that the Joint Commission on Accreditation of Hospitals is concerned only with minimum standards appropriate for nationwide application. Clearly, however, acceptable minimum standards should vary with resources and with the state of the art: a large metropolitan medical center can and should be held to higher standards of performance than a single practitioner in a health clinic. As cities like New York and States like California develop advanced standards of medical practice, they should be able to enforce them without interference from the Federal Government.

The amendment would deny payments under the basic hospital plan to any hospital in which the comparable service would not be paid for under a State plan for medical assistance for the aged or other federally supported State hospital plans. It would thus coordinate Federal and State action, and allow the States and local authorities to control the quality of medical care in other jurisdictions.

I ask that the Senate accept this amendment.

Mr. LONG of Louisiana. Mr. President, the junior Senator from New York is a stanch advocate of States rights. I join him in his efforts to preserve States rights. I accept the amendment.

Mr. KENNEDY of New York. Mr. President, may I tell the Senator from Louisiana what a pleasure it is to be on his side?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. PROUTY obtained the floor.

Mr. TOWER. Mr. President, will the Senator from Vermont yield briefly without losing his right to the floor?

Mr. PROUTY. I yield to the Senator from Texas without losing my right to the floor.

Mr. TOWER. Mr. President, I have, in the past, indicated many reasons why the proposed medical care system is unwise. It is expensively inadequate, covering only very limited hospital costs and not dealing at all with the crucial problem of long-term illness. In addition, it provides, at taxpayer expense, this limited care for everyone—be he poverty stricken or millionaire.

But, the most pressing objection to medicare is that its enormous expense will push social security taxation beyond 11 percent on employer and employee, perhaps even higher. Even then, funds likely will not be sufficient to meet all the promises of care. There is a real danger the financial stability of the entire social security system will be undermined.

Medicare can destroy social security as we know it.

In January, I introduced the eldercare bill. It would have provided medical care to needy Americans under careful, State-Federal cooperation—and it would not have been tied to or have endangered social security.

One week later, I introduced a bill to increase social security benefits by a 7-percent cost-of-living factor. I am pleased that the bill now before the Senate includes that 7-percent figure along with other improvements in social security benefits.

I am not pleased that unwise governmental fiscal policies have forced the cost of living up, but I do not think we can any longer penalize our older citizens with inadequate social security payments because of the Government's past fiscal mistakes.

I have supported a sound, useful social security system ever since I came to the Senate on June 15, 1961, and voted just 11 days later for the Social Security Act of 1961.

I continue to support a sound, useful social security system. In that light, I support a cost-of-living benefit increase, but I cannot vote for any bill embodying medicare, for I cannot vote to destroy social security.

I wish to add my commendation to that of many other Senators of the distinguished Senator from Nebraska [Mr. CURTIS] for his excellent presentation and to say that I wish to be associated with his remarks.

Mr. CURTIS. I thank the Senator from Texas.

AMENDMENT NO. 314

Mr. PROUTY. Mr. President, I call up my amendment No. 314 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

Mr. PROUTY. Mr. President, I ask unanimous consent that the amendment not be read but that it be printed in the RECORD without reading.

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

Strike out the table appearing on pages 205 and 206 of the bill, and insert in lieu thereof the following table:

"I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1958 Act, as modified)		III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—		Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—	At least—	But not more than—	at least—	But not more than—		
----------	$19.24	$40	$49	----------	$83	$70.00	$105.00
$19.25	24.20	50	59	$84	101	77.00	115.50
24.21	29.25	60	69	102	132	84.00	126.00
29.26	35.00	70	79	133	178	91.00	142.40
35.01	41.76	80	89	179	225	98.00	180.00
41.77	----------	90	99	226	272	106.00	217.60
		100	109	273	319	116.70	254.00
		110	119	320	365	127.40	292.00
		120	127	366	412	138.00	312.80
				413	450	146.00	328.00
				451	496	156.00	346.40
				497	550	168.00	368.00"

SEC. 2. Add at the end of the bill the following new sections:

"SEC. . In addition to amounts appropriated under other provisions of law to the Federal Old-Age and Survivors Insurance Trust Fund, there are hereby authorized to be appropriated to such fund, from time to time, such amounts as may be necessary to equal, with respect to each individual who becomes entitled to a benefit under title II of the Social Security Act by reason of the amendments made by this Act, payments to

such individuals to the extent that they exceed additional contributions to such trust fund provided for by this Act.

"SEC. . Notwithstanding any other provision of the Act no increase in any social security benefit provided for by this Act shall be counted in determining the annual income of an individual receiving benefits under chapter 15 of the Veterans Pension Act of 1959 or under the first sentence of section 9(b) of such Veterans Act."

Mr. PROUTY. Mr. President, I wish to modify my amendment by striking out all the language appearing on page 3.

The PRESIDING OFFICER. The amendment is so modified.

The language stricken from the amendment is as follows:

SEC. . Notwithstanding any other provision of the Act no increase in any social security benefit provided for by this Act shall be counted in determining the annual income of an individual receiving benefits under chapter 15 of the Veterans Pension Act of 1959 or under the first sentence of section 9(b) of such Veterans Act.

Mr. PROUTY. Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PROUTY. Mr. President, the great majority of Americans over the age of 65 live in actual poverty or on the brink of it.

To many, luxuries are a thing unknown and necessities items that one must do without.

They do not live, Mr. President, in the full sense of that word. They exist—great numbers barely surviving—while society seems to go on uncaring, unnoticing their plight.

When I say that the great majority of senior citizens live in actual poverty or on the brink of it, I do not exaggerate; I do not mislead; I do not alter the truth one single whit.

For 80 percent of our older Americans, social security is the principal source of income. Half of them have less than $12.50 a month in other income. One-third have no other income at all.

Do you know, Mr. President, that more than 6 percent of social security retirees receive less than $40 a month?

Do you know, Mr. President, that more than 10 percent receive the minimum monthly benefit of $40?

What courage they must have to face the dawn knowing that they must pay their rent, buy their food and finance their clothing out of a pension that amounts to barely more than a dollar a day.

Yes, the situation is a sad one, but what do we intend to do about it?

The social security provisions of the pending bill will do little to stir the hopes of aged Americans who seek to emerge from the rut of financial frustration and despair. For the nearly 2 million retired people who receive $40 or less a month in the way of social security benefits, the bill provides but $4 additional per month—$48 additional per year.

The rafters of this Chamber will ring this week with glowing terms about citizens in their golden years and about the road to the Great Society. But the years are not golden, Mr. President, they are but tarnished brass and the oft discussed road to the Great Society is but an unpaved promise.

I say to you this day that the 89th Congress ought to hang its head in shame if it spends billions for foreign aid, hundreds of millions for questionable new programs, and then tosses out a few pennies to millions of older citizens.

The amendment I now offer will not do everything that needs to be done, but at least it is a modest step in the right direction—a first step that should be followed by more as the Federal budget permits in future years.

The amendment would increase the minimum benefits from the present $40 a month to $70 a month and increases all the rest of the benefits throughout the scale.

The greatest aid from my amendment, however, will go to those at the very bottom of the list—those who need it most—those most severely mired in poverty.

If there is any Senator in this Chamber who contends that $70 is too much for the aged American let him speak now.

If there is any Senator in this Chamber who believes that a retired man or woman should have to live on $40 a month, let him speak now.

If there is any Senator in this Chamber who would contend that the income problem is a problem affecting few older persons, let him speak now.

Yes, let him deny if he can, the fact that nearly half of our social security recipients receive less than $70 a month.

Let him deny if he can the fact that the average benefit for all retired workers under social security is only about $77 a month.

The older people of this land want this Congress to tell them by deed—not by word—that they are no longer the forgotten Americans.

When I went back to Vermont last year after the adjournment of Congress, retired folks asked me, "How could Senators refuse to give us a minimum of $70 a month for rent and groceries?" I could not answer. "The Congress has broken faith with us," they said, and I had to agree.

A number of studies have been conducted to determine the amount of money a retired couple needs to achieve a "modest but adequate budget." Lenore Epstein of the Social Security Administration has written:

> While the criteria may be crude, there is a striking concentration of evidence demarcating the level of about $2,500 as a measure of modest adequacy for a retired couple.

Mr. President, other sources have indicated that $3,000 is a basic income and that anybody living on a salary lower than $3,000 is living in poverty.

If it takes $2,500 a year for a retired couple to live in modest adequacy, what becomes of a retired couple receiving the average social security income of $130 a month, or $1,560 a year?

What becomes of the two-thirds of the retired couples on the social security rolls who receive less than $1,900 a year?

When the modest but adequate budget for individual retirees is $1,800, as the Bureau of Labor Statistics says it is, what becomes of the retired individual who gets the average of $922 a year?

And what becomes of the individual retiree—and there are over a million of them—who gets the minimum $40 a month full benefit, only $480 a year? Is it possible to live on 26 percent of the so-called "modest but adequate budget"?

The question can best be answered by looking at the contents of the modest but adequate budget, and modifying it to show how a retired worker has to live at a token $40 a month.

The budget provides for almost one egg per day per person. Our $40 a month retiree would thus get the privilege of eating one egg every 4 or 5 days.

The budget provides for a new topcoat every 9 years. Our $40 a month retiree could have one every 35 years. Thus if he retires in Vermont at age 65 on this pittance, he would have to make his topcoat last through 35 beautiful but cold Vermont winters. Then he could expect to buy a new one, unless his family and friends presented him one for his 100th birthday.

The modest but adequate budget permits a retiree the luxury of one round trip bus ride a week to the senior citizen center, or to see his friends, or to go to a clinic, or to attend church. If he is getting only $40 a month, he can expect to take one bus ride a month. Perhaps, if he is the systematic type, he can work out a bus riding schedule: January, to see friends across town; February, to church; March, to see his doctor. If he is shrewd, he will save one bus ride every 35 years to go downtown and pick out his new topcoat.

There is no point belaboring the matter, Mr. President. The facts are clear. At present levels of social security benefits, the retired worker cannot live a decent life. He cannot live his remaining years in the dignity and self-respect he so richly deserves. He lives not in the sunshine of security, but in the penumbra of poverty.

The bill now before us, Mr. President, goes part way in recognizing this great need. It provides for a 7-percent increase in monthly benefits. If it is passed, the retired worker now receiving $40 a month would find himself possessed of the great sum of $44 a month. This means that he would be able to buy that overcoat after only 30 years, instead of 35. He will thus, in the warm, well dressed years between 95 and 100, offer praises to this 89th Congress for its generosity.

Of course, this calculation does not take into account the participation costs for the voluntary medical insurance program set up by the bill. If he elects to participate in that, $3 of his $4 a month increase is already committed in premium payments.

Mr. LONG of Louisiana. Mr. President, would the Senator be willing to agree to a limitation of time on the amendment?

Mr. PROUTY. I do not believe so at this point. I say to my good friend the junior Senator from Louisiana that the

welfare of 20 million people in this country is involved in this amendment. I believe that it is worthy of considerable discussion, although I do not intend to take much time.

Mr. President, the social security program ought to provide security. That is the thrust, and the whole thrust, of my argument. If the Congress wishes to do less than that, then let us redesignate the program as the partial security program—a name that is more in accord with the facts.

I should like to be able to tell the Senate that my amendment will correct all the injustices of the present situation; yet I must confess that it is barely more than a beginning. It gives $70 a month to those in the lowest bracket, and but $134 to those in the highest category. Yet the adoption of this amendment will put a few extra groceries on the shelf that is bare, and it will mean fuel for the fire or an overcoat for the older citizen who has neither coal nor clothing to stand off the harshness of winter.

When the Secretary of Health, Education, and Welfare, Mr. Celebrezze, appeared before the Senate Finance Committee last year, he was asked whether he would be willing to supply our old folks with enough additional income through social security so that they could afford reasonably adequate health insurance. The Secretary answered and I quote:

> That wouldn't do what we are trying to do, because social security benefits * * * for low-income people—those without significant other income—are hardly enough to buy the bare necessities of life. If you give people additional money, many are going to spend it for everyday expenses rather than for hospital insurance.

And as if this were not a sufficient damning of the inadequacy of the social security program, Mr. Ball, the Commissioner of Social Security, jumped headlong into the fray and added his 2 cents about why retired people would first spend their increased benefits for the bare necessities of life. Commissioner Ball said:

> Senator, half are below the $2,800 (income) figure. Many have incomes of $1,200, $1,300, $1,500, and so on. At such income levels people might well feel—even with the additional amount you suggest—they might feel they couldn't afford to put all of that into hospital insurance as against other expenses—food, clothing, shelter, and other needs.

What Mr. Ball's statement boils down to is the fact that older Americans do not have enough food or decent clothing or even adequate shelter, and that if you gave them a free choice they would put these items ahead of everything else, including health insurance.

Mr. President, the men and women over the age of 65 who now receive $40 in social security benefits would receive $70 under my amendment.

Those who now receive $70 would be eligible for $91 a month under my amendment and those who now get $120 a month in benefits would receive $134 under my amendment.

These retired folks who stand to benefit from my proposal are not mere statistics. No calculator shares their hardships; no computer tells their story. They dedicated their lives to making America a better place in which to live. They built our institutions, fought for our country and many gave up their only son in a remote battleground in the last world war.

What have we ever given up for them?

Not very much, and it is high time that we have the honesty to face up to it.

It is my hope, Mr. President, that one day this Congress will be called the Congress that remembered the forgotten American. Yet, unless we do what we must do, it may be recalled as the Congress that tossed $4 worth of change to the older couple with an empty cupboard.

Let us raise our voices and cast our votes in support of decent pensions for the elder human beings of this great Nation. If we do this deed—and do it we must—we shall some day say, as Sydney Carton said, "It is a far, far better thing that I do than I have ever done."

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. CURTIS. Much is to be said for a substantial increase in the minimum pay. However, as I stated earlier today, on an average the employer and employee have contributed only 10 percent to the amount of the average benefit. Persons drawing very high amounts have contributed 10 percent of the costs; the other 90 percent is borne by persons who work currently. If they are to be taxed, certainly persons having the least opportunity to provide for their old age should have the greater benefit.

However, one part of the distinguished Senator's amendment disturbs me. Would the amendment provide that a part of the benefit be paid out of general funds?

Mr. PROUTY. That is correct.

Mr. CURTIS. I cannot go along with that part of the amendment. Should the Senator decide to eliminate that part, I shall be happy to vote for his amendment.

We are taxing some 60 or 70 million persons and all the employers of the country, and are providing the highest benefits to persons who need help the least, while paying the lowest benefits to persons who need help the most. On an average, no one has paid more than 10 percent of the cost.

I see no reason whatever to reach into the general fund to help pay a poor man a benefit, and then to reach into the social security fund to pay a wealthy man a benefit when, on an average, people pay only 10 percent of the cost themselves—they and their employers, combined.

I hope that the Senator will not offer his amendment. I am not urging the Senator to offer it. However, should he offer his amendment, I will vote to increase the amount.

Mr. PROUTY. Mr. President, I appreciate the comment of the Senator very much. My objection to modifying the amendment is that it deals with a segment of our population which desperately needs assistance.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. COTTON. This is, in essence, the same amendment which the distinguished Senator offered in the last Congress when the bill was before us?

Mr. PROUTY. Yes.

Mr. COTTON. It was my privilege to join and associate myself with him at that time. I think the Senator is to be highly commended for offering it again during consideration of this bill. In my judgment, it puts the money where it is needed, instead of wasting it. It helps those who need help most. I commend the Senator and again wish to say I associate myself with him in support of his amendment.

Mr. PROUTY. I am most grateful. The increase ranges from 75 percent in the low brackets to 7 percent, which is the same percentage as in the bill before us, in the upper brackets. We are not treating all people alike. We are giving more to the people who need it most.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. CURTIS. As a general proposition, I am in sympathy with the idea of raising the limit to $70 a month. May I ask, for the purpose of information, at what point does the increase in the Senator's table equal the increase in H.R. 6675 as it came from the committee?

Mr. PROUTY. At the $91 payment, which the Senator will find in the explanation which he has on his desk.

Mr. CURTIS. At the $91 payment?

Mr. PROUTY. Yes.

Mr. CURTIS. How much of this money does the Senator propose to be paid out of the general funds?

Mr. PROUTY. The only part that would be paid out of the general funds is the excess over what is provided for in the bill.

Mr. CURTIS. I cannot go along with that. I feel that here we are today taking the payroll tax to start a medicare program, which on the face of it will take care of all, and immediately going to the general funds to do the job that we ought to have been doing from the beginning under the payroll tax.

Can the Senator tell me what the cost would be out of the general funds?

Mr. PROUTY. Roughly, $600 million. The increase in the bill as reported from the committee is approximately $1.5 billion. My amendment would cost between $500 and $600 million in excess of that.

Mr. CURTIS. The Senator has every right to offer any amendment he chooses. I would like to say that, if it did not provide for drawing on general funds I would support it, but I fear it would be the beginning of raising social security payments and paying for the raise out of the general funds. I think that should not be done because of the fiscal problems we already have.

Mr. PROUTY. I might say that, personally, I would much prefer to have the social security benefits increased beyond what I am proposing, and the medicare provisions left out of the bill. If people are given enough money to live decently, they can provide for their own

medical care. But the committee has not seen fit to do that. So we are faced with the problem of taking care of people who have desperate problems, who need shelter, food, and clothing, which cannot be taken care of under the bill.

Mr. CURTIS. That does not answer the question why we should change the system we have followed up to now, and that is paying for it out of the payroll taxes.

Mr. PROUTY. The tax would have to be raised in order to take care of that situation.

Mr. CURTIS. Oh, no. The amount of expenditures for the first year of operation is going to increase $8 billion. All that has to be done is to take some of that money and do justice to the people who are getting $40 a month. The way to write a good bill is to strike out some of that nonsense and do what the social security program was intended to from the very beginning, and pay a cash monthly benefit. Forty dollars is not enough. It is true that, if everything else were kept in the bill, the tax would have to be raised.

Mr. PROUTY. Let me just put these figures in the bill, so Senators will have some basis of comparison.

Those now receiving $40 a month would, under my proposal, receive $70.

Let me put that in a little different form.

Those now receiving between $40 and $58 a month would receive, under my proposal, $77 a month.

Those receiving between $59 and $68 a month, would receive $84.

Those receiving between $69 and $78 a month would receive $91.

Those receiving between $79 and $88 a month would receive $98.

Those receiving between $89 and $98 would receive $106.

Those receiving between $99 and $108 would receive $116.

Those receiving between $109 and $118 would receive $127.40.

Those receiving between $119 and $127 would receive $138.

Thus, the real and substantial benefits would go to those in the low-income brackets who need it the most; but, when one considers that the average payment is only $77 a month for those under social security, I believe we have a problem which we should face.

Mr. President, I yield the floor.

UNANIMOUS-CONSENT AGREEMENT

Mr. LONG of Louisiana. Mr. President, I should like to ask if we could not get a unanimous-consent agreement to limit debate on the pending amendment, 15 minutes to a side, 15 minutes to be controlled by the Senator from Vermont and 15 minutes to be controlled by me.

Mr. PROUTY. Mr. President, reserving the right to object, there are quite a few Senators who are not in the Chamber at the moment, and I should like to have the opportunity to suggest the absence of a quorum, and after the Senator has finished his remarks, I should like to have the opportunity to speak briefly.

Mr. LONG of Louisiana. Could we not include that in the unanimous-consent request that the absence of a quorum be suggested? We will then have the quorum call, with the time not to be charged against either side, at the conclusion of which debate could be resumed.

Mr. PROUTY. I should like to get as many Senators in the Chamber as possible. This is an important amendment.

Mr. LONG of Louisiana. I would be happy to accommodate the Senator and have a quorum call, but I should like to ask unanimous consent that at the conclusion of the quorum call the time be limited to 15 minutes to a side, so that Senators could know when they are going to vote, because they will already be in the Chamber and will be ready to vote.

Mr. PROUTY. If the Senator is asking for unanimous consent and a quorum call, and after he has finishing speaking, if anyone else wishes to participate in debate, that we have a quorum call, and that I then be recognized for 15 minutes, it is agreeable to me.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that at the conclusion of the statement made by the Senator from Kentucky [Mr. MORTON] there be a quorum call, and at the conclusion of the quorum call that there be one-half hour for debate on the pending amendment, the time to be equally divided, 15 minutes to be controlled by the Senator from Vermont, and 15 minutes to be controlled by the Senator in charge of the bill.

Mr. ELLENDER. Mr. President, reserving the right to object, I am wondering how long the Senate will sit tonight.

Mr. LONG of Louisiana. At this moment, I do not know. It is hoped that we may be able to adjourn at 7 o'clock p.m., but I really do not know. I must confer with the majority leader about that, as to his views on the matter.

Mr. ELLENDER. I have an hour-and-a-half speech which I should like to make this evening if possible, but if an hour is consumed on the pending amendment, then I shall wait until tomorrow in order to deliver it.

Mr. LONG of Louisiana. Let me say to my colleague that we shall make every effort to accommodate him. I am anxious to hear his address, but I hope that he will let us have this unanimous-consent agreement so that we can vote on the amendment at this time, and I would be happy to listen to the Senator this evening, or, if not then, tomorrow.

Mr. ELLENDER. Are we to understand that the Senate expects to adjourn at approximately 7 o'clock this evening?

Mr. LONG of Louisiana. That would be the hope of the Senator in charge of the bill, but I have not had an opportunity to discuss it with the majority leader. At the time we shall be voting on the amendment, I shall seek to obtain that information and provide it to the Senate.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and the unanimous-consent request is agreed to.

Mr. MORTON. Mr. President, if the absence of a quorum is going to be suggested, and if the Senator in charge of the bill will give me 5 minutes of his 15 minutes in opposition to the amendment, I suggest that we go ahead with the quorum call. I would just as soon talk to a full house, too.

Mr. LONG of Louisiana. 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. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President. I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 3 minutes.

Mr. LONG of Louisiana. Mr. President, the objection to the pending amendment is that it will cost $3 billion. I suggest that the Senate start thinking about the fiscal condition of the United States. I am told that next year's deficit will be—and this is an estimate—approximately $4.660 billion. Therefore, if we agree to the proposed amendment which will cost $3 billion to put into operation, that will mean that we will be voting to have a deficit next year of approximately $8 billion.

The pending amendment would provide this money for these people, whether they really need it or not. I assume that a great portion of this increase in the Federal deficit would result in a saving in State budgets because the States would then be able to reduce their welfare payments.

As an example, in Louisiana, if someone is receiving $44, the State will match what the Federal Government will put up and bring that sum up to perhaps $80, with the State making a substantial contribution. In other States, they will bring the sum up to $100, where the State puts up almost 50 percent of the money. Therefore, adoption of the proposed amendment would be a windfall to State welfare budgets to a considerable extent, but it would put the Federal Government hopelessly in debt for a long time to come, without any prospect of correcting the deficit.

Mr. President, with a deficit next year estimated at approximately $4.660 billion, and the $3 billion which would be necessary to spend if the proposed amendment were to be adopted, we would be incurring the biggest deficit since President Eisenhower's $12.4 billion deficit in 1959. We will be voting for this vast deficit and this vast expenditure, whether the people who would receive the benefits of the amendment need it or not.

The situation reminds me of a cartoon I saw, drawn by Bill Mauldin. It shows Old Joe and Willie at Anzio. They are standing in a muddy gun pit. They are shown collecting the brass artillery casings of the discharged shells and using the casings to make a walkway from the gun pit to their dugout. The necessary artillery attack is ended, but because his feet are getting muddy and he wants to make a walkway of brass

artillery shell casings from the gun pit to the dugout, Willie says "Joe, let's shoot five more for effect."

And that in essence is what the Senator from Vermont is proposing here today. Let's spend $3 billion more for effect.

We would be spending a great portion of the $3 billion to help people who really have no need for the money whatever, with the Senator from Vermont saying not to worry about it, let us be sure that these people have plenty of money, all that they need or more, and let us not put it on the payroll tax, let us not do it out of the general revenues which are already running a deficit.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG of Louisiana. I yield myself 1 more minute.

It is a fine thing to go home and tell the old folks, "I voted for the higher benefit figure." The Senator from Vermont, in starting with this series of amendments, has taken away my laurels. I have always thought that I had done more than anyone else in connection with this program, but the Senator from Vermont has made me look like a conservative, because I want to give the money to people who need it.

Mr. COTTON. That is the same argument that can be made against medicare. People will get it whether they need it or not.

Mr. LONG of Louisiana. The longer a Senator serves here, I suppose the more he becomes a conservative or tends to be conservative. The Senator from Louisiana tried to add an amendment to the bill to provide for the medical care money to go to the poor man rather than to the millionaire. I lost. So, as a result, we will give these medical benefits to a person who is sick, whether he is a millionaire or a poor man. That is what the Senate will do today.

Now the Senator from Vermont wants to give a big increase in the cash benefits, not out of the social security tax, but by adding it onto the national debt-ridden general revenues. And he would do this whether these persons need the money or not. I have always thought that I was one of the most liberal welfare men in the Senate. I was in error. The Senator from Vermont has absolutely taken my laurels away. He is the new welfare king.

Mr. PROUTY. The increases in the higher brackets are no more than those provided in the bill, which the committee reported, and which, I assume, the distinguished Senator from Louisiana supports. He is a man of compassion. I know he is concerned with the welfare of the people who need help. He is in a difficult position. I am trying to help the poor people who are on social security and who really need this help.

Mr. LONG of Louisiana. The Senator does not even ask the first question, whether they are poor.

Mr. PROUTY. Anyone who is trying to live on $70 a month is poor. The administration claims that everyone with an income of $3,000 or less is poor.

Mr. LONG of Louisiana. I yield myself 1 more minute. I get it from both sides all the time. On one side, the Washington columnists say that RUSSELL LONG will be fired as the majority whip before the sun sets because he is messing up the social security bill, because he has offered an amendment to the bill which related some of the benefits to the needs of the persons involved. On the other side now, the Senator from Vermont says that I am for the administration's position, no matter what the facts show. So no matter what I do, I cannot win. The cost of the program the Senator from Vermont advocates is fantastic. I believe we are doing enough now with the $6.5 billion of benefits already in the bill.

I yield 3 minutes to the Senator from Kentucky.

Mr. MORTON. Mr. President, I find myself in a very difficult position at this time, following this great show between these two talented end men.

However, there are some things I should like to point out. I find myself in opposition to my friend from Vermont. In his argument for his amendment he indicated that if one votes against the amendment he believes that $70 is too much to live on or $40 is not too little to live on. That is not the point. Obviously it is too little to live on.

A person receiving $40 is getting welfare payments from some source or other. What I am afraid is happening is that we are getting welfare into social security. That was never envisaged.

Giving all credit to the merits of the program of the Senator from Vermont—and they are persuasive—that people cannot live on $40 or $70, they could not do that even in 1945. The welfare operation represents an enormous cost. If we are to go into this field, and if the States cannot do it, and the Federal Government must go further, that is an area that we must cover, but not in this bill. A person who is receiving $40 or $50 in social security may have an income beyond that. This often happens. I point out that the proposal of the Senator from Vermont, which is put forward in all sincerity, and is supported by the Senator from New Hampshire, is clearly in the welfare field. I believe that if we once start combining our social security benefits, which come from a trust fund, regardless of the fact that only 10 percent has been paid in, as pointed out, with the welfare program, we might as well do away with social security. I am sure that none of us wants to do that. I am sure the Senator from Vermont does not want to do it. I trust the amendment will be voted down. I am sorry that I find myself in disagreement with my friend the distinguished Senator from Vermont.

I yield back the remainder of my time.

Mr. PROUTY. Mr. President, I am sorry I must disagree with my good friends who have spoken. I am very serious about the amendment. The Senator from Louisiana has suggested that we should have a means test for social security. I would like to take them off the welfare rolls, if it is possible, and put them under a meaningful retirement system.

The Dominion of Canada gives everyone 70 years of age and older $75 a month. The recipients make no contributions to this plan. Our great neighbor to the north puts us to shame.

Mr. MORTON. The Senator points to the Dominion of Canada and says it pays $75 to everyone who is over 70 years of age. Perhaps we should consider such a proposal. That is a matter that should be debated and considered. Perhaps the Senator will wish to introduce such a bill. If he does so, I am sure it will be given serious consideration. However, I do not see why we should take a program that we have had for 30 years and encroach upon the general revenues for this particular social security benefit. I do not know what this cost will be. I have heard mentioned the figure of $600 million. That is what the Senator has stated. I have heard also the figure of $3 billion mentioned by the Senator in charge of the bill. Somewhere in between is the cost.

These matters should be considered on their merits.

The program will erode to nothing in a few years if we start this practice. I am not talking now about medicare. I am against the medicare proposal. I am talking about social security benefits. If we continue this program, it will be out the window within 3 years.

Mr. PROUTY. Mr. President, I am glad that the Senator has shown some interest in the Canadian system, because I may offer a related amendment later. Eighty percent of the older Americans under social security have this income as their only income. Half of them have less than $12.50 in outside income. One-third have no income at all. Six percent of the social security retirees receive less than $40 a month. It seems to me that in the interest of humanity, Congress can do no less than increase these figures. In the higher brackets I do not exceed the figures in the bill. The excess of $600 million that I have mentioned is accurate. It has been obtained from social security authorities. I believe it is fully justified. I do not wish to take any more time.

I point out that under the social security program there was general revenue refunding up to 1950. That was with the approval of the late President Roosevelt. So this is not a novel approach.

Mr. President, once again I plead for the 20 million old people in this country, most of whom desperately need an increase in social security benefits. I very much hope that the Senate will accord them the increased benefits which they so richly deserve and need.

Is the Senator from Louisiana willing to yield back the remainder of his time?

Mr. LONG of Louisiana. I should like to make a brief statement before yielding back my time.

Not only would the amendment change the principle of the social security program, but also it would cost $3 billion of general revenue. It would not be the most efficient way to spend money under the program.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. PROUTY. I should like to know the authority for that $3 billion figure.

Mr. LONG of Louisiana. The estimate is that the proposal would cost 1.1 percent of the payroll. That is the estimate of Mr. Myers, whose word I always take, even if his estimate appears high. He is an honest actuary.

I have heard many people argue about the estimates of Bob Myers. No one has proved him wrong. Most of us believe that Bob Myers is the most honest actuary and the most honest person to estimate the cost of something without fear or favor that we have in government. That is his estimate. He estimates that it would cost a minimum of $3 billion from the general revenue.

Mr. PROUTY. Mr. President, will the Senator yield further?

Mr. LONG of Louisiana. I yield.

Mr. PROUTY. Is it not true that the proposal now incorporated in the bill would cost $1.5 billion?

Mr. LONG of Louisiana. Is the Senator asking whether it would cost $1.5 billion?

Mr. PROUTY. Yes. I mean the program presently incorporated in the bill as reported by the committee.

Mr. LONG of Louisiana. The estimate is that it would cost 1.1 percent of the payroll. That works out to $3 billion a year. That is what the actuary estimates it to be. He has been in the business of estimating this kind of thing all his lifetime.

I heard the Senator from Illinois [Mr. DOUGLAS] who at one time was president of the American Association of Economists state that in his judgment the man I have named was the most honest actuary in the entire United States.

So I say that that is what the proposed program would cost—more than $3 billion.

Mr. RUSSELL of South Carolina. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. RUSSELL of South Carolina. As I understand, if we vote for the amendment, we shall impose a burden upon the general revenue fund of $3 billion. If we vote for the amendment, there will be an increase of $3 billion in social security costs.

Mr. LONG of Louisiana. That is correct. That is what the amendment of the Senator would do.

Mr. RUSSELL of South Carolina. We are voting not only for the amendment, but at the same time to increase the appropriation of the Federal Government by $3 billion.

Mr. LONG of Louisiana. That would be the authorization.

Mr. PROUTY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Vermont has 11 minutes remaining.

Mr. PROUTY. Mr. President, I only want to add that Mr. Myers, to whom the Senator from Louisiana was referring, said that the same program which I offered last year would cost $2.1 billion. I have that in memorandum form. I believe it was incorporated in last year's RECORD. Inasmuch as the bill now before the Senate would increase the amount by $1.5 billion, I maintain that my amendment would increase it only another $600 million. If Mr. Myers' earlier estimates are correct in that respect, the program would cost not $3 billion, but only $600 million in excess of the benefit increases provided in H.R. 6675.

The PRESIDING OFFICER. Who yields time?

Mr. PROUTY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Louisiana yield back the remainder of his time?

Mr. LONG of Louisiana. Mr. President, I checked with Mr. Myers before the amendment was offered. He is still firm in the estimate he gave me.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Vermont. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. YOUNG of North Dakota (when his name was called). On this vote I have a pair with the senior Senator from Louisiana [Mr. ELLENDER]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Michigan [Mr. HART], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Wyoming [Mr. MCGEE] are absent on official business.

I further announce that the Senator from Virginia [Mr. BYRD] is necessarily absent.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD] and the Senator from Wyoming [Mr. MCGEE] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. CARLSON] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

If present and voting, the Senator from Nebraska [Mr. HRUSKA] would vote "nay."

The result was announced—yeas 12, nays 79, as follows:

[No. 167 Leg.]

YEAS—12

Aiken	Fong	Prouty
Allott	Hickenlooper	Scott
Cotton	Kennedy, Mass.	Simpson
Dominick	Kennedy, N.Y.	Smith

NAYS—79

Anderson	Curtis	Jackson
Bartlett	Dodd	Javits
Bass	Douglas	Jordan, N.C.
Bayh	Eastland	Jordan, Idaho
Bennett	Ervin	Kuchel
Bible	Fannin	Lausche
Boggs	Fulbright	Long, Mo.
Brewster	Gore	Long, La.
Burdick	Gruening	Magnuson
Byrd, W. Va.	Harris	Mansfield
Cannon	Hartke	McCarthy
Case	Hayden	McGovern
Church	Hill	McIntyre
Clark	Holland	McNamara
Cooper	Inouye	Metcalf
Miller	Pastore	Stennis
Mondale	Pearson	Symington
Monroney	Pell	Talmadge
Montoya	Proxmire	Thurmond
Morse	Randolph	Tower
Morton	Ribicoff	Tydings
Moss	Robertson	Williams, N.J.
Mundt	Russell, S.C.	Williams, Del.
Murphy	Russell, Ga.	Yarborough
Muskie	Saltonstall	Young, Ohio
Nelson	Smathers	
Neuberger	Sparkman	

NOT VOTING—9

Byrd, Va.	Ellender	McClellan
Carlson	Hart	McGee
Dirksen	Hruska	Young, N. Dak.

So Mr. PROUTY's amendment, as modified, was rejected.

Mr. MORTON. Mr. President, I move that the Senate reconsider the vote by which the modified amendment was rejected.

Mr. LONG of Louisiana. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NASSER'S ANTI-JEWISH PROPAGANDA

Mr. DODD. Mr. President, on June 21 the administration decided to send $37 million worth of Public Law 480 food to Egypt in order to help President Nasser cope with grave domestic shortages.

I believe that it was a tragic mistake to give this aid to Nasser without conditions of any kind.

I wish to call to the attention of my colleagues a remarkable study, recently prepared by the research staff of the Anti-Defamation League, dealing with Nasser's worldwide anti-Jewish activities.

I heard of the existence of this study last week, and I asked for an advance copy of the document because I felt that this situation has, or should have, a very direct bearing on Public Law 480 shipments, or aid of any other kind, to the Nasser regime.

The document has not yet been published, but I am so impressed by the facts compiled in this study and by their pertinence to the entire question of our relations with the United Arab Republic, that I have asked and have been given permission to insert them into the RECORD for the information of Congress.

I ask unanimous consent to insert into the RECORD, at the conclusion of my remarks, the complete text of the study on "Arab Anti-Jewish Activities in the United States," prepared by the Anti-Defamation League of the B'nai B'rith.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DODD. Mr. President, after reading this study, I can only agree that it constitutes a record of the most malevolent international hate campaign against the Jews as Jews since the Hitler years.

The berserk quality of this propaganda is terribly reminiscent of "Der Stuermer" and Streicher and Goebbels. To rational men, its sheer insanity may appear to render it ineffective. But, as I learned in painful detail at the Nuremberg trials, such malicious nonsense can poison the minds of millions of people; and once

they are thus poisoned, they become capable of unspeakable atrocities against the objects of their hatred.

This new Arab anti-Semitic propaganda, like Nazi propaganda in its own day, is nothing less than an incitation to murder. And if, in the interest of avoiding offense to the Nasserite extremists, we close our eyes to the potential consequences, we reduce ourselves to silent abettors of the crime of incitation to violence and even to murder.

Anti-Semitism, hard core and deliberate in design—

Says the study of the Anti-Defamation League—

is now, despite pious and often heated denials, a distinct mark of the authorized propaganda of the Arab world. This is the latest conclusion in a continuing study of Arab sources—official government publications, tightly regulated domestic newspapers and magazines, and the voluminous output of worldwide information services.

The study points out that in a pamphlet entitled "Who Benefits From Anti-Semitism?" published by the Arab Information Center and available from the United Arab Republic Embassy in this country, the Jews are assailed with numerous quotations from that most discredited of all spurious documents, the so-called protocols of the Elders of Zion.

The study quotes the following passage from the Scribe—April 1964—a monthly magazine published in Cairo in English, French, German, Italian, and Spanish:

At the risk of being accused of anti-Semitism (sic), we want, in the single pursuit of truth, to prove that President Kennedy, just like the two American Presidents assassinated before him, was the victim of a Zionist-armed hand. It is no secret that John Wilkes Booth, murderer of President Abraham Lincoln, and Leon Czolgosz, who assassinated President McKinley, were both Jews in the service of the Zionist cause.

It also quotes an article in a Cairo newspaper as saying that "what Hitler did to the Jews was simply revenge for what they did to Christ."

Still another article quoted from an Arab newspaper says:

The Jews are used to living on the blood of others, and whatever the Jewish people have achieved was mainly arrived at by means of disorders which they themselves provoked to help attain their goal. The Communist revolution in Russia was organized by the Jews for their own ends. World War II against Hitler was a Jewish war.

These are only a few of the many, many exhibits compiled by the researchers of the Anti-Defamation League.

In deciding last month to renew Public Law 480 shipments to Egypt, the administration was unquestionably guided by the conviction that, as difficult as Nasser may be, we must do everything in our power to prevent his further alienation. If we decide to get tough with Nasser, so the argument goes, it may result in a complete rupture of his already tenuous ties with the West and force him into the arms of the Communists.

Out of fear of driving Nasser irrevocably into the arms of the Communists, we have, ever since the Suez crisis, turned the other cheek to each new affront by Nasser and to each violation of the United Nations Charter.

It was only thanks to our support that Nasser was able to survive the Suez crisis. But when we had pulled his chestnuts out of the fire for him by supporting a U.N. resolution calling upon Britain, France, and Israel to withdraw their forces, Nasser responded by imposing a blockade on all Israeli shipping, in violation of international law and in violation of the U.N. resolution on Suez. We have done nothing about this.

When Nasser organized a quisling coup in Yemen, backed up by an invasion of 25,000 Egyptian forces, not only did we fail to demand any action by the U.N., but we hastened to recognize the new Yemeni Government and we even refrained from any statement of official condemnation such as we made at the time of the Indian invasion of Goa.

In response to this show of restraint on our part, Nasser has now increased his forces in Yemen to 50,000 men, and he has mounted campaigns of infiltration and subversion directed against the other countries of the Arabian Peninsula.

Beyond indicating our mild displeasure, or perhaps I should say beyond indicating our strong displeasure mildly, we have failed to react to Nasser's open support of the Congo rebellion, to the massive arms buildup carried out with the help of the Soviet Union and German scientists, and to the unyielding belligerence he has displayed toward the State of Israel.

Even the sacking and destruction of U.S. Embassy installations, with the indulgence and most probably with the inspiration of the Egyptian authorities, brought no reaction beyond an ostensibly stern demand for indemnification—which Nasser was quick to promise.

In February of this year, the Senate voted against continued Public Law 480 shipments to the United Arab Republic. However, the resolution barring such shipments was amended at the request of the administration in a manner which left Public Law 480 shipments to the discretion of the executive branch. I voted against this amendment, because, as I stated on the floor on February 4, I felt that it makes no sense for Congress to pass on the details of our foreign aid program, and then have the executive branch override the intent of Congress whenever, in its opinion, the national interest demands it.

I believe that the stand I took at that time has been borne out by the events of the past several weeks.

As we should have learned from past experience, our new offer of aid to the Nasser regime has brought only more abuse from the Egyptian press and radio, and more praise for Moscow and Peiping.

In this connection, Mr. President, I ask unanimous consent to insert into the RECORD at the conclusion of my remarks an article in the Baltimore Sun for Saturday, July 3, captioned "U.S. Food Aid Disparaged by Egyptians: Radio Stations Belittle Johnson Action but Praise Russ Help."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. DODD. Mr. President, this is a very interesting article. I hope that the Senators will read it.

Mr. Paul Ward, the author of the article, quoted the Egyptian Radio as saying:

We do not get wheat from the United States as charity or aid, as its trumpets make out, but buy it at the full price which, indeed, includes profit. There were favorable payment terms because the wheat, flour, and other supplies were surplus in the United States.

Mr. Ward went on to say that the Nasser radio day after day has been blaming the United States for the United Nations crisis and assailing both the United States and the United Kingdom for their intervention in Vietnam.

I bring these items to the attention of my colleagues because I believe that the time has come for a fundamental reexamination of our relations with extremist dictators like Nasser.

All of our massive aid has given us absolutely no influence with Nasser. On the contrary, it seems only to have fed his contempt for us.

All our attempts to placate and appease him have only resulted in further abuse and more aggression—yes, and ultimately in the growing alienation which we seek to avoid.

If we had forgotten the previous lessons of history on this score, we should at least have learned from our very recent experience with Sukarno.

A policy of firmness from the beginning in our dealings with Sukarno would, in my opinion, have obliged him to pursue a more moderate policy. At the very least it would have encouraged the more moderate elements in his country. But, instead of firmness, we dealt with Sukarno as we are still dealing with Nasser.

We lavished aid on him. We ignored his abuse, ignored the frequent attacks on American Embassy installations, ignored the consistent diplomatic alinement with the Communist countries against the free world, ignored the massive buildup of Soviet weapons. We even went so far as to give him our support for his imperialist grab of West New Guinea.

The momentum of the course he was pursuing has now carried Sukarno almost to the end of the road. He has withdrawn from the United Nations and has virtually severed relations with the free world. Bolstered by the support he was receiving from both the Communist world and the United States, he has moved progressively to undermine the once-powerful moderate elements, employing the salami tactics made famous by the Communists. And now a point has been reached where most Western commentators fear that Indonesia, under Sukarno, has become, or is rapidly becoming, a de facto member of the Communist camp.

Such has been the consequence of the policy of avoiding offense to Sukarno. I gravely fear that, if we persist in the policy of avoiding offense to Nasser, the ultimate consequence may be very little different.

Because we refuse to offend Nasser, we cannot officially oppose or expose his anti-Jewish propaganda.

Because we refuse to offend him, or to openly disapprove of his actions, we cannot clearly demarcate ourselves morally from the many acts of aggression Nasser has already perpetrated against his Arab neighbors, or from the major aggression he is plotting against Israel.

Nasser does not speak for the entire Arab world. He speaks for only an extremist segment of it. I think it would vastly improve our posture before the entire world, including the Arab world, if we made further American aid to Nasser contingent on his peaceful behavior.

I think it would contribute to the peace and stability of the Near East if we spoke up in a strong voice against the crimes of the Nasser regime against its neighbors and against its own people.

We must continue, as I have said before, to offer Nasser the hand of friendship. But we must stop kowtowing to him, or muting our disapproval of his actions.

Only such a combination of friendship and firmness stands any chance of persuading Nasser that it is in his interest and in the interests of his people to abandon his present dangerous path and instead seek a regional settlement that would assure peace to the peoples of the Middle East.

Especially on the question of the vicious anti-Jewish agitation now being carried on by his propagandists, it is important that we let Nasser know where we stand.

Only several months ago, the Senate voted unanimously for a resolution, which I was honored to cosponsor, expressing our moral condemnation of the persecution of the Jewish religion and other religions by the Soviet regime. We took this action because we believed that this was a matter that properly concerned us and that it was incumbent on us to express our indignation to the world.

I consider the massive international anti-Jewish agitation being carried on by extremist elements in the Arab community to be a matter that appeals equally to our conscience. Perhaps this is a matter, too, on which the Senate of the United States should let the people of the world know where it stands.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. GRUENING. I commend the Senator from Connecticut highly for his constructive criticism of dictator Gamal Abdel Nasser.

The statement of the Senator from Connecticut is one additional indictment in a series of acts that we in the United States seem not only to condone but also to subsidize.

The list of these violations, the aggressive acts of this dictator, the waging of war in Yemen, while we pour our money into Egypt for the relief of the undernourished and poor citizens of Egypt, is positively shocking. The list of his other aggressions and planned aggressions, his mutiple acts of violence and hate, are well known to the Senate. However, the indictment should lie not only against Nasser, but also against those in our administration who persist in appeasing him. Such indictment may apply not only to the executive branch.

It may be that we should be somewhat critical also of some of our own colleagues who take the actions of the Senate to conference, after an overwhelming vote that aid to Nasser should cease, and, almost invariably and without exception, the actions of the Senate are deleted in conference.

I believe that it is about time that we had an extended debate on how long we shall subsidize such characters when their every act is a violation of every principle that the United States espouses.

Mr. DODD. Mr. President, I am extremely pleased that the Senator from Alaska made that comment. The comment needed to be made.

I wholeheartedly agree with what the Senator said. I assure him that I will do my best and I know that he will do his best to see whether we can change our policy toward governments that are so hostile to us.

Mr. HARRIS. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. HARRIS. Mr. President, I associate myself with the remarks of the Senator from Alaska and the Senator from Connecticut, concerning aid to Nasser.

The Senator will recall that, by a vote of 73 to 13, the Senate agreed to an amendment in the foreign aid authorization bill, declaring that no aid should go to either Egypt or Indonesia so long as either of those countries continue their acts of aggression against our country.

We now have a finding by the Senate that these countries are continuing their acts of aggression against our country. Reports filter down to me from the conference to the effect that that section of the bill has been deleted and that the measure will come back to the Senate shorn of the amendment which was agreed to by a vote of 73 to 13. This action in conference would be taken in spite of the fact that the State Department now admits that it has under investigation reports that Nasser is in violation of our 1962 agreement with him and, in violation of the agreement, has been selling rice in excess of the agreed amount to the Communist bloc countries, including Cuba and China, against which countries we have embargoes.

If that particular bill comes back to the Senate without that amendment included therein, with regard to Sukarno and Nasser, I hope the Senate will refuse to agree to the conference report.

I commend the distinguished Senator from Connecticut for his remarks, which further strengthen the position of the Senate.

Mr. DODD. I am grateful to the Senator from Oklahoma.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr DODD. I yield.

Mr. RIBICOFF. I commend my distinguished colleague the Senator from Connecticut for making this case cogently clear and bringing the matter to the attention of the Senate and of the country.

I believe that the Senator has performed a most useful service.

I should like to associate myself with the remarks and comments of my distinguished colleague the Senator from Connecticut.

Mr. DODD. Mr. President, I am pleased that my colleague joins me in this action, as I have joined him.

I believe that we are making progress. I am glad that I was able to bring the matter to the attention of the Senate.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. LAUSCHE. I associate myself with the remarks made by the Senator from Connecticut. I particularly subscribe to his statement that our policy of helping our enemies and looking indifferently and sometimes with coolness upon our friends, is the main cause of our problems.

There are men in the State Department who believe that we can, by appeasement and by the spending of money, win the friendship of dictators who are basically and philosophically opposed to what we do.

Nasser is a good example. He has flouted our flag. He has burned our buildings. He has challenged the honor of our Nation. And yet those men in the State Department, in the face of these actions, believe that, by pleas and by gentle considerations, we can win Nasser to our side.

The fact is that the more we help him, the more we supply him, the greater is his challenge, because he believes if he threatens to join the Communist forces we will yield still more.

I commend the Senator.

Mr. DODD. I thank the Senator from Ohio.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. DODD. I yield to the Senator from Iowa.

Mr. MILLER. I also join the other Senators who have spoken in commendation of the Senator for making this most timely statement. In addition to other violations, Mr. Nasser and his government are very delinquent to the United Nations in their dues and assessments. That is only one of many other factors that ought to be taken into account.

I say to the junior Senator from Oklahoma [Mr. HARRIS], that we have been through this before. We have put amendments in the foreign aid bill in the Senate, and we have seen them taken out in conference. As sure as we are present here in the Senate tonight, Mr. Nasser is counting on action by the State Department with the conferees to take the amendment out of the bill. I hope he will be disappointed, but if previous history is borne out again, he will not be disappointed. I dislike to say this, but that is the way it has been. I think it is most unfortunate. I hope the conferees will stand firm, but do not count on it.

EXHIBIT 1

ARAB ANTI-SEMITISM

Against Arab claims in regard to their writings, broadcasts, and press dispatches—that they are solely anti-Israel and anti-Zionist—stands the documented record of their own words. It is a record of the most malevolent international hate campaign against Jews as Jews since the Hitler years, and it bears the seal of the highest positions of Arab officialdom.

Anti-Semitism—hard core and deliberate in design—is now, despite pious and often heated denials, a distinct mark of the authorized propaganda of the Arab world. This is the latest conclusion in a continuing study of Arab sources—official government publications, tightly regulated domestic newspapers and magazines, and the voluminous output of worldwide information services.

ATTACKS ON JEWS

Though political war against the State of Israel may be the ultimate purpose of Arab propaganda efforts, the means to this end are often vicious attacks on the Jews themselves, regardless of nationality or political belief, and on their religion. In fact, in notable instances the political issue of Israel is so unrelated to the questions involved as to be obviously only the thinnest excuse for open defamation of the Jewish people in all parts of the world. Two well-documented examples—a barrage of scurrilous anti-Semitic canards attempting to cite a Jewish plot behind the assassination of President Kennedy; recent Arab pressure on the Roman Catholic Church to uphold the "guilt" of all Jews in all times for the killing of Christ—serve to demonstrate both the turn to undisguised anti-Semitism in official propaganda and the surprisingly unsubtle techniques involved.

An Arab propagandist in the United States may write that charges "that Arabs are anti-Semitic * * * are not only false but ridiculous"[1]—but in January 1965, English-speaking areas in Africa were flooded with copies of a pamphlet, "Israel, The Enemy of Africa," vilifying the Jewish faith and labeling all Jews as cheats, thieves, and murderers. Its authors cite and quote directly from the "Protocols of the Learned Elders of Zion" and Henry Ford's "The International Jew," two of history's most vicious and most thoroughly discredited anti-Jewish tracts. Released by the Information Department of the United Arab Republic in Cairo, the pamphlet is available from the United Arab Republic Embassy in Washington, D.C.

Such official sources prove undeniable government policy. But the rigorous press censorship practiced in Arab lands, especially in Egypt, points also to government approval—if not to actual government origin—of articles and opinions published in the leading daily newspapers.

"Spot the Jew"—with this headline, Falastin, a Jerusalem (Jordan) daily, began its account of the tragic events in Dallas in November 1963. Emphasizing the fact that Jack Ruby was Jewish, the Arab propagandists discovered a blood conspiracy in far-off Texas, and the winds of hatred were fanned.

On November 25, the authoritative Egyptian daily, Al-Gomhouria of Cairo, reported the assassination's aftermath in a column by Nasser ed-Din An-Nashashibi:

"In the same part of town * * * Kennedy's killer fell in his own life blood.

"All eyes are turned to the new killer—the murderer of the assassin. He is a night club owner named Jack Rubinstein * * * a Jew, of course.

"It has already been proved beyond all shadow of doubt that the new killer is of Jewish origin."

[1] Sami Hadawi, "Who Benefits From Anti-Semitism" (New York: Arab Information Center, 1961) pp. 1, 2.

On the 26th, "Al-Hihad Dialog," a daily column in Al-Jihad, published in the Jordanian part of Jerusalem, reported:

"The man who killed Kennedy's assassin was a Jew. The question is, what were these vital secrets which the Jew who killed Kennedy's assassin was trying to cover up? * * * The role of this Jewish killer in the dilemma of Kennedy's assassination moves people to ask whether world Jewry has any interest in this crime, and whether subsequently, for fear of punishment, it got rid of the assassin lest he should disclose vital secrets? How many crimes has world Jewry already committed in history, to attain its ends and further its own interests?"

On the 27th, the same column in Al-Jihad probed deeper into its suspicions of the previous day:

"The Jews are used to living on the blood of others, and whatever the Jewish people have achieved was mainly arrived at by means of disorders which they themselves provoked to help attain their goal. The Communist revolution in Russia was organized by the Jews for their own ends. World War II against Hitler was a Jewish war.

"Rooted in the Jewish character since the dawn of their history, these qualities dominate them in America and Europe just as they did in days gone by.

"When will the Americans become wise to the secret crimes and conspiracies of the Jews—Heaven only knows."

The following day, Beirut's newspaper Al-Hayyat published a letter from Na'if Shablaq, a supporter of the Grand Mufti of Palestine, which added some new Jewish blood to the supposed conspiracy into which only "Rubinstein" seemed to have fit until then. Incredibly, the writer had uncovered "an important point, which the international news agencies—mostly under Zionist influence—apparently tried to cover up; namely, that the assassin, Lee Oswald, is a Jew on both his father's and his mother's side, a Jew by belief and a Jew by religion, who was born a Jew and lived as a Jew."

This revelation continued the vision of the "hidden hand" plot behind all major assassinations—one of the oldest canards of anti-Semitic pamphleteering and one which the Arab ideologies have recently resurrected for worldwide consumption. It was set forth in the Scribe (April 1964), a monthly magazine published in English, French, German, Italian, and Spanish by the National Publications House in Cairo:

"At the risk of being accused of anti-semitism (sic), we want, in the single pursuit of truth, to prove that President Kennedy, just like the two American Presidents assassinated before him, was the victim of a Zionist-armed hand. It is no secret that John Wilkes Booth, murderer of President Abraham Lincoln, and Leon Czolgosz, who assassinated President McKinley, were both Jews in the service of the Zionist cause."

To the names of the three Presidents, the Scribe added those of seven Senators—including Huey Long and William E. Borah—as victims of Jewish killers. The technique is to identify any American Jew as a part of what this Arab monthly referred to as "the Zionist octopus at large," then to insist that the attack is against Zionism rather than Jews as such. And in this case the picture of Jewish terror in America's streets was sharpened with a quote from some even more practiced masters of tortuous propaganda. The editors of the Scribe reported to their readers in five languages:

"The Moscow newspaper Krasnaya Zvezda, organ of the Soviet Ministry of Defense, attributed, in its issue of December 14, the assassination of President Kennedy to Murder Inc., which succeeded the Mafia of sad memory, and which gave rise to all sorts of Israeli criminals, such as Al Capone (real name Isaac Schacher)."

On December 4, 1963, Sa'id Nu'mat Ulla, writing in Cairo's Government-regulated Acher Sa'a, summed up the approved assassination story, brazenly twisting the best evidence and adding a final virulent caricature:

"The Zionist terror * * * and the Jewish gangs are the ones responsible for the crime of President Kennedy's assassination.

"Investigators in America have all come to the same conclusion: this outrage committed in Dallas, which shook the conscience of the world, was not the act of one single man. * * * Jack Rubinstein, the Jew who killed Oswald, had no intention—as he claimed—of sparing Jacqueline Kennedy the anguish of testifying in court.

"All the evidence indicates that an international gang is behind the assassination. Meanwhile, in Dallas jail, Rubinstein is busy writing his memoirs. He has announced that he hopes to fetch a very high price for them.

"Once a Jew—always a Jew, even in jail."

THE ECUMENICAL COUNCIL

The continuing study of Arab propaganda sources establishes that the renewed use of blatant anti-Jewish material, begun after the Kennedy assassination, was greatly increased at the time the Ecumenical Council of the Roman Catholic Church undertook consideration of its schema relating to the Jews—the clarifying statement on responsibility for the crucifixion.

The Arab nations seemed determined to halt the Vatican's efforts to bring about a better understanding between Christians and Jews—this, in an area far removed from any imaginable dispute with Israel or Zionism, could only lead to grave questions concerning the motive for the Arab actions.

"Certainly the Arab Christians have raised their voices against the attempts to alter the Holy Scriptures," declared Arabische Korrespondenz, a German-language newsletter published by the Arab League in Bonn, West Germany, in its issue of October 28, 1964. "As inhabitants of the cradle of Christianity the Arabs are in a better position to be able to judge the history of Christianity. That is why they permitted themselves to oppose the attempts of the council."

ARAB PRESSURE

Suggesting thus that its judgments on matters of Christian doctrine were superior to those of the Vatican itself, the Arab League stepped up its anti-Jewish propaganda. To this its agents added open political pressure on Rome, designed to convince the Council of the Jews' "total and perpetual guilt" in Christ's death.

The following issue of Arabische Korrespondenz (Nov. 20, 1964) announced the League's political orders clearly:

"All Arab Ambassadors in foreign countries have received instructions to keep constant contact with the bishops and cardinals who participate in the council in Rome and to enlighten them about the political background behind the Jewish schema debated by the council. The Arab Ambassadors will also explain the Arabian point of view concerning this document to the Papal Secretariat and other authorities of the Vatican. This action of the Arab nations is to be interpreted as a good-will action, in order to maintain good relations with the Vatican."

The closing threat, though implied, was clear. Indeed, Catholic prelates now expressed openly their concern for the well-being of priests and church in the Arab lands should the schema pass. President Achmed Sukarno of Indonesia made a trip to Rome to warn the Pope of possible diplomatic repercussions. On November 22, Jordan's Foreign Minister Kadri Toukan was quoted in a Beirut newspaper, the Daily Star, to the effect that passage of the proposed church declaration would be disastrous since, he said, "history testifies to Jewish intentions of destroying Christ and Christianity."

Ill-disguised assaults of hate from official sources had patterned such analyses as the following—from the Arab Observer, "the nonalined weekly," published in English by the United Arab Republic's General Organization of Publications in Cairo (issue of Oct. 19, 1964):

"What are the facts of the strife between opposing groups of prelates? * * * Some mention would inevitably be made concerning the references in the New Testament to the part of the Jews in the murder of Jesus of Nazareth, and of their total and perpetual guilt in this crime.

"The Zionising Cardinals * * * are the dupes of an incessant power struggle which uses the supposed sufferings of the Jews as one of its principal aids."

In connection with these "supposed sufferings," the Arab League's Bonn voice had sought somewhat startling ties of sympathy with its German readers (Arabische Korrespondenz, Oct. 3, 1964):

"The Council in Rom again occupies itself with Judiaism and Christianity * * *. The question arises whether it is prudent and right to correct history for the sake of Zionism * * *. Would it also not be right if one wants to forgive the Jews their 2,000-year-old guilt also to forgive the Germans their guilt?"

POPE PAUL'S PILGRIMAGE

All restraint seemed to be dropped in the barrage of propaganda attending the historic visit of Pope Paul VI to the Holy Land prior to the council debates on the Crucifixion schema.

"They Will Not Deceive Him, for He Knows Them Well," proclaimed the headline in Cairo's highly-authoritative Akhbar el-Yom on December 14, 1963, over the following diatribe:

"The Jews have already exploited this purely religious pilgrimage to create the impression in world opinion that the new Pope harbors some opinion concerning charges that the Jews killed Christ.

Christianity holds fast to its belief that the Jews killed Christ—because they admitted their guilt and boasted of it, and because the way they treat Christians and everybody else is like that of bloodthirsty murderers.

"And as for the claim these vagrants make—why do they trouble today to clear themselves of something they admitted perpetrating 2,000 years ago. Why are they so anxious to still their conscience over the blood of Christ, when so many fingers have pointed at them to claim the blood of Kennedy?

"We are convinced that this visit will not influence the Pope's belief as to the nature of the Jews, since he knows them quite enough. And once he will have met them, he will get to know them more than enough."

On January 4, 1964, in covering the Pope's arrival at the Emir Abdullah Bridge, Radio Amman (Jordan) broadcast a commentary which declared in part:

"The events of history will fortify his lofty spirit more and more; His Holiness will consider how the Jews behaved at that time.

"Some 2,000 years ago the Jews crucified Jesus, after beatings, humiliations and tortures that heap shame upon mankind everywhere. And 15 years ago, in the most cruel manner, the Jews overran Palestine. They attacked its innocent, unarmed citizens and subjected many of them to the most villainous atrocities.

"Thus do the Jews prove their responsibility for the infamies of their forebears, and for the crucifixion and humiliation of Christ 19 generations ago."

HITLER, AVENGER OF CHRIST?

Among the Ecumenical Council fathers there was deep feeling that distortions of the crucifixion story had spawned many of the slanders that had led to historic persecutions—slanders now heard again, ironically, at the very moment of these deliverations. The propagandists of the Arab world were attempting to turn that hatred which had made the schema necessary into a weapon against its success. Upon Christ's "murderers" should fall a heritage of blood and punishment. And the killing of an American President had provided a fortunate parallel.

Anis Mansur, writing in Cairo's Al-Musawar on December 6, 1962, had turned the trick to the propagandists' satisfaction, setting a pattern for much of the ensuing campaign. Some significant excerpts:

"I am not a man of religion, but I feel bound to broach an old religious problem, for reasons that are new * * * whereupon the connection between this problem and Kennedy's assassination becomes quite straightforward.

* * * * *

"What is new, however, is that there is a definite trend among Catholics to exonerate the Jews completely from the blood of Jesus * * * The Jews have already suffered dozens of times since those days. They pleaded innocence of this dastardly crime hundreds of times. What Hitler did to them was simply revenge for what they did to Christ.

* * * * *

"But the Jews * * * put pressure on the Catholic Church.

* * * * *

"A congress of Catholic churchmen was held in Rome, which debated a document appealing to brotherhood. * * * A vote was taken on this particular passage, which showed 2,114 for and 40 against. It was thus decided that Catholics the world over should know that the Jews had not crucified Jesus.

* * * * *

"It was strange that this congress was held in great haste, since one would have expected it to take place in December 1964.

"Its decisions—in other words—were due to have been published in the middle of this month, a week before President Kennedy was assassinated.

"Kennedy was a Catholic—and his assassin Jewish. The killer of Kennedy's assassin was Jewish too, and so is the man in charge of the investigation.

"While the Catholics are busy making peace with the Jews—the Jews are assassinating the foremost Catholic personality in the world.

* * * * *

"The capitalist regime in America tolerates the existence of Jewish gangs * * * and America pays the price * * * which this time was high. It is inevitable that anti-Jewish feeling—flickering at present—will turn into an open hatred as cruel as the bullet that struck Kennedy."

On February 24, 1964, the Grand Mufti of Palestine, Mohammad Amin El Husseini, as chairman of the Arab Higher Committee for Palestine, wrote to Pope Paul VI decrying the principles of the Jewish religion—as interpreted, to be sure, in some of the oldest examples of anti-Semitic humbug.[3]

"The Zionist movement," he wrote, "is chauvinistic and reactionary. It is based on the Talmudic principles which consider non-Jews as goyim with no human rights."

The same tactic—an apparent attack against Zionism as an excuse for vicious slanders against a people and their religious faith—is at work in the United Arab Republic's government-sponsored pamphlet, "Israel, the Enemy of Africa," distributed throughout the struggling continent to the south of Egypt since January 1965. An obvious attempt to promote fears among the people of new nations which have received extensive technical and educational assistance from Israel, the United Arab Republic's political pitch has been one of religious hatred—replete with quotes from the notorious protocols of Zion forgery.

A few excerpts from the pamphlet:

Page 8: "Before we examine in detail the racial and religious discrimination practiced by Israel which also sucks the blood of the countries struggling to attain freedom, let us look at what the Talmud says:

"The Talmud considers the Jews equal to God, and as such everything on earth should by right be theirs.

"For instance, the Talmud says: 'If a non-Jew steals from a Jew he must be put to death whereas if a Jew lays his hands on the property of a non-Jew he is not liable to punishment.'

"The Talmud condones the murder of the non-Jew. The Talmud adds that it is forbidden for a Jew to help a non-Jew get out of a hole. It decrees that the Jew must cover the hole with a stone and bury the non-Jew alive.

"Such are the teachings of the Talmud which are binding to the Jews. Therefore, it should not surprise anyone when the Jews * * * cheat and rob. When Israel extends her hand to the Africans, she is extending a hand covered with blood."

Page 19: "The Talmud is full of agitation against the Christians, and insulting words against the Virgin Mary whose virginity is doubted."

Page 22: "The Jew is a materialist and a heathen."

Page 24: "It is laid down in the 14th protocol of Zion which says: 'When rule is concentrated in our hands, any religion other than Judaism would have to be destroyed.'

"Israel is using another manner of weapon in Africa that is spreading moral corruption among the African youth.

"In doing so it is applying protocol 13 of Zion which says: 'In order not to give the non-Jew a chance to think independently, we must encourage him to enjoy himself' * * * This is why the Israeli Government has opened brothels for the Africans and encouraged them to keep company with Israeli girls, in the hope that they may forget their national mission."

But the "Jewish corruption" theme had other ancient versions, and the Arab government propagandists could scarcely ignore them.

On November 16, 1964, El-Kuat El-Muslaha, the official journal of the Egyptian armed forces, published a tired expose of Freemasonry, supposedly a licentious Jewish secret society designed to bring about the "elimination of the Christian religion" by luring young Christians "into the arms of Jewesses" and into moral ruin. Corruption was allegedly introduced into Germany in the 1920's when one of the secret plotters introduced in the Reichstag a bill to legalize sexual perversion.

"Another member who could not restrain his feelings, went up to the rostrum and struck the Freemason a sharp blow which felled him to the ground. All the members in the House applauded with the exception, of course, of the Jews * * *. If that Freemason had survived until the Hitler period, Hitler would have broken every bone in his body."

VICIOUS CARICATURES

Such diatribes of hate are not isolated instances, nor have they gone without consequence in the life of Arab nations.

In the New York Arab Information Center pamphlet mentioned at the outset, Sami Hadawi wrote that "there are no discriminatory laws anywhere in Arab countries; Jews are legally recognized as citizens and exercise full and equal rights with Moslem and

[3] The Mufti's letter was publicly printed in Beirut 4 days later. It has been distributed in New York by the neo-Nazi National Renaissance Party.

Christian Arabs." Yet on December 6, 1963, the Jews of Iraq were ordered to report to the Department of Travel and Nationalities within 10 days, bringing with them proof of Iraqi nationality. Those recognized as citizens were to receive identity cards; the property of all others was to be impounded.

The significant point is that the law (law No. 161 of 1963) was applicable to neither Moslems nor Christians—nor even to Israelis or Zionists as such—but solely to Iraqi Jews as Jews. If such laws were reminiscent of the Nazi regime, so too was the malignant propaganda which acccompanied them in the daily press.

The leading Jordanian daily, Al-Manar, of November 24, 1964, for example, published the vicious caricature of a Jew wearing the Star of David on his chest and surrounded by bags of money. The caption over it read: "The hungry one who is never satisfied."

The United Arab Republic's armed forces weekly, El-Kuat El-Muslaha, in its article on freemasonary, drew an equally vicious caricature in words:

"The Jew in his very soul and character has not the qualities of a man who bears arms. He is not naturally prepared to sacrifice his life for anything, not even for his son or his wife. If there is today in Israel a man who bears arms he does this because he is sure that there is another man who will precede him, who will stand in front of him not behind him in order to defend him when the time comes. Were it not for that, no Jew in the world would agree to bear arms."

The expressed views of certain Arab leaders, like their propaganda techniques, seem to echo a recent European sound. An interview with President Gamal Abdel Nasser of the United Arab Republic was published on May 1, 1964 on the front page of the Deutsche National Zeitung, an extreme rightist German weekly edited by Dr. Gerhard Frey, who had visited Cairo that spring to bolster his international anti-Jewish alliances. In the interview with Frey, Nasser said:

"During the Second World War our sympathies were with the Germans."

LIE OF THE 6 MILLION

Nasser added that recent policies of the West German Government, including the payment of reparations to Israel, irked and confused him. When Dr. Frey explained that these payments, and other examples of West German accommodation with Israel, were the result of what he called the Jew murders of the recent past, the United Arab Republic's dictator replied: "But the lie of the 6 million murdered Jews is not taken seriously by anybody."

Certainly not by the authorized peddlers of hate. The Arabs, wrote Saleh Joda in the Cairo newspaper Al-Musawar on December 20, 1963, "have always had faith in Germany's friendship, and in the fact that the great German people, which tasted disaster and destruction at the hands of Jewish arms-dealers and bloodsuckers, can trust them no more." The writer added: "There are still a few Jews left in Germany, who are trying once again to raise their viper's head and seize control of economic life, business, and politics."

Events in other countries have been reported in the approved and sometimes government-subsidized Arab press from a similar viewpoint—particularly those events which lend themselves to an anti-Jewish slur. The notorious Profumo affair in England, as described by Ibrahim Sakjaha in the Jordanian Falastin, was headlined "Jewish Scandals," and the writer concluded: "In all this scandal and corruption, one fact stands out. Most of the leading racketeers and vicemongers were Jews * * *. Jews in England who ran these rackets amassed their fortunes by the foulest and most depraved of means."

On August 8, 1963, a venomous analysis of history was offered by "Wayfarer" in the Jerusalem (Jordan) daily, Al-Jihad:

"Of all the dwellers on this planet, if any scholar were bent on counting * * * the nations who hate the Jews * * * and those who are pro-Jewish * * * would he find so much as one single nation that like them? * * * I am sure that on this score everyone feels the same way.

"All of them hate to have Jews in their midst, and all do their best to get rid of them. Obviously this hatred is rooted in world feeling since the dawn of history.

"But why is it that everyone hates the Jews?

"The reason is one and the same * * * with everyone * * * in every age.

"It stems from the mentality of the Jews, and their character, which impels them to live within a nation * * * as a people apart * * * with different aims * * * and feelings * * *. Because of this * * * and because of their spiritual insolationism * * * among whichever nations they dwell * * * they plunder its wealth * * * and are not squeamish over the propriety of their methods.

"This is why the Jews are the root of all creeping corruption, and there is no doubt that this is also one of the main reasons why Jews are detested."

But the persecutions of the past are not all that the Arab propagandists seek to justify. The threat of future anti-Jewish recriminations, even more terrible ones, are often only lightly hidden. In an article called "The Sinister Grasp," in Falastin (Nov. 22, 1962), H. Ibrahim Sakjaha began with a report of Jewish crimes in the Soviet Union, then produced a torrent of analysis and grave prophecy:

" 'The mouse is dead but its tail is wagging' runs the well-known Arabic proverb. And it springs to mind, when we read of another band of Jews in the U.S.S.R., sentenced for economic crimes.

"Not only Jews are tried on the charge in that particular country, admittedly. But most of the convicted criminals are Jews—for one of two reasons.

"The Jews try to get control of financial and economic life wherever they are.

"In this attempt they usually tend to employ unscrupulous and illegal tactics.

"Obviously it is not just the Jews of Russia who commit economic crimes, try to get the whip hand, and use underhanded tactics. In Russia, however, they are caught and tried, and some of them get the death sentence, in accordance with the severe laws there. Whereas in the United States, for instance, and other capitalist countries, they pursue their nefarious work unhindered, living a life of pleasure, and seizing all in their clutches, without their deeds being considered a capital crime. On the contrary, some of them are even thanked or decorated for what they do.

"Take for instance the stock exchange crises in New York, London and elsewhere. Most people blame the Jews for profiteering on the stock markets to their own advantage, but all the same nobody takes them to task. In a city like New York nobody can settle accounts with them.

"Yet if the powers that be who yield to Zionist domination because their economies are in its clutches shut their eyes to crimes like these for the while, will the peoples who are lorded over by these Jewish exploiters be able to keep silent forever?

"We do not think so—nor do we doubt that they will square their accounts with the Jews, one day in the not too distant future. This accounting will be cruel and terrible; it will take reckoning of the sinister Jewish domination over the economy of the free world."

THE EXPORT OF POISON

Much of the blatant defamation of Jews produced by the authorized Arab propagandists—that which is paranoid or patently nonsensical—is obviously intended chiefly for internal consumption. For only under a system of rigid press censorship which controls the public's level of awareness could the distortions in the Arab version of the Kennedy assassination, for example, be peddled seriously. But the growing hate campaign has had international elements as well.

So malevolent has been the anti-Semitism of Arab pamphlets published in Germany that the central board of the Jewish community at Dusseldorf pleaded with the Bonn government, on January 11, 1964, to take steps to limit their spread, considering the danger of the possible incitement of resurgent Nazi groups to violence.

In Argentina, there are a number of anti-Semitic groups, many of them Nazi in flavor and beliefs. According to a leading Argentine daily newspaper, El Siglo, an agent of the Arab League named Hussein Triki has been working closely with some of these groups and financing their activities—particularly a banned fascistic organization known as Tacuara. According to the Buenos Aires weekly, Primera Plana, the police have known of Tacuara expenses being covered by Triki. (Triki, a former representative of Algeria's FLN who was known for his openly pro-Nazi sympathies during World War II, publishes an anti-Jewish newspaper, Nacion Arabe, and has fostered widespread distribution of the "Protocols of the Learned Elders of Zion.")

ARAB BLASTS IN UNITED STATES

In the Arab States, Arab propaganda is issued regularly from several special offices. A press release dated March 5, 1965, issued by the Palestine Arab Delegation in New York, was quite in keeping with the official anti-Jewish propaganda abroad—charging that Zionists had started the Second World War in Europe in 1939 and had later "capitalized on the alleged destruction by Germany of 6 million Jews." The release added:

"It is appropriate to point out that according to statistics published by European governments, it is estimated that more than 45 million gentiles lost their lives in the Second World War and yet no one hears about them, no one is capitalizing on their deaths, erecting monuments in their memory, or cashing in through blackmail on their misfortune."

Deliberately or not, the authors had confused the hapless victims of war with those of programed murder. But such confusion fits the divisive purpose apparent in today's Arab propaganda throughout several continents.

In "Who Benefits From Anti-Semitism," the New York Arab Information Center's pamphlet, Author Hadawi quotes proudly from a book by Dov Joseph, who had been military governor of the Israel part of Jerusalem, in order to bolster claims that such propaganda was merely anti-Israel, and purely political in nature. "I have never found among Moslems * * *" the author had written, "any trace of feeling against Jews comparable to anti-Semitism."

If this is so, then the flood of anti-Jewish hate sampled in these pages becomes all the more damning of its perpetrators—all the more tragic to the hopes for ultimate understanding between peoples—for the responsibility then must fall almost entirely upon the officials of the Arab governments themselves.

One such official, King Hussein of Jordan, declared in a speech in Washington, D.C., on April 15, 1964: "It is clearly in the best interest of the adherents of the Jewish faith wherever they live to make a deep, soul-searching, and, perhaps, an agonizing re-

appraisal of their attitude toward this whole program of Zionism. For if they could only do that they would be able to make a far-reaching contribution toward solving a tragedy which threatens to engulf them and others in a senseless and ruthless calamity."

The threat—against "adherents of the Jewish faith wherever they live"—was, like all threats of its kind, only thinly veiled.

May 17, 1965: Bjorn Lundahl, leader of a group of Swedish Nazis, at whose headquarters police discovered a cache of weapons and a list of Swedish Jewish leaders marked for assassination, was charged with high treason. Lundahl had held at least 30 conferences with the former First Secretary of the Egyptian Embassy in Stockholm.

April 24, 1965: Radio Cairo, commenting on the "necessity of the destruction of Israel and the disappearance of Jewish people from the face of Arab soil," declared: "We find ourselves facing human groups whose nature prevents them from coexistence with other peoples * * *. These groups plan aggression of, and domination over, other peoples."

April 16, 1965: Mahmound Riad, Foreign Minister of the United Arab Republic, in an interview with the "Deutsche National Zeitung and Soldatenzeitung," extreme rightist German weekly, said: "Most nations are not interested in these (Nazi crime) trials and (wish) that these nuisances be stopped. This self-flagellation does not bring honor to Germany. Often, it seems to me as though the Germans were begging to be slapped. What is referred to in Germany as pressure of world public opinion is in reality the pressure of a tiny minority."

April 15, 1965: Hilmi Salem, writing in Al Gemhouria, attacks President Bourguiba for being the first Arab ruler to have nominated a Jew, Andre Baruch, a relative of the famous millionaire, Bernard Baruch, as a member of his cabinet.

March 5, 1965: The Palestine Arab Delegation in New York issued a press release entitled "Germany, the Arabs and the International Zionist Manipulators" stating: "No German leader with any self-respect whatsoever would take such a position (arms deliveries to Israel) knowing as he does about the sinister role played by the international Zionist manipulators to crush Germany in two World Wars. What would it matter to them if millions of gentile lives were sacrificed?"

January 2, 1965: A cartoon in the daily Akhbar al-Yom shows Golda Meir kissing the hand of the Pope and saying: "Thank you for the resolution declaring that the Jews did not hang the Messiah. But next year we will demand a resolution be adopted declaring that it is the Arabs who hanged the Messiah."

January 1965: The United Arab Republic distributed through its Information Department in Cairo and its Embassy in Washington, D.C., copies of a pamphlet entitled "Israel, The Enemy of Africa," replete with quotations from the "Protocols of The Elders of Zion."

November 26, 1964: A radio Baghdad commentator deplores the alleged invasion of the Vatican by Jews who succeeded in "forcing a few Christian clergymen to publish a document which distorts the contents of the New Testament * * *. This way the Jews are murdering Christ and His mission once again."

November 24, 1964: Al Manar, a Jordanian daily carried a cartoon showing a malevolent caricature of a Jew, wearing a Star of David on his chest and surrounded with coins and bags of money. The caption read: "In connection with antipoverty program—the hungry one who is never satisfied."

November 23, 1964: Al-Manar (Jordan) publishes a cable sent to the Pope by the Christian members of the National Council of Jordan. It "strongly deplores the resolution of the Ecumenical Council which acquits the Jews from the murder of Our Lord the Messiah."

November 22, 1964: The Daily Star (Beirut, Lebanon) quotes Jordan's Foreign Minister Kadri Toukan as predicting that the ecumenical declaration would pave the way for "Zionism and Israel to continue their misguided policy. History testifies to Jewish intentions of destroying Christ and Christianity."

November 21, 1964: Over Radio Amman, Kadri Konkan, Foreign Minister of Jordan, commenting on the Ecumenical Council's vindication of the Jewish people, said that the Jews were responsible for the war against Christ and Christianity and that this was proved by history.

November 20, 1964: According to Al-Akhbar, United Arab Republic, Abel-Allah al-Tall published a book under the title, "The Danger of World Jewry for Islam and Christianity."

November 20, 1964: Arabische Korrespondenz, published by the Arab League Office in Bonn, under the heading "The Arabs and the Jewish Scheme," declared that all Arab Ambassadors were to maintain close contact with Vatican authorities "to enlighten them about the political background behind the Jewish scheme."

November 19, 1964: Damascus radio said that while the Jews might have merited mercy before the establishment of Israel or before the Nazis, "Jews certainly do not deserve pity or mercy now, as their hands are still soaked with the blood of Arab Palestinians."

November 16, 1964: El Kuat El Muslaha, journal of the United Arab Republic Armed Forces, carries an article by Mustafa El-Sid entiled "Return to The Black Chamber." It depicts Freemasonry as a Jewish invention and instrument of Jewish international intrigue.

October 1964: Number 5 of "Publications of the League of Arab States—Cairo," German edition, is devoted to the subject "Israel Persecutes German Scientists." On page 3 appears the following comment: "The Federation of German Labor Unions * * * has concerned itself strongly with German foreign policy in the Arabian part of the world. Whether this is really in the interests of German workers * * * or whether this is the work of the Jews who operate in Germany for Israel, cannot be judged easily." (This is an insinuation that Ludwig Rosenberg (Jewish), head of the German Federation of Labor Unions, is an Israeli agent.)

October 28, 1964: Arabische Korrespondenz contains a strong statement against any changes of the Holy Scriptures by the Ecumenical Council and ends as follows: "It is in the interest of the faith to look for the cause of anti-Semitism in men themselves, not in the Holy Scriptures."

October 19, 1964: The Arab Observer published in English by the United Arab Republic's general organization of publications in Cairo, carries a 2-page article, entitled "'I Am Content', says Cardinal Bea." It refers to "Zionising Cardinals" as dupes of * * * a power struggle which uses the supposed sufferings of the Jews as one of its principal aids."

October 3, 1964: Arabische Korrespondenz editorially comments: "The (Ecumenical) Council in Rome again occupies itself with Juddismaand Christianity * * *. The question arises whether it is prudent and right to correct history for the sake of Zionism. Would it not be better to examine one's own shortcomings and not seek them in others?"

Summer 1964: The Arab League representative in Argentina, Hussein Triki, traveled through Argentina delivering lectures sharply attacking Judaism and charging that the Jews were planning a "Zionist America."

May 12, 1964: Nacion Arabe, a newspaper published in Buenos Aires by Hussein Triki, contained a front-page anti-Jewish caricature showing a claw bearing the Star of David attempting to seize Argentina.

May 1, 1964: Deutsche Nationalzeitung und Soldatenzeitung published an interview with President Gamal Abdel Nasser of the United Arab Republic quoting Nasser as declaring: "During the Second World War our sympathies were with the Germans * * *. The lie of the 6 million murdered Jews is not taken seriously by anybody."

April 1964: The Scribe—Arab review, published in five languages in Cairo, contained a four-page article entitled "Was Kennedy the Victim of a Zionist-Armed Hand?" insinuating that the late President Kennedy and American statesmen before him, including Lincoln, were murdered by Jews.

April 27, 1964: The Argentine Arab Youth Movement distributed leaflets inviting the public to a "big demonstration in support of the Arab League * * *. Enough of currency evasion and economic criminals that bring misery to our people. Enough of double nationality * * *." At the meeting, slogans such as "Long Live Hitler," "Nasser and Peron," "Jews to the Crematoria" and "Make Soap Out of the Jews" were voiced by participants, many of whom were identified by their uniforms, as well as by their Nazi salute, as members of Tecuara and Guardia Restauradora Nacionalista, neo-Nazi groups.

April 15, 1964: King Hussein of Jordan, in a speech in Washington, D.C., made veiled threats against "adherents of the Jewish faith wherever they live." He intimated that unless they abandoned Zionism they would be engulfed "in a senseless and ruthless calamity."

March 9, 1964: El Siglio, leading Argentine daily, denounced Arab League agent Hussein Triki charging that he was collaborating with anti-Semitic and nationalist groups.

February 24, 1964: The so-called Grand Mufti of Palestine, Mohammad Amin El Husseini, chairman of the Arab Higher Committee for Palestine, in a memorandum submitted to Pope Paul VI stated: "The Zionist movement * * * is based on the Talmudic principles which consider non-Jews as Goyim with no human rights and with whom Jews cannot live or associate."

February 1964: The newspaper Al Nahar (Beirut, Lebanon), assailing President Johnson, referred to him as "Johnson the Jew."

January 28, 1964: At an Arab League session in Cairo, the Egyptian representative proposed to renew distribution of the "Protocols of the Elders of Zion" in the countries of Asia and Africa.

January 21, 1964: At Dusseldorf, Germany, Dr. Hendrik Van Dam, Secretary General of the Central Council of Jews in Germany, appealed to the Government of the German Federal Republic to take steps against the spread of anti-Semitic pamphlets published by Arab propagandists.

January 8, 1964: Al Anwar of Beirut shows a caricature of a Jew labeled "Cohen" about to collapse, supported on each side by Britain and the United States. The three figures are encircled by cannons with inscriptions of the names of Arab League countries. The caption puts the question in Cohen's mouth: "What? You are leaving me?"

January 8, 1964: Broadcast over Radio Amman referred to the Jews "hostility toward the other cosmic religions, and Christianity in particular. Thus is the truth revealed, and with it the shame of the enemies of God, and of Islam and Christianity. Thus do the Jews prove their responsibility for the infamies of their forebears, and for the crucifixion and humiliation of Christ 19 generations ago."

January 1, 1964: Ad-Difa'a Jerusalem (Jordan) daily, carried a column by Yusef Hanna stating: "The reader would do well to know that Johnson is said to be infatuated with the Jews as Truman was, and that

Mrs. Johnson is said to back Mrs. Roosevelt in her outbursts and Zionist outbursts and Zionist leanings. Mrs. Johnson's daughter is engaged to a young Jew by the name of Rosenberg, who works as a real estate broker in New York."

December 20, 1963: Al-Musawar, Cairo daily, carried a column Pictures Behind the News by Saleh Joda containing the following comments: "The great German people which tasted disaster and destruction at the hands of Jewish arms-dealers and bloodsuckers, can trust them no more * * * There are still a few Jews left in Germany who are trying once again to raise their viper's head and seize control of economic life, business, and politics."

December 14, 1963: Achbar el-Yom, Cairo newspaper, insinuates that the Jews were as much responsible for the murder of former President Kennedy as for the death of Jesus Christ.

December 6, 1963: Al-Musawar Columnist Anis Mansur described Jews as killing Catholics while extracting concessions from the Catholic Church.

December 4, 1963: Columnist Sa'id Nu'mat Ulla writing in Acher Sa'a (Cairo), declared that Jewish gangs were responsible for President Kennedy's assassination.

November 28, 1963: Cairo daily Al-Gomhouria featured a cartoon showing a hangman holding a torch to enable Ben-Gurion to write on a wall, while Uncle Sam stands by indifferent. The wall bears the names: Bernadette, Lord Meyne, Deir Yassin, Lincoln, Lumumba, Hammerskjold, and names of German scientists. Ben-Gurion has just added the name of President Kennedy. The caption reads: "The Page of Precedents."

November 28, 1963: The Beirut Lebanon newspaper Al-Hayyat published a letter to the editor from a supporter of the Grand Mufti, bearing the title, "World Jewry Behind Kennedy's Assassination."

November 27, 1963: The daily column "Al-Jihad Dialog" in the Jordanian publication, Al-Jihad, reiterates typical anti-Semitic charges of alleged Jewish responsibility for mankind's misfortunes, from the Communist revolution to President Kennedy's assassination.

November 27, 1963: Al Gombouria comments: "The killer Jack Leon Rubinstein—Jew and Zionist—is not just a symbol of criminal Zionist domination over public life in the United States * * *. He personifies the subjection of respectable American citizen to machinations of the criminal Zionist gangs * * *. To date the Jews have founded over 70 hospitals, for the use of their own race * * *. Special Jewish institutions * * * for their own advantage * * * for their own patients in the United States."

November 26, 1963: Alakhbar, Cairo paper, commented: "To say this Jew killed Kennedy's killer to defend the reputation of Dallas and Texas, which has been soiled, is pure and utter nonsense * * *. Those who know our Jewish friends well know that they don't get excited or involved unless personal or material interest is involved * * *. All this goes to prove it was a well-planned action to hide the motives of Kennedy's assassination. The removal of details of the crime was to the interest of some gang * * *." The paper went on to say that "when this Jewish killer goes on trial, Zionist elements will try to influence the jury."

November 26, 1963: Falastin, Jerusalem (Jordan) daily, headlines a report about events in Dallas, "Spot the Jew."

November 26, 1963: Al-Jihad's column "Al-Jihad Dialog" stated: "The man who killed Kennedy's assassin was a Jew * * *. The question is, what were these vital interests which the Jew who killed Kennedy's assassin was trying to cover up * * *. The role of this Jewish killer * * * moves people to ask whether world Jewry has any interest in this crime, and whether subsequently, for fear of punishment it got rid of the assassin lest he should disclose vital secrets? How many crimes has world Jewry already committed in history, to attain its ends and further its own interests?"

November 25, 1963: Al Gombouria, in a column by Nasser ed-Din An-Nashashibi, referred to Lee Oswald's murderer as "Jack Rubinstein * * * a Jew, of course."

August 8, 1963: The column "A New Phenomenon" by "Wayfarer" in Al-Jihad deals with the reasons for the world's hatred of the Jew.

July 17, 1963: A column entitled "Jewish Scandals" published in Falastin traced corruption in England to Jews.

July 13, 1963: Falastin headlines a Reuters dispatch from Moscow about alleged profiteering in the sale of Matzeh: "Jewish Crimes in Russia."

December 4, 1962: In an address at the United Nations, Hussein Zulficar Sabry, United Arab Republic Deputy Foreign Minister, said: "I am more Semitic than all the Greens, Zlotnicks, Shkolniks, or Shimonovitches put together—those East Europeans born and reared in the 19th century in Plensk, Poltava, Kiev, Bobrinsk, or whatever it was * * * and they found it expedient to take on Hebraic aliases to make the world believe that they are of Hebrew origin."

November 30, 1962: Ahmad Shukairy, Saudia Arabia's envoy to the United Nations, in an address at the U.N., stated: "Recently in Argentina * * * a national movement under the name of Tacuara has started, for which a gentinal should be saluted. Tacuara has proclaimed a crusade against Zionism. The extermination of Zionism is a master key to the solution of the Palestinian refugees. We hope that Tacuara would spread in Latin America and we propose that Tacuara be adopted by the United Nations."

November 22, 1962: An article in Falastin headed "The Sinister Grasp" by H. Ibrahim Sakjaha repeats the canard that Jews control economic life everywhere in the world, but are being punished for their crimes in Soviet Russia.

June 11, 1962: According to the Ruz al-Yusuf (Cairo), Deputy Foreign Minister of the United Arab Republic Hussein Dhu al-Figar, commenting on the Eichmann trial, denied the fact that 6 million Jews were killed by the Nazis. He declared: "There are documents confirming the existence of Jewish gangs in Germany whose task it was to kill Jews in order to create sympathy for the Jews and Ben Gurion himself was the leader of one of these gangs."

February 1962: The weekly "Al Amghreb Al Arabi," published in Rabat, Morocco by the Popular Movernment, serialized "The Protocols of The Elders of Zion."

December 6, 1961: Ahmad Shukairy concluded a speech at the United Nations by denying there was anti-Semitism in the world but that anti-Semitism was being used as a propaganda "tool" to serve the interests of Zionists, who had "created anti-Semitism in order to justify their demands."

December 5, 1961: Ahmad Shukairy challenging the objectivity of Dr. Joseph E. Johnson, United Nations refugee aid, because he is a U.S. citizen and the U.S. is "in Zionist captivity," demanded that the United States must be "freed, emancipated and liberated from Zionism" before its statesmen can be trusted.

October 1961: The Palestine Arab Delegation sent to all U.N. delegations a formal statement of the Grand Mufti of Jerusalem declaring: "The enmity of Nazis to Jews * * * was based on well-documented research and studies" which showed that the Jews were "a strong factor" in bringing about the defeat of Germany in World War I and dominated the "political, economic, and professional life of Germany."

August 1, 1961: "The Crescent and the Cross," newsletter of the Palestine Arab Delegation, adopted the anti-Semitic canard of the Khazar origin of present-day Jews. It charged that the use of the term "Israel" by Jews was an abomination because only followers of Jesus Christ can be considered "fellow citizens" in the commonwealth of Israel. It added that Zionism was determined to eradicate Christianity and that this "Zionist fanaticism" stems from the Talmud.

Summer 1961: "The Crescent and the Cross" charged that the Jews were responsible for "railroading the United States into World War I * * *" and for contributing "in large measure toward unleashing World War II."

June 6, 1961: In a letter published in the San Francisco Examiner, Mohammed T. Mehdi, then west coast director for the Arab League Information Center, charged "American Jews are Israelis residing in exile and potential Israeli citizens."

April 15, 1961: Il Nahar, of Beirut, Lebanon, published a cartoon depicting Eichmann standing on a heap of skulls with the caption: "Eichmann is being tried for his mistakes. He didn't kill them all."

March 25, 1961: In an address before the American Friends of the Middle East, Sami Hadawi, then charge of the Southern Office (United States) of the Arab Information Center, asked: "Is it in the interest of the United States to allow a minority group to influence its policy, and is it in their interest of the United States to allow tax-free dollars to be used for harmful things to American policies?"

January 20, 1961: Al-Ahram reports: "The Information Department of the United Arab Republic has been able to obtain copies of the protocols of the elders of Zion, of the Talmud and other books * * * The department is now engaged in translating these books into Arabic, French, and English in order to distribute them in African countries * * * The Talmud says that whoever kills a non-Jew will be admitted to Paradise. The Talmud also permits the stealing of gentile property and attacks upon the honor of non-Jewish women."

December 1960: Al Gomhouria announced that one of the last few copies of the Nazi film, "The Windering Jew," had been obtained by the Egyptian Government and would be shown on television in the United Arab Republic. The paper then stated: "All the other copies were seized and destroyed by the Allies, but we succeeded to get a rare copy so that our people will have the privilege of seeing it."

November 25, 1960: Al-Abram (United Arab Republic) carries an article by Salah Darsuki which tries to prove the validity of the "protocols of the elders of zion." The author's crown witness is Sergei Nilus, notorious anti-Semitic forger under the czarist system. Darsuki reiterates the old-Semitic canards that Wall Street, the French, and British economies are dominated by the Jews.

August 29, 1960: In an address before a convention of the Organization of Arab Students in the United States, Mostafa Kamal, United Arab Republic Ambassador, stated: "Zionists in this country organize the Jewish minority in a bloc, powerful, rich, influential, fanatically self-interested and permanently inflamed against the Arabs, against any understanding between the Arabs and the Americans."

June–July 1960: The Jordanian paper Al-Sha'b contains an article by Yuruf Hannah which reads in part: "Genocide and war crimes were invented by the Jews and perfected by the Zionists. The Torah is full of genocide propaganda and blood-thirsty teachings, and the entire Jewish religion is based on hatred, revenge, racial discrimination, intolerance, racial persecution, aggression, murder, looting, and raping."

The Jordanian newspaper Falastin published an article by Yehya Hawwash which

contains the following sentence: "Compared to the Jewish gangsters, Hitler and the Nazis were pure saints."

June 23, 1960: Radio Baghdad commented: "Eichmann is a Nazi German Jew who killed Jews—many at that—during the Hitler era."

June 13, 1960: Radio Cairo: "The aim of the kidnapping of Eichmann is to extort money from world Jewry."

June 12, 1960: Radio Damascus: "The Israel propaganda machine in again grinding out the old legend about the millions of Jews who are supposed to have been exterminated by Eichmann. * * * This absurd legend is devoid of all basis in fact, and nobody believes it * * * not more than 150,000 Jews were killed throughout Europe during the Nazi regime."

June 11, 1960: A Radio Cairo commentator declared: "Here is Eichmann who is going to be the victim of world Jewry. Our sympathies are with him, not because he was realistic about the dangers of world Jewry, but also because he will see how injustice is practiced in a country based on injustice and lawlessness."

June 9, 1960: Al-Anwar of Beirut publishes a cartoon with the following message: "Ben Gurion: 'You deserve the death penalty, because you killed 6 million Jews.' Eichmann: 'There are many who say I deserve the death penalty because I didn't manage to kill the rest.' "

June 9, 1960: Falastin, Jordan daily, made this comment: "The Jewish race goes into hiding after every war, like the snake that strikes and then takes cover * * * May the wheel of history turn so that the leaders of Jewry will stand trial for the war crimes they perpetrated against all of humanity."

June 2, 1960: Al-Hayat, Beirut daily, publishes an article by Yunis Bahri, who broadcast in Arabic from Berlin in Hitler's time. Bahri wrote:

"It appears that the Jews, having failed to attain the ends they set for themselves in the Germany of today, looked for some weak and miserable prey such as the fugitive figure of Adolf Eichmann, in order to try him for the crimes of the Hitlerite Nazi regime which, according to their claims, destroyed 6 million Jews * * * The Jewish fabricated stories about the desecrations of their synagogues * * * This campaign, too, ended in failure, but the Jews did not retreat, for after all trickery is their trade."

May 31, 1960: The Saudi Arabian paper Al-Bilad carries an article on the arrest of Eichmann under the headline: "The Arrest of Eichmann Who Had the Honor of Killing 5 Million Jews."

May 26, 1960: Ash-Shaab, Jordan daily, contains the following comment: "Chief Rabbi Niesim's statement on the Eichmann case is a true interpretation of the teachings of the Torah, which are based on the incitement to hatred, revenge, racial discrimination, aggression, murder, looting and other virtues practiced by the heroes of the Bible."

May 7, 1960: Abdul Gamal Nasser, in a statement on financial dealings, referred to "the methods of Cohen."

EXHIBIT 2

U.S. FOOD AID DISPARAGED BY EGYPTIANS—RADIO STATIONS BELITTLE JOHNSON ACTION BUT LAUD RUSS HELP

(By Paul W. Ward)

WASHINGTON, July 2.—President Johnson's June 21 decision to ship another $37 million worth of American foodstuffs to Egypt is getting an unrewarding reaction from President Gamal Abdel Nasser's regime there.

Government-controlled radio stations, on which the regime depends for indoctrination of an electorate that is 70 percent illiterate, are belittling President Johnson's action but simultaneously praising Premier Alexei N. Kosygin of the Soviet Union for having taken similar action 3 days later.

Recordings of the Arab broadcasts that became available in translation here today also contain quotations from Cairo's government-controlled newspapers that show Nasser's press organs being as pro-Soviet and anti-American as his broadcasters in this matter.

STOCKS NEARLY DEPLETED

They show, in addition, that Egypt was within 3 weeks of exhausting its grain stocks when the State Department announced here on June 22 that President Johnson had decided the previous day to resume aid shipments to Nasser's regime.

The decision entailed arrangements to ship 260,000 tons, or $22,400,000 worth of wheat plus $8,900,000 worth of tobacco, $5,600,000 worth of vegetable oils, and $100,000 worth of dried milk to Egypt in completion of contracts made in October 1962, to supply that country with $431,800,000 worth of American farm products at bargain prices repayable in currency spendable only in Egypt.

Three days later Nasser got a note from Kosygin promising an additional 300,000 tons of wheat for Egypt on terms that he left subject to negotiation but vowed would be kept within the means of an Egyptian regime that, according to Israeli publications, had just tried to contract for annual shipments of 1 million tons of wheat from Argentina over the next 5 years but could not meet Argentine credit requirements.

DESPERATE NEED

Egypt's desperate need of grain was also pointed up in Cairo broadcasts about Kosygin's offer. They stressed that it entailed immediate diversion to Egypt of Australian and Canadian wheat in Soviet ships that had been bound for the Soviet Union.

The first of those Soviet ships, northbound, reached the Suez Canal last Saturday. The second, bearing another 11,500 tons of Australian wheat, reached Alexandria Tuesday, and a third, carrying 9,500 tons, is due there Sunday.

Nasser's radio stations, which had forecast President Johnson's decision weeks in advance, treating it as something Arab pressures were certain to extract from the White House, began contrasting Moscow's action with Washington's as soon as Kosygin's note was received.

They have, moreover, used each Soviet grain ship's arrival as excuse for elaborating on their pro-Soviet and anti-American theme and for blasting at "pro-Zionist American Congressmen clamoring for stopping the export of wheat and foodstuffs to Egypt so that its sons may starve and succumb to American policy."

FAVORABLE TERMS

"We do not get wheat from the United States as charity or aid, as its trumpets make out," they add, "but buy it at the full price which, indeed, includes profit. There were favorable payment terms because the wheat, flour, or other supplies were surplus in the United States."

The contrastingly pro-Soviet note is struck in Cairo broadcasts saying Kosygin's promise was accompanied by "a profound diplomatic remark; namely, that the Soviet Union fully appreciates the policy of nonalinement espoused by Nasser.

"The first (Soviet) consignment of wheat reached us," they add, "while discussions were taking place (at Cairo) between President Nasser and Chou En-lai, Premier of the Chinese People's Republic which is contesting the Soviet Government on vital ideological subjects.

"Despite this, neither the Peiping Government nor the Moscow Government sees any strangeness in the supply of Soviet wheat to the United Arab Republic.

GREAT LESSON SEEN

"This is because each behaves within the realm of peaceful coexistence among liberated peoples. This is a great lesson for the U.S. Senators who have often pressed their Government to break the wheat agreement with us.

"We have been able to prove through material evidence that the land of God which produces wheat is wide. We have concluded deals to purchase wheat from Mexico. There are other wheat deals being concluded. These deals will meet our requirements until we produce our own wheat in 2 years' time.

"After 2 years it will be our right to tell those who helped us 'thank you' and those who were hostile to us 'what did you gain by being hostile to us, other than failure?' "

Nasser's radios, which also have been blaming the United States this week for all the United Nations' shortcomings as a peacekeeping organization and simultaneously denouncing both Britain and the United States for their actions in the Vietnam crisis, have just broadcast, in addition, some details about Egypt's present grain stocks and future prospects.

These broadcasts are based on an announcement made at Cairo last Sunday by Deputy Premier Kamal Ramzi Istinu, who said Egypt has managed to "overcome the difficulty of meeting its requirements in wheat, corn, and flour" for the next 10 months.

It had entered last Saturday, he added, into a contract with Mexican authorities for 400,000 tons of wheat and 100,000 tons of corn to be supplied it on an 18-month credit basis.

Egypt, which currently has to import 1,500,000 tons of wheat a year, also has contracted, he said, to buy 55,000 tons from Australia plus 30,000 tons from the United States exclusive of the additional 260,000 tons due it under President Johnson's June 21 decision.

Added to the 300,000 tons promised by Moscow, these figures reach an aggregate of 1,045,000 tons of wheat, or enough, he said, to last 10 months in Egypt, which normally consumes 125,000 a month.

OTHER FIGURES

It has also contracted, he added, to buy 380,000 tons of flour from France, Italy, and Spain and this, added to its stock of 80,000 tons, will cover Egypt's flour needs for 8 months.

He did not project any imports of corn beyond the 100,000 tons from Mexico, saying, instead, that Egypt's Ministry of Agriculture is increasing acreage that will yield a corn crop in September of 1 million feddans (1,470,000 acres).

The United States has been shipping about about 2 million tons of wheat annually to Egypt as part of economic aid allotments to that country which by June 30 last year had reached an aggregate of $943,100 and topped $1 billion at the end on Wednesday of fiscal 1965.

MILITARY AID ALSO

But Soviet economic aid commitments, totaling $1,011,300,000, according to State Department data, have been supplemented by military aid commitments in excess of $1 billion. Some of the latter are, however, not directly attributable to Moscow, being shared by other Soviet bloc members such as Czechoslovakia, East Germany, Hungary, Poland, and Rumania.

According to State Department data, Moscow's foreign aid commitments were trippled during 1964 and a third of the total went to Egypt which got, in consequence, $457,300,000 in credits from the Soviet Union. Communist Chinese credits to Egypt amount, on the other hand, to only $84,700,000 to date, including $80 million granted last year.

Mr. JAVITS subsequently said: Mr. President, I ask unanimous consent that this brief statement may appear in connection with the statement made by the Senator from Connecticut [Mr. DODD] on President Nasser's anti-Jewish propaganda.

Mr. President, I believe that the Senator from Connecticut has rendered the country a distinguished service in disclosing the facts of what appeasement of President Nasser has come to mean to the United States. I have been trying to disclose these same facts constantly.

The Senator from Connecticut has given enormous aid to efforts to show how misguided the United States has often been in Near East policy, especially with respect to the recent release of wheat to President Nasser's regime.

I hope very much that every Senator will read the remarks of the Senator from Connecticut, as we shall be trying to implement by legislation these policy recommendations.

SOCIAL SECURITY AMENDMENTS OF 1965

The Senate resumed 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.

AMENDMENT NO. 330

Mr. CURTIS. Mr. President, I call up my amendment No. 330.

The PRESIDING OFFICER. The clerk will read the amendment offered by the Senator from Nebraska.

Mr. CURTIS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with, and that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 330) offered by Mr. CURTIS, is as follows:

On page 126, line 13, strike out "programs" and all that follows, and insert in lieu thereof "programs."

On page 123, between lines 13 and 14, insert the following:

"ALTERNATE VARIABLE DEDUCTIBLES UNDER PARTS A AND B RELATED TO INCOME TAX LIABILITY

"SEC. 1876. (a) Except as is provided in subsection (c)(1), the inpatient hospital deductible applicable to an individual under part A with respect to inpatient hospital services furnished to him during any spell of illness shall, if his income tax liability exceeds the amount of such deductible as determined under section 1813, be, in lieu of such amount, an amount equal to his income tax liability, or the amount of the customary charges imposed for the inpatient hospital services furnished him, whichever is the lesser.

"(b) Except as is provided in subsection (c)(2), the deductible applicable to an individual under part B with respect to services provided him thereunder during any calendar year shall, if his income tax liability exceeds $50, be, in lieu of $50 an amount equal to his income tax liability, or the amount of the customary charges imposed for such services, whichever is the lesser.

"(c)(1) The inpatient hospital deductible applicable to any individual—

"(A) who, during any calendar year, has received inpatient hospital services with respect to which the inpatient hospital deductible is subject to increase by reason of the provisions of subsection (a), and

"(B) who, during such calendar year, has received medical or other health care with respect to which the deductible applicable to him under part B has been increased by reason of the provisions of subsection (b),

shall, in lieu of the amount determined under subsection (a), be (i) the amount determined under subsection (a) minus the amount by which his deductible under part B was increased (by reason of the provisions of subsection (b)) over $50, or (ii) the amount determined under section 1813, whichever is the greater.

"(2) The part B deductible applicable to any individual—

"(A) who, during any calendar year, has received medical or other health care with respect to which the $50 applicable thereto is subject to increase by reason of the provisions of subsection (b), and

"(B) who, during such calendar year, has received inpatient hospital services with respect to which the inpatient hospital deductible has been increased by reason of subsection (a),

shall, in lieu of the amount determined under subsection (b), be (i) the amount determined under subsection (b) minus the amount by which his inpatient hospital deductible under part A was increased (by reason of the provisions of subsection (a)) over the amount determined under section 1813, or (ii) the amount determined under part B (without regard to this section), whichever is the greater.

"(d) For purposes of this section, the term 'income tax liability' means, when applied to any individual, the amount of the tax imposed on such individual for the taxable year under chapter 1 of the Internal Revenue Code of 1954, reduced by the sum of the credits allowable under part IV of subchapter A of such chapter (other than the credit allowable under section 31 of such Code).

"(e) For purposes of subsections (a) and (b), an individual's income tax liability shall be determined on the basis of his last taxable year which ends prior to the date he commenced to receive the services with respect to which the deductible under subsection (a), or (b), as the case may be, is being determined.

"(f) In the case of any individual who is married and files a joint income tax return with his spouse, the income tax liability of such individual shall be deemed to be one-half of the joint income tax liability of such individual and his spouse."

Mr. CURTIS. Mr. President, I advise Members of the Senate that I expect to ask for a rollcall on this amendment.

Mr. President, I ask for the yeas and nays now.

The yeas and nays were ordered.

Mr. CASE. Mr. President, will the Senator yield briefly?

Mr. CURTIS. Mr. President, I ask unanimous consent that I may yield to the Senator from New Jersey without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE. Mr. President, I call up my amendment, which is at the desk, and ask that it be stated.

Mr. LONG of Louisiana. Mr. President, reserving the right to object—and I shall not object—I hope the amendment can be agreed to. We have discussed the amendment. It is not controversial. If we can dispose of it now, without the Senator from Nebraska losing his right to the floor——

Mr. CASE. Mr. President, I ask unanimous consent that my amendment may be considered without the Senator from Nebraska losing the floor.

The PRESIDING OFFICER. Is there objection to the request that the amendment of the Senator from Nebraska may be set aside temporarily so that the Senate may proceed to the consideration of the amendment of the Senator from New Jersey [Mr. CASE]?

Mr. LONG of Louisiana. Without the Senator from Nebraska losing his right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment offered by the Senator from New Jersey will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CASE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with and that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. CASE is as follows:

On page 141, line 20, insert after "(a)" the following: "As soon as practicable after enactment of this section, the Secretary shall appoint an Advisory Council on Social Security for the purposes set forth in subsection (e)."

On page 143, line 8, after "Council" insert the following: "(other than the Council appointed under the first sentence of subsection (a))".

On page 144, strike out line 5 and insert in lieu thereof: "exist.

"(e) The Council appointed under the first sentence of subsection (a) shall make a comprehensive study of nursing home and other extended care facilities in relation to extended care services under the insurance program under part A of title XVIII, including the availability of such facilities and the types and quality of care provided in such facilities, and shall report its findings and make recommendations based thereon with a view to action necessary to make maximum use of such services and facilities to provide high quality care in extended care facilities under such program. Such Council shall make its report to the Secretary not later than one year after the date of the enactment of this section, which report shall thereupon be transmitted to the Congress, and thereafter such Council shall cease to exist."

Mr. CASE. Mr. President, I have discussed the amendment with the leaders and managers of the bill on both sides. I understand that the amendment is acceptable.

My amendment would establish immediately the Advisory Council on Social Security in order to conduct a comprehensive study of the nursing home field as it relates to the provision of posthospital extended care under the hospital insurance section of the pending bill.

Put simply, the purpose of this study is to tell us how the nursing home can be most effectively used in doing the job we expect it to do under the bill.

As the Senate bill now stands, it would provide for up to 100 days of nursing home care in each spell of illness. The intent of this is to provide curative and rehabilitative care rather than custodial care. A qualifying facility would be required, among other things, to have a transfer agreement with a hospital. The transfer agreement is designed to remove any barriers to admission of the patient to a nursing home as well as to provide that his medical records will follow him from a hospital. In effect, this transfer agreement establishes a new relationship between hospitals and nursing homes, not as close as the requirement in previous bills that nursing homes be affiliated with hospitals.

The nursing home provision of the bill does not take effect until January 1, 1967.

This means that we have an 18-month period in which to make certain that the promise of nursing home care envisioned by the bill is not a hollow one, that adequate space will be made available to patients and that the care provided is of the highest quality.

At present, according to the best information I have been able to get, there are approximately 23,000 nursing homes of all varieties in the United States. These include approximately 9,700 "skilled care" homes which provide a loose combination of convalescent and custodial care. The remainder generally are of a variety that ranges from boarding houses to well-equipped homes for custodial care.

I think it is significant that of these 9,700 "skilled care" nursing homes, according to a Public Health Service survey, only about 50 percent employ a full-time registered nurse on the staff. In this connection, I would like to point out the shortage of both registered and practical nurses which now exists. What will be the impact of this shortage on the nursing home program in view of the fact that all homes would be required under the bill to employ at least one registered nurse full time?

Another point to be considered is that along with the new relationship established between hospitals and nursing homes, accreditation of nursing homes is largely in its infancy. Several groups have been trying to get broad programs of accreditation started in both the proprietary and nonprofit fields. An effective system of accreditation is an essential element in assuring adequate care. Under the bill, the determination of the system of accreditation is given to the Secretary of Health, Education, and Welfare.

These are some of the reasons—plus the basic lack of information in this whole field—why I have introduced this amendment to provide for a comprehensive study of the field to determine both its strengths and weaknesses, and to make recommendations to the Congress as well as the Secretary of Health, Education, and Welfare.

In effect, my amendment would advance the appointment of the Advisory Council on Social Security in order to deal immediately with the problem of nursing home care. The first Council would be established as soon as is practical after enactment of the legislation. It would be required to report to Congress a year following enactment.

The Advisory Council is, I believe, the most appropriate body to do this job. Responsibility for this study would be consistent with the recognition by the last council that "advisory councils review the substantive provisions of the program as well as its financing." The House Ways and Means Committee and the Senate Finance Committee have already responded to that recommendation by directing that the next Council report on all aspects of the program—including the new hospital insurance and supplementary medical insurance programs established under the bill—and on their impact on the public assistance programs.

Mr. President, I should like to make it clear that I fully support the proposed program of extended care provided in the bill. This would be a most timely and beneficial program. But by the same token I want to avoid situations where our people are placed in substandard nursing homes and exposed to the danger of inadequate care, fire, deplorable living conditions, and the atmosphere of hopelessness they breed. By making careful preparations now, we can overcome these problems before, rather than after, the program goes into operation. The study I propose is designed to get the program started on the right foot.

Mr. LONG of Louisiana. Mr. President, this is the amendment which requires the committee to make a study and early report on the program. Is that correct?

Mr. CASE. Especially the Advisory Council, on the nursing home aspects of the program.

Mr. LONG of Louisiana. Mr. President, the amendment is agreeable.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska [Mr. CURTIS].

Mr. HICKENLOOPER. Mr. President, will the Senator from Nebraska yield to me, for the purpose of asking a question of the Senator from New Mexico, without his losing the floor?

Mr. CURTIS. Mr. President, I yield for that purpose, provided it is understood that I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKENLOOPER. Mr. President, I would appreciate it if I could ask a question of the Senator from New Mexico [Mr. ANDERSON], who I think has peculiar knowledge of this particular matter, about the application of the bill to the situation in Iowa with respect to medical services of pathology and radiology in connection with our hospitals. So far as I know, ours is the only State in the Union that has legislated on this particular situation, providing a means and method by which radiologists and pathologists will serve patients within a hospital and be recognized by law as medical services.

At this point in the RECORD I ask unanimous consent to have printed the Iowa statutes beginning with number 135B.19 through 135B.30, which specifically set out the legislative arrangements which were made as between hospitals and doctors in Iowa with respect to this matter, in order to clarify the situation.

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

PATHOLOGY AND RADIOLOGY SERVICES IN HOSPITALS

135B.19—Title of division: This law may be cited as the "Pathology and radiology services in hospitals law." (57GA, ch. 92, sec. 1.)

135B.20—Definitions: Definitions as used in this division:

1. "Hospital" shall mean all hospitals licensed under this chapter.

2. "Doctor" shall mean any person licensed to practice medicine and surgery or osteopathy or osteopathy and surgery in this State.

3. "Technician" shall mean technologist as well.

4. "Joint conference committee" shall mean the joint conference committee as required by the joint commission on accreditation of hospitals or, in a hospital having no such committee, a similar committee, an equal number of which shall be members of the medical staff selected by the staff and an equal number of which shall be selected by the governing board of the hospital.

5. "Employees" as used in section 135B.24, and "employment" as used in section 135B.25, shall include and pertain to members of the religious order operating the hospital even though the relationship of employer and employee does not exist between such members and the hospital. (57GA, ch. 92, sec. 2.)

135B.21—Functions of hospital: The ownership and maintenance of the laboratory and X-ray facilities and the operation of same under this division are proper functions of a hospital. (57GA, ch. 92, sec. 3.)

135B.22—Character of services: Pathology and radiology services performed in hospitals are the product of the joint contribution of hospitals, doctors, and technicians, but these services constitute medical services which must be performed by or under the direction and supervision of a doctor, and no hospital shall have the right, directly or indirectly, to direct, control or interfere with the professional medical acts and duties of the doctor in charge of the pathology or radiology facilities or of the technicians under his supervision. Nothing herein contained shall affect the rights of third parties as a result of negligence in the operation or maintenance of the aforesaid pathology and radiology facilities. (57GA, ch. 92, sec. 4.)

135B.23—Agreement with doctor: Each hospital shall arrange for such services and for the direction and supervision of its pathology or radiology department by entering into either an oral or written agreement with a doctor who is a member of or acceptable to the hospital medical staff. Such doctor may or may not be a specialist. The department may be supervised and directed by a qualified member of the staff and specific services may be referred to a specialist, or the specialist may also direct and supervise the department as may be desired. Any contract so entered into shall be in accordance with the provisions of this division. (57GA, ch. 92, sec. 5.)

135B.24—Employees: Unless the department is leased or unless the hospital and doctor mutually agree otherwise, technicians and other personnel, not including doctors, shall be employees of the hospital, subject to the rules and regulations of the hospital applicable to employees generally, but under the direction and supervision of the doctor in charge of the department as set forth

elsewhere in this division. (57GA, ch. 92, sec. 6.)

Referred to in section 135B.20.

135B.25—Hiring and dismissal of technicians: The doctor and hospital shall mutually agree upon the employment of any technicians necessary for the proper operation of said department and no technicians shall be dismissed from said employment without the mutual consent of the parties, provided, however, that in the event the hospital and doctor are unable mutually to agree upon the hiring or discharge or disciplining of any employee of said department, the matter shall be promptly submitted to the joint conference committee for final determination. (57GA, ch. 92, sec. 7.)

Referred to in section 135B.20.

135B.26—Compensation: The contract between the hospital and doctor in charge of the laboratory or X-ray facilities may contain any provision for compensation of each upon which they mutually agree, provided, however, that no contract shall be entered into which in any way creates the relationship of employer and employee between the hospital and the doctor, and a percentage arrangement is not and shall not be construed to be unprofessional conduct on the part of the doctor or in violation of the statutes of this State upon the part of the hospital. (57GA. ch. 92, sec. 8.)

135B.27—Admission agreement: The hospital admission agreement signed by the patient or his legal representative shall contain the following statement:

"Pathology and radiology services are medical services performer or supervised by doctors, and the personnel and facilities are or may be furnished by the hospital for said services. Charges for such services are or may be collected, however, by the hospital on behalf of said doctors pursuant to an agreement between said doctors and the hospital, and from said charges I consent that an agreed sum will be retained by the hospital in accordance with an existing agreement between the doctor and the hospital." (57GA, ch. 92, sec. 9.)

135B.28—Hospital bill: The hospital bill shall properly include the charges for pathology and radiology services as long as the name of the doctor is stated and it fairly appears that the charge is for medical services. The said hospital bill shall also contain a statement substantially in the following form:

"The pathology and radiology charges are for medical services rendered by or under the direction of the doctor listed above and are collected by the hospital on behalf of the doctor, from which charges an agreed sum will be retained by the hospital in accordance with an existing agreement to which retention you consented at the time of your admission to the hospital. (57GA, ch. 92, sec 10.)

135B.29—Fees: All fees to be charged by the doctors for pathology and radiology services shall be mutually agreed upon by the hospital and the doctor. In the event dispute shall arise between the parties the matter shall be submitted to the joint conference committee for final determination. (57GA, ch. 92, sec. 11.)

135B.30—Radiology and pathology fees: Fees for radiology and pathology services must be paid for as medical and not hospital services. In all cases where payment is to be made by a corporation organized pursuant to chapter 514, payment for radiology and pathology services shall be made by a medical service corporation and not by a hospital service corporation. (57GA, ch. 92, sec. 12.)

Mr. HICKENLOOPER. If I may ask the Senator from New Mexico a question and receive his answer, because of his familiarity with the matter because of his work on the bill, I would appreciate it. My question relates to the intents and purposes of the Iowa statutes, to avoid any confusion concerning the administration of this bill in Iowa. I wish to ask the question of the Senator from New Mexico, or some other Senator, if he would care to refer it to another Senator; but since the Senator from New Mexico has seen the Iowa statutes and is familiar with them, I am sure he knows the answer.

I have underlined my question so much that I am having trouble interpreting it.

It has been stated by some that if the physician's services under the pending bill are billed to the hospital, they will be paid up under part A. We are told that it is not the intent of this provision to disrupt existing arrangements.

In view of the Iowa statutes, which I have asked to have printed in the RECORD, and which the Senator from New Mexico is familiar with—and which I understand other members of the committee and staff members are familiar with—would the enactment of H.R. 6675, as amended, and as it now appears, to include the services of pathologists and radiologists as inpatient hospital service honor the intents and purposes of both the Iowa law and the bill now before the Senate if it were enacted into law?

Mr. ANDERSON. Yes. I say to the Senator from Iowa, after examining the statutes, the history of the statutes, having had them examined by people from the Social Security Board, and after consultation with the manager of the bill, I can give him this answer:

Whenever the specialist submits his bill directly to the patient the bill is covered under part B—the supplementary program—and not under part A. If he bills through the hospital, it is paid under part A.

Therefore, the Senate Finance Committee proposal would not disturb the situation in Iowa. It is not inconsistent with the Iowa law. Nor would it require any change in the Iowa law or contracts entered into in pursuance thereof.

I believe the Senator from Iowa can confidently rely on that to be the interpretation of the Social Security Board as to what the act means.

Mr. HICKENLOOPER. I thank the Senator for that statement in answer to my question. I am glad to have it as a part of the legislative history of this bill.

I thank the Senator from Nebraska for for yielding to me.

Mr. CURTIS. Mr. President, the purpose of my amendment No. 330 is for the purpose of withholding the benefits of this measure from individuals well able to pay their medical bills. It does so in a very generous way. Four out of five citizens over 65 years of age will not be affected by my amendment. The upper 20 percent in income will be affected. The purpose of the amendment—and an explanation is set forth in typewritten form on the desk of every Senator at the present time—is to reduce the costs of the hospital insurance portion of the bill under part A, and the supplemental medical benefits portion of the bill under part B, by providing for a variable deduction based on the ability of the beneficiary to pay.

There is in the bill as reported by the committee a deductible for hospital expense under part A which for the present is $40 for any spell of illness. This is found on page 22, line 11, of the bill. Under amendment No. 330, the deductible would be the current deductible of $40 or the previous year's income tax liability, whichever is higher.

H.R. 6675, as currently written, provides for a $50 annual deduction for doctor and surgeon and certain related expenses under Part B. This is found on page 45, line 14. Amendment No. 330 would make this annual deductible under part B $50 or the previous year's income tax liability, whichever is higher.

This amendment is so drawn that if a beneficiary has both hospital and doctor expenses that the increased portion of the deductible provided by this amendment shall be applied only once and not twice.

All individuals over 65 who were not required to pay any income tax in the previous year would be unaffected by this amendment.

That is the lower 80 percent. This is most generous. Four out of five individuals over 65 do not pay any individual income tax. This does not affect them. This relates to those who are able to pay.

Mr. SALTONSTALL. Mr. President, will the Senator from Nebraska yield for a question?

Mr. CURTIS. I am happy to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I believe that there is great merit in the Senator's amendment. I should like to ask him this question: On page 2 of his amendment, line 9, he is talking about an amount equal to the income tax liability that will affect only 20 percent of the people, or the amount of the customary charges imposed for the inpatient hospital services furnished him, whichever is the lesser.

What the Senator is saying is that if a man has an income tax of $1,000, or $2,000, he would not pay his income tax amount but he would pay the hospital charges which would be possibly $50 or $60 a day, or what?

Mr. CURTIS. First, let me say that with the husband and wife provision, the two of them would have $15,000 or thereabouts before they would pay a $1,000 tax. The meaning is this: If he is paying an income tax cf $1,000 and he has an illness that costs $10,000, this program would pay only $9,000 of it. He has a deductible of $1,000. But if he has an illness only once of $500, he would have to pay the whole of it. That is where the "lesser" comes in.

Mr. SALTONSTALL. In other words, it is not the whole of his income tax with which he would be charged?

Mr. CURTIS. No. That has nothing to do with the charge. It is the deductibility. We might make a crude comparison to the deductibility clause in automobile insurance. If we have collision insurance, known as $100 deductible, that means that the owner would pay $100 or any damage to his car, and if the amount was more, the insurance company would pay the difference. This is an income tax by using the vehicle of deductibility.

Mr. SALTONSTALL. I am using the wrong language. The Senator has explained what I had in mind. In other words, he pays either the variable deductible or the amount of the customary hospital charges imposed, whichever is the lesser.

Mr. CURTIS. The Senator is correct.

Mr. SALTONSTALL. I thank the Senator.

Mr. CURTIS. If the bill is less than his income tax, he has to pay the whole of the bill.

Mr. President, those individuals over 65 who do have income in such an amount that they pay an income tax will pay a greater portion of their hospital and medical expenses based upon their income tax liability of the year before.

In the case of a husband and wife filing a joint return, this amendment provides that each would be presumed to have a tax liability of one-half of the amount required to be paid on the joint return.

The income tax liability has been used in this amendment instead of the amount of the income.

The income tax liability has been used as a measuring device rather than the amount of the individual's income because it has many advantages. An individual's income tax liability is arrived at under explicit laws and regulations. It is a term that is easily defined. All citizens over 65, or someone acting for them, could readily provide the answer to the question as to whether or not the beneficiary paid any income tax in the previous year and if so, how much.

He comes into the hospital and he is asked, "Did you pay an income tax last year?" the reply might be, "No." Then he would be told, "Then this amendment does not apply to you." He has the $40 deductible he must bear before the benefits would flow to him. If he should say, "Yes, I did pay an income tax, I paid a $500 income tax last year," he would not get anything until his combined hospital, doctor and other bills exceeded $500.

Mr. LAUSCHE. At this point, would he be exempted from the payment of his tax?

Mr. CURTIS. No. This is just a measuring device.

Mr. LAUSCHE. A measuring device.

Mr. CURTIS. Yes, a measuring device to determine whether he should have his bills paid by the workers of this country by increasing their social security taxes. I have used the income tax liability, because that is something which can be easily ascertained. There are no administrative difficulties regarding it.

It is estimated by the Social Security Administration—I obtained this figure this morning from the chief actuary there—that 80 percent of our population over 65 years of age, neither husband nor wife pay any income tax. Therefore, we are talking about the upper 20 percent in income level. This means that the entire group of 80 percent would not be affected by the amendment. This amendment is intended to reach those individuals who are well able to pay all or a greater part of their own medical expenses.

I invite the attention of the Senate to another point. It is estimated by the Social Security Administration—and again I am quoting the chief actuary there—that adoption of my amendment would save at least $420 million, and possibly $480 million, annually.

I happen to be a Member of the Senate who still considers half a billion dollars to be a great deal of money.

Mr. LAUSCHE. Mr. President, will the Senator from Nebraska yield for a question?

Mr. CURTIS. I yield.

Mr. LAUSCHE. Does the principal objective of the Senator's amendment contemplate dealing with persons such as Members of the Senate who have an income adequate to pay their own medical expenses instead of having the Government pay for them through the operation of those financially deficient?

Mr. CURTIS. The Senator is correct. By using the system of deductibles, in the case of an individual with some income who has a catastrophic illness, he will still get something, but the deductible will come first. The trouble with trying to draw a line and saying, "Those under this line get the benefits, and those above the line do not," is that it is unfair to an individual who pays $500 in income tax, by letting a person pay the expenses of his illness if the income does not exceed $500.

Mr. LAUSCHE. Mr. President, will the Senator yield for one question, or would he rather conclude his statement?

Mr. CURTIS. I would rather illustrate a few figures on the table before me. I am about to recite a table showing estimates of tax liability of an individual over 65 years of age at varying levels of income.

Attention is invited to the fact that the social security benefits are not income for the purpose of taxation; consequently, the table relates to taxable income above and beyond the social security benefits.

I ask unanimous consent that this table be made a part of the RECORD at this point in my remarks.

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

Federal individual income tax liability, 1965 and after—Single person, 65 years of age or over, with standard deduction [1]

Adjusted gross income:	*Tax liability* [2]
$2,000	$58
$2,500	132
$3,000	213
$3,500	297
$4,000	390
$4,500	476
$5,000	557
$7,500	1,031
$10,000	1,580
$25,000	7,430
$50,000	21,270

[1] The above table was prepared by the staff of the Joint Committee on Internal Revenue Taxation.

[2] These figures represent the maximum tax liability of the single person, 65 years of age or over; use of itemized deductions and/or the presence in adjusted gross income of certain types of income, such as capital gains or retirement income (pensions, annuities, interest, dividends, rents), could reduce the tax liability. For example, the presence of retirement income could reduce the tax liability by up to $228.60.

Mr. CURTIS. Mr. President, let us consider the table before us. Copies have been furnished to all Senators. I wish to be absolutely fair in the presentation of the amendment. I do not wish to exaggerate. Therefore, I have stated the maximum tax liability. Actually, the tax would be less, because I have taken the adjusted gross income. If a person has a pension or has income from dividends, or income from rents, which qualifies as retired income, his tax liability is reduced by as much as $228.60.

Perhaps a part of his income is from capital gains. That figure would be further reduced. This is the maximum that could happen. It will be noticed that the maximum which an individual with a $5,000 income and beyond—that is not counting social security—can get is $557. Let us say that a husband and wife file a joint return, and it will be presumed to be half income of the husband and half of the wife. They have an income of $10,000 beyond their social security benefits. If they have an illness which does not exceed in cost $557, they must pay the costs.

That is how simple it is.

Let us suppose that a couple has an income of $4,000 a year and files a joint return. I have stated this on the conservative side. A couple having $4,000 in income beyond their social security have a deductibility of $58. If they have an income of $5,000, each is presumed to have an income of $2,500. In that case each would have a deductibility of $132.

I wish to correct one thing. A moment ago I was referring to the couple who would have a combined income of $5,000. The deductibility would be $557. It would apply to each one. Suppose only one of them becomes ill during the year. They would have to pay the first $557 of that expense.

There is considerable merit to this approach, and I shall try to show why. Suppose someone meets with a disaster and he is in a high income bracket. Suddenly he has no income; he pays no income tax. He will then be protected. Suppose someone who has a few dollars of income pays a tax, and for most of the year his medical expenses are below the amount of the exemption. He does not receive any benefit.

Suppose a catastrophic illness strikes him. I can recite some cases in which individuals have been in hospitals for 30 months continuously. In a case like that an individual in an upper bracket would get something.

An individual having an income of $50,000 a year would have to pay his own bill, unless it exceeded $21,000.

I do not believe that the men and women who work, which include the blind and the physically handicapped, and people who work for low wages, should have their taxes increased to pay the medical bill of anyone who has an income of $50,000.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. LAUSCHE. I get back to the objective that I had in my earlier questions to the Senator. The Senator states that

his amendment would not affect 80 percent of the present beneficiaries of the social security fund.

Mr. CURTIS. No; beyond that. Eighty percent of everyone over 65 years, whether he is on social security or not.

Mr. LAUSCHE. It would affect only 20 percent, and those are individuals who are considered in the higher income brackets.

Mr. CURTIS. The Senator is correct.

Mr. LAUSCHE. So the purpose of the Senator's amendment is to impose a greater burden on the higher income brackets, and to lessen the burden of medical expenses on the lower income bracket.

Mr. CURTIS. Yes. I wish to be honest. It has another purpose. If we adopt the amendment and pay the hospital and medical bills of men and women in various communities of the country, and that continues for a while, what will happen when an amendment is offered to strike out the age limit?

What will happen when someone mentions a man who is 40 years of age who is supporting children and paying for his home and paying for his life insurance, with some medical expenses to pay. If we have a deductible, it will prevent abuses that we cannot afford. It will prevent abuses that will bring the program into disrepute. It will prevent additional demands being made on the system.

If we wish to have a Government health program to cover the population from the cradle to the grave, we should pass a bill about which the people in the little town in which I live would say, "We will have people whose income taxes will be paid by a government that has not balanced its budget in years and years."

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. LAUSCHE. Am I correct in my understanding that the 20 percent in the high income bracket would be permitted to deduct from their income tax——

Mr. CURTIS. No; this has nothing to do with the income tax obligation.

Mr. LAUSCHE. It is only a measure?

Mr. CURTIS. It is a measuring stick to determine whether a person would receive the benefit of any medicare in this bill; and if so, how much?

If an individual pays a $500 tax, which would represent about a $4,600 income, and probably would be more, because I have not allowed for things such as capital gains, he would have an income of at least $4,500 or $4,600, and if he had an illness which cost less than $500, he would have to pay for it himself. It would mean that an individual who could pay something would receive some help on costly illnesses.

I hope that the amendment will be adopted. I can think of only one theoretical argument against it, and that is purely theoretical. It is likely to be made on the floor of the Senate. Someone might say, "What will happen if a wealthy man puts all of his wealth in tax-exempt bonds and pays no income tax?"

That will not happen. People of wealth who have sophisticated ideas about investing in tax-exempt bonds also have other investments, because there is no opportunity for growth in bonds. The record shows that most tax-exempt municipal bonds are held by banks, other institutions, and fiduciaries. I have asked countless taxmen in the field with whom I have discussed the amendment—"Do you have any client who would escape this amendment because all of that person's wealth is in tax-exempt bonds?"

They have said, "No; it does not happen."

Those who are involved in such investments, so far as they know in all their experience, are people who have great wealth, are paying a sizable tax, and have investments in growth stocks, which, of course, are not tax exempt.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. CURTIS. Yes, I yield; then I shall be ready to vote.

Mr. COTTON. By and large, are not the people in the upper 20 percent income bracket those who also have private health insurance, such as Blue Cross, Blue Shield, Aetna, or something else?

Mr. CURTIS. Probably.

Mr. COTTON. Therefore such a person, who pays an income tax of $500 would have to pay the first $500 of his hospital and doctor bills, but a large part of that $500 would be absorbed by his private health insurance. Is that correct?

Mr. CURTIS. Oh, yes. Those who are at least in the upper 20 percent bracket would have funds to buy their own hospital and medical insurance.

Mr. COTTON. Therefore if the Senator's amendment were adopted, the provisions in the bill for medicare would remain completely unimpaired for 80 percent of the people in this country over 65 years of age. It would apply to the upper 20 percent in proportion to the income tax they paid; even though that particular group in most instances would be protected by private insurance; is that correct?

Mr. CURTIS. Not only that, but they would be protected in case a prolonged, costly, and catastrophic illness hit them. After the amount went beyond the deductibility, they would receive benefits, like anyone else.

Mr. COTTON. Therefore the younger people of our country who are striving to support their families, educate their children and buy their homes would not, through taxation, pay so much in order to pay the hospital and doctor bills of millionaires.

Mr. CURTIS. That is correct.

Mr. COTTON. I am for the Senator's amendment. It would meet my objections to the present medicare proposal.

Mr. CURTIS. In closing, I wish to say that the amendment would save $500 million annually—and that is a great deal of money. The program will run from now on, or it will be wrecked. It would save that money, but it would also save a very fine principle, and that is that people who should be paying their own bills will do so. It is not quite as rigid as it ought to be. I have sacrificed that for simplicity in order to establish the principle.

I should like to make one more statement. I hope that the proponents of the bill—and I refer to every Senator who expects to vote for it—will accept the amendment. There is no reason why it could not now be accepted and repealed years later. But if it is now rejected, we shall never be able to put any brakes on who will get the benefit of the bill.

Mr. President, I ask for a vote on the amendment.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. CURTIS. I yield.

Mr. LONG of Louisiana. Mr. President, I have discussed the request with the Senator from Nebraska. I ask unanimous consent that further debate on the amendment be limited to one-half hour, the time to be equally divided, half of the time to be controlled by the distinguished author of the amendment, and the other half to be controlled by the Senator from Connecticut [Mr. RIBICOFF].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Who yields time?

Mr. RIBICOFF. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 minutes.

Mr. RIBICOFF. I rise in opposition to the pending amendment. The distinguished Senator from Nebraska introduced a principle today that is contrary to any known principle in either private insurance or under social security insurance.

Mr. CURTIS. Mr. President, will the distinguished Senator yield at that point?

Mr. RIBICOFF. I am pleased to yield.

Mr. CURTIS. I challenge the statement that the principle is not used in private insurance. It is commonly used there. I say that as an individual who comes from a State in which insurance is the second largest employing industry.

Mr. RIBICOFF. I also come from a State that is prominent in the insurance field. I know of no Connecticut company that writes a policy, the premium cost of which is based on a man's wealth or his income.

Mr. CURTIS. No, no.

Mr. RIBICOFF. If one should take out a health policy and pay a premium of $200 a year and that person is a millionaire, and another person who has to pay a premium of $200 a year has an income of $5,000, the benefits that the two people would receive are the same.

Mr. CURTIS. That is something different. Of course, insurance companies do not snoop into how much money a person makes. But the insurance company will sell a person a policy that has the principle of a deductible in it. The company will pay for the catastrophic illness and the insured would pay for the ordinary illness.

Mr. RIBICOFF. Yes; but we are dealing with a proposal under which people would pay the same amount of premium on a social security basis, just like ordinary cash social security. Whether a

person is earning $50,000 a year and another is earning $5,000 a year or $10,000 a year, they are having deducted from their wages month-in and month-out, week-in and week-out, whatever the tax payments might be.

Mr. CURTIS. Mr. President, will the Senator yield? I ask him to yield on my time.

Mr. RIBICOFF. I yield.

Mr. CURTIS. That is utterly fantastic. Soon there will be 20 million people over 65 years of age covered by the bill, and not one of them will have ever paid a nickel into the program. The cost will be paid by others.

Under the bill, the benefit would be paid by others. The people will have to work and pay; employers will have to work and pay; people who will never reach the age of 65 will have to pay; and people who never get sick will have to pay. This is not a self-contributory plan.

Mr. RIBICOFF. The Senator from Nebraska is correct in his statement. The program would not be confined merely to those who are currently over 65. We would consider the needs of not only the person who is now over 65, but also those in future years who will become 65. The principle being sought in the amendment of the Senator from Nebraska would apply not only to people over 65 years of age, but also to people who become 65 next year, the people who become 65 the year after that, and those who become 65, 5 and 10 years from now.

Mr. CURTIS. Would the Senator agree to have it eliminated when it becomes 50 percent contributory?

Mr. RIBICOFF. No; I would not accept that. The Senator, who is well versed in the social security law and in social security principles, knows that when a social security bill with additional features, privileges, and rights is passed, those who are already retired under social security become beneficiaries, even though they have not paid any added tax. Additional rights accrue to them as well. All we are doing under the present bill is what we have always done when we have expanded the social security program. We give to the people who will receive the benefits in the future, and those who are receiving benefits now, exactly the same privileges. What the Senator seeks to write into the bill is a provision which is absolutely contrary to something basic in private pension and social security programs.

Furthermore, the amendment of the Senator from Nebraska is not administratively feasible. Suppose a man over 65 goes into a hospital today and remains there during the entire month of July. He would not know what his income tax would be until after the first quarter of the following year. He files his income tax by April 15. Is a doctor to wait for another 9 months to determine what the deductibles will be and how he will be paid?

The second principle is that we have kept inviolate the secrecy of a man's income tax returns. Under the principle being advanced by the distinguished Senator from Nebraska, suddenly a person could find himself required to disclose to hospitals and doctors, in order to determine his deductible, what his income tax was.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. RIBICOFF. I yield myself an additional 3 minutes.

So there is the question of the secrecy of a man's income tax return. There is the administrative unfeasibility of the plan being projected by the distinguished Senator from Nebraska to where it departs from both private and social security principles.

Under those circumstances, I do not believe that there is either feasibility or practicability in the proposal. I hope the amendment will be rejected.

Mr. CURTIS. Mr. President, I yield myself 1 minute.

There is the previous year's income tax liability. It has feasibility. Also, suppose someone said, "I want the taxpayers to pay my medical bill," and he were asked, "What was your income tax last year?"

The poor people of the country are asking for help; and when they do, welfare workers are sent to snoop in their houses. The welfare worker will ask, "Did your son give you $5 last year?" That is provided for in title I of the Social Security Act.

Mr. RIBICOFF. Concerning feasibility, if it is last year's income, then, again, it is unfair, because a man might have a large income this year and go broke the next. A man might have had a large investment in the stock market when it took a dip. He might find himself sick next year at a time when he might be broke. Again, we have an unfeasible feature.

I am sure that the people the Senator is talking about would be unhappy to have their income tax returns examined and disclosed. So we would be departing from sound insurance features, both private and social security. There is no philosophical base for the proposal being advocated by the Senator from Nebraska.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. President, I consented to a time limit, but I did not expect that only Senators who seem to be the leaders should speak, and that all other Senators would be barred from speaking.

Mr. RIBICOFF. Mr. President, may I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator from Connecticut has 5 minutes remaining.

Mr. RIBICOFF. I yield to the distinguished Senator from Ohio the 5 minutes remaining.

Mr. LAUSCHE. No; I will not speak.

Mr. CURTIS. Mr. President, I yield the Senator from Ohio 5 minutes.

Mr. LAUSCHE. Mr. President, to begin with, many Senators who were in the Chamber did not contemplate speaking when we consented to the limitation of time. However, we anticipate that the leaders will not usurp that time and deny to other Senators, who have consented, a fair assignment of the time that is available. With those preliminaries, I desire to make a statement reflecting my thoughts about what has been said.

The Senator from Connecticut said, in effect, that the system of social insurance is predicated upon sound insurance principles. Balderdash. If one begins to examine the whole system, he will conclude that there is no soundness of any character whatsoever in the whole structure of the system. As times goes on, it will be demonstrated that insurance principles have been disregarded. That is evidenced by the fact that 10 percent of the 100 percent of obligation is what is paid in by the participants in the fund.

It is further argued that the principle of the social security fund is that to each shall be given in proportion to the contributions made to the social security fund. I challenge the correctness of that statement. Every aspect of the program indicates that pretenses are made to build it upon insurance principles, but every now and then there creeps into the operation the need of contributions from the general fund.

Now we come to the crux of the amendment offered by the Senator from Nebraska [Mr. CURTIS]. My income is $22,500. I might say it is $30,000. In addition, I have other income. Why should I ask the Federal Government to pay my hospital bills? Why should I ask the Federal Government to pay my doctors? It is different for the man having an income so low that he pays no income tax; he is more entitled to ask for Federal aid. The amendment of the Senator from Nebraska provides, in effect, that those who can pay their hospital and doctor bills shall pay them. I agree with that principle.

I am a veteran of World War I. Proposals have been made to pay every veteran of World War I $100 a month. It would be scandalous, immoral, and indefensible for me to accept $100 a month on the same basis of equality that it is contended I should accept the benefits of social security.

Have I the ability, and are there others in the 20-percent category who have the ability, to pay their own doctor and their own hospital expenses? Undoubtedly there are. Why, then, should we be providing benefits to those who can pay money to defray their hospital and doctor expenses? No basis of moral strength can justify that.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. LAUSCHE. May I have 2 additional minutes?

Mr. CURTIS. I yield 2 additional minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, this afternoon I have listened to arguments that are most paradoxical. I have listened to arguments of economy by individuals who generally are the most vigorous in supporting programs of spending money. [Laughter.]

I do not know why that has provoked amusement in certain quarters; but obviously, it has struck exactly where I wanted it to strike.

In substance, stripping the argument of the Senator from Nebraska of all the technicalities and details, it reduces itself to this: Shall we require those who can pay their own medical and hospital

expenses to pay them? To me, the answer is simple: Yes; they ought to pay their own expenses.

But to those who cannot, the 80 percent of the individuals of our country who are aged 65 years or more, who pay no income tax, indicating the paucity of their positions, help should be given.

That help should be given by the Government to the extent that it is possible through sound insurance principles, and, beyond that, the 20 percent of the people must contribute part of their income to help those who cannot pay.

Mr. LONG of Louisiana. Mr. President, will the Senator from Nebraska yield me 2 minutes?

Mr. CURTIS. Mr. President, I yield 2 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 minutes.

Mr. LONG of Louisiana. Mr. President, I should like the RECORD to show that I am speaking from my own desk and not from the desk of the leadership from which I have spoken as manager of this bill. My position on this proposal is opposed to that of the administration, of organized labor presumably, of the leadership on this side of the aisle.

Mr. President, the junior Senator from Louisiana offered an amendment in the Committee on Finance which involved this same principle. The amendment was first agreed to by a rather substantial vote, and subsequently disagreed to, after we had heard from our friends in organized labor, and after those in the Department, and various other places, had addressed themselves to us and said that the principles involved in the amendment were violently opposed.

I have been more or less crucified by the press for even offering the amendment. However, I believe the principle involved in the amendment is very important and should be agreed to.

I ask unanimous consent that my views on this subject, printed as additional views, on pages 278 through 282 of the report, be printed at this point in the RECORD.

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

ADDITIONAL VIEWS

In the course of the committee's consideration of the bill, I proposed certain changes. Initially, these proposals were adopted by the committee; but, by subsequent action, the initial approval was reversed and the proposals rejected. Because I believe these amendments involved matters of importance both for the substance of the program of medical care for the aged at the present time and in the larger context in which further legislation for medical care will be considered in the future, I wish to record these considerations as I see them.

In proposing these amendments and pressing for their adoption in the committee, I was, in fact, merely continuing to support the same principles I have always favored. Last year, in the debate on the floor of the Senate, I stated my position as follows:

"I am willing to vote for more money to provide care for those who have difficulty in paying for it themselves, but this Senator is reluctant to vote for the complete dole.

"The complete dole is a program under which a millionaire might be placed on relief—and that is what it would amount to—when the working people would be taxed in order to provide medical care for the wealthy. The beneficiary would not be required to pay 5 cents of his own money for medical care. We would tax the general public to provide care for people who are ready, able, and willing to pay for it themselves."

Although I had earlier introduced in the Senate a rather broad substitute for the House-passed bill, I concluded that this substitute, despite its merits, had no chance of being adopted. I decided not to proceed with my efforts to obtain support for the substitute proposal, but to propose only limited changes. Accordingly, I proposed to the committee the following two amendments. The second of these amendments is described as it was later modified to simplify its administration, rather than as it was initially considered by the committee.

First, I proposed that the artificial limits in the bill on the hospital care and associated services be eliminated. It makes no sense to me to place such limits on these services unless it is clearly impracticable to provide the needed financing. The need to be hospitalized, or in a nursing home, is not determined by the ability of the patient to pay, or have his bill paid for him; it is determined by his illness and other personal circumstances.

Personally, I shall never agree that the Government is meeting its responsibilities if it is going to assume the major responsibility for insuring that our citizens receive adequate medical care, so long as the operation of the program places a doctor, and a hospital, in the position of having to discharge a patient before, in their professional judgment, he should be discharged. To me, it is as simple as that. All I wanted to have placed in the bill was the provision that a patient, because he was unable to pay his bill, would not be involuntarily discharged from a hospital or nursing home until his doctor concluded that he should be discharged.

Secondly, partly in order to provide the necessary financing without increasing the social security tax, I proposed that the portion of the cost of hospitalization and associated services to be paid by the patient be made more flexible, and related directly to the ability of the patient to pay. Instead of a flat deductible of $40 for everybody, regardless of financial resources, I proposed the following schedules:

Income bracket	Deductible
$1,500 or less	$40
$1,500 to $2,000	60
$2,000 to $3,000	125
$3,000 to $5,000	200
$5,000 to $10,000	300
$10,000 and over	500

I consulted the appropriate actuarial sources within the Department of Health, Education, and Welfare and received assurances that this proposal would provide sufficient additional revenues to make it unnecessary to increase the social security tax at the present time, and provide the protection for catastrophic illnesses which I was seeking under my first proposal.

Despite the care with which I developed my proposals, and these consultations with the HEW officials, I was viciously attacked in the press as soon as it became known that the committee had voted to support them. I should like to record some of the irresponsible and even slanderous statements which appeared in the press. Many of them were on the editorial pages of some of our more prominent newspapers.

The Baltimore Sun, in its June 21 edition, headlined its editorial "Long Versus Medicare." The Washington Post said that it was my purpose to "gut" the bill. In an editorial on June 24, the St. Louis Post Dispatch said my amendments were "apparently designed to kill the health care legislation" under consideration. The New York Times printed a letter to the editor which stated: "The only object visible in Senator LONG's behavior is the destruction of the entire bill."

Another of the efforts of the Washington Post was an editorial in its issue of June 19 entitled "Back to Charity." The Philadelphia Bulletin headed its editorial of June 20 "This Is Medicare?" When my proposals are understood, it will be easy to see that these attacks were grossly unwarranted.

The Scripps-Howard papers, of which I saw only the Washington News and the New York World-Telegram & Sun, titled their editorial onslaught as "Medicare or Monstrosity?" This charge of creating an "administrative monstrosity" was one of the principal criticisms of my proposals, but I deny emphatically that this charge is even remotely true. Let me explain just what was involved. To the extent that additional administrative problems were introduced by my amendments, they involved the difference in the deductible and in determining in which of the six income brackets the individual patient belonged. I gave close attention to these administrative problems, and believe they could be handled readily.

As regards the difference in the deductible, once the amount is determined, I fail to see any serious difficulty. In any situation under the bill, the patient pays a certain amount of his charges; it is a simple matter of arithmetic. It involves the simple accounting process of subtracting the deductible from the total amount of the bill. If it is argued that a complication is introduced because any hospitalization immediately consumes the $40 deductible, while the $500 deductible might mean that the entire amount for a first hospitalization was paid by the patient, thus making it necessary to carry over the amount spent to apply on the next hospitalization, again no problem is posed for the administrator of the program.

The patient has the responsibility of meeting the smaller bills and accumulating them until he reaches a point where the Government should start paying his bill. I see nothing wrong whatever with this, especially as we are talking about a person who has an annual income of more than $10,000 per year, and, as will be noted below, almost certainly has private insurance to cover far more than the amount of $500 in hospital bills.

A more serious problem exists with regard to determining income. If we were dealing with a matter of tax liability, this argument would indeed have some merit, and all we have to do is look at the staggering size of the Internal Revenue Code and all the regulations and rulings which the Internal Revenue Service has built up in seeking to achieve complete equity between individuals under the tax laws. Fortunately, we need not be concerned here with that degree of hair splitting; instead we should turn for a precedent to the many other Government programs which provide benefits to individuals, and into which provisions have been written for determining income for the particular purposes of the program.

What I proposed, therefore, was that the Secretary of Health, Education, and Welfare be given free rein to handle this problem by regulation, thus permitting him to minimize the administrative problems. I have no doubt that he could solve the problems, and am confident that his Department and the other agencies which have administered our social security laws in the past 30 years have solved many that were far more complicated. In this case, however, the signals were set hard against my proposals, and mountains were made out of mole hills.

Once the determinations were made as to what was to be included or excluded in income, horrendous pictures were then drawn about the difficulties of finding out what the truth was about each individual's income

in the immediately preceding period. What I propose is what is done throughout the administration of social programs; you accept the statement of the applicant, after the representative of the agency has explained to him what the regulations of the Secretary say should be included. In this case, he would need only to check which one of the brackets his income fell within.

Such statements are made subject to the general fraud statutes of the Federal Government, and violators could be found and prosecuted. Indeed, they could be found more easily than under many other programs. The applicants, for the most part, will certainly have social security numbers and will be asked to record them on their applications. Now that the Internal Revenue accounts are being completely placed under the same number as the social security accounts are under, and the whole process mechanized, all that is required is to feed the number given by the applicant into the IRS machines and press the button. The only violations which we would be seeking would be those who have understated their income, and we can be certain that they are all in the upper five brackets of my proposal and will, therefore, have filed returns. Again, I feel that the administrative problems of enforcement were not a serious obstacle; they were just made to seem to be.

In these efforts to find additional revenues to provide the additional protection which is needed by placing the burden on those most able to pay, I was struck by a rather curious situation. Usually, those who are being asked to pay more complain bitterly. They rage and rant that they are being victimized and discriminated against. In this instance, those who were being handed the bill are those with the most money, and we Democrats have long made much of the fact that the Republicans are the protectors of this group of our citizens. Yet, in the final showdown on the committee, every Republican on the committee voted for my proposals, and no Democrat other than myself voted for them. Those who boast of representing the interests of the little people were being offered benefits for their clients, at the expense of the clients of their political opponents, and they were looking this gift horse in his mouth all the way down to his tail.

As I stated above, I was only partly seeking additional revenues when I proposed that the deductibles be related to the income of the individual patient. There are other reasons why this is justifiable, and desirable in the present circumstances. In this country, contrary to the situation existing in Western Europe when those countries adopted various forms of socialized medical care programs, we have developed under private initiative a truly amazing program of sharing the costs of our medical services on the insurance principle.

There is practically no employer of more than a few people who does not provide some type of hospitalization protection for his employees. For those who do not obtain protection in this way, it is one of their first concerns, especially upon marriage, and individual policies are available in virtually any combination of coverage.

Although the proportion of those over 65 who have such policies, or coverage through union trust funds and other institutional arrangements, is less than those in the more active worker age brackets, the proportion is very high. Almost two out of every three persons over 65 who are not living in an institution of some kind have some type of coverage. According to the Health Insurance Association of America, at the end of 1963, more than 61 percent of those in this group were protected in some measure, and virtually no policy fails to provide less than 30 days of hospitalization. Such a minimum provision, even averaged at $20 a day, will total more than the maximum deductible under my proposal.

If we then consider the fact that virtually half of those over 65 are in the first of the brackets under my proposal, and that they are the ones who do not have protection under the private schemes, it is easy to see why no one was screaming about victimization. Those who would have to pay the higher deductibles under my amendment already have insurance arrangements which would pay the deductible for them, thus providing them with unlimited coverage at no cost to themselves other than to continue to pay the premiums on their existing policies. For those few who might not have this type of protection, the insurance companies would undoubtedly have provided a special policy, and the premium would certainly be well within their means.

At the same time that no injustice would have been perpetrated, and much needed protection would have been provided to our elder citizens, we would also have been acting to avoid the destruction of private arrangements which have thus far carried a burden the Federal Government has not seen fit to assume until now. To me, it is undesirable to thrust aside the results of this private initiative—unless it is clearly not feasible to continue to provide some area for it to operate in. Yet, that is what the present bill will do for those over 65; and, since it appears to be the intention of those who are pressing this measure to extend its benefits under the same formula to those in the lower age brackets, ultimately, the whole of this development may well be swept away.

To summarize, the purposes my proposed changes were intended to serve were:

1. To provide now benefits under the medicare program which are urgently needed, especially by those who are least able to pay. I am certain that it will only be a matter of time until full catastrophic coverage is provided under part A of the legislation.

2. To finance these additional benefits in a manner which is in full accord with the principle of having the burden borne by those who are best able to pay. Under existing circumstances as explained, little in the way of a burden would have been added in actuality.

3. To retain, to the extent consistent with the objectives of the medicare program and to use to best advantage, the private insurance coverage which already exists for hospitalization and associated services. This purpose will become increasingly important as further extensions of the medicare program are considered.

4. To reassure the professional people on whose services and dedication to the welfare of their patients the entire program depends that continuing efforts will be made to keep a major portion of medical care within the private sector. We read almost daily of strikes and other disruptions of medical services in such countries as Great Britain and Belgium, even though these countries did not have the private insurance programs for their protection which now exist here. I believe we should try strenuously to handle the program in this country in a manner which will obtain the greatest degree of cooperation from our doctors and nurses, who are deeply and justifiably disturbed at the prospect of having the Federal Government determine their pay and other conditions of employment.

The committee bill is a good bill as it is being reported, however, and I am in favor of the program which it will initiate. It is, in fact, one of the most important measures to be considered by Congress in many years. It is my intention, as floor manager, to support the committee bill and to see it through to passage by the Senate and by this Congress.

RUSSELL B. LONG.

Mr. RUSSELL of South Carolina. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. RUSSELL of South Carolina. Mr. President, I have read the statement of the distinguished Senator from Louisiana on this particular point. I thoroughly agree with his argument. I am persuaded by it.

I note that the Senator did come under considerable criticism because of the position he had taken. The indication was given that all of the experts in the field of social security felt that the Senator had violated the principles of the Social Security System by advocating the position which he had.

I read an article published in the Newsweek magazine of May 31, 1965, written by the former head of the Council of Economic Advisors, Henry C. Wallich, on "Medicare."

This article followed the exact line taken by the distinguished Senator from Louisiana.

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

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

HENRY C. WALLICH ON MEDICARE

At long last, the United States seems about to enact a really comprehensive health insurance scheme for the aged. Among the world's wealthier nations, we are one of the last to do so. With the passage of the medicare bill, a frontal attack will finally be made upon a grim feature of life in our fair land—the combination of sickness and want in old age.

The medicare bill voted by the House is now in the Senate and has the overriding virtue of being almost all-embracing. Not only social security beneficiaries, but almost all other persons over 65 are covered. It provides not only hospital and nursing-home services, but also pays most doctors' bills. It does the job.

For years, we have been trying to decide whether needed health insurance for the elderly could not also be provided privately. If equally adequate, the private way would have been more in keeping with American traditions. Commendable progress has been made by private insurers since the day when the policyholder, shortly after his 65th birthday, could count on getting a letter from the company thanking him for his patronage and announcing that the insurance was canceled. But even now coverage remains far from universal, often incomplete, and generally of least help to those who need it most. Thus, with some sadness, we turn toward the public way of providing health protection for the aged.

DEFECTS

To say that the bill is needed is not to say that it is perfect. Some of its provisions are distinctly bad. There is still time for the Senate to remedy these defects. Otherwise, we shall have to pay for experience, probably dearly, and correct our mistakes later.

One serious shortcoming of the bill is that the benefits of medicare are to be available completely without regard to need. Millionaire and pauper are equally entitled to benefits. To suggest there should be a distinction on these grounds implies, of course, some kind of means test or income test, and that infuriates people. But means tests as such are neither good nor bad; it is their application that makes them so. To demand that a man sell his home before becoming eligible for medicare would be

absurd. To exclude or at least demand some partial payment from beneficiaries with incomes above say $6,000 is another matter. The savings could be considerable.

Another defect that will make the bill quite unnecessarily costly is inadequate co-insurance, i.e., the sharing in the cost of services by the beneficiary. For doctors' bills, the beneficiary will pay the first $50 and 20 percent of the rest, but for the hospital bills, which are the larger, he will pay only the first $40. Once the patient has paid this, he is in, and the rest of his stay in the hospital—up to 60 days—is completely free. The natural tendency to overuse a free service should be curbed by co-insurance, which might diminish with the length of stay in the hospital and rise with the beneficiary's income bracket.

HOW WELL FINANCED?

Unless overuse is adequately restrained, it will probably cost more than the Government anticipates. Insurance company actuaries have argued that the Government's cost calculations are overoptimistic. Skyrocketing costs in England and Canada demonstrate these dangers.

Fortunately the finances of the hospital program, although not those of the medical part, which is voluntary, are anchored in the social security system. In contrast to many people I regard social security financing as an advantage, because it compels the program to be self-supporting and therefore self-limiting. It would be frightening to see the program financed from general revenues and become open ended. Financing by the social security system also means, to be sure, that the elderly are getting their medicare virtually free, since retired people no longer pay a social security tax. They are getting it as a gift from the younger people who work, who in turn must hope to be provided for some day by the next generation. This, however, has always been the practice when improvements have been introduced into social security. It is the only practical way to make a beginning, and the important thing now is that a beginning be made.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CURTIS. Mr. President, I yield 1 additional minute to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1 additional minute.

Mr. LONG of Louisiana. Mr. President, in my judgment, the amendment has great importance. The amendment would decide the direction in which the medical care program shall be directed. Let us not be misled on this point. What is decided now with regard to medicare will determine what the program will be like in the future.

There are a great number of people who have always advocated the medicare portion of the bill who would like to visit upon the United States the English system of medicine, in which the state pays for all medical care.

In my judgment, if we were to pass the bill as it stands, and these principles were later to be extended to apply to the average working man, without regard to age, we would have the Government paying everybody's medical expenses. I believe that we should seek to avoid that.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. RIBICOFF. Mr. President, have I any time remaining?

The PRESIDING OFFICER. The Senator from Connecticut has 5 minutes remaining.

Mr. RIBICOFF. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 1 minute.

Mr. RIBICOFF. Mr. President, I opposed the amendment of the distinguished Senator from Louisiana in the Committee on Finance because I felt that the Senator was introducing into the social security system something new and something indefensible.

The Senator from Louisiana sought to introduce a variable deductible, which would introduce a means test. The whole social security principle and system decries a means test.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. HOLLAND. Mr. President, is the Senator accurate in his statement?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RIBICOFF. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. HOLLAND. Mr. President, is it not true that, from the age of 65 to the age of 72, a person who has paid all his social security taxes is not permitted—like citizens not in the same situation—to draw any social security benefits if he happens to be blessed with a little income beyond and over the limitation fixed by law?

Mr. RIBICOFF. That is not based on income. It is based on earnings. We seek to liberalize this test in the present bill. There would be a range of allowable earnings up to $1,800 a year.

Mr. HOLLAND. Is it not true that, from the age of 65 to the age of 72, a citizen who, in all other respects, is like all other citizens living in the same country, cannot draw any social security benefits merely because he has earnings which are a little over the limitation fixed by the bill?

Mr. RIBICOFF. The Senator is partly correct and partly incorrect. There is a sliding scale. It would depend on the amount of his earned income. The citizen would not lose his benefits completely. If the income were from bonds or stocks, and he was not working, he could draw social security benefits no matter what his income was.

I felt the income limitation was unfair. The distinguished Senator from Delaware felt that this was unfair.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RIBICOFF. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 1 additional minute.

Mr. RIBICOFF. Mr. President, through amendments to the social security law, it has been sought to raise the amount of money that people can earn.

I was pleased to support the distinguished Senator from Delaware every time he brought up such a measure. The distinguished Senator from Delaware has taken the lead in the Committee on Finance to raise the social security limit on earnings. I am for raising the exemption of earnings so that a person can receive social security benefits after the age of 65 regardless of what he earns. However, this is a different principle that we are being asked to introduce at this time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RIBICOFF. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 1 additional minute.

Mr. HOLLAND. Mr. President, is it correct that under the present law, many people between the ages of 65 and 72, who have paid their social security taxes up to that time are not permitted to draw any social security benefits merely because they have earnings which are a little over the limitation set by the law?

Mr. RIBICOFF. The Senator is correct.

Mr. HOLLAND. The Senator states that the amendment of the Senator from Nebraska is entirely different from the system of the social security law, notwithstanding the facts which I have just cited?

Mr. RIBICOFF. That is correct. He is seeking to introduce here a different type of deductible based upon income.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RIBICOFF. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 1 additional minute.

Mr. RIBICOFF. Mr. President, when we receive benefits under the social security system, that benefit is not based upon what our income is.

Mr. President, I shall yield back the remainder of my time, unless some Senator would like to have whatever time I have remaining.

Mr. HICKENLOOPER. Mr. President, will the Senator yield me 1 minute?

Mr. CURTIS. Mr. President, I yield 1 minute to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 1 minute.

Mr. HICKENLOOPER. Mr. President, I congratulate the Senator from Nebraska for his amendment. The amendment seems to me to be one of the most equitable yardsticks by which we can measure the merit or demerit of the proposition as to who should receive medical aid. The amendment is a fair and equitable amendment.

I shall support the amendment in the development of this most defensible provision which I hope will be written into the bill.

The ability of people with large incomes to pay for their own hospital bills should be taken into consideration.

I congratulate the Senator.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CURTIS. Mr. President, I yield 1 minute to the Senator from Oklahoma.

Mr. HARRIS. Mr. President, I support the amendment of the Senator from Nebraska, because it strikes at the basic objection to the medicare sections of the bill.

This bill, as reported, is regressive in that it does not properly take into account differing abilities to pay or differing needs for assistance.

If we adopt the Curtis amendment, which will affect only the 20 percent of those over age 65 who have the highest incomes, and will require them to be coinsurers of a greater part of their medical costs, we could then accept the principle advocated by the Senator from Connecticut [Mr RIBICOFF], and could take the lid off the number of days of care allowed for the victim of catastrophic illnesses.

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time.

Mr. CURTIS. Mr President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Nebraska [Mr. CURTIS]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Michigan [Mr. HART], the Senator from Arizona [Mr. HAYDEN], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Wyoming [Mr. MCGEE] are absent on official business.

I further announce that the Senator from Virginia [Mr. BYRD] is necessarily absent.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD] would vote "nay."

On this vote, the Senator from Wyoming [Mr. MCGEE] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Wyoming would vote "nay," and the Senator from Nebraska would vote "yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. CARLSON] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Wyoming [Mr. MCGEE]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Wyoming would vote "nay."

The result was announced—yeas 41, nays 51, as follows:

[No. 168 Leg.]

YEAS—41

Aiken	Hickenlooper	Prouty
Allott	Hill	Russell, S.C.
Bennett	Holland	Russell, Ga.
Boggs	Jordan, N.C.	Saltonstall
Cooper	Jordan, Idaho	Scott
Cotton	Kennedy, Mass.	Simpson
Curtis	Lausche	Sparkman
Dominick	Long, La.	Stennis
Eastland	McGovern	Talmadge
Ellender	Miller	Thurmond
Ervin	Morton	Tower
Fannin	Mundt	Williams, Del.
Fong	Murphy	Young, N. Dak.
Harris	Pearson	

NAYS—51

Anderson	Hartke	Moss
Bartlett	Inouye	Muskie
Bass	Jackson	Nelson
Bayh	Javits	Neuberger
Bible	Kennedy, N.Y.	Pastore
Brewster	Kuchel	Pell
Burdick	Long, Mo.	Proxmire
Byrd, W. Va.	Magnuson	Randolph
Cannon	Mansfield	Ribicoff
Case	McCarthy	Robertson
Church	McIntyre	Smathers
Clark	McNamara	Smith
Dodd	Metcalf	Symington
Douglas	Mondale	Tydings
Fulbright	Monroney	Williams, N.J.
Gore	Montoya	Yarborough
Gruening	Morse	Young, Ohio

NOT VOTING—8

Byrd, Va.	Hart	McClellan
Carlson	Hayden	McGee
Dirksen	Hruska	

So Mr. CURTIS' amendment was rejected.

Mr. RIBICOFF. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. MANSFIELD. Mr. President. I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 315

Mr. MORSE. Mr. President——

Mr. PROUTY. Mr. President——

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. PROUTY. Mr. President, I call up my amendment No. 315 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The legislative clerk proceeded to state the amendment.

Mr. PROUTY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment (No. 315) offered by Mr. PROUTY is as follows: Beginning on page 261, at line 22, strike all through line 25 on page 263 and insert in lieu thereof of the following:

MINIMUM BENEFITS FOR CERTAIN INDIVIDUALS WHO HAVE ATTAINED AGE SEVENTY

Entitlement

SEC. 309. (a) (1) Section 202 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Benefit Payments to Persons Not Otherwise Entitled Under This Section

"(v) (1) Every individual who—

"(A) has attained age seventy,

"(B) is not and would not, upon filing application therefor, be entitled to any monthly benefits under any other subsection of this section for the month in which he attains such age or, if later, the month in which he files application under this subsection,

"(C) is a resident of the United States,

"(D) (i) is a citizen of the United States, and has resided in the United States continuously for not less than eighteen months before the month in which he files application for benefits under this subsection, or (ii) has resided in the United States continuously for the ten-year period preceding the month in which he files application for benefits under this subsection, and

"(E) has filed application for benefits under this subsection,

shall be entitled to a benefit under this subsection for each month, beginning with the first month in which he becomes so entitled to such benefits and ending with the month preceding the month in which he dies. Such individual's benefit for each month shall be equal to the first figure in column IV of the table in section 215(a).

"(2) (A) If—

"(i) any individual is entitled to a benefit for any month under this subsection, and

"(ii) it is determined that a periodic benefit or benefits are payable for such month to such individual under a pension or retirement system established by any agency of the United States or political subdivision thereof (or any instrumentality of the United States or a political subdivision or subdivisions thereof which is wholly owned thereby),

then the benefit referred to in clause (i) shall be reduced (but not below zero) by an amount equal to such periodic benefit or benefits for such month.

"(B) If any periodic benefit referred to in paragraph (A) (ii) is determined to be payable on other than a monthly basis (excluding a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments), the reduction of such individual's benefit under this paragraph shall be made at such time or times and in such amounts as the Secretary finds approximates, as nearly as practicable, the reduction prescribed in subparagraph (A).

"(C) In order to assure that the purposes of this subsection will be carried out, the Secretary may, as a condition to certification for payment of any monthly benefit to an individual under this subsection (if it appears to the Secretary that such individual may be eligible for a periodic benefit which would give rise to a reduction under this paragraph), require adequate assurance of reimbursement of the Federal Old-Age and Survivors Insurance Trust Fund in case periodic benefits, with respect to which such a reduction should be made, become payable to such individual and such reduction is not made.

"(D) Any agency of the United States which is authorized by any law of the United States to pay periodic benefits, or has a system of periodic benefits, shall (at the request of the Secretary) certify to him with respect to any individual such information as the Secretary deems necessary to carry out his functions under this paragraph. For purposes of this subparagraph, the term 'agency of the United States' includes any instrumentality of the United States which is wholly owned by the United States.

"(3) Benefits shall not be paid under this subsection—

"(A) to an alien for any month during any part of which he was outside the United States;

"(B) to any individual for any month during all of which he was an inmate of a public institution; or

"(C) to any individual who is a member or employee of an organization required to register under an order of the Subversive Activities Control Board as a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization under the Internal Security Act of 1950, as amended."

(2) The following provisions of section 202 of such Act are each amended by striking out "or (h)" and inserting in lieu thereof "(h), or (v)":

(A) subsection (d) (6) (A),

(B) subsection (e) (4) (A),

(C) subsection (f) (4) (A),

(D) subsection (g) (4) (A), and

(E) the first sentence of subsection (j) (1).

(3) Section 202(h)(4)(A) of such Act is amended by striking out "or (g)" and inserting in lieu thereof "(g), or (v)".

(4) Section 202(k)(2)(B) of such Act is amended by striking out "preceding".

Reimbursement of Trust Fund

(b)(1) With respect to every individual who becomes entitled to a benefit under title II of the Social Security Act by reason of the amendments made by subsection (a), the Secretary of the Treasury shall transfer to the Federal Old-Age and Survivors Insurance Trust Fund, from the general fund of the Treasury, an amount equal to the sum of—

(A) The total amount of employee and employer taxes that would have been paid under the provisions of sections 3101 and 3111 of the Internal Revenue Code of 1954 (or the corresponding provisions of prior law) if such individual had been paid wages (as defined in section 209 of the Social Security Act) equal to the first figure in column III of the table in section 215(a) in each month of the period beginning with January 1951 (or January of the year after the year in which he attained age 31, if that is later) and ending with December of the year in which he attained age 69 (or, if later, December 1962); and

(B) Interest, compounded at 3 percent per annum, on the total amount determined under the subparagraph (A), for each year in the period referred to in such subparagraph.

(2) The transfer of funds from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund with respect to any individual pursuant to paragraph (1) shall be made not later than the end of the calendar quarter following the calendar quarter in which such individual becomes entitled to benefits under title II of the Social Security Act by reason of the amendments made by subsection (a).

Effective date

(c) The amendments made by subsection (a) shall apply only in the case of monthly benefits under title II of the Social Security Act for months beginning on or after the thirtieth day after the date of the enactment of this Act based on applications filed on or after July 1, 1965.

Mr. MANSFIELD. Mr. President, will the Senator from Vermont yield without losing his right to the floor?

Mr. PROUTY. Mr. President, I am glad to yield to the Senator from Montana under those conditions.

Mr. MANSFIELD. Mr. President, I thank the Senator from Vermont. I should like to have the attention of the Senate. I have tried to touch on as many bases as possible and would like to propound a unanimous-consent request.

ORDER FOR A RECESS UNTIL TOMORROW AT 10 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it recess to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a 1 hour time limitation on each amendment, except the Curtis amendment and motion to recommit, on which there will be 2 hours, the time to be equally divided between the proponents of the amendments and the Senator in charge of the bill; and that there be 2 hours on the bill itself.

The PRESIDING OFFICER. Is there objection?

Mr. PROUTY. Mr. President, reserving the right to object—and I shall not object—do I correctly understand that my amendment will be the pending business tomorrow morning?

Mr. MANSFIELD. The Senator is correct.

Mr. PROUTY. I should like to suggest, inasmuch as many Senators are now in the Chamber, that they take a good look at my amendment. I have been informed that some Senators were not aware of what was in my last amendment and were delayed coming into the Chamber and were therefore unable to be on the floor when I explained it.

My amendment No. 315 merely seeks to bracket into the social security program those persons who are 70 years of age or older who are not now covered by that program, so that they will receive minimum benefits. I merely invite the attention of Senators to that point.

Mr. MANSFIELD. I see no reason why anyone would need to read the Senator's amendment now, because it has just been explained to them.

Mr. ALLOTT. Mr. President——

The PRESIDING OFFICER. When does the Senator wish the unanimous-consent request to go into effect?

Mr. MANSFIELD. Immediately after the prayer.

Mr. ALLOTT. Mr. President, reserving the right to object——

Mr. ELLENDER. Mr. President, reserving the right to object, I gave notice this afternoon that I should like to address the Senate today, and——

Mr. MANSFIELD. The leadership had the speech of the Senator from Louisiana in mind. We recall the statement made by the Senator from Louisiana a short time ago. The Senator can rest assured that he will have all the time needed, even if it means extending time under the bill.

Mr. ELLENDER. I thank the Senator from Montana.

Mr. ALLOTT. Mr. President, reserving the right to object—and I must object, unless certain situations are met—I have some remarks on the bill which I wish to make. I do not know the status of the list which is at the desk. If I am next in order to be recognized, so that I can make my remarks at this time, I shall not object. If there are other Senators who are to be recognized ahead of me, then I shall be forced to object. I make that inquiry of the Senator from Montana.

Mr. MANSFIELD. If the Senate will forbear with me and be tolerant, I should like to suggest that the distinguished Senator from Colorado [Mr. ALLOTT] be recognized at this time. I understand that he has some remarks which will take approximately 10 minutes.

Mr. KUCHEL. Mr. President, reserving the right to object——

Mr. MANSFIELD. I do not make this as a request. I merely make it as a suggestion.

Mr. KUCHEL. I understand. Mr. President, I have no objection except for the fact that I also have an amendment which is not controversial. I believe that other Senators also have.

Mr. MANSFIELD. I am sure that the Senator from Colorado will be most generous.

Mr. ALLOTT. I assure the Senator from Montana that I will be, if I am able to obtain the floor. I have been waiting to obtain the floor for several hours today.

Mr. JAVITS. Mr. President, reserving the right to object, will the majority leader tell us at what time he would expect the first vote tomorrow? I happen to have a problem in that regard. Will it possibly be at 11:30?

Mr. MANSFIELD. I would say approximately 11 o'clock—perhaps a little later. It will all depend.

Mr. LAUSCHE. Mr. President, reserving the right to object——

Mr. MAGNUSON. Mr. President, may we have some order in the Senate at this time, so that Senators who are in their seats can hear what the majority leader is saying. We could join the "mob" in the well, but——

The PRESIDING OFFICER. The Senator is correct. The Senators will please take their seats.

The Senate will be in order.

The Senator from Ohio is recognized.

Mr. LAUSCHE. Mr. President, I should like to have assurance that there will be assigned to me 8 minutes on the bill.

Mr. MANSFIELD. The Senator from Ohio has that assurance.

Mr. LAUSCHE. I thank the Senator.

Mr. CURTIS. Mr. President, may we have the unanimous consent request restated at this time?

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Mr. HOLLAND. Mr. President, reserving the right to object—and I shall not object—is this all confined to amendments already printed?

Mr. MANSFIELD. No.

Mr. HOLLAND. It applies to any amendments which may be offered?

Mr. MANSFIELD. The Senator is correct.

Mr. HOLLAND. I thank the Senator for his information.

Mr. CURTIS. Mr. President, I should like to ask that the unanimous consent request be restated for the information of the Senate.

Mr. MANSFIELD. One hour on each amendment to be equally divided. Two hours on the Senator's amendment and his motion to recommit, and more time if needed.

Mr. CURTIS. I thank the Senator from Montana for the information.

Mr. YARBOROUGH. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. YARBOROUGH. May it be agreed that the Subcommittee on Postal Affairs may meet tomorrow?

Mr. MANSFIELD. Yes. May we have a ruling from the Chair on that request?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Is there objection to the unanimous-consent request of the Senator from

Montana? The Chair hears none, and it is so ordered.

The unanimous-consent agreement was subsequently reduced to writing, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective after the prayer on Friday, July 9, 1965, during the further 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, debate on any amendment (except a motion to recommit to be offered by the Senator from Nebraska [Mr. CURTIS] which shall be debated for 2 hours), motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the Senator from Louisiana [Mr. LONG]: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. KUCHEL. Mr. President, I send an amendment to the desk and ask that it not be stated. I also ask unanimous consent that the pending amendment offered by the Senator from Vermont be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be printed in the RECORD at this point.

The amendment is as follows:

On page 387, after line 2, insert the following:

"FEDERAL SHARE OF PUBLIC ASSISTANCE EXPENDITURES

"SEC. 412. Title XI of the Social Security Act is amended by adding at the end thereof (after section 1117, added by section 405 of this Act), the following new section:

"'ALTERNATIVE FEDERAL PAYMENT WITH RESPECT TO PUBLIC ASSISTANCE EXPENDITURES

"'SEC. 1118. (a) In the case of any State which has in effect a plan approved under title XIX for any calendar quarter, the total of the payments to which such State is entitled for such quarter, and for each succeeding quarter in the same fiscal year (which for purposes of this section means the 4 calendar quarters ending with June 30), under paragraphs (1) and (2) of sections 3(a), 403(a), 1003(a), 1403(a), and 1603(a) shall, at the option of the State, be determined by application of the Federal medical assistance percentage (as defined in section 1905), instead of the percentages provided under each such section, to the expenditures under its State plans approved under titles I, IV, X, XIV, and XVI, which would be included in determining the amounts of the Federal payments to which such State is entitled under such sections, but without regard to any maximum on the dollar amounts per recipient which may be counted under such sections.

"'(b) If the Secretary, upon application by any State, finds with respect to the quarter beginning January 1 or the quarter beginning April 1, 1966, that the medical assistance for the aged and the assistance or aid provided in the form of medical or any other type of remedial care under the plans of such State approved under titles I, IV, X, XIV, and XVI, taken together, substantially meet the objectives and requirements of title XIX, then with respect to expenditures under such plans during such quarter—

"'(1) the total of the payment to which such State is entitled under sections 3(a) and 1603(a) (other than paragraphs (4) and (5) thereof) and section 403(a), 1003(a), and 1403(a) (other than paragraphs (3) and (4) thereof), or

"'(2) the payments to which it is entitled under such sections (other than such paragraphs) with respect to expenditures as medical assistance for the aged or as aid or assistance in the form of medical or any other type of remedial care, whichever the State may elect for such quarter and (if it is the quarter beginning January 1) the succeeding quarter, shall be determined by application of the Federal medical assistance percentage (as defined in section 1905), instead of the percentages provided under each such section, to—

"'(3) the expenditures under its State plans approved under titles I, IV, X, XIV, and XVI, which would be included in determining the amounts of the Federal payments to which such State is entitled under such sections, if the State has elected payments under clause (1), or

"'(4) the expenditures under such plans, as medical assistance for the aged or as aid or assistance in the form of medical or any other type of remedial care, which would be included in determining the amounts of such payments if the State has elected payment under clause (2);

and such determination shall be made without regard to any maximum on the dollar amounts per recipient which may be counted under any of such sections.'"

Mr. KUCHEL. The amendment is noncontroversial. I understand it will be accepted by the floor managers of the bill.

The amendment which I have offered on behalf of myself and my colleague from California [Mr. MURPHY], I believe, improve and make more effective the public welfare provisions of H.R. 6675. Essentially, it would do two things. During the period that Congress has been considering this bill, legislatures in most of the States have met. Many of these have now gone home or have reached a stage where it is impractical for them to pass legislation permitting States to avail themselves of the many improvements contained in H.R. 6675. I am particularly concerned about the new medical assistance program which is authorized. This represents a major change in public assistance programs and will undoubtedly require legislation in many States, probably including my own. However, some of these States, I understand, believe that they could fully meet the objectives and requirements of the new title by expansion of their existing programs. Insofar as this is possible, it is only reasonable to give such States the advantage of the more favorable matching for medical care expenditures that is available under the new title. If a State can meet the objectives of the legislation, we certainly should give it a reasonable period of time in which to get its own legislation adjusted. My amendment would, accordingly, provide that until July 1, 1966, any State that could substantially meet the objectives and requirements of title XIX through its existing programs taken together could receive the more favorable matching provided under that title.

Second, in title XIX we have provided a simplified formula for participation in medical expenditures of State welfare agencies. In contrast to the very complex formulas that govern payments under the other public assistance titles and which vary from one program to another, we provided in title XIX for Federal participation in total expenditures at a rate of 50 percent for States with per capita incomes significantly above the national average and at somewhat higher rates for the lower income States. I believe that we should make this same offer for States with respect to their money payments so that all assistance and medical care would have Federal participation on a uniform basis. The use of this method of computing Federal participation would be wholly optional with States. I am advised that it would not be advantageous at this time for most States to use it since the existing formulas in most instances provide greater reimbursement. The estimated potential cost of this change is under $5 million a year and it is expected that in the near future the cost would be negligible.

I believe that both provisions of the amendment have substantial merit.

Mr. President, this matter was originally called to my attention by my colleague from California in the other body, Representative PHILLIP BURTON. I have discussed it with members of our State legislature in California. I have discussed it with respresentatives of our State administration and our county supervisors in California. I appreciate their advice.

The amendment has been written by the Department of Health, Education, and Welfare. I have discussed the subject with my able friends, the Senator from Louisiana and the Senator from New Mexico, and other Senators.

Mr. LONG of Louisiana. Mr. President, we have studied the amendment. It is the kind of amendment that we agreed in committee we would accept on the floor if it were necessary to perfect the bill to meet some of the hundreds of problems that are raised by Senators with regard to their individual State problems.

I believe the amendment should be a part of the bill. The subject poses a real problem, which was not considered in committee. The bill is such a complex bill, involving so many factors, that it will probably be years before we shall be able to take care of all the loose ends. This is one that we should take care of now. I hope the amendment will be agreed to.

Mr. ANDERSON. We have checked the amendment very carefully. It is the kind of amendment that we decided we could and should take without damage to the bill.

Mr. KUCHEL. Mr. President, I ask consent that a telegram to me from Paul D. Ward, administrator of the Health and Welfare Agency of the State of California be included at this point in my remarks.

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

SACRAMENTO, CALIF.,
July 8, 1965.

Senator THOMAS KUCHEL,
Washington, D.C.:

Our analyst indicates the proposed section 1118(a) would be extremely helpful to the State of California. We would appreciate it's being amended into H.R. 6675. The proposed section 1118(b) would under certain circumstances be helpful. However, it would not obviate the need for additional State legislation since State statutory limitation on expenditures for these programs would still prevail.

PAUL D. WARD,
Administrator, Health and Welfare Agency.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

The amendment was agreed to.

Mr. KUCHEL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SMATHERS. I move to lay that motion on the table.

The motion to table was agreed to.

THE GROWING THREAT FROM SOVIET STRATEGIC WEAPONRY ADVANCES

Mr. THURMOND. Mr. President, in this period when our attention is fixed on events in areas of the world where Communist expansion efforts now take the form of shooting war, and particularly events in Vietnam, it is all too easy to overlook or minimize the increasing evidence of the growing threat from Soviet strategic weaponry advances. The immediate, urgent, and pressing need to channel additional resources into our forces designed to deal with the problem of Communist "wars of liberation" must not be permitted to obscure the needs at the other, or higher, end of the spectrum of military threat.

Our Defense officials, and particularly the Secretary of Defense, appear to have minimized the threat of Soviet strategic power. The Secretary of Defense has made it clear that he believes the Soviets are now substantially inferior to the United States in strategic power and and are presently making no serious attempt to catch up. His attitude is accepted, for the most part, and reflected in the public information media, although there is very little treatment of this subject at all by the news media.

On May 9, 1965, the Soviets revealed a number of strategic weapons which the free world had not previously seen. If these weapons are for real, the balance of strategic power is strikingly different from the rather comfortable balance which the Secretary of Defense has described.

Although I have seen no direct comments by the Secretary of Defense on the missiles and equipment displayed by the Soviets on May 9, the press has attributed to defense officials conclusions that imply that the Soviet weapons displayed were largely a propaganda hoax.

In the July issue of Air Force and Space Digest, there appears an article by J. S. Butz, Jr., technical editor, which meets the problem directly. The article is entitled "The New Soviet Missiles—Technological Storm Warning or False Alarm?" The facts presented make a strong case that the Soviet missiles are largely what they purport to be—evidence of rapid Soviet advances in missilery, and particularly in the field of solid propellants.

I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, this presentation by Mr. Butz raises, without specifically phrasing it, the question of whether once again we are officially engaging in the dangerous pastime of self-delusion. Often in the past the U.S. Government has based its actions on intelligence estimates which were wrong, primarily because hard intelligence was discounted in favor of preconceived notions. One of the most recent examples of such mistaken estimates was the denial of the presence of Soviet missiles in Cuba in 1963. There have been numerous others. The Soviet detonation of a thermonuclear bomb on August 12, 1953, came years before our official estimates said it could be done. When Sputnik I was orbited in 1957, it caught our Government still not believing that the Soviets were engaged in any such program or had any such capabilities.

Mr. President, the stakes are too high and the consequences too dangerous, for our Government to once again base its actions on wishful thinking rather than hard evidence. Should the United States forfeit this race because our Secretary of Defense thinks the Soviet Union is not running, it could well be the end of our racing career.

It has been properly suggested by the chairman of the Preparedness Investigating Subcommittee of the Senate Armed Services Committee that the defense budget for fiscal 1966 be completely reviewed by the Department of Defense to make it reflect changed circumstances, such as the escalation of the war in Vietnam, before the legislation is acted on by the Senate. This is a meritorious proposal and the Senate should insist that it be complied with. At the same time, the sufficiency of the budget and the adequacy of our defense program to meet the strategic nuclear threat posed by Soviet advances should also be reviewed and reconsidered. In this area of defense, as well as in the conventional shooting war in Asia, time is of the essence.

Mr. President, the United States can afford the high expense of maintaining adequate defenses to cope with the entire spectrum of the military threat, from insurgency in remote areas to strategic nuclear weaponry. We cannot afford the luxury of a Secretary of Defense who persists in following the policy of an ostrich, never admitting the facts of life he does not see because his head is in the sand.

EXHIBIT 1

THE NEW SOVIET MISSILES—TECHNOLOGICAL STORM WARNING OR FALSE ALARM?

(By J. S. Butz, Jr.)

An unusual opportunity to evaluate Soviet missile hardware was presented to the free world this spring. Russian news agencies have distributed unusually clear photographs (for them) of a series of previously secret intercontinental and midrange missiles.

Examination of these photographs leads to a number of conclusions concerning Russian engineering and manufacturing prowess and the present Soviet strategic military posture. Some of these conclusions are disturbingly at odds with the situation as reported by top Department of Defense officials. Briefly the major conclusions are:

The Soviet Union is intensely interested in large solid-rocket development and has been for many years. The success of the Soviet effort was demonstrated by parading two solid-fueled ICBM's on May 9 in Moscow. It was the initial showing for both. One is about the size of Minuteman I. The other closely approximates an ICBM that could be built from Titan III-type, 120-inch-diameter, solid rockets, which has been mentioned as a possibility for future development in the United States. This rocket, code-named Big Brother, is about 100 feet long, 10 feet in diameter, and should have "several times" the weight-lifting capacity of Minuteman II, according to U.S. experts who have discussed solid-fueled ICBM's in the 120-inch class.

Exhibition of these missiles raises serious questions about Secretary of Defense Robert S. McNamara's evaluation of Soviet strategic might. Mr. McNamara has stated repeatedly, in congressional testimony and elsewhere, that the Russians have succeeded only in building liquid-fueled ICBM's and that this gives the United States a major advantage. One of his most recent categorical expressions of this view was in an interview with U.S. News & World Report published last April 12, less than a month before the May Day parade. He said, "They [the Soviets] have no solid-propellent strategic ballistic missiles, for example. If our force were all liquid propellent missiles, we'd feel severely handicapped."

In the course of a massive and continuing effort to modernize its rocket forces since World War II, the Soviet Union has apparently followed the U.S. pattern and has developed a large number of different missiles. In various parades of military might, the U.S.S.R. has shown:

Three intercontinental-range missiles, two solid fueled and one liquid fueled.

One Jupiter-size, liquid fueled, intermediate-range missile.

One liquid-fueled rocket in the Redstone class.

Two heavy, solid-fueled, intermediate-range missiles on tracked carriages in the mobile midrange ballistic missile (MMRBM) class. This missile has been bypassed for development in the United States even though strongly recommended by the Joint Chiefs.

In addition, the Soviets have shown two solid-fueled naval missiles, one of which resembles the earlier Polaris configurations, and more than a dozen types of heavy antiaircraft and battlefield missiles, all highly mobile.

More surprises are coming in Soviet rocketry. No rocket yet shown is capable of launching the heavy 10,000- to 15,000-pound Vostok and Voskhod vehicles which the Soviets have placed into orbit. The largest of these rockets shown to date, the Big Brother and Fassim, would need considerable modification in the form of strap-on solids

or other thrust uprating, to accelerate such large payloads to orbital speeds. At least one launch vehicle considerably larger than any shown has yet to be revealed by the Soviets.

Unfortunately, there is no wide agreement on these conclusions. The Soviets lifted their curtain of secrecy briefly, but the significance of the newly revealed systems has been obscured in a heavy fog of disagreement among Western press and official observers. The confusion over Soviet capabilities is as great today as it was before the photographs were made available.

Even those readers of United States and European newspapers and periodicals who are rocket experts are faced with an almost impossible job in evaluating the new Soviet hardware. Published reports have been contradictory in key respects.

This is a deplorable situation. More information must become available on the vital areas of advanced technology and strategic armaments. Secretary McNamara himself states that strategic nuclear superiority is the "absolute foundation" upon which all our military effectiveness rests. But it is not enough to say bluntly and without elaboration, as he did in the U.S. News & World Report interview, that our quantitative superiority in strategic weapons is three or four to one, and that in qualitative terms our superiority "far exceeds three or four to one."

The recent revelations in Soviet missilery raise the most basic doubts regarding such views. There are positive indications of a far more sophisticated Russian technology than has been conceded by U.S. officials. If these indications are correct it would seem foolhardy to contend that the United States has clearly outclassed Soviet Russia strategically, and will hold this lead for the foreseeable future because, as Mr. McNamara puts it, "There is no indication they are catching up or planning to catch up * * * there is no indication they are in a race at this time."

The newly revealed Soviet hardware definitely is worthy of more than cursory comment. If it truly signals United States-Soviet parity in the design and manufacture of long-range military rockets, this fact is as important to the United States as what is going on in Vietnam or the Dominican Republic.

Obviously no observer can say with certainty just how good these missiles are. Photographs can't tell you what kind of propellant they burn, how much their cases weigh, how light and sturdy their nozzles are, and other key information. Such vital estimates must be made against a background of knowledge about the course of Western rocket development and by comparing major features of the Soviet missiles with known U.S. hardware.

However, some pieces of this Soviet missile evaluation puzzle involve unclassified information—or instance, the heavy Soviet orbital payloads whose weights have been verified by United States and English tracking stations. Another unclassified clue to Russian technical capability is the fact that their spacecraft often have had nearly identical orbits. This has led many Western observers to believe that in the difficult field of building guidance equipment the Soviets are in the same league with the United States.

Many parts of the puzzle can never be fitted together without a new approach to the release of information. For example, it has been widely published that the United States has large radar sets near the Soviet borders and in the Pacific, which can track Soviet missiles during launch as well as during reentry. Such radar could easily tell a solid-fueled ICBM from one using liquid rockets because the solid vehicle would have to accelerate much more rapidly or its range payload efficiency would quickly drop. At least, this is the pattern revealed by U.S. development.

Quite naturally, the U.S. Government has been extremely close mouthed about such tracking facilities and other capabilities for gathering intelligence data. However, Mr. McNamara must be considering the input from such facilities when he says flatly that the Soviets "have no solid-propellent strategic ballistic missiles." Maybe the whole May 9 parade was an elaborate Potemkin Village hoax.

A very real counter to this hoax idea are the many Soviet space accomplishments, which are verifiable, and Mr. McNamara's own assertion that the Russians have developed the capability to destroy the United States presumably with obsolete, liquid-fueled rockets that are overweight by modern standards.

The final question here concerns the difficulty of building solid-propellent rockets. Certainly, the United States has enjoyed great success in developing advanced solid-fuel motors. The Minuteman and Polaris systems, which are to be the backbone of our strategic might for the indefinite future, have been built on this technology.

Very briefly, our advanced solids technology can be said to date from 1957–58. At that time it became clear there were major performance improvements to be had by suspending very small flakes of aluminum and other light metals throughout a charge of elastomeric rubberlike petroleum fuel and ammonium perchlorate oxidizer, which has been in wide use around the world as a solid-rocket propellant. This aluminized propellant increased specific impulse 15 to 20 percent, it suppressed combustion instability, and it provided a "higher solids loading" which, in rocket-engineer terms, means it had increased density and burned hotter. All three of these improvements are important and they have made aluminized propellants a key element in the development of Minuteman and Polaris.

Perhaps the most important point about aluminized propellants in the context of this article is that they have never really been a secret. Their acceptance came rather gradually and was accompanied by extensive reporting in open technical literature on theoretical and experimental studies. Their worth was first proved in the U.S. strategic weapon program. Experience there reinforced the contention of solid rocket experts that aluminized propellants made it practicable to build very large, very reliable, stable combustion, solid motors which could nearly match liquids in payload-carrying capacity.

It is well known that, with the exception of the Minuteman and Polaris programs, the United States has been exceedingly slow in putting the light-metal additive propellant technology to work. At least 3 years of hard selling were required to get a large solid rocket program going in the form of the 120-inch-diameter segmented motors slated for operational duty on the Titan III, and the 156-inch-diameter and 260-inch-diameter experimental motors being developed under joint NASA–DOD cognizance. Several 156-inch motors have been fired successfully and, with the exception of a 260-inch motor case fabrication problem, the program is on schedule. It appears that two 260-inch motors will be fired before the end of the year.

Other critical problems in solid rocket construction involve the case, nozzle, thrust vector control for steering, and precise thrust termination for trajectory control. In case construction, the United States has moved on from the type of steel proven through years of use in aircraft construction to high-strength steels with nearly twice the strength-to-weight ratio, and to even lighter cases made of materials such as titanium and glass fiber. Acceptable nozzles with three basic types of cooling—heat sink, gas film, and internal reservoir cooling—have been developed. A rather broad group of high-temperature materials suitable for the nozzle lining have been developed. Successful thrust vector control systems have been built using gimbaled nozzles and the injection of high-pressure liquids into the nozzle flow. Terminating thrust precisely, with blow-out ports on the forward end of a motor, has become commonplace.

In short, the United States has developed all of the elements of advanced solid-motor technology without a real hitch. And there can be no doubt that the U.S. program has moved at an artificially slow pace. Few people in the rocket business would argue that this country couldn't have large solid rockets, of 120-inch diameter or bigger, in large-scale operation today if it had chosen to do so. Large solid rockets are easier to build in many respects than those of Minuteman size. For example, the critical nozzle heating problems are significantly reduced.

Looking over the requirements for developing large solid rockets, it is difficult to point to any part of the problem that the Russians could not have mastered if they had chosen to try. And, considering the slow pace of the U.S. program, it certainly appears possible for the Russians to be ahead in this field, at least in the size of operational vehicles.

As mentioned previously, this sort of analysis has not been explored by most press commentators and Government officials. In general, Western response to this new opportunity to inspect Soviet hardware has been limited to straight reporting of Soviet announcements. The Pentagon has not commented on the quality of the Russian missiles.

On a more technical level, the aeropsace trade magazines in the United States and Europe made contradictory estimates, not only of the technical excellence, but also of the basic mode of operation and the purpose of the newly revealed Soviet hardware. For example, one U.S. aviation and space technology magazine described the missile codenamed Fassim, first as a solid-propellent ICBM and then went on to call it a storable cryogenic propellent missile in succeeding weeks.

This same magazine called Big Brother a liquid-fueled rocket and refuted Soviet press releases stating it was solid fueled. The main basis for this refutation was given as the lightweight construction of the Big Brother's transport trailer, which had only two axles and eight wheels. The magazine stated that the trailer "appeared too light to carry a solid-propellent missile of this class." The immediate question raised by such an analysis is whether or not the Soviets normally truck large, solid-propellent rockets loaded with propellant through crowded city streets, at speeds up to 15 miles per hour on trailers that obviously do not have special shock-absorbing mechanisms. Certainly the United States does not transport loaded Minuteman and Polaris missiles in such a fashion.

In another paragraph, the magazine also raised the possibility of Big Brother's being a fraud. It said some Western observers doubted that the open truss structure connecting the stages could "stand bending moments in pitchover." Another point given in support of this view was the jury-rigged appearance of the Big Brother trailer with a welded tube extension on its girder-type body.

An authoritative English aviation weekly did not express doubts of Russian statements that Big Brother was the rocket that had launched the Vostok and Voskhod spacecrafts. Most U.S. publications took about the same position on this question. But the assertion is highly questionable, for Big Brother is in the size class of the Titan II

missile, about 100 feet long and 10 feet in diameter. The Tital II, which is generally regarded as being the most advanced operational U.S. liquid-fueled rocket, can just put the Gemini spacecraft into orbit, and it weighs less than 8,000 pounds. If Big Brother can launch 10,000-pound vehicles such as the Vostok and Voskhod into low earth orbit, Soviet rocketry would be quite advanced over the U.S. state of the art, and this fact would deserve explicit reporting and wide circulation.

In addition, the English magazine also said Big Brother's first stage "reportedly" was powered by four liquid-fueled, K–102 engines, each producing a takeoff thrust of 300,000 pounds. This would be 1.2 million pounds total, nearly three times the first-stage thrust of the Titan II. Since Big Brother must be about the same weight as Titan II, assuming the Soviet missile actually is liquid fueled, Big Brother's acceleration during launch would have to be nearly three times that of the Titan II, a remote possibility for any booster used to launch a manned vehicle.

Quite different views were voiced by the expert observers who were interviewed for this article. This evidence, plus data on U.S. rockets which most closely approximate the Soviet missiles and known data on Soviet missiles, is digested below.

Big Brother: 100 to 110 feet long. About 10 feet in diameter. Compares most closely in size to U.S. Titan II, which is 103 feet long and is 10 feet in diameter.

Most probably Big Brother is strictly an unmanned military rocket weighing more than 400,000 pounds with around 1 million pounds of thrust in the first stage. Photographs show it to have three powered stages giving strong indication that solid fuel is being used. Efficiency of liquid propellants is higher, and two stages are optimum for ICBM and orbital space-launcher roles. If Big Brother had three liquid-fueled stages, it probably would be a very old vehicle burning obsolete propellants.

First-stage motor has four nozzles to shorten stage length and ease high-temperature design problems. This follows U.S. practice as used in Minuteman and Polaris, and Soviet techniques as revealed by Little Sister.

Second-stage motor has same diameter as first stage, using a single nozzle with very large exit diameter to improve performance at high altitudes. Major performance gains for Minuteman II (which Mr. McNamara says is four to eight times more effective than Minuteman I) are achieved by similar design, enlarging the second-stage motor to the same diameter as the first stage and replacing the older four-unit nozzle with a single nozzle. This second-stage configuration of Big Brother is regarded by some observers as a significant clue to Soviet state of the art. The length of its nozzle, for instance, is quite short and its diameter quite large, possibly indicating that it is of the expansion-deflection, or inverse-plug, type. In the United States such nozzles are considered to be quite advanced for, by shortening the nozzle length, they allow the designer to increase the length of the combustion chamber and to get more propellant into a stage of a given length.

Open truss, interstage structure appears to be heavy enough to bear flight loads. It is simple and would allow fire-in-the-hole staging of the type used on Titan II, whereby the second stage is ignited before the first stage drops off. In this case, neither the first nor second stages appears to have blowout plugs on their forward ends to allow a reversal of thrust just prior to burnout. Probably staging is accomplished simply by igniting the stage ahead. Elimination of the blowout plugs would save a little weight.

The large third stage presents many interesting possibilities for speculation in a period when U.S. military rocket designers are concentrating on developing "shotgun" effects with multiple warheads and sophisticated penetration aids to fool ballistic missile defenses. The large volume available on this stage gives one Big Brother the potential of striking simultaneously several major targets scattered across an entire continent.

In pursuing the numbers game type of strategic analysis, one must consider the fact that, by conservative estimate, one 10-foot-diameter solid-fueled ICBM can carry three to four times the payload of a 6-foot-diameter solid-fueled ICBM. That is, one Big Brother, if it is near the U.S. state of the art, can do the work of at least three to four Minuteman II's. For example, it could be highly misleading to draw a comfortable conclusion from a report stating that the United States had four times the strength of the U.S.S.R. in strategic weapons because we had 800 Minutemen and they had only 200 operational ICBM's. If these 200 Soviet ICBM's were Big Brother types, equipped with multiple warheads, the two forces would be essentially equal in military effectiveness.

Actual payload/range performance of any ICBM is critically dependent upon the specific impulse of the upperstage propellants and the propellant loading fraction, or lightness, of the inert parts of all stages. On Big Brother the only clues to excellence in these departments are the relatively short length and semisubmerged appearance of the second-stage nozzle and the monolithic design of the first stage. The one-piece case should be considerably lighter than the segmented case with its heavy joints, such as is used on the Titan III–C, 120-inch motors, which were designed to power launch vehicles of a variety of weights and were not optimized for one specific mission.

As far as the upper-stage propellants go, the Soviets are known to have conducted basic research on the use of beryllium rather than aluminum particles as a high-energy fuel additive. These beryllium propellants have been successfully developed in the United States and are important features of the most advanced military rockets.

Little Sister: About 60 feet long and 6 feet in diameter. Compares most closely with U.S. Air Force's Minuteman I, which is about 56 feet long and 6 feet in diameter. This ICBM probably is an early relative of Big Brother, and is around 3 years old.

Fassim: Two-stage, liquid-fueled ICBM about 85 feet long with a first stage 11 to 12 feet in diameter. Total weight is around 275,000 pounds. The single first-stage engine delivers in the neighborhood of 400,000 pounds thrust, uses "jetavator" type paddles in the exhaust stream for thrust vector control. This vehicle and its powerplant are a direct outgrowth of the Sandal-Shyster and Skean development work. Probably four of the first-stage Fassim engines have been clustered to produce about 1.5 million pounds of thrust in the first stage of the Vostok and Voskhod launch vehicle, which has not yet been shown by the Soviets.

The closest U.S. equivalent of Fassim is the 1½-stage Atlas booster, which is 82 feet long, 10 feet in diameter, weighs 269,000 pounds, and has a thrust of 389,000 pounds from three engines.

Skean: An IRBM-class vehicle which probably can carry a heavy warhead more than 2,500 miles. It is about 85 feet in length, with a diameter of around 9 feet and a launch weight in the neighborhood of 180,000 pounds. This rocket is somewhat heavier than U.S. IRBM's the Thor and Jupiter, both of which weighed 110,000 pounds and were powered by 150,000-pound-thrust engines. The Jupiter, for example, was 60 feet long and 9 feet in diameter.

The Skean engine apparently is in the 250,000-pound-thrust class and uses "jetavators" for steering.

Sandal-Shyster: The Sandal is a Redstone-class rocket, which also has been produced in an up-rated configuration called the Shyster. Sandal is about 75 feet long with a diameter of something over 6 feet. It weighs around 80,000 pounds and is powered by a 110,000-pound-thrust engine. The Redstone, by comparison, is 70 feet long, a little under 6 feet in diameter, weighs 61,000 pounds, and is powered by a 78,000-pound-thrust engine.

The Sandal dates from about 1950, and it probably can propel a heavy warhead nearly 1,000 miles. This would be about equal to Redstone performance, which always was heavily understated in U.S. Army fact sheets.

A number of other relatively long-range missiles paraded by the Soviets are shown in the accompanying photographs. In addition, the Red army is equipped with by far the widest variety of battlefield tactical missiles of any army.

Even the most cursory review of the known elements of this arsenal lead inevitably to four basic conclusions:

First, the development of rockets has received a high priority continuously in the Soviet Union for 20 years, since the end of World War II.

Second, the Soviet effort has been broadly based and produced several generations of vehicles with increasing performance capability. The Russian engineering-industrial community has had an ample number of projects with which to gain experience. They have given a good account of themselves in the space race and the strategic missile race. There is no apparent reason for believing that this engineering-industrial community has to fake its position by showing false hardware in a Potemkin village-type parade. There is no apparent reason for believing that this community is not capable of competing favorably on the newest frontiers of rocketry, including the development of multiple warheads, maneuverable warheads, decoy warheads, and the like as well as the development of vehicles which can take man to the surface of the moon.

Third, solid-propellent rocketry is playing a major role in current Soviet operations and in their future plans. Judging from the favorable experience of U.S. industry in developing large solids, and the appearance of 120-inch Soviet motors, it is certainly possible, if not probable, that much larger solid rockets are available in Russia.

Fourth, U.S. intelligence has suffered a major failure if the Soviet missiles in the May 9 parade were not fake. The top levels of the Defense Department have been operating on the assumption that the United States is in an extremely favorable strategic military position, primarily because we are said to have a monopoly on large solid rockets.

If an assumption of such basic importance has proven to be absolutely incorrect, many other intelligence estimates and other assumptions of U.S. superiority undoubtedly would become suspect. An early review of U.S. intelligence and military planning operations by both the Congress and the administration definitely is in order if the Soviets are operating large solid rockets.

SOCIAL SECURITY AMENDMENTS OF 1965

The Senate resumed 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.

Mr. RIBICOFF. Mr. President, I send an amendment to the desk and ask that it be considered. I also ask unanimous

consent that the pending amendment offered by the Senator from Vermont be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be stated.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the amendment be not read, but printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 179, line 12, after the word "who" strike out the remaining words down through and including the word "and" on line 13 and delete the closing parenthesis on line 14.

Mr. RIBICOFF. Mr. President, this bill provides great improvements in existing medical assistance programs for the needy. However, it omits from the benefits it provides, millions of those who live in poverty—especially needy children. There are 5 million such children living in true poverty who cannot be aided under this bill because their father is living and is employed no matter how low his wages may be.

My amendment would solve this problem. It would broaden the definition of medical assistance for which Federal financial participation would be available under title XIX of the Social Security Act. Under the amendment States that wished to provide medical assistance to all needy children under 21 could do so with the Federal Government sharing in the cost—on the same basis as they would for such assistance to medically indigent children, and aged, blind and disabled individuals who would otherwise come within the public assistance categories.

This amendment would in no way affect the right of the States to limit their program to money payment recipients and to persons who would be eligible for money payments. This provision therefore authorizes the States to include all medically needy persons but does not require them to do so.

The Department of Health, Education, and Welfare has stated that the cost of the amendment for the fiscal year 1966 will be about $60 million. Mr. President, I believe that this amendment, which would give the States the freedom to act, with the promise of Federal participation, to care for their medically needy children under their own programs is urgently needed, and I request my colleagues to act favorably on this amendment.

It is supported by a wide group of State officials and social welfare organizations. I ask unanimous consent to insert in the RECORD communications from the Commissioner of Public Welfare of the State of Louisiana, Mr. Bonin, the Governors of New Jersey and California, and the Commission of Social Welfare of New York all in support of this amendment.

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

BATON ROUGE, LA.,
July 2, 1965.

Hon. ABRAHAM A. RIBICOFF,
U.S. Senator, Senate Office Building, Washington, D.C.:

This department endorses your amendment No. 198 to H.R. 6675. Current requirement of categorical tie-in would be more difficult and expensive to administer while your amendment would provide more adequately for medically indigent.

GARLAND L. BONIN,
Commissioner of Public Welfare.

TRENTON, N. J.,
July 6, 1965.

Hon. ABRAHAM A. RIBICOFF,
State of Connecticut Senator, Capitol Building Office, Washington, D.C.:

New Jersey appreciates your interest in the amendment to medicare that would permit States to extend assistance to all medically indigent under the new title XIX. Be assured of my support.

RICHARD J. HUGHES,
Governor of New Jersey.

SACRAMENTO, CALIF.,
July 2, 1965.

Hon. ABRAHAM A. RIBICOFF,
U.S. Senator, Senate Office Building, Washington, D.C.:

Under H.R. 6675, California wants to be able to extend medical care to as many as possible of our State's low income, medically indigent families. Present restrictions in the bill which tie eligibility to other categorical aids will limit our ability to provide care of the desirable scope. For that reason, I strongly favor your proposed amendment which would drop the linkage provision and urge your colleagues to support you in this endeavor.

EDMUND G. BROWN, *Governor.*

STATE OF NEW YORK,
DEPARTMENT OF SOCIAL WELFARE,
Albany, July 2, 1965.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.
Hon. ROBERT F. KENNEDY,
U.S. Senate,
Washington, D.C.:

Understand Senator RIBICOFF will offer amendment to H.R. 6675 medicare bill to extend medical assistance to medically needy people. Urge your support. Amendment will enable States to meet medical needs of poor and needy. Currently in New York State cost met solely from State and local funds.

GEORGE K. WYMAN,
Commissioner of Social Welfare.

Mr. RIBICOFF. Mr. President, I have discussed the amendment with the managers of the bill and other members of the Committee on Finance on this side of the aisle, all of whom have agreed to accept the amendment.

Mr. LONG of Louisiana. Mr. President, I have discussed the matter with Members on both sides of the aisle. I believe we should take the amendment. I hope the House will agree to it. Of all the provisions in the bill that relate to children, this may be the most meritorious. It was an oversight that this provision was not included in the bill when it was originally introduced in the House.

Mr. WILLIAMS of Delaware. Mr. President, I hope the Senate will accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut.

The amendment was agreed to.

STRENGTHENING AND IMPROVING THE NATIONAL TRANSPORTATION SYSTEM

Mr. MANSFIELD. Mr. President, earlier today the leadership called up Calendar No. 373, S. 1727, and the bill was passed. That should not have been done.

Therefore, I ask unanimous consent that the action of the Senate today in passing Calendar No. 373, S. 1727, be rescinded and that the bill be returned to the calendar.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill, S. 1727, to provide for strengthening and improving the national transportation system, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

The Chair hears none, and it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

On request by Mr. MANSFIELD, and by unanimous consent, all committees were authorized to meet during the session of the Senate tomorrow.

THE EFFECTS OF THE RECENT EXCISE TAX CUT

Mr. McCARTHY. Mr. President, every Member of the Congress is particularly interested in the effects of the recent excise tax cut. Most are totally convinced that the President and the Congress accomplished something long overdue, but the full effects of the excise cut remain to be seen.

In his message to the Congress when the cut was proposed, the President spoke of the tremendous increase in consumer spending power that would result from this legislation. In signing it into law he assured the American people of its beneficial effect and urged manufacturers to pass along savings to the consumers. It is most heartening, therefore, to read of a survey by the New York Times that shows most positively that manufacturers are following the suggestion of the President and the tax cut is being reflected in lower prices.

The story, written by David Jones, appeared on June 27, less than a week after the President signed the bill. It is a most encouraging report and I believe every Member of Congress will find it informative and interesting.

I ask unanimous consent that the article be printed in the RECORD at this point of my remarks.

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

[From the New York Times, June 27, 1965]

TAX CUT BENEFITS GOING TO SHOPPERS DESPITE CONFUSION

(By David R. Jones)

DETROIT, June 26.—Most businessmen appear to be heeding President Johnson's request that they pass along the benefits of this week's excise tax cut to consumers. But a substantial number seem to be increasing their profits with the money.

These are the major findings of a spot survey in several major cities in which the New York Times compared the retail prices of consumers goods before the tax cut with prices prevailing this week after the tax cut.

The survey also showed that there was considerable confusion surrounding the tax

cut, leaving open the possibility that consumers might benefit more fully from the reduction later on.

But the survey indicated that, in the meantime, shoppers wishing to benefit from the cut should demand it from their retailers rather than rely upon salesmen to offer lower prices automatically.

President Johnson on Monday signed legislation that will reduce excise taxes by $4.7 billion on a wide variety of goods, ranging from jewelry to automobiles.

The first stage of the reductions, amounting to $1.75 billion a year, took effect on Tuesday and the balance will go into effect at intervals through January 1, 1969.

There was nothing in the legislation to compel businessmen to pass along the reduction to lower consumers in the form of lower prices, but President Johnson urged them to do this so the bill would "make its maximum contribution to our economic health."

The administration plans to study the extent to which the tax cuts are passed along.

The legislation eliminated the 10-percent excise tax levied by retailers on such products as jewelry, cosmetics, luggage, and furs.

It also eliminated the 5-percent tax paid by manufacturers of refrigerators and gas and electric appliances, cut the 10-percent tax paid by automobile makers to 7 percent, and repealed the 10-percent tax paid by makers of such products as air conditioners, radio and television sets, photographic equipment, musical instruments and sporting goods.

RETAIL TAX DROPPED

The survey indicated that retailers almost without exception have dropped the retail excise tax, which usually was added to the sales price of a product at the time of purchase, and were passing the benefits along to consumers. This tax amounted to $550 million a year.

The survey also indicated, however, that many manufacturers, distributors, or retailers so far had failed to pass along to the consumers the benefits of the cuts in the manufacturers' tax on such products as automobiles and major appliances.

The auto tax cut totaled $570 million a year and the other manufacturers' taxes totaled $608 million a year.

More than half of the retailers surveyed were voluntarily passing to consumers some benefit from the tax cuts on automobiles, major appliances, and similar products. But nearly 30 percent were not, and the rest did so only after being pressed by the consumer for the tax cut.

A CAR PRICE GOES UP

J. L. Hudson Co., Detroit's leading department store, has stopped charging the 10-percent retail excise tax on cosmetics and luggage, for instance, but has not lowered prices on refrigerators or most television sets.

A Hudson television salesman explained yesterday that prices had been cut $10 on some Magnavox models to reflect the tax cut. But he said prices remained unchanged on Zenith, RCA, and General Electric models because those makers had not determined their policy. Spokesmen for all three producers, however, said the tax cuts had been passed to distributors.

A salesman at Carroll Collins Ford in Dallas, Tex., who quoted a price of $2,595 on a Mustang before the tax cut, offered the same customer a price of $2,670 for the same car yesterday. He said the higher price reflected a $52 tax cut on the car but explained that improved demand had forced the price up despite the tax cut.

A salesman at Vangan-Anderson Co., an appliance dealer in Minneapolis, Minn., quoted a price of $298 on a Hotpoint refrigerator both before and after the tax cut.

When pressed for information on the tax cut, the salesman telephoned a distributor and found that the price would be reduced $8.52 to reflect the cut. But the salesman still was unable to say when the lower price would take effect.

Some of this no doubt resulted from confusion among salesmen about the tax situation, but there were instances where retailers seemed intent upon keeping the tax cut money. In Seattle, Wash., for example, one auto salesman and two appliance salesmen agreed to give the tax cuts only when pressed by the customer.

CUSTOMER IN DARK

Most customers will be unable to tell whether they are benefitting from the tax cut unless they priced the goods before the tax cut took effect.

Even then, they would need a manufacturers' price list to be sure they were getting the full tax cut because a 10 percent tax on the manufacturers' level may mean only a 5 to 7 percent reduction in the retail price, which includes distributor and retailer markups.

The situation is particularly complex on automobiles, which represent the largest potential for a tax saving.

The auto makers promised Congress they would pass along the tax cut, and they have reduced their suggested retail prices. But few cars are actually sold at those prices, and customers still must negotiate an individual price with their dealers.

For example, a salesman at Jefferson Chevrolet in Detroit offered a customer a Chevrolet Impala sedan with certain options for $2,585 before the tax cut was enacted. But another salesman at the same dealership asked $2,690 for the same car after the tax cut.

The New York Times survey showed that many auto dealers were passing along the tax cut automatically. But the vagaries of the car market are such that many dealers apparently are seeking to keep some of the money for added profit. One Miami, Fla., dealer, for instance, said he intended to keep his margin of profit steady in the months ahead even if it meant dipping into the tax refund.

PRICE RISES FORESEEN

A pricing expert for one of the Nation's largest appliance makers said yesterday that most producers appeared to be passing on the tax cut in the form of lower prices to distributors. But he said that some producers would try to keep the money and that some distributors and retailers might do the same.

He also said some producers might try to absorb the tax money by edging up prices on new models later this year.

Some retailers already have accused producers of failing to pass along the tax benefits to consumers.

Frederick Zissu, chairman of Vornado, Inc., sent a telegram to President Johnson stating that some manufacturers "are taking advantage of the situation to increase their prices." He denounced this as a "self-seeking means of pocketing etxra profit."

Some manufacturers complained in return that the distributors and retailers were the ones who were pocketing the tax money. The manfacturers said that they could not regulate retail prices, and one appliance executive regretted that the tax cut had been related to prices since it "has nothing to do with prices because they aren't legislating prices."

Some appliance producers believe that the tax cut will bring a complete restructuring of appliance prices in the months ahead.

Most retailers contend that the public will benefit more fully from the tax cut when the present confusion subsides and competitive pressures assert themselves.

SOCIAL SECURITY AMENDMENTS OF 1965

The Senate resumed 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.

Mr. INOUYE. Mr. President, I ask unanimous consent that the pending amendment of the Senator from Vermont be temporarily laid aside, and that the amendment that I now send to the desk be stated.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be stated.

The LEGISLATIVE CLERK. On page 28, line 4, it is proposed to strike out "10 years" and insert in lieu thereof "6 months."

Mr. INOUYE. Mr. President, H.R. 6675 is undoubtedly one of the greatest steps Congress will take in the area of social legislation. It will be a proud moment when I am privileged to cast my vote in favor of the bill.

However, there is one aspect to the pending legislation which needs to be corrected. You will note that in order to qualify under both the mandatory and supplementary medical aid programs of H.R. 6675, the applicant must be at least 65 and must either be a citizen of the United States or an alien lawfully admitted for permanent residence who has resided in the United States continuously during the 10 years immediately preceding the month in which he files his application.

It is on this 10-year continuous residence requirement that some thought should be given to possible revision.

Approximately 165,000 of the 2,819,246 permanent resident immigrants who came to this country between June 30, 1955, and June 30, 1964, or during the last 10-year period reported by the Immigration and Naturalization Service, were over age 60, an age bracket which would be directly affected by the 10-year continuous residence requirement.

Based on a reasonable statistical estimate arrived at through previous experience, roughly between 5 and 7 percent of the 165,000 permanent resident aliens have been or will become naturalized. This would still leave between 140,500 and 147,500 of the senior permanent resident aliens ineligible under the terms of the 10-year continuous residence restriction.

Although relatively small as compared to the total number of citizens who will be covered, such a figure is very significant in terms of those who will not be covered under the current eligibility requirements. It is, moreover, very questionable whether any meaningful economy will result from insisting on the retention of the residence clause.

Personally, it is my deep conviction that such a requirement runs counter to our professed humanitarianism. Included in the 140,500 to 147,500 figures are thousands of refugees who came here at our invitation in order to escape persecution in the iron and bamboo curtain countries. To deny such individuals what, in effect, amounts to equal protec-

tion under our laws is, in my view, an inconsistent position.

Furthermore, these immigrants have been carefully screened in order to select those who want to contribute to our Nation's development. They are gainfully employed and are assessed income taxes and social security payments like any other American. Many, in addition to the 5- to 7-percent naturalization figure mentioned, will be processing for that status as soon as they can meet certain minimum qualifications.

The damage which can very likely result to our image overseas, as well as in this country, from this well-meaning but imprudent requirement will far offset any economy that can conceivably result.

Although I am in no way inferring that we should follow the examples set by other countries in the matter of determining eligibility requirements for aliens in medical care programs, I think it is interesting to note that in Great Britain, even transient visitors who become ill while visiting in that country are eligible. Furthermore, in Denmark, there is only a 6 month waiting period for aliens who plan to assume permanent residence. In Sweden, there is an annual November 1 registration date for all applicants, including aliens who plan to stay in Sweden. In Norway, there is only a short waiting period of not more than 2 weeks provided an alien has previously applied for a work permit.

It is highly significant to note that in all of these countries, there is nothing approaching a 10 year continuous residence requirement for determining eligibility. As a matter of fact, arrangements have been made between Great Britain and the countries of Denmark, New Zealand, Norway, Sweden, and Yugoslavia under which nationals of these countries may receive treatment under Britain's NHS and British nationals may receive health benefits under the legislation of the countries mentioned.

I, therefore, respectfully request support of this amendment which I have introduced together with Senators CLAIBORNE PELL and HIRAM FONG which proposes to eliminate the 10 year continuous residence requirement for all permanent resident aliens under both the mandatory and supplementary programs and to substitute in lieu thereof a residence requirement of 6 months.

I am pleased to advise the Senate that I have conferred with leaders on both sides of the aisle and with the Senators in charge of the bill, and they concur in the amendment.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. INOUYE. I yield.

Mr. LONG of Louisiana. When the Senator from Louisiana originally saw the 10-year provision, it seemed to him that it could work some drastic hardship on people who are properly citizens and residents of the United States and entitled to the medical assistance provided in the bill. I am glad the Senator raised the point in relation to the 10-year provision. I think it is a question that we should study in conference to see whether a period of 6 months would be more appropriate or whether some period between 6 months and 10 years should be the period of time required for residence. The Senator has a very good argument to support his position. I think the question should properly be in confidence between the Senate and the House. I am happy to support the amendment.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. INOUYE. I yield.

Mr. WILLIAMS of Delaware. I join in expressing the hope that the Senate will accept the amendment. By so doing, it will throw the entire question into conference, where we can examine it further and come up with what we hope will be the proper solution.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Hawaii [Mr. INOUYE].

The amendment was agreed to.

Mr. ALLOTT. Mr. President, I shall not detain the Senate long, but I do wish to comment on the present bill.

We are about to enter into a new era. I do not think that it is a good era, but then I know that the majority of my colleagues will disagree with me. With the enactment of the so-called medicare bill, this country shall have adopted a new philosophy which simply stated is as follows: "In dispensing welfare services, need is no longer a consideration." I suppose that it can be justified on a basis of "equality"—that is, the rich ought to be treated equally with the poor, and therefore they should be entitled to the benefits of welfare programs just as the poor are. And, by the same token, why should not the poor be taxed to pay for the welfare benefits of the rich? It is more equal that way.

Motion is not necessarily progress, traveling in reverse may give the rider the same sensation of motion, but the results may be just the opposite of what he expected. His objective gets further away, instead of closer. I assume that it is still our objective to help our citizens become self-reliant and independent. This program of "Robin Hood in reverse" for financing, with its complete disregard for need in disbursement, will take us further from that objective. If, on the other hand, our objective has changed, and it is now our desire to make every citizen as dependent as possible on his Government for his every need, then this program is a giant step in that direction.

Last year it appeared that we would finally enact the first increase in OASDI benefits since January of 1959. But, this needed increase in cash benefits was sacrificed so that medicare could have another chance. It has become clear that retirees will not receive a long-overdue and much-needed increase in cash benefits unless medicare is attached to the package.

We should not overlook the fact that it is primarily the people who are under social security who have been robbed by the policies of this administration, particularly its financial policies. Do not be misled, because it was the administration that robbed them of their opportunity and right to get an increase in their social security benefits.

The implicit ultimatum in this situation was, "You either take medicare, or forget about any increases in cash benefits for the present." I was both dismayed and disappointed by these developments which denied to our aged a few extra dollars to meet their ever-increasing living expenses. It was cruel and uncalled for.

I personally believe it was immoral. It was absolutely and positively unconscionable. It was cruel and it was uncalled for.

My mail from social security recipients overwhelmingly indicates that they are far more concerned over receiving a little more cash to put bread on the table than anything else.

All of us recognize that there is a need for a program that will insure adequate medical care to our aged. Many can provide it for themselves and are doing so under private insurance programs, and some can afford to pay all their medical bills out of their own resources.

I am extremely disappointed that the Senate a few moments ago turned down the amendment of the distinguished Senator from Nebraska [Mr. CURTIS], which would have provided that those who can afford to do it shall pay their own medical bills. Some are not financially able to make such provisions for their medical needs and must have assistance. The Kerr-Mills Act was a positive step toward filling that void. We had an excellent opportunity to obtain experience in this field, but the program was scuttled by its administrators before it had a chance to go into operation. Even the most carefully drawn program cannot stand up against deliberate efforts of sabotage by the people who are authorized and obligated by law to administer it.

That is exactly what the officials in this administration have done.

Criticism was raised against the "means test." It was said to be too stringent. The position of the administrator was that "means tests" were inherently bad and should be eliminated entirely.

During the hearings on this measure, Secretary Celebrezze made this point several times. On page 135 of the Senate hearings the Secretary said:

> We do not advocate, we do not subscribe to, any program which must meet a needs test.

In the same colloquy with Senator CURTIS, Secretary Celebrezze also indicated that he opposed an income test. This is indeed unfortunate, and I think a bit inconsistent since the Social Security Program has had an income test in it since its inception. Under present law, an aged recipient can only earn $100 per month without having his cash benefits diminished.

I applaud the committee's decision to liberalize the earnings limitation. I joined in recommending similar action in the minority views of the report of the Special Committee on Aging. I ask unanimous consent that that part of the minority report of the Special Committee on Aging, dated March 16, 1965, be printed in the RECORD at this point.

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

OASDI EARNINGS LIMITATION

Another badly needed change in the old-age and survivors insurance program relates to present limitations on earnings by a beneficiary.

The present unpenalized earnings limitation of $1,200 a year is totally unrealistic.

It discourages many who would like to supplement their pension funds with income from part-time work.

It virtually prohibits gainful full-time employment by others, often including those whose incomes are lowest.

The provision that a social security beneficiary will only lose half of his earned income between $1,200 and $1,700 a year, is awkward and cumbersome. In actual practice it only gives lipservice to the concept that the $1,200 limitation is too severe.

Unquestionably this Social Security Act provision should be changed. Whether it should merely permit higher unpenalized earnings, or be completely eliminated should be the object of careful study.

One possible way of meeting the older person's need would be to provide that there would be no reduction of old-age and survivors insurance benefits unless earnings and benefits "combined" exceeded a specified amount (i.e., $3,600 per year).

We recommend careful study of all such possibilities concurrently with our proposed review of budgetary requirements of older people.

Congressional action to accomplish these changes to provide higher benefits and greater flexibility under title II of the Social Security Act will vastly strengthen the independent economic position of older Americans.

By better meeting the primary need for income, such amendments would substantially reduce the necessity for special programs directed at specific needs. They would help restrict expansion of Federal controls over the lives of persons past 65.

It must be recognized that even then special problems will remain for many and will require different approaches by Government.

One of these is the problem of income for those who are not recipients of old-age and survivors benefits. Many of these people rely on the old-age assistance programs of the several States under title I of the Social Security Act.

There is evidence that some of these programs are inadequate to the needs of the public assistance clients now on their rolls.

Prudence would suggest a careful review of this part of the Social Security Act to the end that the needs of people served by it are adequately and reasonably met. There should be consideration also of extending old-age and survivors insurance benefits under social security to persons age 72 and over who are not now covered.

At the same time that changes are made in social security to improve income of older people, it is most important that the rapidly growing private pension programs be given every possible encouragement.

While future actions toward further stimulation of private pensions may not address themselves to the needs of those now retired, they can significantly affect the income situation of those who will retire in the future.

Mr. ALLOTT. Too long we have legislatively imposed poverty on aged persons capable of earning enough to lift themselves out of their predicament if they were only given the chance to earn more.

The greatest need of our aged is increased income. Increased income will solve most of the financial problems of the aged. The retiree counted upon a certain level of income in purchasing power over the years, but unfortunately that purchasing power has not materialized. It has not materialized because our "Alice in Wonderland" fiscal policies have eroded the value of his benefit dollars to such a point that inflation has made him a victim of poverty. We in Congress have an obligation to see to it that cash benefits are increased commensurate with the loss of purchasing power to the dollar as a result of inflation. Since it has been Government spending, debt, and monetary policies that have robbed the retiree of his retirement income, Congress must see to it that what has been taken from him by irresponsible fiscal policies is returned in increased benefits.

Every time there is a wage increase that is reflected in increased prices, and every time there is a price increase regardless of its cause, it takes money out of the pocket of the retiree. With the social security retired, Congress has the power to make amends. But with the retiree on a private pension plan, Congress can do nothing to make amends. The only thing that Congress can do for the latter is to take strict control of fiscal policies and stop the spiral of inflation.

There has been little inclination on the part of Congress in recent years to lean toward more strict fiscal policies. It has neither been popular nor politically expedient to exercise reasonable restraint in our spending policies. Of course, the last two administrations have gone down the road in the opposite direction as fast as they could.

Deficit spending has become a way of life in Washington. The philosophy has been "buy now, and let the next generation pay for it." I am concerned as to how much of the cost of the medicare program is being loaded onto the next generation; in other words, what is the medicare program going to cost the next generation. During the 1962 debate on the then-conceived medicare proposal, some rather interesting tables prepared by Robert J. Myers, Chief Actuary of the Social Security Administration, were inserted in the RECORD by the Senator from Iowa [Mr. MILLER]. These tables disclose the amount of the deficit that is being passed onto the next generation under the OASDI program. Realizing that the present medicare proposal has incorporated in it many changes, as compared with the measure then being discussed and, that any change in benefits would affect the actuarial balance, I wrote Mr. Myers requesting him to update this information, as I believe such information to be very germane to our consideration of this measure, even though, apparently, the majority on the other side of the aisle did not think it should be considered. Mr. Myers responded and advised me that he was unable to comply with my request because of other heavy workloads imposed upon his staff by the pending legislation. He also stated that they had not updated this information because "they would be relatively unchanged over those published as of January 1, 1962, since the program has not been significantly amended," and suggested that the 1962 figures would be relatively valid.

I think it is this kind of actuarial work that has put social security in the financial position it is in today.

It is difficult to understand, in view of the type of bill reported, how any load arising from this legislation could have been imposed on any actuary anywhere in the Government.

I suppose in the actuarial sense he operates as he did on this bill: he assumes that relatively good is good enough.

I have my doubts about this as it is my understanding that there have been some rather significant changes in the medicare proposal. However, since Mr. Myers is unable to furnish me with up-to-date information, my only recourse is to rely upon 1962 data.

Mr. President, in fairness to Mr. Myers, I ask unanimous consent that our entire exchange of correspondence, consisting of four letters, relative to this matter be printed in the RECORD in full, so that his position, such as it is, may be fully disclosed.

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

MAY 27, 1965.

Mr. ROBERT J. MYERS,
Chief Actuary,
Social Security Administration,
Washington, D.C.

DEAR MR. MYERS: Some rather interesting and very important statistical data relative to the social security program were developed by you in 1962 and appears in the CONGRESSIONAL RECORD, volume 108, part 10, page 13280. These tables should be updated since the information contained therein is highly pertinent to the upcoming debate on H.R. 6675, amendments to the Social Security Act. I would appreciate it if you would have someone in your office update this information for the following tables as shown on page 13280 of the CONGRESSIONAL RECORD, volume 108, part 10:

"Present value of taxable payrolls."
"Present value of benefits and administrative expenses."
"Present value of scheduled contributions."
"Existing fund."
"Actuarial balance."
"Surplus or deficit."
"Number of present members."
"Deficit for present members."
"Per capita deficit for present members."
"Current taxable payroll."
"Deficit as percentage of current taxable payroll."

I would appreciate having this information as soon as possible.

Sincerely yours,

GORDON ALLOTT,
U.S. Senator.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
SOCIAL SECURITY ADMINISTRATION,
Washington, D.C., May 28, 1965.

Hon. GORDON ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLOTT: This is in response to your letter of May 27 requesting an updating of the information on the so-called "unfunded accrued liability" of the old-age, survivors, and disability insurance program comparable with what was shown in the

CONGRESSIONAL RECORD, volume 108, part 10, page 13285.

I very much regret to inform you that we have not subsequently updated this information because it would involve a great amount of technical work, and our actuarial staff is too limited to undertake this assignment in view of the relatively artificial nature of this concept and in view of the other heavy workloads imposed upon us by pending legislation. Moreover, even if this were given the prime order of precedence, it would be impossible to perform the vast amount of calculations necessary within such a short period as the few weeks remaining before the upcoming debate on H.R. 6675. I hasten to point out, however, that another important reason why we have not updated these figures is because they would be relatively unchanged over those published as of January 1, 1962, since the program has not been significantly amended.

The concept of actuarial soundness as it applies to the old-age, survivors, and disability insurance system differs considerably from this concept as it applies to private insurance although there are certain points of similarity, especially as concerns private pension plans. In a private insurance program, the insurance company or other administering institution must have sufficient funds on hand so that if operations are terminated the plan will be in a position to pay off all the accrued liabilities.

This, however, is not a necessary basis for a national compulsory social insurance system. It can reasonably be presumed that under Government auspices such a system will continue indefinitely into the future.

The test of financial soundness, then, is not a question of there being sufficient funds on hand to pay off all accrued liabilities. Rather, the test is whether the expected future income from tax contributions and from interest on invested assets will be sufficient to meet anticipated expenditures for benefits and administrative costs. Thus, the concept of "unfunded accrued liability" does not by any means have the significance for a social insurance system as it does for a plan established under private insurance principles, and it is quite proper to count both on receiving contributions from new entrants to the system in the future and on paying benefits to this group. These additional assets and liabilities must be considered in order to determine whether the system is in actuarial balance.

I am, indeed, sorry that I cannot comply with your request, but I hope that you can understand the reasons therefor. As I indicated previously, not only is there the workload matter, but also the figures resulting would be of about the same order of magnitude as those previously published.

Sincerely yours,

ROBERT J. MYERS, F.S.A.,
Chief Actuary.

JUNE 7, 1965.

Mr. ROBERT J. MYERS,
Chief Actuary,
Social Security Administration,
Washington, D.C.

DEAR MR. MYERS: I was somewhat surprised by your response to my letter of May 27, 1965, and I cannot agree with your position that a determination of how much of the burden of H.R. 6675 is being loaded onto the next generation is a "relatively artificial" concept. The "relative artificiality" of a concept depends upon the vantage point of the observer, and to the young entrant who will be paying in his hard-earned dollars for the next 45 years or so, such a concept is far from artificial.

Your statement that "It can reasonably be presumed that under Government auspices such a system will continue indefinitely * * *" negates the argument I have heard in some quarters to the effect that "Let's try the medicare program, if it doesn't work we can always repeal it." You correctly point out that once this program has commenced, it can never be stopped. A logical extension of that statement would be that if this program is a mistake we are stuck with it forever. It therefore behooves us to make the most careful and critical scrutinization of the program before it is irrevocably enacted into law.

I have seen tabulations indicating that a new entrant would contribute in excess of $80,000 to the social security fund, including interest at 4 percent. This, of course, is based upon the assumption that the new entrant pays the maximum annually, and of course that his employer pays an equal amount. It would appear safe to assume that the average new entrant would pay the maximum amount since according to the 1964 Department of Commerce Statistical Abstract the average family income in current dollars in 1962 was $7,262.

The maximum taxable income is presently $4,800 and would increase to $5,600 in 1966 and to $6,600 in 1971. It would seem to me that what the contributions of a young entrant will purchase in the way of insurance for himself and his family as compared to his total contributions including interest is a matter of vital interest and not to be dismissed as being a "relatively artificial concept."

Calling a program "insurance" does not make it an insurance program, particularly when you continue to apply welfare criteria. In your letter you say "The test of financial soundness, then, is not a question of there being sufficient funds on hand to pay off all the accrued liabilities. Rather, the test is whether the expected future income from tax contributions and from interest on invested assets will be sufficient to meet anticipated expenditures for benefits and administrative costs." This is the same test that is applied to other welfare programs financed through earmarked revenues from special tax sources such as Colorado's old age pension and health and medical care program. The only difference is that the source of revenue in this case is a nondeductible payroll tax on the employee plus a deductible payroll tax on the part of the employer.

If medicare is a welfare program then the concept of unfunded accrued liabilities would be somewhat artificial and the level of contribution would be less relevant because it would have no bearing upon the expected returned benefits. But, as a welfare program, medicare flies in the face of the most basic welfare concept, and that is that it be based upon need. H.R. 6675 grants aid to the wealthy and the poor alike.

It is indeed unfortunate that other workload will require us to rely upon figures more than 3 years old..

Sincerely yours,

GORDON ALLOTT,
U.S. Senator.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, SOCIAL SECURITY ADMINISTRATION,
Washington, D.C., June 8, 1965.

Hon. GORDON ALLOTT,
U.S. Senate, Washington, D.C.

DEAR SENATOR ALLOTT: This is in response to your letter of June 7, commenting on my letter of May 28, which dealt with your inquiry of May 27 about the so-called unfunded accrued liability of the OASDI program.

Let me say first that I believe as strongly as anybody does that before enacting any new program—or, in fact, before making any changes in any existing program—we should make the most careful analysis possible of all aspects, including particularly the costs involved. I hope that I need hardly say that over the years I have always attempted to make the best possible cost estimates for any proposed changes to the social security program regardless of the administration's position on the desirability of the changes proposed or, for that matter, regardless of my personal views thereon.

In line with the latter point, I did not mean to imply that any determination of how much of the costs of H.R. 6675 are being placed on future generations is a "relatively artificial" concept, because I believe that the entire cost analysis is most important. Rather, what I was referring to was that the "unfunded accrued liability" concept is subject to serious misunderstanding, and the concept itself is essentially an artificial one. I believe that there are much better ways of measuring the long-range cost impact of legislative proposals, and these ways have been followed in the material contained in the House Report on the bill.

You mention tabulations indicating that a new entrant would contribute in excess of $80,000 to the trust funds under the bill, if interest at an annual rate of 4 percent is included, if the new entrant is covered for maximum earnings each year, and if the employer contributions are included (and, in fact, this figure is $83,440 for a 45-year period of coverage beginning in 1966). In my opinion, the employer contribution for each worker should not be considered directly assignable to that particular person.

There is nothing in the law that so prescribes, and this procedure is not followed under the vast majority of private pension plans. Instead—just as under the OASDI system—the employer contribution is pooled for the benefit of all employees, and more of it goes to the high-cost members (such as those near retirement age when the pension plan began) than to the low-cost members.

In private pension plans, it is customary for the employer to pay relatively larger pensions to those near retirement when the system begins (by granting prior service credit). Accordingly, such employees will contribute, and thus "purchase," relatively small proportions of their pensions. On the other hand, for younger workers, the employer may pay for only a relatively small part of the pension, with most of it coming from the employee's own contributions accumulated over the many years at interest.

I do not believe that it is correct to presume that all new entrants have earnings at the maximum taxable amount. The fact that the average family income in current dollars in 1962 was $7,262 is not meaningful, because many families have more than one worker and because many of the families have income from sources other than earnings covered under the program. Furthermore, even if the average annual earnings of covered individuals were as high as $7,262, there would be many individuals well below the average, since there would likewise be many individuals above the average. As a matter of fact, in 1963 only 31 percent of all wage and salary workers had earnings of $4,800 or more in covered employment, and even of those who worked in all 4 quarters of the year, less than 40 percent were in this category (see the enclosed copy of table 12 from our Quarterly Summary of Earnings, Employment, and Benefit Data for September 1964).

The statement that I made as to the test of financial soundness of a social insurance system does not mean that any other program that meets such a test of financial soundness is also social insurance. In other words, this is a necessary condition, but it

is not a sufficient condition. A public assistance program could meet this test of financial soundness if there are definitely earmarked revenues from special tax sources that, over the long-range future, would support the estimated expenditures. I think that this is only a theoretical point, however, because I have never seen any long-range cost analysis of a public assistance program on this basis. There are, however, many features that distinguish social insurance programs from public assistance programs—such as the latter having as a condition for benefit receipt an individual investigation of income and assets.

Sincerely yours,

ROBERT J. MYERS, F.S.A.,
Chief Actuary.

Mr. ALLOTT. Mr. President, according to these tables, a deficit of $4,679 per retiree was being passed on to the next generation. It should be noted that these tables show the deficit as it developed or was increased by each of the liberalizing acts since the 1956 act. The deficit trend shows a marked and persistent increase in every category. We can only conjecture as to the level of the deficit that will result from this measure. I dare say it will be enormous. The trend is clear, the deficit will continue to increase. According to Mr. Myers' table, the unfunded accrued liability of the OASDI program was $321 billion on January 1, 1962. What will it be on January 1, 1968—$600 billion?

I repeat, for the sake of emphasis: The unfunded accrued liability of the OASDI program was $321 billion on January 1, 1962.

I might interpolate and comment on a similar situation which affects every employee of the Government of the United States. Under the Civil Service Retirement Act, the Government is required to contribute to the civil service retirement fund an amount equal to that which the Government employees contribute. According to the testimony given to the Subcommittee on Independent Offices Appropriations of the Committee on Appropriations, that figure was $37.4 billion at the end of June 30, 1964. The figure as of June 30, 1965, is $39.9 billion.

We shall have an opportunity early next week to correct a part of this. Then we shall see where Senators stand.

But in order that there may be no mistake about the Civil Service Retirement Fund—I am speaking to the employees of the Government, including the employees of the Senate and Senators and Members of the House of Representatives, as well—the Government will have to contribute to the Civil Service Retirement Fund $39.9 billion before it will have contributed its share. Unless we start doing that, the fund itself will be broke, based upon present actuarial expenses, by 1980. That is something to reflect on. Now it is proposed to apply the same principle to the people who have paid into the social security fund over a period of years, and which Congress is now moving so rapidly to wreck completely.

Mr. President, I ask unanimous consent to have Mr. Myers' tables printed at this point in the RECORD, so that Senators may reflect on these data.

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

Balance sheet cost analyses of OASDI system, 1958, 1960, and 1962 intermediate cost estimates at 3-percent interest

PRESENT VALUE OF TAXABLE PAYROLLS

[In billions]

Item	Jan. 1, 1958 1956 act	Jan. 1, 1958 1958 act	Jan. 1, 1960 1960 act	Jan. 1, 1962 1961 act
Present members	$2,876	$3,038	$3,204	$3,279
New entrants	6,795	7,202	7,583	7,747
Total coverage	9,671	10,240	10,787	11,026

PRESENT VALUE OF BENEFITS AND ADMINISTRATIVE EXPENSES

Present members	$486	$543	$587	$625
New entrants	335	377	404	431
Total coverage	821	920	991	1,056

PRESENT VALUE OF SCHEDULED CONTRIBUTIONS

Present members	$194	$231	$254	$282
New entrants	563	641	682	719
Total coverage	757	872	936	1,001

EXISTING FUND

Present members	$23	$23	$22	$22
New entrants	------	------	------	------
Total coverage	23	23	22	22

ACTUARIAL BALANCE, SURPLUS (+) OR DEFICIT (—)

Present members	—$269	—$289	—$311	—$321
New entrants	+228	+264	+278	+288
Total coverage	—41	—25	—33	—33

NOTE.—Present members are all living persons (including beneficiaries) who have earnings credits, as of the given date. New entrants include those participating in the system at any time after the given date who had no earnings credits before that date.

Per capita deficit for present members, 1958, 1960, and 1962 intermediate cost estimates at 3-percent interest

NUMBER OF PRESENT MEMBERS [1]

[In millions]

Item	Jan. 1, 1958, 1956 act	Jan. 1, 1958, 1958 act	Jan. 1, 1960, 1960 act	Jan. 1, 1962, 1961 act
Active workers	56.7	56.7	58.4	[2] 59.0
Retired workers	6.3	6.3	7.9	[3] 9.6
Total	63.0	63.0	66.3	68.6

DEFICIT FOR PRESENT MEMBERS

[In billions]

	$269	$289	$311	$321

PER CAPITA DEFICIT FOR PRESENT MEMBERS

	$4,270	$4,587	$4,691	$4,679

[1] Active workers taken as average of calendar year average figures for current and previous year (coverage in effect). Retired workers are primary beneficiaries in current payment status as of date given. Although survivor beneficiaries are not included in the count of "present members," all dollar figures include liabilities for survivor benefits.

[2] Average for March, June, and September 1961 (coverage in effect).

[3] Estimated, using 9.4 million actual as of end of October 1961, plus assured 100,000 monthly increase.

Deficit for present members as percentage of current taxable payroll, 1958, 1960, and 1962 intermediate cost estimates at 3-percent interest

CURRENT TAXABLE PAYROLL [1]

[In billions]

Jan. 1, 1958, 1956 act	Jan. 1, 1958, 1958 act	Jan. 1, 1960, 1960 act	Jan. 1, 1962, 1961 act
$181	$181	$202	$214

DEFICIT FOR PRESENT MEMBERS

[In billions]

$269	$289	$311	$321

DEFICIT AS PERCENTAGE OF CURRENT TAXABLE PAYROLL

[Percent]

149	160	154	150

EMPLOYERS AND EMPLOYEES

[Percent]

Years	Now	Bill
1962	3	3
1963–65	3½	3¾
1966–68	4	4¼
Thereafter	4½	4¾

SELF-EMPLOYED

1962	4½	4½
1963–65	5¼	5⅝
1966–68	6	6⅜
Thereafter	6¾	7⅛

[1] Taxable payroll for previous calendar year, e.g., calendar year 1961 for valuation of Jan. 1, 1962.

Mr. ALLOTT. Mr. President, Mr. Myers says that the concept of unfunded accrued liability is an artificial concept. The reason he gives is that a national compulsory social insurance system can "reasonably be presumed" to continue indefinitely into the future. In other words, he is saying that once we embark on this course, we can never turn back.

It has been made abundantly clear during the course of the debate on this measure that we can never turn back, even though by the passage of the bill we shall make a shambles of the social security program. If we make a mistake with this program; if it is not actuarially sound; or if the concept is wrong; we and future generations will be stuck with that mistake, forever. Under such awesome circumstances, it would seem logical for Congress to seek the best advice possible—to consult with those groups which have the most intimate experience in the field of health care and administration of health insurance programs.

The insurance industry and the medical profession would obviously have the greatest expertise in these matters. However, the proponents of this measure did not seek the advice of the medical profession as a whole. A few select members of that profession were consulted, but the collective experience and judgment was not sought. And when such advice was rendered by both the insurance industry and the medical profession it was not only not welcome, but

it was completely ignored. I marvel at this "new-found" wisdom of Congress. An article written by Freeman Bishop and published in the June 7, 1965, American Metal Market, points this out. I ask unanimous consent that it 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:

DOCTORS' REMEDY FOR MEDICARE

(By Freeman Bishop)

WASHINGTON.—Almost everyone on Capitol Hill has a version of what he believes medicare to be, although nobody knows how anyone could interpret accurately some of the hazily written legislation on this subject.

While the Nation's "informational media" have been full of charges that doctors are obstructionists, not many seem to have gone to the trouble to find out what the doctors think.

The presently pending legislation was written without consultation with the Nation's doctors, apparently on the theory that the doctor needs guidance in how to treat ill elderly people.

WITHOUT CONSULTATION

And chances are future amendments to this legislation designed to put everyone under a Federal health program will be written also without benefit of those who practice medicine.

The undercurrent here implies doctors are more interested in their fees than in medicine. Nobody likes to say this, but it's the essential basis for medicare proposals.

Tax experts have taken over this area of practicing medicine, some charge. But what advocates of medicare won't admit is that the rising costs of health programs under social security will detract a hefty sum from everyone's payrolls.

Dr. Donovan F. Ward, president of the American Medical Association, last week pledged the Nation's doctors would never go on strike against their patients, but he pleaded for some more reasonable understanding of the problems involved.

AMA'S OBJECTIONS

Dr. Ward's reaffirmed medicine's longstanding objections to a federally administered health care program, financed by payroll taxes, and providing aid across the board to an entire segment of the population, regardless of financial need.

"You are being urged here to approve a historic revision of the U.S. medical system," he told the Congress. "The pattern thus established would be the same in all essential particulars as that in other countries whose health care today is marked by precarious financing, controls, overburdened facilities and distracted, frustrated physicians."

Wherever Government-financed, Government-controlled health care programs have been tried, Dr. Ward told the committee, they have been marked by overutilization of facilities and rising costs. Then he added:

"When costs get out of line—and let me assure you, they will—there are three possible courses of action:

"The first is to reduce the benefits; the second is to increase the taxes; the third is to impose Government controls on the services in an attempt to control costs.

"Under our system of medicine as we have always known it, treatment of the individual has come first and financing second. The physician has exercised his knowledge and skill to his greatest capacity in each case.

"But with the emphasis shifting from quality to cost, as it must under a publicly financed program, a deterioration in the quality of care is inescapable."

CONSIDER EACH PART

Terming the measure "an omnibus bill of overwhelming proportions," the AMA president asked the committee to consider its various parts separately.

He noted that the eldercare program (S. 820) remains the only proposal before Congress which was formulated in consultation with the medical profession. He emphasized that it was developed only after long and careful study by physicians, based on their years of experience in caring for the elderly.

The AMA urges, said Dr. Ward, that this program be substituted for the hospital and medical sections of H.R. 6675. It would provide State and local administration while avoiding unwarranted taxation of younger workers to pay for the care of millions of well-to-do and self-supporting.

At the same time, he offered a wide range of modifications and amendments which were suggested by the medical profession for all parts of the bill, including the hospital and medical sections to which the AMA holds fundamental objection.

Mr. ALLOTT. Mr. President, Dr. Donovan F. Ward, past president of the American Medical Association, in his testimony before the Finance Committee pointed out that wherever government health programs have been instituted, there has been a resultant overutilization of facilities. Our experience in Colorado has borne this out. In 1957 Colorado inaugurated its old-age pension medical plan. It required a constitutional amendment, which the people passed. When the proposition was put to the people, the experts assured us that that cost would not exceed $10 million in the foreseeable future. Consequently, a ceiling of $10 million was put on the program on the amendment. In the fourth year, expenditures exceeded $10 million and since that time some of the services have had to be curtailed to keep the cost below $13 million. I ask unanimous consent that a table prepared by the Colorado State Department of Public Welfare entitled "Old Age Pension Medical Expenditures, July 1957 to June 1964" be printed at this point in the RECORD.

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

Colorado State Department of Public Welfare—Old-age pension medical expenditures, July 1957–June 1964

	1957–58	1958–59	1959–60	1960–61	1961–62	1962–63	1963–64	Total
Hospitalization	$1,577,693.34	$4,953,568.37	$5,943,601.67	$5,008,726.37	$4,938,988.88	$6,836,051.24	$5,803,790.92	$35,062,420.79
Nursing home	418,340.62	1,624,116.58	1,965,924.74	2,454,817.88	2,835,668.36	3,376,662.74	3,916,760.80	16,592,291.72
Physicians' services:								
In hospital	261,577.30	1,182,499.23	1,345,482.23	1,644,616.76	1,319,541.49	1,725,466.88	1,505,518.79	8,984,702.68
In nursing home		23,017.25	90,637.50	105,093.00	114,395.95	122,659.25	84,974.25	540,777.20
Home and office			344,635.00	421,268.45	442,098.41	482,764.50	238,932.54	1,929,698.90
Drugs		77,664.30	241,275.51	323,335.21	388,050.83	451,183.91	463,907.35	1,945,417.11
Transportation	15,678.30	54,635.70	62,931.27	56,993.27				190,238.43
Administration	27,246.00	98,704.00						125,950.00
Total	2,300,535.56	8,014,205.43	9,994,487.81	10,014,850.94	10,038,743.92	12,994,788.52	12,013,884.65	65,371,496.83

Mr. ALLOTT. Dr. Ward pointed out the three possible courses of action that might be taken to put such a program back in financial balance: First, reduce the benefits; second, increase taxes; and third, impose Government control on the services in an attempt to control costs.

In Colorado, we first attempted to put on some controls to keep costs down. They were effective only to a minor extent. Subsequently, services had to be reduced. Since our program was established by constitutional amendment, there has been no real effort to change its financial scheme because it would require another constitutional amendment. The people of Colorado were told by the experts that the $10 million limitation would cover the financing of the program for many, many years; however, as the table discloses, the program went out of its financial bounds in the fourth year.

Mr. President, this is exactly what would happen with this so-called medical problem, as unfounded and wild as it is.

Assuming that we have a similar experience in the medicare program, and indications are that we will, then we can expect the Social Security Administration to follow one or more of the three possible courses of action. The least likely of the three possibilities to be pursued is the reduction of benefits. There are many reasons for this, and some of them are political. This leaves the other two possibilities; namely, to increase taxes, and to impose controls on services.

The experience of other nations with national health programs has been that a distinct deterioration of the quality of medical services follows when rigid government controls are imposed.

Mr. President, I do not believe that it is inappropriate to say that doctors have appeared before the committee many, many times and have consistently testified to the superior quality of the medical services offered to the people of the United States, a service which is superior to that offered to the people of any other nation of the earth. Yet, our country is one of the countries which has retained a completely independent medical service for our people.

I do not think it takes much imagination to realize that this is a natural consequence. But, certainly, a deterioration

of the quality of medical services is the last thing we want. The purpose of this bill, according to its proponents, is to insure that every aged person can obtain high-quality medical assistance, and will not be denied it because of financial limitations. Therefore, the only possibility of the three left open is to increase taxes.

Under the present income tax structure and the proposed schedule of taxes under this bill, many persons will pay more in taxes to the social security system than they will pay in income taxes. Under this bill the individual wage earner would pay a maximum of $209.45 per year in social security taxes for 1966, which would increase to $363 in 1973, and eventually to $368.50 by 1987. However, in the history of the social security program, no tax schedule has ever been fully implemented—each has been further increased by legislation before the last scheduled increase became effective. The final scheduled increase under present law was to have become effective in 1968, but this bill changes that. Therefore, if history provides us with any sort of guideline as to what to expect in the future, we can expect an increase in this schedule of social security taxes within a few years. This will be necessary to finance the medicare program. But, what of other increases in cash benefits? Will they no longer be possible because of the demands of the medicare provisions? Experience strongly suggests that they will suffer.

In addition, continued inflationary fiscal policies will place an additional burden on the medicare program through rising costs. According to the majority report, hospital costs have been increasing on an average of 6.7 percent each year. Wages, on the other hand, have been increasing at an average rate of approximately 4 percent. While expensive improvements in facilities must certainly account for some of this increase in hospital costs, nevertheless, a large part of the increase is directly attributable to inflation. Everyone who does any shopping knows that food prices have increased considerably in just the last few months. Living costs are now 130 percent higher than in 1940. Under present policies this trend will continue—it is planned to continue. A new ingredient is evident in proposals that will accelerate this inflationary trend.

Two significant actions have been taken by the Congress this year which accelerate inflation. The first action was to remove the 25-percent gold reserve requirement on Federal Reserve deposits. The second action was the desilverization of our coinage, leaving only a small amount of silver in our half dollar. Mr. President, and Senators, it is now just a short jump to "printing press money."

With a national debt of $328 billion, and upon which the interest alone is $1 billion per month, a slackening of our inflationary trend is the last thing we can expect. These factors will vastly increase the demands of the social security system for additional revenues, which will in turn mean further increases in the tax rate.

Mr. President, it is like a dog chasing his tail and then eating his own tail.

Under this present proposal the wage-earner is already heavily loaded with deductions from his paycheck. The young wage-earner can ill-afford further tax demands upon his earnings. In his early years, the demands of his family are the greatest, and this is the time when he can least afford to finance a health insurance program for the aged. Certainly, he can least afford to pay for a program that gives the same benefits to the wealthy and indigent alike.

Mr. President, our beloved chairman of the Finance Committee, in the individual views, took a position in opposition to this measure. The expertise, knowledge, and objectivity of the chairman of the Committee on Finance in the field of financial matters is well known. I respect his judgment highly, and would not lightly put it aside. It is pointed out in the individual views that this program was conceived contrary to the advice of the two most knowledgeable groups on the subject in our society—our physicians and our insurance industry. He and his colleagues joining in the individual views said:

Ironically, the proponents of the legislation depend upon these two groups to make the legislation succeed.

Because the individual views make these points so eloquently, I ask unanimous consent that they be printed at this point in the RECORD.

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

INDIVIDUAL VIEWS

The undersigned have joined in these following views opposing enactment of the so-called medicare provisions of H.R. 6675 as amended by the majority of the members of the Senate Finance Committee.

We recognize as a fact that some of our aged citizens need governmental assistance to meet the cost of adequate medical care. But we are also convinced that many of the aged are capable of meeting their medical costs without Government assistance; thus the best solution has not been devised. We must oppose any legislation which would derive its financing from a compulsory tax on first dollars of wages earned by the Nation's working men and women to pay the hospital and other medical bills of the well-to-do and wealthy aged, most of whom are well able to meet such bills from their own resources. Such legislation produces an unequitable and unjustified tax burden on gross earnings of wage earners.

In addition, fiscal experts both in and out of the administration concede that a $6.8 billion annual brake will be applied to the Nation's economy. The $6.8 billion increase (to multiply in cost in later years) will not even cover early year program costs according to business actuaries and experts with experience in the health insurance and health care fields. They can prove their contention from health insurance claim experience and by the annual reports of countries which have enacted compulsory government health programs. Saskatchewan, for example, in less than 18 years shows an increase of 200 percent in hospital utilization by its aged. No such estimates were computed in arriving at an expected cost figure in this legislation. Costs in the British social security program have so skyrocketed that some responsible Englishmen prominent in the welfare field are now advocating a change so that only the needy would be aided in an effort to avoid bankruptcy of their entire welfare system.

Some advocates in this Congress, attempting to give assurance that the medicare program won't impair the retirement funds, point to the separate trust fund as though it would vouchsafe retirement dollars. This is illusory. Congress 10 years ago provided a separate trust fund for the disability program and our 10-year experience finds us in this very legislation having to rob the retirement fund. It is unfair that we impair the solvency of a program upon which many retired persons and millions more to retire in the future depend, at least as a retirement foundation.

We deplore the damage this legislation will do to our voluntary private insurance system. Its immediate effect will destroy private initiative for our aged to protect themselves with insurance against the costs of illness. More than 60 percent of our aged now purchase, without Government assistance, hospital and medical insurance. This private effort will cease if Government benefits are given to all aged. We anticipate that a Government health program for the aged will be extended to additional age groups of the population by the same erroneous rationale which motivates the passage of this legislation to the extinction of the private insurance industry. A replacement of private sector activity in the health insurance industry could be repeated; in fact, other nations' experience dictates that it would be repeated regarding private hospitals, private medical schools, ad infinitum. The advocates of this legislation are already at work pointing out how the step taken in this bill represents merely the beginning of Government medical care for persons of all ages.

Compulsory Government health insurance is well along the way through our legislative process against the advice of the two most knowledgeable groups on the subject in our society—our physicians and our insurance industry. Ironically, the proponents of the legislation depend upon these two groups to make the legislation succeed. The insurance industry is to provide the expertise in making the arrangements with the providers of health services and health care, and only the physicians can certify a beneficiary for benefits by declaring his condition as "a medical necessity" requiring hospitalization, nursing home care, diagnostic care, home health services, or physician care.

We have urged the majority of the members of the committee to look to other methods to avoid killing private responsibility, or at least some degree of self-responsibility, including the use of deductibles and coinsurance to hold down the cost and to eliminate the "smack of socialism" implicit in a coverage-for-all program without avail. We have warned against imitating foreign country government type health programs, most of which have already experienced strife, financial difficulty, and a deterioration of the quality of medical excellence. We are proud of our medical system, which has produced the greatest progress in prolonging life and reducing the incidence of disease and sickness.

We plead that though the hour is late, it is never too late to do the right thing. Let's consult with our great medical profession and cease listening to voices of Government witnesses who throughout the world have sung the siren songs which have resulted in mediocre Government quality medicine replacing a far better system under which a free medical profession can continue to produce medical miracles for all mankind.

HARRY F. BYRD.
JOHN J. WILLIAMS.
WALLACE F. BENNETT.
CARL T. CURTIS.
THRUSTON B. MORTON.

Mr. ALLOTT. Mr. President, considering all these factors and many others, I cannot support this measure. I do not wish my vote to be misconstrued, however. It is only a vote against the medicare program. The increase in cash benefits for those persons under social security, although somewhat paltry, is needed and well deserved. Absent the so-called medicare provisions of this bill, it would have my wholehearted support. Although I am convinced something must be done to provide medical care for those of our aged who cannot financially provide it for themselves, I am equally convinced that the so-called medicare proposal is not the way to go about it. I am also equally convinced that it runs against all conscience and sane judgment.

In January of this year I joined in sponsoring a measure that is infinitely superior to the so-called medicare program, in my opinion. This proposal has been given the popular name of eldercare, and is embodied in S. 820. The eldercare plan goes to the heart of the real problem. It would not endanger our social security system with the threat of insolvency, but it would give the kind of aid needed by the elderly when and where they needed it most. Eldercare would have authorized Federal grants to States on a matching basis to help persons 65 years of age and older to pay the costs of health insurance if they could not otherwise pay for it. Such health insurance would be made available through companies which have Blue Cross and Blue Shield type policies. I might add here the evidence is overwhelming that the purchase of such private health insurance under such a financial arrangement would cost much less and purchase far more coverage than can ever be purchased with the money to be taken from our people under the medicare program.

The costs of such coverage would be borne entirely by the Government for these elderly individuals whose income falls below limits set by each State. For individuals with incomes between the minimum and the maximum, the Government would pay a part of the costs on a sliding scale according to income. Individuals with income above the maximum would pay the entire cost of the insurance, but would have the benefit of an income tax deduction for such payments.

No pauper's oath is required under this program. Under eldercare a simple statement of income is all that would be required for someone over 65 to establish his qualification for participation. Income statements to establish eligibility for benefits is not foreign to the social security program. Such conditions have been an integral part of the social security system since its inception. There is ample precedent. The bill before us even modifies the earnings limitation for eligibility for cash benefits. I know of no movement to completely eliminate the earnings test on cash benefits, and I would not support such a movement. I have supported and will continue to support reasonable measures to liberalize the earnings test, but I do not believe they should be completely eliminated. The medicare proposal eliminates all tests, whether "means" or "income," for eligibility of our aged persons for health benefits. The income test serves a useful purpose—it prevents the squandering of financial resources on those who can well afford to take care of their own health needs, thereby preserving these resources to assist those who truly need help.

The eldercare plan would also preserve our private insurance initiative in this country. More than 60 percent of our aged now purchase hospital and medical insurance, without Government assistance. We should not ignore this individual effort, particularly since it has increased year after year.

But more importantly, eldercare would not have irrevocably committed us to a program that can never be abandoned, and which, if pursued, can only lead to socialized medicine, as medicare does. Unfortunately, the Finance Committee was never given an opportunity to consider this measure, and as it now looks, neither the committee nor the Senate will ever have an opportunity to consider it.

One final comment, and I shall conclude this statement. In recent months we have heard much about polls. Many Senators are carrying around the latest polling results in their pockets. The only direct poll that I have is a count of my mail on the subject.

I have received 1,300 letters and other communications on medicare. Of that number 1,253 expressed opposition to it, while only 47 approved the measure. This is a final tabulation made as of July 7, 1965, and includes only mail received during 1965: 1,253 against, 47 for. That is a pretty strong indication of the sentiment of the people of Colorado and how they feel about the medicare proposal. Seldom have I ever received mail on a controversial subject that has been so lopsided. For every letter I received in favor of medicare, I received nearly 27 in opposition to it.

We are being led down the primrose path with a slogan—and the slogan is "Medicare." It does not matter how inadvisable, it does not matter how crackpot it is, we are being taken down the path with the slogan "Medicare," and I use the word "taken" advisedly.

If this is an accurate sampling, and I have no way of proving it absolutely, it would indicate that 96 percent of the people of Colorado oppose medicare, while only 4 percent favor it. However, the overwhelming opposition to the medicare program and a correspondingly overwhelming support of the eldercare program is also supported by a poll conducted by Research Services, Inc., of Denver, Colo.

This is no recent organization which has sprung out of the ground. It is a very respected organization, which has been carrying on its activities for at least 20 years, to my knowledge.

Taken together, these two indications of the opinions of the people of Colorado show that the people of Colorado do not want medicare, and that they would prefer another type of program. They do not want anything which embodies the principles of medicare. They know it is wrong, even if we in the Senate and in the Congress, and the President do not know it is wrong.

With this consensus apparent, I must oppose this measure, for I have never seen any poll which indicates any similar degree of support for medicare. In any event, the people of Colorado have told me they do not want medicare.

Mr. President, I ask unanimous consent that a summary of the Research Services poll be printed in the RECORD at this point.

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

SUMMARY

KERR-MILLS

Two of three (66 percent) Coloradans are unaware of any existing plan "to provide medical care for persons 65 years of age or older."

Less than 1 in 10 (7 percent) specifically identify either Kerr-Mills or the Medical Assistance Act.

MEDICARE

In contrast, most (86 percent) of the State's adult residents have "heard or read about medicare." While nearly half (43 percent) of these don't know what medical costs medicare promises to cover—

Fifty-two percent believe medicare would cover all or most hospital costs.

Forty-three percent believe medicare would cover all or most doctors bills.

Thirty-two percent believe medicare would cover all or most nursing home costs.

Thirty-one percent believe medicare would cover all or most doctors' bills.

No more than 1 in 10 anticipate that medicare would pay for eyeglasses (10 percent), false teeth (8 percent), or hearing aids (8 percent).

There is generally broad understanding that medicare would be paid for by either social security taxes, the people, or the Government.

Those familiar with medicare describe themselves as "definitely approving" (25 percent) or "inclined to approve" (28 percent) the proposal. Fewer than 2 in 10 (17 percent) "definitely oppose."

Support for medicare stems largely from the sentiment that "older people need help and we must do all we can."

Opponents express a distaste for "socialized medicine" and a concern for the probable cost of the program.

OTHER MEDICAL PLANS

At the time of this survey only three Coloradans in every hundred exhibited any familiarity with a plan for the medical care of persons 65 years of age or older proposed by doctors or the American Medical Association.

COMPARATIVE PLAN PROVISIONS

Direct comparison of nine specific provisions contained in the respective AMA and medicare proposals shows—in each instance—a statewide preference for the AMA alternatives, especially those relating to benefits, financial need, institutional choice, individual choice, mode of payment and choice of protection agent.

BENEFITS

AMA: A plan that will pay most (in some cases, all) normal doctor, hospital, nursing home, and drug costs, 85 percent.

Medicare: a plan that will pay no doctors' bills and no more than one-third of hospital, nursing home, and drug costs, 5 percent.

FINANCIAL NEED

AMA: a plan that covers everyone 65 years of age or older who needs financial assistance, 77 percent.

Medicare: a plan that covers everyone 65 years of age or older regardless of income, 18 percent.

INSTITUTIONAL CHOICE

AMA: a plan that allows persons 65 years of age or older to go to any hospital or nursing home they choose, 75 percent.

Medicare: a plan that specifies certain hospitals and nursing homes for the care of persons 65 years of age or older, 18 percent.

INDIVIDUAL CHOICE

AMA: a plan that provides coverage for everyone over 65 that wants it, 69 percent.

Medicare: a plan that automatically covers everyone over 65, 21 percent.

MODE OF PAYMENT

AMA: a plan based on the ability to pay so that, for example, an individual 65 years of age or older with an income of less than $3,000 a year pays nothing, 65 percent.

Medicare: a plan that is paid for by a new tax taken from the paycheck of every wage earner, 19 percent.

CHOICE OF PROTECTION AGENTS

AMA: A plan that allows persons 65 years of age or older to have their medical insurance with any company they choose, 64 percent.

Medicare: A plan that gives persons 65 years of age or older only Government-sponsored benefits, 24 percent.

INCOME REVELATION

AMA: A plan that requires individuals 65 years of age or older to sign a statement telling the amount of earnings they have reported on their Federal income tax, 52 percent.

Medicare: A plan that requires no one 65 years of age or older, regardless of income, to tell what their income is, 33 percent.

PLAN MANAGEMENT

AMA: A plan that is run by State governments in cooperation with private insurance companies, 46 percent.

Medicare: A plan that is run entirely by the Federal Government, 33 percent.

DEPARTMENT CONTROL

AMA: A plan for individuals 65 years of age or older that is run by the State health department, 50 percent.

Medicare: A plan for individuals 65 years of age or older that is run by the State welfare department, 16 percent.

Significantly, even those respondents who in the early stages of the questionnaire expressed themselves as "definitely approving" or "inclined to approve" medicare endorse eight of the nine AMA provisions.

The lone exception is plan management. Slightly more than half (51 percent) of the medicare proponents indicate a preference for "a plan that is entirely run by the Federal Government."

PLAN PREFERENCE

When the specific provisions detailed above were grouped together under the titles "Plan 1" and "Plan 2," Coloradans voiced an overwhelming (79 to 9 percent) preference for plan 2, the American Medical Association proposal.

Examination of 31 separate sample groups (age, sex, income, political party preference, labor union membership, old-age pension assistance, etc.) shows that the lowest level of support for plan 2 (70 percent) is in Denver while the strongest backing (86 percent) is in Congressional District No. 4 (western slope and northern Colorado).

More than 8 of 10 (82 percent) of those earlier endorsing medicare choose plan 2 when asked: "Which of these plans do you think of as really being the best from your own point of view?"

RETIREMENT OF MAJ. GEN. PERRY HOISINGTON II AS DIRECTOR OF LEGISLATIVE LIAISON OF THE AIR FORCE

Mrs. SMITH. Mr. President, it is with deep regret that I view the retirement of Maj. Gen. Perry Hoisington II and his leaving the post of Director of Legislative Liaison of the Air Force. His departure is a loss to both the Air Force and Congress and the filling of his shoes will be a very difficult task.

Other Members of Congress have previously lauded General Hoisington and in their laudatory remarks they have detailed his brilliant and remarkable Air Force record, both combat and executive. I shall not repeat the summary of his illustrious achievements.

I think his decorations speak for themselves—the Silver Star in combat—and the Distinguished Service Medal in peace. In fact, there is a very special distinction in his Distinguished Service Medal—for only two of his predecessors as Director of Air Force Legislative Liaison received the Distinguished Service Medal for service in that position.

But I would rather speak of the personal side of General Hoisington—of what I know of him personally in his performance as Director of Air Force Legislative Liaison. I know that for some time he worked under very difficult and trying circumstances and that despite this he never lost his calm balance and never waivered the slightest in his dedication to his duty.

The interests of the Air Force and the Congress are not always the same. In fact, there have been times when the Air Force and Congress differed on means if they did not differ on ends—differed on approaches if they did not differ on objectives. And there have been times when the Air Force and its Department of Defense superiors had deep differences on not only legislation but as well on how Congress should be handled and treated.

In these differences, General Hoisington was right in the middle between the differing parties, whether it be the Congress, the Air Force, the Department of Defense—any two of them or even all three of them. He had the happy and rare faculty of not compromising in any manner his loyalty to either his Department of Defense superiors or to his own service—and at the same time of being honest and effectively diplomatic with Members of Congress.

One might wonder how he could do this—how he could so effectively walk a tightrope between the Air Force, the Department of Defense and the Congress. Admittedly it was very difficult and required exceptional ability.

But General Hoisington had a very simple formula that is too rarely found in the military services. Instead of using the regulations to say "No," he used the regulations to say "Yes" whenever it was possible and reasonable. He did not negatively "live by the book" of regulations and look for reasons to prevent achievements. Instead he looked for positive and affirmative interpretation of the regulations to move forward instead of standing still and holding back Members of Congress with narrow, traditionalistic concepts and applications of the regulations.

General Hoisington has set a very high standard for his successors to emulate. His performance should inspire and encourage them to recognition that while they must always maintain their loyalty to the own Air Force service—and even to individual commands in which they have served, such as the Strategic Air Command—they must recognize that none of us are above making errors or beyond inspection—and specifically that the Air Force itself is not immune to investigation, inquiry and evaluation by Congress, and especially by those committees which handle the authorizations and appropriations for the Air Force.

Yes, the Air Force's last act of recognition to General Hoisington truly characterizes his performance as Air Force Director of Legislative Liaison for the Distinguished Service Medal in this instance is truly descriptive of the "distinguished service" of Maj. Gen. Perry Hoisington II to the Air Force, to the Department of Defense, to the Congress, and to his country.

IN DEFENSE OF AMERICAN POLICIES

Mr. SYMINGTON. Mr. President, last month Assistant Secretary of Labor George L-P Weaver, U.S. Government delegate to the 49th session of the International Labor Organization Conference at Geneva, Switzerland, delivered an outstanding talk before the members of that organization.

All too often one finds representatives abroad who act, in effect, as apologists for the policies and programs of this country. It was particularly refreshing, therefore, to read this spirited and able defense of the position of the United States.

I was especially impressed with Secretary Weaver's statement:

> I think it is time that we—developing and developed countries alike—recognize Communist propaganda and aggression for what they are: forces aimed at the destruction of the "better standards of life in large freedom" that most of us are trying to build.

In the belief that this address would be of interest to all Members of the Senate, I ask unanimous consent that it be inserted at this point in the RECORD.

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

ADDRESS BY HON. GEORGE L-P WEAVER, U.S. GOVERNMENT DELEGATE TO THE 49TH SESSION OF THE INTERNATIONAL LABOR ORGANIZATION CONFERENCE, GENEVA, SWITZERLAND

Mr. President, I join those who have preceded me in congratulating you on your election. I also take this opportunity to welcome into the ILA family the newest members: Zambia, Malta, Malawi, and Yemen. This increase in membership again demonstrates the strength and validity of the ideals upon which this Organization is built.

In his excellent report to the Conference, the Director General reviews the major program areas that appear to have the general support of the Conference.

These three major program areas—human resources development, the development of social institutions, and conditions of life and work—encompass the broad spectrum of human endeavor within the competence of the ILO.

The Government of the United States subscribes fully to the central thesis of the Director General's report. Concern for human resources development is no less a factor in my country than in others.

Mr. President, during my tour of duty, I have tried, and will continue to try to cooperate with all groups in this Organization which serves the working men and women of the world. But cooperation is always a two-way street.

I deeply regret that I find it impossible to discuss in the detail I had planned the Director General's report, in view of the provocative course of the debate. Starting on June 7, my cuntry has been subjected to a series of distorted attacks, by speakers from the Communist countries, concerned with matters outside the competence of this Conference, which this organization cannot solve, and which belong in the United Nations.

If these speakers were sincere, and not merely seeking to divert attention from the subversive activities of the international Communist apparatus, they would have utilized the established machinery of the resolutions committee to discuss the issues they raised. Instead, they sought to disrupt orderly debate in this hall by their politically motivated attacks.

While I objected to the statements of these speakers, I abided by the rulings of the president on June 7 and 8, although I disagree with them. I abided by these rulings because of my firm belief in the vital importance of due process of law as well as my deep respect for this house. I have expressed these thoughts many times from this very rostrum. I am satisfied, Mr. President, you have made every effort to guide the debate along appropriate lines. This effort, however, has been largely nullified by the disregard of your ruling by speakers from Communist countries. Therefore, Mr. President, I am constrained to comment on the issues involved and the policies of my Government in the manner suggested by you on June 8.

Mr. President, we believe that governments should derive their just powers from the consent of the governed. We are deeply dedicated to this concept. That is why we have welcomed the new nations of Africa and Asia to full independence. That is why we have deep attachments to other democracies. That is why we are concerned with removing the last remaining barriers to freedom within our own borders, and why we are concerned when freedom is withheld from people beyond our borders.

History confirms that the American people believe in democracy—for themselves as well as for others. And, by democracy, we mean government by the majority; a government in which the supreme power is vested in the people and exercised by them, either directly or through their representatives chosen at periodic free elections where there is a choice of candidates representing varying points of view.

That is the kind of democracy we believe in. I hasten to point out, however, that it is not the understanding of democracy by the Communist countries who label themselves "democratic" and "socialist." I am convinced that they are neither. Why have they stopped using "Communist" in describing themselves?

We have been reminded that Communist words often bear little resemblance to commonly accepted definitions. Such words as peace, aggression, imperialism, intervention, neocolonialism, and liberation—have been sadly distorted—so distorted, in fact, that the so-called "liberators" had to build a wall to retain the "liberated" people.

The Soviet poet Yevtushenko has written: "Comrades, you have to give words back their original meanings." I commend these wise words to the attention of the Communist delegates.

We do not believe any group has the right to impose its system on others by force or subversive techniques.

But what do we see happening today?

We see Communist states engaged in subverting legitimate governments in Asia, Latin America and Africa. It has been said that the new imperialists of today are the Russians and Red Chinese. Communist China's Premier Chou En-lai, standing on African soil, the other day declared that Africa is ripe for revolution. He added that the same "exceedingly favorable situation for revolution" prevails in Asia and Latin America.

As the Kenya Government's spokesman has asked: What kind of revolution has Mr. Chou in mind? Most African states have gained their independence from foreign rule in recent years.

The only answer is that the revolutions Mr. Chou advocates would be aimed at existing African governments, with the aid of those his country has been training for years in guerrilla warfare and subversion.

Of course, the Communists don't call their actions subversion or aggression. In the distorted language of international communism they are "wars of liberation." They begin with infiltration, recruitment of dissidents, propaganda, and go on to guerrilla warfare, establishment of so-called "liberation fronts" and an outright attempt to overthrow governments by armed force.

While the Communist countries pour in assistance to these subversive forces, their propaganda apparatus screams its distortions at the intended victim and at any nation which dares to come to its help, calling them aggressors.

This is precisely what has happened in Vietnam.

We are in Vietnam because we have a commitment to honor. We are not there as aggressors, but to oppose a policy of aggression from the north.

We have no colonial or territorial aims there, or in any other part of the world.

For the past 5 years, Communist North Vietnam has sent increased numbers of trained guerrillas into the south, and more recently, even complete units of the North Vietnam armed forces.

To meet this threat, 38 free nations are sending help to South Vietnam.

We are determined to do everything necessary to preserve the right of South Vietnam to choose its own destiny.

We will not forfeit the battle against Communist aggression in South Vietnam. If we did, the free world surely would soon have to face the same problem in yet another country.

The Communists already have proclaimed Thailand as their next target for guerrilla warfare in southeast Asia. The first stage is well underway with Communist subversives killing Thai rural officials charged with improving the economic life of the people.

We will not quit—but—we will negotiate. Since April, President Johnson has repeatedly invited unconditional discussions on Vietnam. Several other nations have sought consultations. Each effort has met with silence, slander, or the sound of guns.

If North Vietnam will cease aggression, cease its terror and subversion against its neighbor, the free world will be glad to pull its forces out of South Vietnam.

We—like most of the world—want peace in Vietnam. But it must be a peace which preserves the freedom of the South Vietnamese people to choose their own way of life.

Rather than wasting the Conference's time in accusing the United States of waging a filthy war in Vietnam—all wars are filthy and Communist tactics in this one are hardly hygienic—would it not be more useful for Comrade Pimenov and his claimed 70 million Soviet workers to use their influence on North Vietnam to come to the conference table?

Likewise, in the Dominican Republic a crisis arose which the Communists sought to exploit for their own purposes.

When anarchy gripped the Dominican Republic last April the only apparent responsible authority asked the United States to send in armed forces. We answered the appeal. Over 6,500 persons were evacuated. Of these, nearly two-thirds were nationals of 46 countries, from every continent, including Eastern Europeans whose delegates belabor us here.

It was an emergency action, taken to protect lives and to give the Inter-American system a chance to deal with a situation within its competence. And it is dealing with the situation now.

A cease-fire has been effected. The Secretary-General of the Organization of American States and a three-man committee are consulting with all Dominican groups to bring about a political solution acceptable to the people as a whole. An Inter-American Peace Force has been set up and those American troops still remaining are under its command. The OAS will determine when the peace force will be withdrawn.

The OAS is acting against civil disorder, and political chaos—actions incited by Communists, many of whom received guerrilla training abroad. The extent of this involvement is a matter of record in the Security Council.

Eastern European delegates have demanded the complete withdrawal of American forces from the Dominican Republic, but why haven't the same delegates ever called for the withdrawal of the 80,000 Soviet troops still in Hungary 9 years after the Soviet intervention that ruthlessly suppressed the aspirations of the Hungarian people?

Mr. President, I have sat in this hall and listened to speaker after speaker describe the needs of his country—for more rapid economic development, more industries, more training of workers, more cooperatives—all the things that ILO, with the support of governments, employers and workers, can help, and is helping, to provide.

I am proud that my country has shared in the efforts of nation-building taking place around the globe, and we look forward to doing more.

We have also heard many delegates recite the problems they face: the population explosion, hunger, poverty, inadequate schools, etc. These are all grave impediments to progress.

But I submit, Mr. President, that the gravest impediment to progress today is the conspiracy to subvert the developing countries, to steal their hard-won freedoms, and to take over legitimate movements of workers.

Let me ask, Mr. President, how are we to quicken the pace of development enough to meet the needs of the emerging countries, if our efforts are to be impeded by Communist subversion parading as "movements of liberation"?

I think it is time that we—developing and developed countries alike—recognize Communist propaganda and aggression for what they are: forces aimed at the destruction of the "better standards of life in large freedom" that most of us are trying to build.

For our part, our determination and commitment to freedom are without limit.

This has been made amply clear by President Johnson who, by words and deeds, has reaffirmed the concept expressed by the late President Kennedy in his inaugural address, when he stated that Americans are "unwilling to witness or permit the slow undoing of those human rights to which this Nation has always been committed, and to which we are committed today at home and around the world.

"Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty."

TRIBUTE TO SENATOR KUCHEL

Mr. DOUGLAS. Mr. President, men and women in public life have always been subject to unwarranted and often malicious attacks, but since last June the senior Senator from California has been the target of an extraordinarily vicious rumor campaign. Senator KUCHEL's response to these foul smears displayed his characteristic courage and decency. I know that every Member of this body and millions of Americans approve of and applaud Senator KUCHEL's unflinching fight to expose those who made this malicious attack.

It is no exaggeration to say, Mr. President, that Senator KUCHEL's fight to clear his name has aroused the interest and commendation of the Nation, just as the attacks on him aroused its anger and disguest. He is rightly being honored by newspapers in every State. In Chicago the Daily News has recently applauded Senator KUCHEL's victory in an editorial which appeared on July 1, 1965. I wish to commend the Daily News for this deserved tribute. Senator KUCHEL's actions should enhance our faith both in the workings of our legal system and in the high general quality of the men and women in American public life. Mr. President, I ask unanimous consent that this editorial testifying to the courage and integrity of the senior Senator from California be printed in the RECORD.

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

SENATOR KUCHEL'S VICTORY

What's wrong with extremism is eloquently demonstrated in the libel victory just won by THOMAS H. KUCHEL, the outspoken moderate Republican who is the senior Senator from California and the minority whip in the Senate.

Last June a former Los Angeles policeman, for reasons which are not entirely clear, made an affidavit vowing that KUCHEL had been arrested in 1950 for being drunk and committing a homosexual act.

A covey of far rightwingers including Francis A. Capell—who once wrote a book accusing Senator ROBERT F. KENNEDY of ordering Communist agents to kill Marilyn Monroe—got hold of the affidavit and circulated copies far and wide. A copy was even entered in the files of Senator JAMES O. EASTLAND's Senate Internal Security Subcommittee. But nobody confronted KUCHEL with the accusation, and months elapsed before a trio of nondescript young men swaggered into the Senator's Los Angeles office, demanded to see him, and on being told he was in Washington, handed a copy of the affidavit to a secretary. She got the word to KUCHEL as swiftly as possible.

A lesser man in the Senator's position might have weighed the damage already done during the months in which the rumor had been quietly but vigorously circulated, and simply given up. It is in the nature of such rumors that they are hard to run down, but deadly in their violence to the victim's reputation, especially when the victim is a prominent public figure.

KUCHEL, a formidable fighter in his own right, struck back hard. He took the whole story to the Federal Bureau of Investigation, which set in motion an investigation that exposed the affair as a complete fabrication. The policeman admitted under oath that the affidavit was false. He was arrested, along with Capell and two other men who had taken part in the conspiracy, and all were charged with libel.

The policeman, Norman H. Krause, made a public apology to KUCHEL last month in pleading guilty to his part in the affair. This week Capell and a third defendant pleaded nolo contendere (no contest) to the charges against them. A fourth defendant's case will be heard next month. All have now signed public acknowledgments of their mistake and apologized abjectly to the Senator.

All of this does not begin to make up to Senator KUCHEL the vicious harm done to him and his family. Nor is there any punishment for the many who accepted the rumor, clicked their tongues self-righteously, and never bothered to question its veracity.

Two things can be adduced, however, that bear upon the current political scene.

One is that extremism is a corruptive virus that warps the very souls of the practitioners.

The other is that TOM KUCHEL is a man with guts.

THE BALANCE-OF-PAYMENTS DEFICIT

Mr. BENNETT. Mr. President, one of the current important problems which we face as a nation is our balance-of-payments deficit. In the Banking and Currency Committee, we have had hearings on this problem, and have heard some of the experts in the international monetary field. These hearings will likely continue to search out answers, as soon as our schedule permits, because the problem continues to be with us, despite the success of the voluntary efforts being made by U.S. businesses and financial institutions to narrow the gap.

One aspect which has received a great deal of attention, because of the expected effects of the voluntary programs which have been introduced, is the international monetary system. It has been criticized as being unable to cope with the problems which some expect within a few years, as a result of insufficient liquidity. Proposals for change range from revisions of the present system to suggestions that it be replaced by entirely new systems, differing greatly in both concept and operation from that which is now being used. Because of the technical nature of the proposals, few are familiar enough with them to make a judgment between the alternatives, without a great deal of analysis and study.

An excellent article dealing with the international monetary system has been written by Henry C. Wallich, a former economic adviser to President Eisenhower, and was published in the June issue of the Manufacturers Hanover Trust Co. monthly publication.

I ask unanimous consent that the article be printed in the RECORD, in order that it may receive widespread circulation and be available to all who are seriously interested in this important problem.

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

TWO SCHOOLS OF THOUGHT EXISTED ON BALANCE OF PAYMENTS EVER SINCE DEFICIT BECAME SERIOUS IN 1950'S

("The World and the Dollar" is discussed by Henry C. Wallich, guest economist for Manufacturers Hanover Trust Co., in the bank's June publication.)

Plans to reform the international monetary system have attracted new interest since introduction of the President's voluntary controls to solve the balance-of-payments problem. It is argued that if only we could find a better system, the U.S. payments deficit would cease to be a problem. The voluntary controls could then be ended. While this proposition is often presented plausibly, it is a siren song and not a new one. Proposals to solve the balance-of-payments dilemma, not by balancing our accounts, but by opening up some new source of credit, are as old as the deficit itself.

Ever since the deficit became serious in the late 1950s, there have been two schools of thought. One school argued, as is now being argued, that world monetary reform should be undertaken immediately. This would provide larger credit facilities for the United States, reduce the urgency of achieving balance, and ease the pains of adjustment.

The other school maintained that to cure the payments deficit and to reform the monetary mechanism were separate problems. First, the deficit had to be ended or at least greatly reduced. Then would come the time, as well as the need, to reform the payments mechanism. For only after the United States was no longer in need of credit could agreement be expected on a new international monetary mechanism, which is, after all, a credit mechanism. And only after the United States had stopped pouring out dollars all over the world would there be a real need to create new sources of liquidity.

The second line of thought remained the official U.S. position until mid-1963. At that time, new measures, including the proposal for an interest equalization tax, were introduced. It was also decided to start negotiations for world monetary reform.

The results of that decision are now apparent. We have achieved a 25-percent increase in the quotas of the International Monetary Fund. While this is worth something, it is little better than routine. As for more fundamental reform, the negotiations revealed a deep split between debtor and creditor nations. This gap was bridged only by the joint statement indicating that the world's monetary system had worked fairly well so far. Basic reform was left to the study of a subcommittee and was not treated as urgent.

Meanwhile, the main thrust of U.S. policy has focused once more upon ending the payments deficit. Present success in this effort is due largely to measures that should remain temporary. The dilemma, therefore, with which we started still confronts us.

This outcome seems to vindicate those who argued that we should first put our balance of payments in order and focus upon monetary reform afterwards. This view seems no less valid today than before. The effort to negotiate, while in heavy deficit, inevitably exposes the United States to the suspicion of seeking additional credit facilities to ease the balance of payments discipline. Meanwhile, creditor countries are bound to be concerned with limiting these facilities precisely in order to tighten that discipline upon the United States. Once the problem of financing the deficit is removed, the com-

mon interest in adequate international liquidity can be expected to bring the two sides together again.

GOLD EXCHANGE

The United States has reason to be thankful that it did not, at any time during the last 7 years, go in for reforms that would have weakened the gold exchange standard. That system, under which the dollar serves as a world reserve currency, has proved a remarkably effective means of financing the payments deficit. Of the total deficit of about $25 billion (on regular transactions) for the years 1958–64, about $7 billion have been financed by increases in official foreign holdings of dollars and Roosa bonds (U.S. Treasury obligations mainly in foreign currencies), and about $5 billion by private holdings. It is hard to believe that we could have had anything like these amounts of credit—beyond the $1.2 billion financing so far received through the IMF—from any international institution that might have taken the place of the gold exchange standard. We would have had to act far more drastically against the payments deficit. That would have involved restraining the domestic expansion and would have meant a sharp reduction in private foreign investment and government expenditures abroad. Some measures of this sort might have been adopted in any event. But in the aggregate, they would undoubtedly have been harmful.

Proponents of immediate monetary reform frequently claim that the gold exchange standard has imposed unduly conservative policies upon the United States. This is a complete misreading of recent history. It is a misreading also of familiar doctrine on the subject, which stresses that the gold exchange standard does not impose enough discipline upon the reserve currency country when it is in deficit. This is precisely the complaint of our European creditors, and they are stating their point of views with mounting emphasis. To the extent that we have been able to pay in dollars, we have had more leeway than if we had had to pay in gold.

Does the accumulation of dollars in foreign hands create special dangers for us? These foreign dollar holdings, insofar as they are in the hands of central banks, can be withdrawn in gold. Hence, it is sometimes argued that we should guard against this danger by funding the liabilities. U.S. short-term liabilities (including Roosa bonds) now held as reserves by foreign central banks amount to about $15 billion. If creditors were willing, these could conceivably be funded by converting them into some kind of long-term instrument, or by concentrating them in the International Monetary Fund.

Would the United States gain solid protection against future gold withdrawals by this move? The answer is no. We are vulnerable to gold losses chiefly because the dollar is convertible and not because we have large foreign official liabilities. Dollars held by private foreign holders and dollars that could be transferred abroad by domestic holders could still go into foreign official hands.

If the gold exchange standard were terminated and official foreign dollar holdings accordingly were outlawed, we still would have to pay gold, or borrow from the IMF. With a convertible currency and a fixed exchange rate there is no way of becoming invulnerable.

The proponents of funding sometimes argue that such action would reassure private capital movements and ensuing gold flows would then become less likely. There are grounds to fear that the opposite might happen. One of the reasons often given for ridding ourselves of the responsibilities of a reserve currency country is that we could then solve the payments deficit by devaluation. Recently, this view has been echoed by so respectable a source as the Association of German Economic Research Institutes. If termination of the gold exchange standard should set loose a vocal campaign for devaluation, confidence in the dollar would not increase. Private foreign dollar balances might melt away. With them would go some of our gold, as well as our position as an international financial center. In other words, our ability to attract private holders of dollars may depend to some extent upon our assuming the full responsibilities of a reserve center.

OTHER COUNTRIES COMPLAIN

To conclude that the gold exchange standard has been good to the United States is not necessarily to say it has benefited the rest of the world. Contrary to our intentions, we have made far larger use of our credit facilities under the gold exchange standard than was wise. We have paid out dollars to the point where some of the creditor countries have become unwilling to hold them. In addition, the gold exchange standard has become embroiled in political relations with major allies. It has been effected by mounting sensitivity in Europe to American direct investment. The question is: Have we perhaps strained the gold exchange standard beyond the point where it can continue to serve?

For the rest of the world, as for the United States, the problem is one of available alternatives. What is available to replace the gold exchange standard?

The pure gold standard, whether or not accompanied by a large rise in the price of gold, would be a step backward and is rejected almost universally, except possibly in France.

A system of floating exchange rates, favored by many academic economists, is rejected almost universally elsewhere.

A world central bank, the solution that clearly lies along the line of financial progress cannot be negotiated.

There is little choice but to build upon the gold exchange standard and improve it.

Because the world central bank is so plausible a solution, it is important to see clearly why major countries today will not accept it. Why is it that we cannot do internationally what domestically is done by every nation's central bank? In simplest terms, countries today will not expose themselves to the risks inherent in such a solution. Nobody knows how a world central bank would operate. Would it grant credit generously and increase world liquidity rapidly? Would it lean toward the stingy side? The answer might mean the difference between prosperity or unemployment, stability or inflation for member countries. Few countries would accept such uncertainties without a precise spelling out of rules satisfactory to them, or a veto power. Yet rules that would protect creditors against inflation would expose debtors to unemployment, and vice versa. And how helpful would all-round veto powers be?

As things now stand, each country can reasonably hope that ad hoc solutions will be found should it encounter a specific difficulty. When sterling is in trouble, the central banks of the world make large sums available to save it. Would they, however, commit themselves in advance to do the same if a crisis should strike country X in circumstances Y and Z?

A world central bank will develop when it can act to validate practices that have become familiar and accepted. It could also come out of some great crisis, a route that hopefully will be avoided. To promote a world central bank prematurely poses the risk of interfering with feasible proposals without putting anything in their place.

To make the gold exchange standard attractive to the rest of the world, as well as to the United States, it will be necessary to improve it in several respects. One such improvement is to provide for the creation of reserves at a more stable and reliable rate. In the immediate future it may well be necessary to demonstrate our control over our international accounts by reaching full balance or even a surplus. Over the longer pull, the United States must conduct its balance of payments so as to run a small average deficit and only rarely depart substantially from this average. We could perhaps aspire to supply something like one-third to one-half of rising world reserve needs, leaving the rest to be met by gold and by broader IMF or alternative facilities. Accordingly, our deficit might average perhaps $0.5 to $1.0 billion. Full balance is not normally required; it would, in fact, interfere with the process of reserve creation.

The means to achieve relative stability at something less than full balance are at hand if we will use them. Basic to success is that we maintain and further improve our international competitiveness. With competitiveness assured, we must use interest rates to regulate the international flow of capital. Fiscal policy will have to become more flexible, a process that already is under way. Then domestic stability need not suffer significantly from monetary actions oriented toward the balance of payments.

RESERVE CREATION STABILIZED

Reserve creation via the U.S. payments deficit would be less haphazard than it has been in recent years. Even on this score, it is worth noting, criticism of the gold exchange standard has been much overdone. Reserves under this system do not arise exclusively from payments deficits of the reserve countries. They also can be created by agreement, as under the Federal Reserve swap system. Furthermore, all reserves created by the U.S. payments deficit did not remain reserves. Holders that did not want them could, and often did, convert them into gold. Thus, they achieved a compensating reduction in U.S. reserves. The demand for more reliable reserve creation is justified, however, and can be met in part by better U.S. balance-of-payments policies.

Reserves must rise, although not immediately and not necessarily in direct proportion to the volume of world trade. So long as the United States continues to invest abroad on a long-term basis more than it borrows abroad on a short-term basis, a deficit does not mean a weakening of our overall international position. As a matter of fact, that position has been improving throughout the period of the long payments deficit.

Nevertheless, the United States would face a problem in the rising proportion of its liabilities in the rising proportion of its liabilities to its gold reserve. This thinning out of the gold reserve ratio, if left unattended, would weaken confidence. In assessing the problem, it is important to see that it is not peculiar to the gold exchange standard as has so often been said. The same problem would have to be faced by a world central bank.

The ratio of credit money to gold has been rising for centuries. Given the modest level of gold production, it surely will continue to rise. The role of gold in the world's monetary affairs is bound to diminish over the long pull.

The time is not ripe, however, for an ultimate demonetization of gold. Barring a crisis, this too will develop only through the gradual establishment of practices that minimize the use of gold.

Today, central banks still regard access to gold as an important safeguard. The facts of the matter will lead them gradually to appeal less frequently to this safeguard. Progress can be made principally in two directions. First, reserves obtained from short-term capital inflows should not be converted into gold. Because dollars do not arrive at central banks with a tag indicating

the nature of the transaction, this will present some statistical difficulties. But data are improving, and the statistical problem should not be prohibitive. Second, countries should gradually accept a diminishing proportion of gold in their international reserves. This is almost certain to happen in one form or another, since world reserves are almost sure to rise faster than the monetary gold stock. If there are holdouts, such as some of the European countries, they will merely throw a larger burden on the rest. It is important to bring about this gold shrinkage in a fair and reasonably systematic manner.

In the process of substituting paper for gold, a world central bank would have distinct technical advantages over the gold exchange standard. It could establish reserve requirements for the central banks that would be its members and thus limit their ability to obtain gold. But thus far, central banks do not want to see access to gold blocked altogether. Moreover, if some emergency should make it impossible for banks to get gold for the paper they hold, they might prefer the paper of a strong country with an interest in maintaining its solvency to that of an institution whose depositors are staging a run. In any event, limitations on gold pulling are more likely to be established by reason and practice rather than by signed agreements.

To firm up the gold exchange standard further, the United States might take another look at the somewhat discredited device of exchange guarantees. A great deal has been written about the inadvisability of guaranteeing our liabilities against devaluation. Nevertheless, we have guaranteed a small part of them by selling U.S. obligations in foreign currencies. If we were to join a world central bank, we probably would have to guarantee all official liabilities automatically. Seven years of pressure on the dollar have demonstrated, to ourselves as well as to others, that we will not devalue. In some form, that does not stretch quite across the board; guarantees may have their uses.

Within this evolving situation, the International Monetary Fund should play an increasing role.

If the gold exchange standard is to survive, the IMF will have to help make it work. The IMF must continue to meet particular liquidity needs even while world reserves are going up. It will have to operate on a larger scale during periods when that is not the case, because the reserve currency countries are not in deficit. It will have to backstop the reserve currency countries whenever their deficits are too large or they experience abnormal gold demands.

Beyond that, a more basic function may fall to the IMF. Apart from new gold production, the gold exchange standard is not likely to meet all of the world's future reserve needs. An annual increase in U.S. liabilities by $0.5 to $1 billion is about as large as appears compatible with confidence and stability. Some other reserve medium will be needed. This could be either a liability of the IMF, as has been proposed by the United States, or a joint obligation of a small group of financially strong countries, as urged by France.

Use of the IMF for this purpose seems to be along the line of normal evolution of the world's monetary system. Nobody can now say whether or not the IMF will ever become the world's central bank, but the possibility exists. It seems logical, therefore, to use the IMF for whatever tasks need to be done. These would include the provision of additional reserves through larger quotas, freer use of reserves, and possibly other devices.

No single method of creating international liquidity is likely to be satisfactory in the years to come. The United States must be much more conservative in the creation of liabilities than it has been in recent years. A rapid increase in IMF quotas has not proved negotiable. Progress toward a new reserve unit has been slow. Under these circumstances it seems clear that the gold exchange standard will have to play a continuing role. In combination with an evolving IMF, the gold exchange standard seems to offer the most promising pattern for the world's payments system over the foreseeable future.

DEDICATION OF SCULPTURE "THE FLAG RAISING AT IWO JIMA"

Mr. HOLLAND. Mr. President, on Flag Day, June 14, 1965, a most fitting and timely event took place in the Garden of Patriots at Cape Coral, Fla. On that day, Felix de Weldon's classic sculpture of "The Flag Raising at Iwo Jima" was appropriately dedicated.

The monument will ever remind those who visit the Garden of Patriots that there cannot be liberty without courage and that Americans have never wavered in the pursuit of freedom.

On this occasion many dignitaries of the U.S. Marine Corps, State officials, Mr. de Weldon and thousands of spectators were in attendance. I was particularly pleased that Gen. Holland Smith, who was the expeditionary troop commander in the Gilberts, Marshalls, Marianas, and Iwo Jima at the time of the flag raising, made the presentation of the flag, which had been flown over the Capitol, in my behalf.

The Vice President marked this auspicious occasion by an appropriate message, and I ask unanimous consent to have his message printed in the RECORD.

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

MESSAGE FROM THE VICE PRESIDENT ON THE OCCASION OF THE DEDICATION OF FELIX DE WELDON'S "THE FLAG RAISING AT IWO JIMA"

Felix de Weldon's "The Flag Raising at Iwo Jima" commemorates in lasting form an epic moment in American history—one that has become symbolic of the selfless heroism and dedicated courage that has marked the American fighting man of every generation. It is most fitting that this monument to these brave men, whose devotion to our flag is so indelibly etched in the proud history of their corps and country, be dedicated on Flag Day in Cape Coral's Garden of Patriots.

For each of us an occasion such as this must serve as a sober reminder that the freedom we now enjoy—the freedom we must guard so carefully—was not easily won.

It has not been easily preserved.

Our Nation today, and for the foreseeable future, is deeply engaged not only in the preservation of our own freedom, but with equal intensity in the struggle for freedom throughout the world. Free people everywhere look to us for strength and leadership.

The instant of history memorialized here today should serve to renew and refresh in every American faith in our ability to meet any challenge in the defense of freedom. Americans of every era have been tested, even as we are being tested today, Americans of every era have met the test.

Marines who raised the flag at Iwo Jima epitomized the unyielding strength, the firmness of purpose, which have marked America's defense of freedom since the beginning of the Republic.

Their courage enriched our heritage for all times.

The memory of their devotion strengthens our resolve that the freedom they fought for will be guarded as firmly in the future as in the past.

A great many Americans will pause before this heroic work in years ahead. Each will experience anew a sense of pride, of humility, of gratitude. Here in the Garden of Patriots, Felix de Weldon had made possible for all who see his work opportunity for quiet contemplation of a moment of greatness from which all can draw inspiration for the future.

HEMISFAIR, SAN ANTONIO, 1968, FOR ALL THE AMERICAS

Mr. YARBOROUGH. Mr. President, on June 21, I introduced a bill, S. 2167, which would authorize a study to be made for the purpose of determining the manner and the extent of the U.S. participation in the HemisFair to be held in San Antonio, Tex., in 1968. I ask unanimous consent that an article on HemisFair from the May–June "Urban Renewal Notes," published by the Housing and Home Finance Agency, be printed in the RECORD.

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

SAN ANTONIO'S "HEMISFAIR"

In January 1958, a San Antonio businessman, in a speech before the chamber of commerce, said: "San Antonio needs something dramatic to spotlight its charms." He suggested a World's Fair in 1968 to coincide with the 250th anniversary of San Antonio, "The Cradle of Texas," and proposed the name "HemisFair."

When the HemisFair opens its gates 3 years hence, it will culminate the efforts of all segments of San Antonio's business, professional, and civic leadership. But it is urban renewal that made the undertaking, right in the heart of the city, feasible. The HemisFair 1968 is planned to give expression to Texas' historic role as a bridge between the divergent cultures of the Americas and to demonstrate the history, accomplishments, development, and aspirations of the State of Texas, and Nations of the Western Hemisphere.

San Antonio has begun execution of its civic center urban renewal project, a 140-acre blighted and overcrowded residential area on the edge of the central business district and adjacent to the Alamo. When the area is cleared, the city will acquire the land and 90 acres will be leased to the HemisFair for the duration of the fair and a year afterward. As compensation for the use of the site, HemisFair will turn over to the city all permanent structures on the land. The city will build a convention center on the remainder of the land.

No other city in the country has ever had a World's Fair in the heart of the central business district. The beneficial impact on San Antonio's economy is expected to be substantial and long lasting, making possible the elimination of a badly blighted area in the middle of the city.

GENERAL MOTORS ANNOUNCES SAFE CAR IMPROVEMENTS

Mr. RIBICOFF. Mr. President, yesterday the General Motors Corp. announced that all of its 1966 model passenger cars will include a number of safety items as standard equipment.

These safety devices include rear seat belts, padded instrument panel, backup lights, outside left-hand rear-view mirror, dual-speed windshield wiper and washer, and padded sun visor. This is most welcome news from America's largest car manufacturer. It represents a good start toward making our cars not only the best but the safest on the highways. I want to congratulate and commend General Motors for its recognition of the problem and its timely action.

However, we must keep in mind that the safety devices to be included in all General Motors cars do not include all the safety features the General Services Administration will require in automobiles purchased for use by the Federal Government. Not included in GM's list are recessed dash instruments and control devices, impact-absorbing steering wheel and column displacement, safety door latches and hinges, anchorage of seat, four-way flasher, safety glass, dual operation of braking system, standard bumper heights, standard gear quadrant, glare-reduction surfaces, exhaust emission control system and tire and safety rims, all of which must meet minimum Federal safety standards.

It would be my hope that General Motors would continue its good work and include these other safety features as standard equipment as soon as possible—hopefully in their 1967 models as required for GSA-purchased autos.

With this announcement by General Motors a challenge is presented to the other automobile manufacturers. Together with all Americans I ask Ford, Chrysler, and American Motors: When will you announce your program for a safer car?

I am pleased that the heads and leading officers of the four auto manufacturers have agreed to testify before my Subcommittee on Executive Reorganization concerning the Federal role in traffic safety which will begin on Tuesday, July 13. On that day we will hear from Mr. Frederic Donner, chairman of the board of General Motors, and Mr. James Roche, president, will testify in room 1114, New Senate Office Building. On Wednesday, Mr. Harry Chesebrough and Mr. Virgil E. Boyd, executive vice presidents of the Chrysler Motor Co. will testify at 10 a.m. in room 1114, New Senate Office Building. On Thursday at 10 a.m., Mr. Roy Abernathy, president of American Motors, will testify in room 4200, and Ford Motor Co.'s president, Mr. Arjay Miller, will testify on Friday at 10 a.m. in room 4200.

I am pleased that the automobile manufacturers have taken this opportunity to present their views on what they have been doing and what should be done in the area of traffic safety. It is heartening to see that they are taking an active interest in our traffic safety problem. In a spirit of cooperative and joint action we will be able to make great inroads into the staggering traffic safety problem which confronts us now.

The extent of the problem was brought tragically home to us again over the past July Fourth weekend. In only 78 hours 552 people were killed in traffic accidents. That is 83 more than have died in Vietnam since January 1961. It represents the greatest number of people ever killed in traffic accidents during an Independence Day weekend of comparable length. Fifty thousand people will lose their lives in automobile accidents this year.

The alarming thing, Mr. President, is that these grotesque figures cease to shock. They cease to alarm. They are becoming a part of our routine way of life. When we pause to consider that this year almost as many people will be killed on our highways as were killed in World War I there is justifiable cause for alarm. It is ironic, tragically so, to discover that on this celebration of our Nation's independence we have lost more than 11 times the number of Americans that were killed in the battles of Lexington and Concord which marked the beginning of our struggle for national freedom.

What alarms me most is the fact that our Nation is beginning to assume that the mounting toll of traffic deaths is one of the facts of life by which we must learn to live. We are placidly content to say that there is nothing we can do about this wholesale carnage; we reassure ourselves by thinking accidents are something which always happens to the "other guy." In actual fact, however, the average living American is nothing but a fugitive from the law of averages.

Unless we do something, and soon, one out of every five Americans will be killed or injured in a traffic accident within the next 10 years.

As the toll of traffic deaths continues to rise, as more and more cars are put on the road, as more and more billions of passenger miles are traveled each year, our Nation becomes more conditioned to loss of life on the highways. We respond to these alarming statistics not with positive and corrective action but with the apathetic attitude that nothing can or should be done.

By 1970, 110 million Americans will be licensed to kill, injure, maim, and otherwise harm not only themselves but their fellow countrymen as well. If the upward trend of deaths per year continues at the present rate, 100,000 Americans will be killed in traffic accidents by the year 1975. This says nothing of those who will be injured, and of the misery, the heartbreak, the degredation, and the economic loss—over $8 billion for last year alone—which will result.

When we see and hear the cold and brutal statistics of death on this holiday weekend we respond not with alarm but with the attitude that this is simply something that happens on holidays.

But we are wrong. This rising death toll is not caused by the fact that the weekend is a holiday. Pleas for safe driving are increased by officials and law enforcement officers in anticipation of the holiday about to come. Our roads are more carefully patrolled and law enforcement becomes even more efficient during a holiday than at any other time. The real cause of the galloping holiday death figures is that there are more people and more cars on the road and more miles traveled during a holiday weekend than at any other time.

What does this really mean for us? What kind of future do these statistics portend?

The fact of the matter is that the traffic load of the past Fourth of July weekend is going to be the normal traffic load of the future. It is inevitable that as the number of cars on the road and the number of miles traveled each year increases, the traffic situation of this weekend will be commonplace for average days of the future. In part this means that the traffic jams, the harassed driving conditions and the difficulty of driving from one place to the next will be ordinary.

This is why we need better roads.

In part it means that this weekend's rate of over seven Americans killed per hour on the highways will be commonplace. It means that the 110 million drivers of 1970 will be flooding the gates of our highways. It means that more driving will be done under high-pressure conditions. It means that a far greater percentage of our drivers will fall in the inexperienced age group of 16 to 25.

This is why we need more competent and cautious drivers.

It also means that more cars will be on the highways than ever before. This brings us to the third part of the accident triangle—the car.

We need safer cars.

Hopefully the news from Detroit is our first real breakthrough toward fulfilling that need.

I ask unanimous consent to include in the RECORD at this point some material relating to the problem of traffic safety.

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

[From the Washington (D.C.) Star, July 6, 1965]

TRAFFIC TOLL AT 552 SETS RECORD FOR FOURTH

Traffic deaths during the Fourth of July weekend reached 552, a record total for a 3-day observance of Independence Day. The previous high of 504 deaths was set last year.

With the tally nearly completed, the count came close to the record for a 4-day Fourth of July weekend, 557 deaths, set in 1963. The Associated Press began its count at 6 p.m. (local time) Friday and ended it at midnight last night.

This year's toll brought a warning from Howard Pyle, president of the National Safety Council.

"Never has driver improvement been more badly needed," Pyle said. "The attitudes and skills of too many drivers are failing to meet the exacting demands of billions of miles of high pressure travel."

Traffic accidents in five States—California, Missouri, New York, Ohio, and Texas—accounted for more than one-third of the deaths. Fifty-three persons were killed on California roads, 31 in Missouri, 35 in New York, 36 in Ohio, and 27 in Texas.

[From the Hartford (Conn.) Courant, July 6, 1965]

THE GOVERNMENT LEADS IN AUTOMOBILE SAFETY

The safety features required on new Government cars should have a beneficial effect on those sold to the public. The General Services Administration has announced 17 safety features to be included in the equipment of the 38,000 vehicles it will buy in the 1966 fiscal year. This is only a small part of the Detroit output, but the example may

be followed by States and by auto owners who have become safety-conscious.

Auto buyers seem to think of styling and speed when they are choosing from among new models. Most are indifferent to the safety features offered by the makers as optional equipment at extra cost. When cars became so overpowered that they were a danger on the road, attempts were made to bring the horsepower down to reasonable limits. Now that the power race is on again it is accepted that the public wants overpowered cars and will resist any attempts to talk reasonably about the relationship between power, speed, and accidents.

The most expensive safety device now under development is the one for eliminating air pollution by auto exhaust fumes. Large cities are being forced to protect their citizens from the dangers of air pollution by auto fumes and chemical smog. California has led the way with an exhaust control law that takes effect in 1966. If New York follows, Detroit will probably be forced to equip most of its output with the devices.

Government safety rules require a steering wheel that will withstand head-on crashes, strong seat-belt anchorages, safety door locks, safety glass, and a dual braking system. Some of the 17 requirements are already standard on all cars. Others will probably add about $100 to the cost of a car. They will be worth it if they reduce the number of fatal accidents.

[From the New York (N.Y.) Times, July 4, 1965]

THE ACCIDENT TRIANGLE

Automobile accidents are as familiar as the common cold, and far more deadly. Yet their cause and control remain a baffling problem.

The statistics tell a somber story, but they have ceased to shock. Fifty thousand Americans will lose their lives in automobile accidents this year—almost as many as were killed in World War I. Several hundred will be killed this holiday weekend.

Experts have long recognized that this discouraging problem has multiple causes; at the very least, it is a driver-vehicle-roadway problem. If all drivers exercised good judgment at all times, there would be few accidents. But this is rather like saying that if all people were virtuous, there would be no crime.

Improved design has helped make highways relatively much safer. But the tide of accidents continues to rise because of manfailure and an enormous increase in the number of automobiles on the road.

Attention is now turning increasingly to the third member of the accident triangle—the car itself. Assuming accidents are bound to occur, the public wants to know how cars can be built better to absorb the impact and to protect the occupants. Reflecting this public concern, Motor Vehicle Commissioner William S. Hults recently appointed to his staff Dr. John O. Moore, who has been the principal investigator in crash injury research at Cornell University.

In Congress, Senators ABRAHAM A. RIBICOFF and GAYLORD NELSON are pushing for more Federal research and for legislation to impose minimum safety standards for cars and car tires. It is anomalous that cars are the only vehicles not subject to Federal safety regulations; such standards are imposed on ships, airplanes, railroad cars, and interstate buses.

Padded dashboards, crash-resistant door locks, steering columns which telescope under heavy impact, and dual braking systems to provide a backup in case one system fails are some of the safety features that congressional critics want to require by law as standard equipment in all automobiles. In ordering 1967 models, the Federal Government confirmed this week that it will insist on such features in the cars that it buys. Equally important, according to the experts, but not yet included in these Federal requirements, are use of harness-type seat belts and also headrests to prevent whiplash. On the related issue of air pollution caused by automobiles, Government regulations will call for the installation of exhaust-fume devices.

This latest prodding by the Government makes it plain that legislation is sure to come if the automobile industry does not show more initiative in building safer cars. It may be true that "safety does not sell cars," but the industry can put more safety into its cars without necessarily making safety the dominant theme of its sales effort. The responsibility lies with the industry. If Detroit does not exercise it, Washington will—and should.

[From the New York (N.Y.) Herald Tribune, July 4, 1965]

A GALLUP POLL ON HIGHWAY SAFETY: HOW THE PUBLIC GRADES ITS DRIVING

(By George Gallup)

PRINCETON, N.J.—The mounting death toll on highways this Fourth of July weekend serves as a grim reminder of a national problem which is becoming increasingly alarming.

Last Memorial Day weekend was the worst in history in terms of traffic deaths. Each week, an average of 1,000 persons lose their lives in automobile accidents. More than twice as many Americans have been killed in traffic accidents in the period 1900–64 as have been killed in all wars during this period.

What can be done to stop this loss of life? Actually, much is now being done: for example, tougher law enforcement, more careful car inspection, better driver tests, and improved car design.

At the same time, much more obviously needs to be done—not only at the official level, but by the private citizen as well, in strictly observing traffic laws and driving courteously at all times.

Systematic sampling of public opinion can also contribute toward improving the situation—in providing answers to such questions as: Who are the safest drivers? How do people rate themselves as drivers? How many cars have safety belts installed?—and perhaps more significantly—how often are they used?

To find out the answers to these and other questions, the Gallup Poll assigned its nationwide staff of interviewers to talk to people from coast to coast. Out of their interviews, these important facts emerge:

About 2 persons in 3 (64 percent) have been involved in an automobile accident of some kind. Of these, 19 percent have been involved in an accident in which someone was hurt.

Slightly less than half of the persons interviewed in the survey were actually driving the vehicle in which someone was hurt. A far greater proportion of men (63 percent) than women (27 percent) were in the driver's seat, but it should be borne in mind that there are many more male drivers (86 percent) than female drivers (57 percent).

A smaller proportion of persons in their twenties say they have been involved in an accident where someone has been hurt than is the case among older people. However, it should be borne in mind that these younger persons have been driving for a shorter period of time.

Despite the high accident rate, 62 percent of drivers consider themselves of "average" ability at the wheel, and another 36 percent rate themselves as "better than average."

Among persons in the 21–29 age group, the proportion saying "better than average" is 33 percent, which contrasts with the 42 percent of those 50 years of age and older who give themselves a superior rating.

The ratings people give themselves vary little from the ratings they think they would get from friends and family. For example, drivers who rate themselves better than average tend to think others would give them the same rating.

About 4 drivers in 10 (42 percent) have safety belts in their own or their family's car. This is a considerable change from 3½ years ago when a Gallup survey recorded the figure of 12 percent.

Although it has been demonstrated that safety belts reduce the severity of injury in automobile accidents, only slightly more than one out of three, or 36 percent of those who have safety belts, actually use them all the time. Just as surprising is the finding that about one driver in seven, or 14 percent of those with safety belts, say they "never" use them.

Fifty-six percent of all drivers say they would favor a law requiring automobiles now being built to be equipped with safety belts. Fifteen percent say they would be opposed to such a law, but some of this opposition comes from persons who feel that the law would be difficult to enforce—"there won't be an officer around to buckle you in," said one man. A large number of drivers (29 percent) have yet to form an opinion on whether or not safety belts should be required by law.

Following are the questions asked in this survey, and results by major groups in the population:

"Do you have a car?

	"Percent	
	Yes	No
National	71	29
Men	86	14
Women	57	43
21 to 29 years	79	21
30 to 49 years	81	19
50 years and over	59	41
East	66	34
Midwest	71	29
South	72	28
Far West	77	23

"In general, how do you rate yourself as a driver—better than average, average or not up to average?

"[In percent]

	"Better than average	Average	Not up to average	No opinion
National	36	62	2	(1)
Men	40	58	1	1
Women	30	66	3	1
21 to 29 years	33	64	3	(1)
30 to 49 years	31	67	1	1
50 years and over	42	55	2	1

[1] Less than ½ of 1 percent.

"Do you think there should or should not be a law requiring automobiles now being built to be equipped with safety belts?

	"Percent
Should	56
Should not	15
No opinion	29

"Do you have safety belts in your car/your family's car?

	"Percent
Yes	42
No	58

"How often do you use them?

"[In percent]

	"Always	Some of the time	Never	No opinion
National	36	49	14	1
Men	38	48	13	1
Women	34	50	15	1
21 to 29 years	37	52	11	(1)
30 to 49 years	37	49	14	(1)
50 years and over	36	47	16	1

[1] Less than ½ of 1 percent.

"Have you ever been in a car accident in which someone was hurt?

	"Percent	
	Yes	No
National	19	81

"Were you driving?

	"Percent	
	Yes	No
National	46	54
Men	63	37
Women	27	73
21 to 29 years	40	60
30 to 49 years	47	53
50 years and over	47	53"

GENERAL MOTORS CORP. NEWS RELEASE

DETROIT.—General Motors today announced that all of its 1966 model passenger cars will include a number of safety items as standard equipment. The items were previously optional or standard on GM cars.

Standard on all General Motors 1966 cars will be: (1) rear seat belts; (2) padded instrument panel; (3) backup lights; (4) outside left-hand rearview mirrow; (5) dual-speed windshield wiper and washer, and (6) padded sun visor.

GM Chairman Frederic G. Donner and President James M. Roche, in announcing the new standard safety equipment, said the program "continues the evolutionary improvement in safety carried out over the years by incorporating as standard equipment a number of items previously available as options."

A JOINT EFFORT FOR PEACE

Mr. BARTLETT. Mr. President, recently President Johnson appealed directly to the Russian people for renewed American-Soviet efforts towards peace, disarmament, and friendship. The importance of the President's appeal has been recognized in newspaper editorials across the country.

I ask unanimous consent that two such editorials may be printed in the RECORD.

The first is from the June 5 Atlanta Constitution, the second from the June 14 Cleveland Plain Dealer.

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

[Form the Atlanta (Ga.) Constitution, June 5, 1965]

THE PRESIDENT SPEAKS TO RUSSIA

President Johnson's direct talk to the Russian people was considerably more than a slick appeal for revolutionaries to go away so that the injustices in the world can be comfortably sustained.

The President identified the American people instead with the aspirations of the Soviet people and all people.

When he said "no true Soviet interest is served by the support of aggression or subversion anywhere," he did not simply imply that American military firepower will destroy that aggression and uphold any status quo, no matter if the status is tyrannically designed to serve the few and hurt the many.

He specified that "We of the United States stand ready always to go with you into fields of peace—to plow new furrows, to plant new seed, to tend new growth—so that we and all mankind may someday share together a new and bountiful harvest of happiness and hope on this earth."

That American aspiration is no less revolutionary than the Soviet people's.

Chinese communism summons the world to seek through aggression and subversion what the American President summons the Soviet people to seek in union and peace. Mr. Johnson cannot say it too often. If the American and Soviet people can unite their aims in peace, China cannot lead the world to war.

[From the Cleveland (Ohio) Plain Dealer, June 14, 1965]

WHY NOT A QUEST FOR PEACE?

Communist China's latest broadside at the Soviet Union should add impetus to President Johnson's two appeals to the Russian people to join Americans in a common search for understanding.

The Peiping broadcast denounced the new Soviet leaders as "practicing a more covert, more cunning and dangerous revisionism" than Khrushchev and called for a fight "to the very end" to thwart the Russian objectives.

Conversely, President Johnson, on two occasions, has called on the Russians to unite with Americans in a joint quest for the benefits of peace as the desirable alternative to the burdens of an arms race.

The harvest of friendship between the two peoples is there for the gathering. Only the vehicles for accomplishing it are missing.

The President emphasized the importance he attaches to his Chicago plea to the Communists to "let us reason together" by following it up in his commencement address at Catholic University of America with an invitation to "signify to mankind that you are ready, too, to welcome peace to the table of man."

The warmth of the Russian reception given George Szell and the Cleveland Orchestra is but one recent sign of the rapport that exists between Russians and Americans away from the political arena and military muscle flexing.

Russian cultural missions to this country are rapturously received and the standing ovation is common for a Russian performance.

Russian and American scientists accomplish their spectacular feats in a climate of mutual respect marked by open expressions of sincere admiration.

As the President stated, no American interest is in conflict with the Soviet people anywhere.

When the governments have permitted it, joint research has reacted to the benefit of both. The test ban treaty lifted the specter of radiation from the conscience of the Russian and the American man in the street.

In medical and other scientific ventures in which the two nations are pitted in costly competition, broader accomplishment at greater speed might be attained if the missions could be coordinated.

For 20 weary years, Russia and America have stood glaring at each other from behind the most expensive ramparts ever constructed.

Now a leader of America has asked why not a common quest for peace and it is reasonable to expect that the echo from the Russian ranks would be: Why not?

The quest should be more than a topic for a speech. Why not a quest?

GERTRUDE CLARKE WHITTALL

Mr. JORDAN of North Carolina. Mr. President, across the Capitol Plaza to the east stands a gray granite building known to all as the Library of Congress. It is one of the great institutions of this country, one of the great libraries of the world. On its shelves lie the books and manuscripts which form the basis of our civilization, the documents of genius which shape our culture, the mighty tender sentiments which support our spirit. We, the Congress of the United States, do what we can for the Library, knowing full well that it will do what it can for us. But it has long since passed the stage of being ours exclusively. It belongs to America and to the international world of learning, art, and intellect—and in growing to its present stature it has been graced by the help of patriotic and munificent citizens who have added immeasurably to its collection of treasures and storehouse of knowledge.

Such a citizen has just departed from us, and she can never be replaced. She was Gertrude Clarke—Mrs. Matthew John—Whittall, who died in the Nation's Capital on June 29 at the age of 97. If she was old in years, she was young in heart and mind, and her youthful fervor was always evident throughout her 30 years of benefactions to the Library of Congress, which she so rightly and justifiably called her second home.

Born in Bellevue, Nebr., on October 7, 1867, and bred in the Great Plains area that her father helped to develop, Mrs. Whittall absorbed from the frontier strength of character, high individuality, and restless imagination. She married Matthew John Whittall, British manufacturer of quality rugs in Worcester, Mass., in 1906.

Twelve years after the death of her husband, Gertrude Clarke Whittall moved to her final home, Washington, in 1934, unaware that she was to become, in the final third of her life, a noble philanthropist in the fields of two great and satisfying arts. She was a compulsive sharer. She had to approach our Library across the way and offer first her famous and magnificent collection of Stradivari instruments—each with a Tourte bow—masterpieces of skilled craftsmanship and in perfect condition. More than that, the American public had to hear them, and soon she established the Gertrude Clarke Whittall Foundation in the Library to assure to the public this privilege. Frequently, she increased her endowment, thus increasing the number of concerts and the size of the listening audience. The foremost artists in the world have appeared in the Library, which will forever be a center, perhaps the center on this globe, for chamber music.

Music is written by composers, and great music by great composers. Excited

by the opportunity to obtain for the Library—which means for America—a fabulous collection of original music manuscripts, Gertrude Clarke Whittall provided the means that accomplished this end. Because of her, the musical autograph collection of the Library is one of the richest in the Western World and one of the finest anywhere.

Gertrude Clarke Whittall's other favorite art was literature. Her interest ranged from Shakespeare to Robert Frost, it transcended national boundaries, it encouraged investigation and interpretation. Like music, literature should be heard, and when it is, it assumes enhanced values and immediacy of communication. So this friend of the Library, in 1950, created the Gertrude Clarke Whittall Poetry and Literature Fund, also augmented several times, which provides to her fellow citizens unique demonstrations of drama and poetry, provocative lectures, and personal representations by the world's great actors, authors, and scholars. And again like musical autographs, literary manuscripts came to abide on the shelves across the street, precious documents that are manifestations of noble thought and inspired sentiments.

Gertrude Clarke Whittall was honored and recognized during her lifetime, but not enough. During that lifetime she made possible about 700 concerts, some 150 literary evenings, and nearly a score of published lectures by notable savants. She shed luster on the Library by bringing it and its resources closer to the people, by expanding its activities, and by augmenting its treasures. She turned her fortune into our good fortune by enriching our experience, cultivating our spirit, deepending our feeling, and broadening our knowledge. She did this modestly, without thought of reward.

On one occasion she said:

> When I die and go to heaven, if I don't like it there, I'll come back to the Library of Congress.

We wish that she could—but in a very real sense she has never left, and can never leave the Library. She is forever part of its fiber, and we now acknowledge our debt to her. We thank her—a gracious, lovely, understanding, and intelligent lady—on behalf of the American people, on behalf of lovers of beauty, on behalf of the Congress of the United States for what she did for all of us.

BIG BROTHER: PRIVACY FOR TELEPHONE WORKER

Mr. LONG of Missouri. Mr. President, today's "Big Brother" item consists of minutes from the recent annual convention of the Communications Workers of America on June 24.

At the meeting, the CWA adopted a strong antiwiretap, anti-eavesdrop resolution and the CWA president, Mr. Joseph Beirne, made some excellent remarks on the subject.

I ask unanimous consent that the minutes be printed in the RECORD, along with the CWA resolution.

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

The Chair now recognizes the chairman of the resolutions committee.

Delegate WADE (chairman, resolutions committee). The delegates have the mimeographed copy of resolution 27A–65–17, which was passed out on Monday. Committeeman Jim Tricoli will read.

Delegate TRICOLI. Resolution 27A–65–17:

"ELECTRONIC INVASIONS OF PRIVACY

"We live in an era in which individual rights of privacy are under steadily increasing attack. Not only are Government agencies and private industry stepping up their efforts to pry into the private lives of individual citizens and workers, but the methods used are becoming more sophisticated and subtle;

"The use of personality tests is now supplemented by lie detectors. Old fashioned window peeping can now be conducted over great distances in total secrecy by using laser beams that can cut through walls and transmit sound and pictures of everything taking place in a closed room. The equally old fashioned custom of listening in on someone else's telephone conversation on a party line can now be conducted through sensitive and easily hidden wiretaps;

"Easily obtainable transistorized listening and recording devices can be hidden in a desk calendar, in a rose or even in an olive in a martini glass;

"Recent congressional investigations have uncovered a wide range of deporable eavesdropping practices carried out by industry and government. As workers in the communications industry, we, the members of the Communications Workers of America, are particularly aware of the technical possibilities of various types of electronic eavesdropping and monitoring equipment;

"While such equipment may have a place in such limited areas as national security, when used by authorized Federal law enforcement officers acting under strict court imposed safeguards, their widespread use in industry and government creates a clear and present danger to the privacy, personal dignity and freedom of every American: Therefore, be it

"*Resolved,* That this 1965 Convention of the Communications Workers of America opposes the use of lie detectors in industry, whether in the hiring or in any investigation of employees or other employer-employee relation. We pledge to seek legislation on the local, State, and Federal level to outlaw the use of lie detectors in personnel matters;

"We further pledge to seek legislation licensing the manufacture, regulating the distribution, and outlawing the indiscriminate use of all types of eavesdropping and wiretapping equipment. The skillful invasions of privacy being conducted by snoopers of all types and descriptions must be brought to an end if freedom and democracy are to survive."

Mr. Chairman, the resolutions committee moves the adoption of this resolution.

President BEIRNE. The motion is to adopt the resolution. Do I hear a second?

The motion was duly seconded.

President BEIRNE. Seconded by a delegate from the floor.

On microphone No. 1, Delegate Hart, local 9415.

Delegate ELEANOR L. HART (local 9415). I would like to make an amendment to resolution 27A–65–17, to add to line 33: "*Be it further resolved,* To seek legislation to limit the use of eavesdropping equipment within any industry on their employees while they are performing their respective jobs." [Applause.]

President BEIRNE. I take by the response that this amendment is seconded. Delegate Hart may speak on her amendment for 5 minutes.

Delegate HART. We, in the traffic department are well acquainted with the use of monitoring equipment in the central offices in the Bell System. The use of such equipment has resulted in discharges, suspensions, and coercion. Only through law can it be curbed effectively. The Bell System is a perfect example of being able to use monitoring equipment excessively. The official observing officers in the California Traffic Department are CWA members doing observing for the Federal reports that have to go in on service. But the company goes beyond this and includes monitoring by central office management and supervising operators which causes constant harassment and unrest among the traffic employees. It is a moral issue.

We do not live in a police state, so why should we have to work in a police state?

I urge you to support this amendment. [Applause.]

President BEIRNE. On microphone No. 3, Delegate Watson, local 9430.

Delegate JEAN WATSON (local 9430). Mr. Chairman and fellow delegates, I rise to support this amendment. This is a situation which involves all of our operators across the Nation. This is a tremendous weapon which the company has to use against our CWA traffic girls, which causes a great strain on our girls, tremendous harassment.

This monitoring is said to be needed by the company to offer good service to the public. We maintain the device is not used for this purpose only, but is used as evidence for disciplinary actions against our girls.

I urge you to support this amendment. [Applause.]

President BEIRNE. On microphone No. 3, Delegate Lawson, local 9410.

Delegate ERMA LAWSON (local 9410). Thank you. Mr. Chairman and fellow delegates: I am standing here to ask for your support on the amendment because eavesdropping is a step backward. We, delegates of the Communications Workers of America, know the complex types of electronic equipment on the market today and how easy it is to eavesdrop on someone's conversation with this equipment. So I ask this convention to pass this amendment.

Thank you very much. [Applause.]

President BEIRNE. On microphone No. 3, Delegate Friday, local 9410.

Delegate JACK FRIDAY (local 9410). Mr. President and delegates, I rise in support of this amendment. Coming from a metropolitan local, 50 percent of our members are in the traffic department, toll, and information operators.

As local president, I am consistently having problems with the Pacific Telephone Co. relating to excessive observations—what is called on the box monitoring. The company is harassing the girls by listening in and giving them extensive tests to the point that they are actually being affected in their day-to-day work. [Applause.]

I urge this convention to adopt this amendment. President Beirne is well aware of this problem. He recently testified before a congressional committee with regard to these tactics.

Now it is becoming more and more apparent in the day-to-day working conditions of our traffic members. I urge you to adopt this amendment. Thank you. [Applause.]

President BEIRNE. Microphone No. 3, Delegate Wooten, local 6222.

Delegate LUCILLE WOOTEN (local 6222, Houston, Tex.). Mr. Chairman and delegates, I ask that you support this amendment because it is not only common in traffic, but I would want you to be aware that it is very prevalent in commercial.

In the office where I work there are five different locations where people can listen

in on our conversations. This is done primarily for discipline reasons.

In addition to that, in our downtown office, which is about 10 miles from my office, they can listen to us. I understand that they can even listen to St. Louis. In my office alone there are 2 rooms where as many as 12 people can listen to 1 conversation.

This, I think, is carrying it a bit far and isn't necessary to give the customers good service. Our privacy with the customer should be honored.

Thank you. [Applause.]

President BEIRNE. Anything further on the question? Are you ready for the question?

The question is on an amendment proposed by Delegate Hart: *"Be it further resolved,* To seek legislation to limit the use of eavesdropping equipment within any industry on their employees while they are performing their respective jobs."

All those in favor of the amendment signify by raising their right hand. Down hands. Opposed by like sign. It is adopted. [Applause.]

On resolution 17 as amended, the motion is to adopt. On the question. Are you ready for the question? All those in favor of the motion to adopt resolution 17 as amended signify by raising their right hand. Down hands. Opposed by like sign. It is adopted. [Applause.]

While calling forward the Appeals Committee, I would—now that you have acted on resolution 17—like to make one or two observations, if I may.

Monitoring of employees, at least in the Bell System, is not restricted to traffic. Monitoring takes place in commercial, in accounting, and especially in plant. Having adopted your resolution 17, one matter which may not have been spelled out in there, should be suggested; namely, that when you get home, not only let the foreman, or supervisor, or acting vice president or assistant vice president, or whomever in the telephone company, know of your views, but let your Congressman and let your Senator know.

Part of my testimony, and the real concern in this area is that there is so much apathy in America, there are so many freedoms being invaded that we take these things as a joke, thinking because it is the next guy, or the person next door, or the alleged crook who is being shadowed by the electronic devices, that it is funny. It does not affect us because we are good law-abiding citizens.

Well, looking at it that way means that the men who fought in 1776 to say "you cannot come in my front door without a warrant"—their revolution will have been in vain.

I would urge all of you to read the book by Orwell, entitled "1984," and see the pattern developing now that leads toward "Big Brother," and then get aroused and then get mad, and then get after the governmental leaders to say, "Cut this stuff out," for the use of these devices corrupts the person using them.

A good, decent supervisor in a telephone company can be corrupted by the octopus. He gets to use it so much by saying, "I have got it, and I have a bad one here, so I will listen on this one all the time. I will keep a record" and then do as they did in Michigan after 3 months to suspend and later fire the girl, because they kept the book.

It corrupts the person using it as well as corrupting our freedom.

Write to your Congressmen and Senators. Send it to LONG in Missouri. He is standing there all alone, trying to arouse the public on this subject. He can only reach them when he has a picture of an olive in a martini glass. The reaction is funny. Can you imagine that? But the impact of that, the real meaning escapes us for that can be applied against us.

One of the great planks of the American Revolution was the preservation of privacy. [Applause.] It was when the Redcoats came in the door, searching, that this Revolution really started.

Poor Senator LONG—I should not say it that way—courageous Senator LONG of Missouri is standing there all alone, trying to get the public to get aroused about this thing, and they are not.

So you see, under our resolution 17, which you have adopted, you have an obligation. Do not forget it when you go away. Do not listen attentively now, and when you get home get all tied up with the kids, the wife, and the job, and the park, and the overtime and all that stuff, and you forget to write a single letter.

Get mad at that stuff, because this is basic to the preservation of our institutions in America. This is basic to the preservation of our freedoms. [Applause.]

PARENT PLEADS FOR GI EDUCATION BILL

Mr. YARBOROUGH. Mr. President, the fight against Communist aggression is the fight against ignorance. If this Nation cannot provide an opportunity for the men and women who have fought the physical fight against the threat of communism to further advance their educations we cannot expect to remain strong in future years.

Mr. President, I ask unanimous consent that a letter in support of enactment of the cold war GI education bill (S. 9) be printed at this point in the RECORD. The letter is from Mr. Alfred L. Hill, 5509 Mapleleaf Drive, Austin, Tex., and is dated July 3, 1965.

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

AUSTIN, TEX.,
July 3, 1965.

Senator RALPH YARBOROUGH,
U.S. Senate,
Washington, D.C.

HON. SENATOR YARBOROUGH: Our country is now waging a war in Vietnam and this is a war which will evidently not be concluded without great cost both in materials and in human life. The war is limited compared with some in which Americans have participated, the Korean war being one in which some 60,000 members of the Armed Forces paid the supreme price.

Our commitments are such that we cannot pull out of Vietnam. We must not give in to the Communists because we know they will take the maximum with the minimum of cost to them. We cannot compromise with the Communists because they only understand force.

I served in the U.S. Navy during World War II, being assigned to Saipan, Marianas Island for more than a year. I am proud that I was able to serve my country in this respect because I, like most men, have a greater appreciation for my country having sacrificed to support it.

I am writing you because I have a son, Jason D. Hill who is assigned to the U.S. Army 173d Airborne Brigade, now holding forth in a courageous manner in Vietnam. My request is simple; I want our Government to pass what may be similar to the Servicemen's Readjustment Act of 1944, which would enable the men who serve in Vietnam to go to college or university at the expense of our Government. This it appears is a responsibility our country owes to the men who risk their lives daily to protect us. I hope you will use your influence to bring about passage of such a bill. Now is the time to pass a measure such as this because after a crisis has passed the public either forgets or becomes apathetic about their debts.

I am principal of the Pecan Springs Elementary School in Austin. I have a great appreciation for the value of an education. My son Jason, dropped out of Southwest State College in San Marcos while enrolled as a freshman. I attribute this dropping out to the tensions of our times. I believe he will want to return to college when his military obligations are fulfilled, provided he returns with his present good health and confident spirit.

I am asking this request to President Johnson and will also write Senator TOWER and Representative PICKLE.

Sincerely yours,

ALFRED L. HILL.

L.B.J.'S IMPRESSIVE PEACE RECORD IN VIETNAM

Mr. PROXMIRE. Mr. President, during the past several weeks a small number of our fellow citizens have seen fit to comment adversely upon the policy of this Government in Vietnam. The freedom to criticize the policies of their Government is the inherent right of every American. The President himself has said that he welcomes the constructive comments of all Americans.

But, Mr. President, an examination of the substance of that policy is one thing, a failure to recognize the reasoned path leading to such a policy is another. I will never understand how the small but vocal group of Americans opposed to the President's policy in Vietnam can ignore realities. The President of the United States, the man with whom they purport to disagree, is exerting every effort imaginable to secure peace in southeast Asia; peace with honor.

At every conceivable juncture the President has presented peaceful solutions to the situation in Vietnam. He never lets an opportunity pass without reminding the Communist leaders that he is willing to discuss peace at any time. He uses all the varied methods at his disposal to communicate the reasonable and honorable position of this Government to the Communists. In short, the President is maintaining a constant flow of alternatives to armed conflict in Vietnam. Those who do not accept the President's refusal to abdicate Vietnam to the Communists might well examine his detailed efforts to bring about a peaceful solution.

Mr. President, the noted columnist, David Lawrence, has outlined the truly monumental efforts of the President to effect an honorable peace in Vietnam. The various groups opposing the President's firm stand should first examine the real facts in this connection.

I ask unanimous consent to insert the column in the RECORD.

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

APPEALS FOR PEACE

(By David Lawrence)

(EDITOR'S NOTE.—This is a syndicated column, not an editorial. The views are those of the writer.)

WASHINGTON.—President Johnson has five times in recent days addressed a direct appeal to the people of the Soviet Union to join with the American people not only in a mission of

peace but in sharing the economic fruits of a better life for mankind.

While speaking, for instance, at the graduation exercises of Catholic University in Washington on June 6, the President appealed to the leaders as well as to the people of the Communist countries. He said:

"Come now, let us reason together. Our door is unlatched. Our table is set. We are ready—we believe mankind is ready with us."

But the appeals have not been answered. Mr. Johnson, evidently conscious of the silence in the Communist world, mentioned this publicly on June 8. At a ceremonial signing of a bill establishing a National Institute for the Deaf, he said:

"Sometimes it seems that deafness is not simply an affliction of individuals, but an affliction of nations as well."

The President at the same time pointed out that, while communications in space are instantaneous, communications among nations have not kept pace. As a matter of fact, communication between peoples is one of the most challenging problems that face the world today. On April 22 this correspondent wrote in one of his dispatches:

"Oddly enough, the Western countries have not realized that their most powerful weapon today involves communication—to penetrate the countries which have totalitarian governments and to make the people realize how much better their lives would be if they had some of the conveniences and advantages enjoyed by the people in the free countries.

"Millions of dollars are spent annually by Western countries to broadcast news of political speeches or highbrow arguments about ideological questions, but the simple facts of life are not hammered home to the peoples behind the Iron Curtain. The contrast between the life of the average citizen in Britain or France or West Germany or the United States and the life of the people in the Soviet Union has not been thoroughly publicized to points behind the Iron Curtain."

Mr. Johnson has since given plain hints that the United States would be willing to join in economic ventures which would truly benefit the people of the Soviet Union if they had the kind of government that was not a menace to world peace.

Many persons will wonder whether this will ever get through to the Soviet people. But the facts are that, when a President of the United States speaks, the radio carries the message everywhere and public discussion is thereby initiated. It is by word-of-mouth communication that messages of importance to every nation are eventually conveyed to the people even behind the Iron Curtain.

Some of the things that Mr. Johnson has said now should be broadcast repeatedly by the U.S. Information Agency. Excerpts from his speeches need to be read and reread in the Soviet Foreign Office. For instance, President Johnson said June 3 in Chicago:

"No true Soviet interest is going to be served by the support of aggression or subversion anywhere in the world. We of the United States of America stand ready tonight as always to go with you onto the fields of peace—to plow new furrows, to plant new seed, to tend new growth—so that we and so that all mankind may some day share together a new and a bountiful harvest of happiness and hope on this earth."

Mr. Johnson was, of course, expressing in polite language a disagreement with the doctrines of international communism often referred to as "Communist imperialism," which holds that peoples outside the Soviet Union must be made subject to the dictates of Soviet socialism.

This has led to infiltration and intrigue as well as aggression conducted by Communist forces not only in southeast Asia but in Africa, Cuba, the Dominican Republic, and other countries in Latin America.

The Soviet Union needs to be reminded again and again that the United States stood by Russia at a critical time in her life—when, from 1941 to 1945, the military power of the United States was thrown into the balance and helped to defeat Hitler, who had already overrun a portion of the Soviet Union, causing the loss of millions of Russian lives.

Unfortunately, the appeals for a genuine peace which President Johnson has been making have thus far evoked no response from the Kremlin. Perhaps this is because the question of how to reply has caused debate inside Communist Party councils.

It could be, of course, that Russia's internal situation does not permit the kind of response that ought to be made, because there are factions in Moscow which want an even more aggressive course than has been pursued by the Soviet Government. The instinctive wish of the Russian people themselves, however, is for peace with America, and hence nothing is lost by a continuance of President Johnson's appeals to them to manifest their desires in their own way to the ruling authorities in the Soviet Union.

PROPOSAL TO DISPOSE OF ALASKA COMMUNICATION SYSTEM

Mr. BARTLETT. Mr. President, this week the administration sent to Congress an important legislative proposal. By a letter addressed to the President of the Senate, and dated July 6, the Secretary of the Air Force, Eugene M. Zuckert, proposed legislation giving the Air Force authority to dispose of such parts of Alaska's commercial communication facilities presently operated by the Air Force as it believes it would be in the public interest to transfer. The letter and its attached proposal have been referred to the Senate Armed Services Committee under the direction of its able chairman, the distinguished senior Senator from Georgia [Mr. RUSSELL].

Because the presentation of this proposal at this time has great significance for all Alaskans, and perhaps will be of interest to the Members of the Senate, I ask unanimous consent that the letter from Secretary Zuckert, the attached legislative proposal, and a section-by-section analysis be printed at this point in the RECORD.

There being no objection, the letter, bill, and analysis were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
Washington, D.C., July 6, 1965.

Hon. HUBERT H. HUMPHREY,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation "To authorize the disposal of the Government-owned long-lines communication facilities in the State of Alaska, and for other purposes."

This proposal is a part of the Department of Defense legislative program for the 89th Congress. The Bureau of the Budget advises that the enactment of this proposal would be consistent with the administration's program. The Department of the Air Force has been designated as the representative of the Department of Defense for this legislation. This proposed legislation has been coordinated with the Departments of Commerce, Interior, Justice, and Agriculture, the Federal Aviation Agency, and the Federal Communications Commission. An identical proposal (H.R. 3614) was introduced in the House of Representatives on February 7, 1963, and referred to the Committee on Armed Services. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of the proposed legislation is to authorize the Secretary of Defense, with the advice, assistance, and consent of the heads of other agencies of the Government owning long-lines communication facilities in Alaska, to transfer, for adequate consideration, any element of ownership of any or all facilities of Government-owned long-time communication facilities in or to Alaska. No transfer could be made unless the Secretary of Defense, or his designee, determined that retention of the property is not necessary for national defense purposes, that the transfer is in the public interest, and that the facilities would not, directly or indirectly, be owned, operated, or controlled by a person or business entity who would legally be disqualified by the Federal Communications Commission from holding a radio station license under the terms of the Communications Act of 1934, as amended.

A person acquiring any facilities would be required to provide, without interruption, the communcation services involved in the transfer, and to conduct his operations under the regulatory authority of the Federal Communications Commission and such Alaska regulatory bodies as are established.

The U.S. Government-owned long-lines communication facilities in and to Alaska that are offered for transfer are a combination of the communications systems formerly operated separately by the Department of the Army, the Department of the Air Force, and the Federal Aviation Agency. Each agency controlled and operated facilities between various geographical locations in Alaska, but subsequently each agency allocated portions of its individual system to the others, so that the overall long-lines operation in Alaska became an integrated operation.

The responsibility for the operation and maintenance of the integrated Alaska Communication System was for some years lodged in the Secretary of the Army, but was transferred from him to the Secretary of the Air Force on July 1, 1962. This system, using its own, including leased, facilities, and allocated facilities of other Government agencies, acts as a common carrier in providing communication services for the military departments, other Government agencies, and the general public between the rest of the United States and Alaska, between points inside Alaska, and between Alaska and Canada. It installs, operates, and maintains radio, wire, and submarine cable facilities. The services of the system include handling long-distance and rural telephone communications, telegrams, telegraphic money orders, leases of communication channels, press transmissions, broadcast relays, and ship-shore facilities.

Historically, the U.S. Army Alaska Communication System was established by the U.S. Army Signal Corps in 1900 under the Act of May 26, 1900 (48 U.S.C. 310), which specifically provided that "Commercial business may be done over these military lines under such conditions as may be deemed by the Secretary of War, equitable and in the public interests." In subsequent appropriation acts for the War Department and its successor, the Department of the Army, Congress has provided funds for the development, expansion, maintenance, and operation of the system.

The long-lines facilities in Alaska of the Federal Aviation Agency (originally established by the Department of Commerce) and those of the Department of the Air Force were established to meet communication requirements that were not available from the Army's Alaska Communication System facilities.

The procedures of the Federal Property and Administrative Services Act regarding

advertised and negotiated disposals of surplus property have been made applicable to disposals under this bill. The bill also requires that the Secretary of Defense or his designee comply with that part of the Federal Property and Administrative Services Act which calls for the submission to the Attorney General of certain proposed property disposals for his advice as to whether such disposals would be inconsistent with the antitrust laws.

The Department of the Interior's Alaska Railroad owns certain communication facilities that are an integral part of the railroad operation. Consequently, these facilities would not be sold, although the bill is broad enough to permit their transfer if later events should make their disposition desirable. Any circuit capacity excess to the railroad's operational requirements could be leased to the purchaser if it is found to the Government's advantage to do so.

Defense activities have made it necessary over the years to develop and expand industrial or commercial-type facilities in Alaska that, under normal commercial expansion, would have been undertaken by risk capital. Periodically since 1913, efforts have been made by the War Department and its successor, the Department of the Army, to dispose of the Army's Alaska Communication System. Private industry has been reluctant to enter the long-lines communication field in Alaska because of the large capital investment necessary and the small return potential. However, the development of Alaska has now progressed to a point where the operation of an integrated communication system would appear to be financially attractive to private enterprise. Furthermore, the citizens of the State of Alaska should not be dependent on the military for necessary commercial communications.

The proposed legislation would authorize the transfer of the Government-owned long-lines communication facilities whose continued ownership and operation by the Government is no longer deemed necessary or desirable. This would permit development of a long-lines communication system in Alaska which would be more responsive to the growing needs of the people of that State. If there had been a commercial communication company franchised to operate in Alaska, the long-lines facilities of the various Government agencies would presumably have been obtained from such a company, as is the normal practice in the rest of the United States. Neither the Air Force nor the Federal Aviation Agency desires to remain in the long-lines communications business in Alaska if required facilities can be obtained from private enterprise under fair rates and with a degree of reliability assured by the proposed legislation.

COST AND BUDGET DATA

The estimated cost to the Government for the total facilities which might be offered for disposal in whole or in part less depreciation was on July 1, 1962, approximately $200 million for the Government-owned communication systems in Alaska. Adequate consideration for the facilities to be transferred can only be determined after a comprehensive appraisal and a review of all other pertinent facts and circumstances affecting the marketability of the facilities.

After enactment of the proposed legislation and the subsequent transfer of the long-lines facilities, the overall cost to the Government for communication services to and within Alaska should be no greater than at present.

There will be administrative expenses connected with this disposal, but at this time it is not practicable to estimate the amount.

Sincerely,

EUGENE M. ZUCKERT.

H.R. ——

A bill to authorize the disposal of the Government-owned long-lines communication facilities in the State of Alaska, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Alaska Communications Disposal Act.

TITLE I—DEFINITIONS

SEC. 101. In this Act:

(1) "Transfer" means the conveyance by the United States of any element of ownership, including but not restricted to any estate or interest in property and franchise rights, by sale, exchange, lease, easement, or permit, for cash, credit, or other property, with or without warranty.

(2) "Long-lines comunication facilities" means the transmission systems connecting points inside the State with each other and with points outside the State by radio or wire, and includes all kinds of property and rights-of-way necessary to accomplish this interconnection.

(3) "Agency concerned" means any department, agency, wholly owned corporation, or instrumentality of the United States.

TITLE II—TRANSFER OF UNITED STATES GOVERNMENT-OWNED LONG-LINES COMMUNICATION FACILITIES IN AND TO ALASKA

SEC. 201. (1) Subject to the provisions of section 202, and notwithstanding provisions of any other law, the Secretary of Defense or his designee, with the advice, assistance, and, in the case of any agency not under the jurisdiction of the Secretary of Defense, the consent of the agency concerned, and after approval of the President, is authorized to and shall transfer for adequate consideration any or all long-lines communication facilities in or to Alaska under the jurisdiction of the Federal Government to any person qualifying under the provisions of section 202, and may take such action and exercise such powers as may be necessary or appropriate to effectuate the purposes of this Act.

(2) Transfers under this title shall be made in accordance with the procedures and methods required by sections 203(e) (1), (2), and (3) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(e)), except that "the Secretary of Defense or his designee" shall be substituted for all references therein to "the Administrator".

(3) The requirements of section 207 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 488), shall apply to transfers under this title.

(4) The head of the agency concerned or his designee shall execute such documents for the transfer of title or other interest in property, except any mineral rights therein, and take such other action as the Secretary of Defense deems necessary or proper to transfer such property under the provisions of this title. A copy of any deed, lease, or other instrument executed by or on behalf of the head of the agency concerned purporting to transfer title or any other interest in public land shall be furnished to the Secretary of the Interior.

(5) No interest in public lands, withdrawn or otherwise appropriated, may be transferred under this title without the prior consent of the Secretary of the Interior, or, with respect to lands within a national forest, of the Secretary of Agriculture.

SEC. 202. No transfer under this title may be made unless the Secretary of Defense or his designee determines that—

(1) the United States does not need to retain the property involved in the transfer for national defense purposes;

(2) the transfer is in the public interest;

(3) the person to whom the transfer is made is prepared and qualified to provide, without interruption, the communication service involved in the transfer; and

(4) the long-lines communication facilities will not directly or indirectly be owned, operated, or controlled by a person who would legally be disqualified by the Federal Communications Commission from holding a radio station license under any of the terms of the Communications Act of 1934, as amended.

SEC. 203. The agreements by which a transfer is made under this title shall include a provision that—

(1) the person to whom the transfer is made shall, subject to the rules and regulations of any body or commission established by the State of Alaska to govern and regulate communication services to the public and of the Federal Communications Commission and all applicable statutes, treaties, and conventions, provide without interruption, the communication services involved in the transfer, except those services reserved by the United States in the transfer; and

(2) the rates and charges for such services applicable at the time of transfer shall not be changed for a period of one year from the date of such transfer unless approved by a governmental body or commission having jurisdiction.

SEC. 204. Transfers under this title do not require the approval of the Federal Communications Commission except to the extent that the approval of the Federal Communications Commission may be necessary under Section 202(4).

SEC. 205. Notwithstanding the provisions of any other law, the gross proceeds of each transfer shall be covered into the Treasury of the United States as miscellaneous receipts.

SEC. 206. The Secretary of Defense or his designee shall report to the Congress and the President—

(1) in January of each year, the actions taken under this title during the preceding twelve months; and

(2) not later than 90 days after completion of each transfer under this title, a full account of that transfer.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. Except as provided in section 204, this Act does not modify in any manner the provisions of the Communications Act of 1934, as amended.

SEC. 302. There is authorized to be appropriated to the Secretary of Defense such sums as may be necessary to carry out the provisions of this Act.

SECTIONAL ANALYSIS OF THE BILL "TO AUTHORIZE THE DISPOSAL OF GOVERNMENT-OWNED LONG-LINES COMMUNICATIONS FACILITIES IN THE STATE OF ALASKA AND FOR OTHER PURPOSES"

Section 101 defines, for the purpose of the act, the terms: "transfer," "long-lines communication facilities," and "agency concerned."

Section 201(1) authorizes the disposal of any or all Government-owned long-lines communication facilities in or to Alaska. The Secretary of Defense or his designee is selected to act with non-Government parties in behalf of all Government interests on matters concerning transfers, and to determine whether the provisions of section 202 concerning the public interest are satisfied. Actions with non-Government parties leading to disposal can be facilitated and coordinated if a single agent represents all Government interests. Focusing the responsibility on the single agent to determine satisfaction of the public interest will enhance the opportunity of the most advantageous conditions of sale.

Section 201(2) requires that disposals be made by formal advertising or by negotiation in accordance with the rules and exceptions set forth in the surplus property

disposal section of the Federal Property and Administrative Services Act.

Section 201(3) requires that the Secretary of Defense or his designee refer to the Attorney General the probable terms of any proposed transfer for advice as to consistency with antitrust law.

Section 201(4) provides for the execution of documents necessary for the transfer of interests in property, and for the transmittal of such documents to the Secretary of the Interior.

Section 201(5) prohibits the transfer of interests in public lands without the consent of the Secretary of the Interior, and of lands within a national forest without the consent of the Secretary of Agriculture.

Section 202 requires that the Secretary of Defense or his designee determine that (a) the property need not be retained for military purposes, (b) the transfer is in the public interest, (c) the transfer will not interrupt the communication services involved, and (d) the transfer will not be made to a person or business entity which would be disqualified by the terms of the Communications Act of 1934, as amended.

Section 203 provides that transfer agreements shall include a provision that the transferee shall, subject to rules and regulations of the Federal Communications Commission and such regulatory body as the State of Alaska may establish, continue to provide the communication services involved in the transfer; and a provision that the rates and charges for these services shall not be changed within a year of the date of transfer, unless approved by a regulatory body having jurisdiction.

Section 204 exempts transfers from approval by the Federal Communications Commission except for the determination of qualification of a purchaser under the Communications Act of 1934, as amended.

Section 205 provides that the gross proceeds of each transfer will be covered into the Treasury as miscellaneous receipts.

Section 206 requires that annual reports be made to the Congress and the President by the Secretary of Defense.

Section 206(2) requires the Secretary of Defense to report to the Congress and the President annually, and upon the completion of individual transfers.

Section 301 provides that, except for section 204, the proposed legislation does not modify the Communications Act of 1934, as amended.

Section 302 authorizes appropriations to the Secretary of Defense of such funds as may be necessary to carry out the provisions of the proposed legislation.

URBAN LEGISLATION

Mr. BURDICK. Mr. President, the Board of Commissioners of the City of Fargo Urban Renewal Agency recently adopted a formal resolution in support of President Johnson's urban legislation, including provisions for renewal, rent supplementation, and a Department of Urban Affairs. I ask unanimous consent that a letter from Mayor Lashkowitz and the resolution be printed at this point in the RECORD.

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

URBAN RENEWAL AGENCY,
Fargo, N. Dak., July 2, 1965.

Hon. Q. N. BURDICK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BURDICK: At today's regular meeting of the City of Fargo Urban Renewal Agency, I proposed that a resolution be adopted by the City of Fargo Urban Renewal Agency endorsing the legislative program proposed by President Johnson with regard to urban renewal, rent supplementation, and the Department of Urban Affairs. I am pleased to inform you that this agency did adopt such a resolution unanimously by those in attendance, a copy of said resolution being enclosed herein.

Inasmuch as we believe that President Lyndon B. Johnson has a sound and constructive program in the field of municipal legislation beneficial to our Nation, we would appreciate your voting for and actively supporting the proposals as outlined in the resolution relating to urban renewal, rent supplementation, and the Department of Urban Affairs.

I would appreciate, further, that this resolution, including my letter be read on the floor of the U.S. Senate so that your colleagues are aware that we support President Lyndon B. Johnson's program designed to help the American cities and their people.

Yours truly,
Mayor HERSCHEL LASHKOWITZ,
Adviser.

RESOLUTION ENDORSING PENDING LEGISLATION AND REQUESTING THE NORTH DAKOTA CONGRESSIONAL DELEGATION TO GIVE IT THEIR SUPPORT

Be it resolved by the Board of Commissioners of the City of Fargo Urban Renewal Agency, That—

Whereas there is now pending in the Congress of the United States a bill covering urban renewal legislation which has many facets including continuation of the present urban redevelopment program; and

Whereas there is also legislation pending which would establish at the Cabinet level a Department of Urban Affairs which would coordinate and implement the handling of urban programs and project; and

Whereas the city of Fargo has greatly benefited by the urban renewal program through the North Dakota R-1 and North Dakota R-2 project; and

Whereas it is with this in mind and for the benefit of any other cities that may wish to participate in the redevelopment program that we evidence our desire that said legislation be favorably considered: Now, therefore, be it

Resolved, That we do urge the adoption and passage of said legislation as proposed by President Johnson; be it further

Resolved, That we urge our congressional delegation by virtue of copies of this resolution that they give all of the support possible to bring about consideration and passage of this legislation.

PLANNING FOR CONSERVATION AND SCENIC BEAUTY OF THE POTOMAC—STATEMENTS BY GOVERNOR TAWES AND JAMES J. O'DONNELL

Mr. BREWSTER. Mr. President, on Monday, June 28, 1965, the Secretary of the Interior, the Governors of the four Potomac River Basin States, and Brig. Gen. Charles M. Duke, representing the District of Columbia, met to discuss some of the problems related to planning for the Potomac.

This meeting between top Federal and State officials was an important first step in preparing a plan for the Potomac in accordance with a direction issued earlier this year by President Johnson.

In an atmosphere of harmony, Federal and State officials agreed to work together to solve the problems of the Potomac River. It was agreed that State representatives should serve on the Potomac Task Force, the group that is studying the river basin, in order to develop a plan.

I had the pleasure of attending this initial meeting between the Secretary and the Governors. Several other Members of Congress also attended the meeting, and contributed to the discussion.

Two statements of particular importance were made: One by the distinguished Governor of Maryland, J. Millard Tawes; the other, by James O'Donnell, director of the Maryland State Planning Department. The statements by these two gentlemen clearly define the problems that must be dealt with if the Potomac is to be developed to its fullest potential.

Much of what Governor Tawes and Mr. O'Donnell said applies to river basin planning across the Nation. I am sure that my colleagues in Congress will find their remarks to be most interesting, in light of the water-resource problems that are prevalent in so many sections of the country.

I request unanimous consent that these two statements be printed in the RECORD.

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

STATEMENT BY J. MILLARD TAWES, GOVERNOR OF MARYLAND

I am delighted to be a part of this session today to discuss proposed development of the Potomac River Basin. This gathering represents the first time to my recollection that the Governors of the States of the Basin, and a member of the Board of Commissioners of the District of Columbia, together with the congresisonal representatives of the Potomac River Basin States, have assembled jointly to discuss these problems.

Similarly, to the best of my knowledge the April 19 meeting of the Governors and Commissioner Tobriner was also the first time the the chief executives of the respective jurisdictions assembled together to discuss the Potomac. That meeting resulted in the creation of the Potomac River Basin Advisory Committee on which each of the States and the District of Columbia has three representatives working together to coordinate their respective views on the basin development.

As I am sure all in this room know, the Federal Government and the States too, have for many years looked at the growing problems of the Potomac River Basin with increasing concern and expressed hopes. Now, after many studies and much speculation, we are at a point where constructive and implementing action is called for, and I sense Secretary Udall's awareness and interest in this point of view from his letter of May 7, inviting the Governors of the basin and the Chairman of the Board of Commissioners of the District of Columbia to this meeting. In that letter the Secretary said—"It is our desire to produce the broadest possible basinwide consensus on the use of the resources of the Potomac. This, of course, will require the fullest kind of cooperation by the Federal agencies, the District of Columbia and the four States of the basin."

In response to Secretary Udall's letter, I replied that "Maryland has much at stake in the Potomac River Basin and is vitally interested in actions proposed for solution to the Potomac problem."

I further indicated that "Maryland will supply to the fullest extent possible the cooperation necessary."

I am certain that this is the dedicated intention of all of us here today.

Of course, it is a matter of common knowledge that the Potomac River Basin problems are not simple, nor can they be isolated distinctively one from the others. The diversity of problems in Maryland alone includes three major divisions: those of the estuary; of the metropolitan Washington area; and of the upstream reaches of the river and its tributaries.

The Potomac River Basin covers 40 percent of the land area of Maryland in which about one-third of our population dwells and includes urban centers such as Cumberland, Hagerstown and Frederick in addition to the metropolitan Washington population.

The importance of the Potomac River Basin to Maryland and to the other States in the basin, to the Nation's Capital and local jurisdictions need not here be recounted in detail except to note that the water resources of this drainage area currently supply the municipal, industrial, rural, domestic and agricultural and some recreational needs of more than 3 million persons; the potential of the basin shall have to be carefully planned and developed on a timely basis in order to serve the wide variety of water needs of the area, the population of which in the next 50 years is expected to reach 7 million.

These considerations dictate that we arrive at a practical and balanced development program that copes with the many problems of the Potomac, recognizes financial realities, looks to the total well-being and economic health of the region, and at the same time can be realistically accepted by the people as a whole.

Certainly it goes without saying that the concerted and comprehensive approach to the problems of the Potomac now underway does not imply for a minute that any of us would, or should, lessen our continuing State and local efforts in our various activities realted to these problems. In fact, in actual practice the directly opposite is indicated.

As an example, we at the present time are intensifying the task of developing and applying adequate and effective soil erosion and sediment pollution control procedures. In this effort, I anticipate not only our concerned State agencies will step up current activities, but hope also to have the understanding and cooperation of the various county and local groups as well.

Other similar problems in the areas of water supply, water quality control, recreation, flood control, and the like will continue to get our full attention and understanding and the professionals and technicians working in these areas are prepared to give full cooperation to the Potomac study, working through the Potomac River Basin Advisory Committee.

When the executives of the States in the basin and the Chairman of the Board of Commissioners of the District of Columbia met to form the Potomac River Basin Advisory Committee, we set these as our basic objectives: To coordinate the views of the several basin jurrisdictions on significant matters pertaining to the Potomac; to demonstrate to the responsible Federal agencies the great concern and interest of the States and the District of Columbia in these matters; and to advise the heads of government on the best possible permanent interstate organization for the planning of the development of the Potomac Basin. In pursuing these objectives, we seek full and active participation of the States and the District of Columbia in this program of development.

I am assured that the spirit of cooperation and mutual understanding demonstrated in the initial relationships between our State group and their Federal counterparts augers well for the successful outcome of the work that lies ahead of us.

STATEMENT BY JAMES J. O'DONNELL, POTOMAC RIVER BASIN ADVISORY COMMITTEE OF THE GOVERNORS

Mr. Secretary, Governor Tawes, Governor Harrison, Governor Smith, General Duke, distinguished Members of the U.S. Senate and Congress, Assistant Secretary Holum:

I am highly honored to be a participant in today's program in such illustrious company—an honor I share willingly with the 14 distinguished gentlemen whose representative I am here today.

About a week or so ago, I attended a conference in New York City. On arrival at Newark Airport, one of the first things I noticed was a sign advising that because of the water shortage, the air conditioning had been turned off. And in the restaurants, no water was being served with meals—you had to ask for it. This I think is a novel experience for those of us who live in the East—one that we would prefer not to see often repeated. And certainly one that we don't want to experience here in the Potomac Basin; and yet I noticed a press release in Saturday's paper which said that "the flow of the Potomac River dropped this past week to the lowest June figure in 35 years".

In actuality this is what our focal point on the Potomac really is. Water for man's basic needs; for his health and well-being; for services; for man's desires and wants.

All else we do here in the Potomac Basin, relative to flood control, low-flow augmentation, supply, recreation, natural beauty, and the rest, relates to the basic need for water—to get it where and how we want it in sufficient quantity and quality.

It is a complex problem that isn't going to be solved by preconceived concepts and pressures, or for that matter, solely by technical know-how. What it is going to take is patience, objectivity, and before we're through, some outright statesmanship on the part of all involved.

The problem of the Potomac is one that the Federal Government alone, the States alone, local government alone, and civic groups or technicians alone cannot solve, but one which all these elements working together may solve.

It is the hope and purpose of our Potomac River Basin Advisory Committee to supply at least some part of the ingredient that will encourage the coordination of all of these elements.

Our committee has three representatives from each jurisdiction—Virginia, West Virginia, Pennsylvania, the District of Columbia, and Maryland—representing roughly three basic areas of interest: water supply and pollution; recreation and open spaces; and general planning and development.

Through membership of the Committee and with the support of the Chief Executives of the respective jurisdictions, we expect to be able to bring to the Potomac program the knowledge and experience that is available in our jurisdictions. Toward this objective we will place observers on each of the four major task forces organized by the Federal Government. These representatives will participate in the meetings, discussions, and exchanges of the task forces, contributing their knowledge and points of view on the studies and supplying a ready feedback of information to the parent Committee to relate to or for establishment of policy guidelines.

The work of the Committee and the respective task force representatives we expect to tie together by a staff to be quartered in Washington. In addition to technical defects with task force groups, the Potomac River Basin Advisory Committee will address itself to tackling problems of permanent organization.

Each group of three committeemen from the respective jurisdictions under this arrangement has opportunity and obligation to study and evaluate not only the State point of view, but also the outlook of local government and other local groups within each jurisdiction.

The three Committee members in my State have agreed that we will establish and maintain contact with our counties, cities, towns, and other groups in our part of the basin, to learn of their programs, needs and wishes relative to the Potomac and to try to relate such of these as we can to the study program and ultimate decisionmaking process.

It would be logical in this process to have a meeting or series of meetings within our State to relate in both directions the recommendations and progress.

The Committee members for the other jurisdictions I'm sure will work out similar procedures.

I look upon the work going on here now in the Potomac as not just a program for the Potomac Basin—and as such related to the Nation's Capitol—but in addition, in the nature of a pilot operation for river basin planning and development in general. Here we have all the complexities we could possibly find in river basin problems—all the different administrative levels of Government, all the complexities of estuary, metropolitan area and upstream reaches—and a very high rate of population growth.

If we can solve some of the pressing problems, we will have set a guiding example for the rest of the Nation.

While we are just embarking on our work and studies, the general spirit of cooperation and mutual respect and understanding that has been evidenced in our contacts and meetings with the Federal Interagency Group, under the leadership of Assistant Secretary Kenneth C. Holum and Mr. Henry Caulfield, has been most encouraging and gives hopes for constructive and useful results.

AN INTERNATIONALLY ACCEPTED WAY TO CORRECT A PROBLEM

Mr. BARTLETT. Mr. President, last week I introduced a bill to establish a 12-mile territorial fishing zone.

In Japan, the bill has been criticized as being contrary to international law and to international custom. The facts do not support such statements. There is no international law establishing proper breadths for territorial seas.

In 1956, the International Law Commission did state that it considered 12 miles the maximum limit for territorial seas permitted by international law. In other words, the Commission's position would allow the United States to extend its territorial sea boundary from 3 miles to 12 miles. I am not advocating any such drastic action. I believe in freedom of the seas. For that reason, my bill does not affect present regulations governing U.S. jurisdiction over commerce and navigation. For those purposes, the width of our territorial sea would remain 3 miles.

A major agreement, reached in 1964, supports the legality of a 12-mile fishing zone. Sixteen European nations signed the agreement restricting to signatories of the pact fishing between 6 miles and 12 miles of their coasts.

The same year, the House of Delegates of the American Bar Association called for an international effort to establish a policy on territorial seas, because there was no agreement on the question.

Obviously, my bill cannot be contrary to an international law which does not

exist; and even the most cursory look at territorial fishing zones of other nations will show that my bill does not violate international custom. Only 11 nations still restrict their territorial fishing zones to 3 miles.

In short, Mr. President, the United States is out of step with most of the rest of the world, by not extending the limits of its fishing zone.

By being out of step, we are allowing foreign fisheries to exploit a valuable national resource. If this exploitation is not halted, it will soon reach the point of no return. When that point is reached, this nation will have lost an industry which currently does $600 million worth of business a year. About two-thirds of that catch is harvested within 12 miles of our coast. Proper conservation of this resource can triple the $600 million figure.

This figure clearly shows that this nation has a large stake in a 12-mile territorial fishing zone. It will benefit east coast communities as well as west coast communities.

I suspect that the outcry against the bill indicates the value that at least one foreign nation places on the fish resource close to our coast. These critics claim that the bill will adversely affect their fishing operations within 12 miles of our coast. This time, they are correct. By controlling fishing operations within a 12-mile zone, we shall insure that this natural resource is not exploited into extinction. That aim is not only well within international law and international custom; it is also plain, good sense.

MARINE WEATHER SERVICE BY STATION WICC OF BRIDGEPORT, CONN.

Mr. RIBICOFF. Mr. President, on Sunday, July 4, the New York Times published an article on an interesting facet of radio station WICC's extensive coverage. WICC, operating out of Bridgeport, Conn., provides a comprehensive weather service for boating enthusiasts on both the New York and the Connecticut sides of Long Island Sound. I ask unanimous consent that the article be printed in the RECORD.

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

WICC BROADCASTS AID PEOPLE ON WATER—METEOROLOGIST ON SERVICE SIX GIVES WEATHER REPORTS

(By William N. Wallace)

Week in and week out, Long Island Sound is a perverse body of water for the thousands who use it as a nautical playground. The problem is the weather. It is hard to know what the sound will be like on any given day, a flat frying pan, a mean tank of froth, or something pleasant in between.

Predicting the idiosyncrasies of this great recreational facility has become the challenging task of Walter Devanas, a 35-year-old meteorologist who deals with his subject at first hand for 12 hours every weekend and holiday through the summer boating season.

Devanas is one half of the crew of a flexible floating laboratory sent to sea by radio station WICC of Bridgeport, Conn. The mother ship is a modest 27-foot Chris-Craft skiff with its name, Service Six, prominently displayed on the topsides.

Bill Conover, a marketing executive from Old Greenwich, Conn., with a solid boating background, is the captain of Service Six. He plots her courses and gravitates to places where he can tap the knowledge of people to whom the sound is a way of life.

ON THE AIR

The sum knowledge of Devanas, the practical meteorologist, and Conover, the knowing boatman, is then given to listeners of WICC (600 kilocycles on the standard broadcast band). This pair comes over loud and clear on a remote relay from Service Six for 3-minute periods at 40 minutes after the hour beginning at 7:40 a.m. on Saturdays and 8:40 a.m. on Sundays, until 7:40 p.m.

WICC, a powerful voice that has a vast audience on both sides of Long Island Sound, is one of a handful of radio stations that seek the boatman's ear. Its service for 7 years was recently cited by the New England Marine Trades Association.

The association, which in 2 previous years had similarly honored the States of Massachusetts and New Hampshire, gave the radio station a safe boating award for promotion of safe and sane uses of the boat.

With Devanas, beginning his first year on the air, WICC is safer than ever. The station is now providing its floating meteorologist, by means of shore-to-ship high frequency radio, the radar advance warning transmissions assembled on a high-speed communications system by the U.S. Weather Bureau.

BAD WEATHER LOCATED

The radar locates and tracks weather fronts, squalls, rain showers and other aberrations, with given and moving azimuths. Armed with this information, plus the standard weather maps and other tools of the meteorologist, Devanas is prepared to stick his neck out.

"We like to believe we can tell the boatman on the sound what he can expect for surface weather in the next few hours," Devanas said. "This is a challenge because what Mark Twain said about New England weather is essentially true: 'If you don't like it, wait a minute.'"

Devanas admits that meteorology, especially when applied to such a localized area as the sound, is an imperfect science as to prediction. "It's also a young science," he said. "We are just beginning to make advances through better communications. I admit I cannot always be right in such a small area. But I call the shots as I see them. From what we can gather through mail, phone calls, and the saluations we receive on the water aboard Service Six, the people like it."

Devanas comes to his vocation with a strong background. He spent 12 years in the U.S. Navy, almost all of the time at sea as an aerographer's mate whose task was to interpret weather for those who steered the ships.

FOR THE GREEN AT SEA

The broadcasts of Devanas and Conover are not overly sophisticated. The pair recognizes the fundamental lack of knowledge among the boating public as to weather and general seamanship. They tuck into their broadcast all kinds of educational fundamentals and only occasionally add something sophisticated, something "in."

"A couple of weeks ago," Devanas said, "we had the effects of a heavy easterly wind which had blown into the sound. I noticed on an oceanographic level that the easterly had brought in a considerable amount of seaweed that is normally only found in the Gulf Stream and in other warm water currents. We had a kind of Sargasso Sea in the sound. I talked about it and a lot of people called in to say how much they appreciated that touch."

FATHER AHAPIUS HONCHARENKO

Mr. BURDICK. Mr. President, today I received a letter from Dr. Anthony Zukowsky, president of the North Dakota Chapter of the Ukrainian Congress Committee of America. The letter is most informative. It deals with the life of a learned and colorful Ukrainian-American, the Reverend Ahapius Honcharenko, or Father Honcharenko, as he was popularly known.

Father Honcharenko came to America in 1865. Inspired by the democratic traditions of Western philosophy, and armed with a perceptive understanding of the American Declaration of Independence, Father Honcharenko left everyone he ever met with a bit more respect for the principles of liberty on which our Republic is founded. To millions of Americans of Ukrainian descent, Father Honcharenko is respected as the most eminent political immigrant ever to come to America from the Ukraine.

I ask unanimous consent that an article entitled "Honcharenko, Patriot, Exile," written by Irvin E. Thompson, be printed at this point in the RECORD.

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

HONCHARENKO, PATRIOT, EXILE

(By Irvin E. Thompson)

It was a real California morning, that morning, when 19 Epworthians started on their pilgrimage to see Honcharenko. The day seemed made for the trip and the spirits of the crowd mounted higher as they rode around and over the hills 5 or 6 miles in a big bus drawn by four horses. What a view lay before them. The Bay of San Francisco with its silver expanse stretching as far as the eye could see, the acres and acres of orchards and farms, the thousands of hills covered with grazing cattle, until one of the boys exclaimed as his attention was called to it, "Why, that is in the Bible." One could use pages in describing the wonderful scenery but I started out to tell you about Honcharenko.

Who is Honcharenko? The most interesting person in northern California. You do not believe it? Wait then until I tell you about him.

He is a Ukrainian Cossack, a native of Kiev in southern Russia, a regularly ordained priest of the Greek Orthodox Church who was banished from his native land and has lived in exile for over 50 years.

What was his crime? Only that he denounced human slavery in the church and state. For this he has gone through persecution and trials such as would do credit to the early Christians. His motto is the motto of the martyr: "Tribulations are my distinction and poverty my glory."

On the morning of our visit he came hobbling out to the gate to meet us, greeting us with hearty words of welcome, "Come in my children, come in." His long, flowing white beard, his fur cap and somewhat bent shoulders gave him a venerable appearance that recalled the patriarchs of the Bible. He is now nearly 82 years old and his sight is not so good as it once was, but here in this retreat named "Ukraina" he has lived for 41 years, laboring with his hands for food and clothing for himself and wife.

Close to the little three-room cottage with its motto "Liberty" (in Russian), over the door, is a tall pine tree nearly 3 feet in diameter, which Honcharenko brought in a little flowerpot when he came 41 years ago. He still has the flowerpot to show to visitors. Right by the house is a huge grape-

vine that came from Mount Lebanon, and in the house souvenirs and clippings that are priceless. Here is the table used when the liturgy of the Greek Church was celebrated for the first time in America by Honcharenko, in Trinity Chapel, New York City, by permission of Bishop Potter. This occurred on March 2, 1865. Here, too, is the printer's "stick" presented to him by Horace Greeley. One could take a long article to describe the interesting relics in this quaint old house, where he and his wife live alone.

When he found that I was the pastor of the Methodist Episcopal Church in Hayward he exclaimed, "I am so glad to meet you. Come and I will tell you what the Methodists have done to me." And leading the way he proceeded to tell of how Dr. Long and others connected with the American Bible Society had employed him to translate the Scriptures into Slavonic, so that the poor people of his country could get God's Word at a reasonable price. Then in 1867 he came to San Francisco, where "Hallelujah" Cox, pastor of the old Howard Street church allowed him to use the Sunday school room of the church, in which to hold services for his people. Here the Methodists collected money enough to help him publish the first tract ever and as he said "to establish Russian printing in the United States." Now there are over 100 Russian papers devoted to the cause of liberty and to the Methodists belongs the honor of starting the noble work.

The first tract published was "Come to Jesus." Only one copy is extant and Honcharenko says he would not take a thousand dollars for that. He later published the "Alaska Herald" in the two languages for a period of 8 years. At the request of the authorities in Alaska he printed a Russo-American primer for the children there. Six hundred copies were issued at a cost of $200, of which the author received $21.75 for his labor. The lessons were original to say the least. No. 3 is a temperance lesson. There is a picture of five bottles in a row and underneath these words:

"Here you see five bottles of whisky. It is strange that wild men will not drink whisky, because they say it is firepoison. A great many men drink it and ruin themselves. Whisky corrupts people and makes them very bad. Good people never take the poison." Isn't that pretty good temperance teaching?

Father Ahapius Honcharenko was educated at the University of St. Petersburg, where he graduated with honors and was sent with the Russian Embassy to Athens. He read to us in Greek and then translated for us the address which he made before King George of Greece, who died only a little more than a year ago. It was while in Athens that he was accused of treason and an attempt made to carry him off into exile in Siberia. Through the intervention of the British Ambassador he was released and given his freedom at Constantinople. Later he had a miraculous escape into Jerusalem, where he had been visiting the Holy Sepulcher. For 2 weeks he was hidden from his pursuers under a bed in the residence of the bishop of Jerusalem. Many times his life was attempted and so he came to America to labor here for his people.

Honcharenko's connection with Alaska and its purchase is very interesting. He was the man more than any other who made it possible for the ignorant Russians to become respectable citizens. One day in Market Street, San Francisco, he was struck down by thugs who wanted some fine gold specimens from Alaska, which were in his possession only a few minutes before. He still has the handkerchief, stained with blood, which was used to stay the wounds. Honcharenko did much to call the attention of the Government to the value of Alaska and has a letter signed by Secretary Seward in regard to the matter. Holding out the blood-stained handkerchief he said, "Upon that blood $300 million in gold has been brought to the United States." His service has been so great that the Government ought to pension him in recognition of his labors.

I wish I had space to tell you all about this wonderful man who speaks and reads 13 and 14 languages, of his connection with the great men of Europe and America, for as Honcharenko says, "I am better known in Europe than I am in Hayward, where I now live. Tolstoi. Yes, I knew him intimately for many months. He was not a good man."

That day, after we had eaten our lunch, we all gathered around and listened as he told the story of his eventful life and exhibited many precious documents. Then we visited the cave in the hillside where the aged priest says his prayer and where he has baptized more than a hundred Russian children and two American children. After this there was a trip to the fine mineral water spring and last of all a visit to the spot where the final resting place of our famous host is prepared, waiting the call into another life.

Time to go home. It came all too quickly and very reluctantly, indeed, we started on the return trip, voting this the finest day's outing ever planned by the department of recreation and culture of the Epworth League.

A few days later Father Honcharenko in the regalia of his office, told the people of Hayward from the pulpit of the Methodist Church how much he and his cause owed to the Methodist people. When that grand old hymn "Faith of Our Fathers" was sung, he explaimed, "55 years ago I heard the same hymn sung in the Methodist Mission in Bulgaria, only in the Bulgarian language. I am so glad I am here." And we were all glad too, for the very countenance of this saintly servant of God seemed to be a benediction and many an eye was moist as the story was related in a straightforward, but simple manner. His life has been full of service for humanity and there is surely a crown laid up for him in that better land, where there is no slavery or cruelty and where truth prevails. One must be better for having come in contact with such a life.

The Reverend Ahapius Honcharenko (1832–1916) first known educated Ukrainian patriot was a neighbor and friend of Taras Shevchenko (1814–61).

He came to America on January 1, 1865, and worked for the American Bible Society in New York, translating the Bible into church Slavonic, into Bulgarian, and into Arabic. He taught at St. Johns Episcopal Seminary at New York and officiated at the first Divine Liturgy at the New York Trinity Episcopal Church on March 2, 1865. Later that year on April 16th, he laid the corner stone for the first Greek Orthodox Church at New Orleans, La.

Moving to San Francisco in 1867, he established a church there. Appointed by Secretary Seward, as an editor of the Russo-English semimonthly Alaska Herald in which he often wrote about his subjugated Ukrainian nation, and his friend, Taras Shevchenko (1868–76).

He was the first man to write a Russian-English grammar book (March 1868) "The Russian and English Phrase Book", which was used by the U.S. Armed Services in Alaska. He was influential in Americanizing Alaska.

He organized the first Slavonic St. Methodius Benevolent Society at San Francisco and helped countless refugees from Russian Siberia.

On his land, following the earthquake at San Francisco, hundreds of people, involved in the tragedy stayed at his ranch "Ukraina" near Hayward, Calif.

He had his own cave on his land, the Pechera, where he served Divine Liturgy daily. Many influential Americans including General Hallack, Secretary Seward, Horace Greeley, and J. Bennet were his personal friends, yet he worked hard, was poor, and died in poverty.

On his land he had many tents where each year hundreds of tuberculosis patients came to be cured.

TRANSFER OF EDUCATIONAL BENEFITS TO CHILDREN OF WORLD WAR II AND KOREAN CONFLICT VETERANS—RESOLUTION OF 442D VETERANS CLUB, OF HAWAII

Mr. INOUYE. Mr. President, the 442d Veterans Club, in Hawaii, is made up of veterans of the 442d Infantry regimental combat team, which fought so well in France and Italy in World War II.

As a member of that organization, I am pleased to report that the board of directors of the 442d Club has adopted a resolution in support of House bill 7531 and Senate bill 1512, which provide that World War II and Korean conflict veterans entitled to educational benefits under any law administered by the Veterans' Administration who did not utilize their entitlement may transfer their entitlement to their children.

If there is no objection, Mr. President, I ask that the text of the resolution be printed in the CONGRESSIONAL RECORD.

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

RESOLUTION OF THE 442D VETERANS CLUB, OF HAWAII

Whereas there is pending in the Congress of the United States of America the following companion bills, H.R. 7531 and S. 1512, both entitled "A bill to amend title 38 of the United States Code to provide that World War II and Korean conflict veterans entitled to educational benefits under any law administered by the Veterans' Administration who did not utilize their entitlement may transfer their entitlement to their children"; and

Whereas although the beneficial educational opportunities under the GI bill were theoretically available to all veterans of World War II and the Korean conflict, the force of circumstances for many of them upon their return to private life were such, whether because of limited educational facilities, family situations which required immediate earning of a livelihood, or other reasons of urgency, that a great number of them were unable to take advantage of the benefits to which they were entitled, and the GI bill became a meaningless document to them; and

Whereas the aforementioned bills are a great step in correcting to some degree the lost opportunity suffered by many of those who performed so valiantly in the service of their country: Now, therefore, be it

Resolved by the 442d Veterans Club of Honolulu, That it vigorously supports said H.R. 7531 and S. 1512, companion bills in the Congress of the United States of America, 89th Congress, 1st session, and favors the passage thereof; and be it further

Resolved, That copies of this resolution be transmitted to the Honorable DANIEL K. INOUYE, Senator from the State of Hawaii, and the Honorable SPARK M. MATSUNAGA, Congressman from the State of Hawaii, both of whom are distinguished veterans of World War II.

"WE MUST SAVE OUR NATURAL RESOURCES"

Mr. RIBICOFF. Mr. President, it was with great pride and pleasure that I read, in the July 4 issue of Parade magazine, an article entitled "We Must Save Our Natural Resources." The article was written by Donald E. Johnson, national commander of the American Legion.

It is heartening and inspiring when a great, patriotic organization like the Legion takes it upon itself to espouse the cause of conservation. The enlisting of Legionnaires as stewards in the preservation of this lovely country's natural beauty is evidence that we are making headway in our conservation crusade.

With the voices of leaders such as Commander Johnson crying "save our resources," we take a giant step toward the defeat of waste, ugliness, and blight. We have a great President who has pointed the way with his White House Conference on Natural Beauty; we have a dedicated and talented Secretary of the Interior, whose book entitled "The Quiet Crisis" did much to awaken the country; and now we have a ready-made army of volunteers to heed the leadership and take up the many-faceted task.

I commend Commander Johnson for his excellent message and his wholehearted commitment to the preservation of this land for ourselves and for future Americans. With that thought in mind, I ask consent to have Commander Johnson's article, from Parade magazine, printed in the RECORD.

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

WE MUST SAVE OUR NATURAL RESOURCES

(By Donald E. Johnson)

One hundred eighty-nine years ago, on July 4, 1776, our new Nation had less than 4 million people, with millions of acres of beautiful virgin forests, clear streams, clean air and abundant wildlife.

Today we have a population of 190 million; we are a strong and prosperous Nation. But we are daily growing poor as we ravage our forests, pollute our streams, and poison our air. We must take steps immediately to conserve our areas of natural beauty so that our children can be assured that they and future generations will have their rightful heritage of outdoor relaxation. We must preserve for them healthy areas in which they may enjoy the traditions of America—"Let's go fishing," "Let's have a picnic," "Lets go for a hike."

And the demand to enjoy those activities is surging. Figures prove Americans of every age are seeking the outdoors as never before. Visits to State parks leaped from 114,291,000 in 1950 to 254,772,000 in 1960, and outdoor devotees visiting National Park and U.S. Forest Service preserves increased from 33,253,000 to 92,592,000 in the same period of time.

Yet during that explosive period total recreational acreage in these facilities increased only from 209,744,000 to 217,148,000—a marginal increase of land area of roughly 3.80 percent while use of State parks increased over 100 percent and national park visits tripled.

WARNING FROM UDALL

Secretary of the Interior Stewart L. Udall has issued this warning:

"By 1970, about 210 million Americans will be competing for the inner space of our Nation. These Americans, flexing their economic muscles, will press for their place in the outdoor parklands of this country, and Federal, State and local parks will have to bear the main burden.

"The least this Nation can do, before our land patterns become unalterably fixed, is to preserve the few remaining extensive areas of natural open space now, while there is still time."

Our ancestors left us a legacy, the great outdoors, broad lands, open seashores, clean and lovely lakes, rivers and streams. All of these are rapidly disappearing. We cannot do less for our young people than save our natural treasures.

The pattern we establish for outdoor recreation in the next few years is destined to be the pattern forever.

If we continue to permit the destruction of our Nation's natural resources tomorrow's children will never know the feel of grass underfoot, or see a bird on the wing. Even our national symbol, the bald eagle, is today threatened with extinction.

America must be for the youth of tomorrow much more than TV sets, apartment houses, crowded cities and express highways; it must be a land of beauty, a land to be loved for itself.

Senator KARL E. MUNDT, of South Dakota, a champion of conservation, says: "With our country experiencing a tremendous and dynamic growth in both population and economic activities, 'tomorrow' may truly be too late to save valued resources. Not only is there a threat to our wonderful wildlife heritage, but many of our other precious natural resources such as woodlands, seashores, lakes and streams can fall victim to unwise uses or abuses."

If our national legacy of wide open spaces is to be meaningful to our children and their children we must act now—with all the power at our command.

RESIGNATION OF GEN. MAXWELL TAYLOR

Mr. KENNEDY of Massachusetts. Mr. President, it was with great regret that I learned of the resignation of Gen. Maxwell Taylor. He has served ably in most difficult times. His courage and calm judgment have stood the Nation well. His service will be missed.

Long before others, General Taylor realized that America would need a much greater capacity for warfare in the jungles and the fields of far-off nations. As Chairman of the Joint Chiefs of Staff, he led the effort to improve that capacity. He pioneered the development of the special forces, which serve in Vietnam today. As Ambassador, he dealt admirably with the delicate political relationships in that proud and war-torn country. It is largely because of his leadership that we have been able to mount the kind of effort needed—military, political, and economic—for the cruel and difficult war in Vietnam.

Our regret is moderated, however, by the fact that President Johnson has been able to recall Ambassador Henry Cabot Lodge to this assignment. Ambassador Lodge has always answered his country's call, whether in the Senate, in the United Nations, or in his former diplomatic assignment in Vietnam. President Kennedy, who originally sent him there, always had the greatest respect for him. So has President Johnson. His willingness to serve is in the finest tradition of the name he proudly bears and of his State of Massachusetts, which has given so many leaders to the Nation.

Ambassador Lodge has been close to the situation in Vietnam, as it has developed over the last 3 years. Even when he left the Embassy, he was continually involved in the development of our strategy and tactics. He has the respect of the Vietnamese people, won in his tenure there. He has the respect of the American people, born of 30 years of public service. Most important, his appointment will allow the continuity of leadership and policy that is so necessary to the acheievement of our goals.

Our purpose in Vietnam has not changed since his tenure as Ambassador. It is to resist aggression; to negotiate, where we can; to fight, where we must. General Taylor represented that purpose with distinction. Ambassador Lodge has, and will in future months. All of us can be grateful that, once again, the gravest of dangers has called for the finest of leadership.

FOREIGN LANGUAGE LEAGUE SCHOOLS, INC.

Mr. MOSS. Mr. President, today I want to say a few words about an important experiment in international understanding which stems out of my home State of Utah. I am referring to the Foreign Language League Schools, Inc., of Salt Lake City, which comprises the world's largest international high school system.

Last year, this remarkable school, which is incorporated under the laws of Utah, sent over 2,000 students to five different European campuses to study French, German, and Spanish, and to take courses in English, in art history, and in European history and culture. This year, it is expected that over 2,500 students will be located on 15 different campuses: 2 in Switzerland, 5 in France, 3 in Austria, 3 in Spain, 1 in Italy, and 1 in Denmark.

In addition, at the request of the French Ministry of Education, the league has organized an English-as-a-second language school at the University of Rochester, in New York, this summer; and 113 French citizens, teachers and students, are now arriving in the United States, to pioneer this course. It is expected that next year about 1,000 French teachers and students will come to this country, under league arrangements.

Students in this unique high school have come from every State in the Union except Mississippi and South Dakota. There are also students from Canada. One after another of these students has said, upon returning home, that the experience has been a "turning point" in his life, and they agree that traveling and studying in Europe have made better world citizens of them.

The Foreign Language League Schools, Inc., is the brainchild of Winnefred and James DeBry. They got the idea for it several years ago, when they visited with a group of high-school students, from 42 nations, who were studying German at a school in Austria. The DeBrys returned to Utah, and set in motion machinery to make it possible for young Americans to attend schools in Europe. Their undertaking has a double objective: that of improving the foreign-lan-

guage facility of young Americans, so they can better converse and read in it, and, as a result, can achieve a better understanding of both their own heritage and that of their counterparts in European countries.

During the 6 weeks the American students are on the campuses of their overseas schools, they spend about 3 hours a day in classroom work, under the tutelage of native professors; and the remainder of the day and the evening are spent in participating in varied programs, which include lectures; hikes; films; visits in local homes; studying commercial, civil, and industrial institutions; and generally getting acquainted with the customs and people of the country in which they are studying. On weekends, rich programs of guided tours to nearby cities and countries are offered.

Chaperones are provided; and the full cost of the 6 weeks' experience for each student is about $1,000.

Endorsements of the Foreign Language League schools have come from educators, parents, and other persons, in all parts of the country, who are acquainted with the program. One of the strongest statements came from Dr. Sterling McMurrin, formerly U.S. Commissioner of Education, who now is provost at the University of Utah. Dr. McMurrin said:

> In educating for the world of today and tomorrow, a world in which the barriers that separate men and nations must be torn down, there is no substitute for involvement with another culture. To learn another language is to acquire the vehicle by which we can overcome our provincialism and cultural isolation and achieve an understanding and appreciation of the life of those who before were foreign to us. To learn a peoples' language while living among them, observing their habits and ways, studying their civic institutions, and participating in their daily activities is clearly an ideal method of cultural education.
>
> In examining the program of the Foreign Language League schools, I have been impressed not only by its apparent educational integrity, but as well by the care with which the league has provided for the needs and welfare of the individual student. The unusual success of the league has been due to careful planning, organization, and supervision. Its eventual impact in expanding the experience, knowledge, and vision of the young people whom it serves would be quite impossible to assess.

I take this opportunity, Mr. President, to extend my congratulations to Mr. and Mrs. DeBry for their courage and farsightedness in establishing the league, and for the excellent administration which has made it a success. I also extend a greeting to the French students and teachers who are now arriving in the United States, to study at the University of Rochester.

I am confident that the Foreign Language League Schools, Inc., are making, and will continue to make, a substantial contribution to better world understanding and good fellowship.

REPEAL OF SECTION 14(b) OF THE NATIONAL LABOR RELATIONS ACT (TAFT-HARTLEY)

Mr. MOSS. Mr. President, few issues before Congress at this session have been submerged in as much emotion and misunderstanding as the President's request for repeal of section 14(b) of the National Labor Relations Act. Today, I should like to discuss that issue.

Section 14(b) is the section, as all of us know, which awards to individual States the power to enact what have been called right-to-work laws. The effect of these laws is to deny to management and to labor the right to negotiate collective-bargaining agreements which contain a union-shop provision—that is, a stipulation that every worker in a bargaining unit or in a plant shall become a member of the union chosen by a majority vote of the workers.

I have made a long and searching study of the effects of section 14(b); and I deeply and sincerely believe that repeal of this section is in the overwhelming best interest of both management and labor in Utah and in the Nation.

Repeal would not, as I see it, abridge personal freedom. Instead, it would give workers a greater control of their personal destiny, as befits every American.

Retention of section 14(b), on the other hand, will continue to restrict collective bargaining in the 19 States which have enacted right-to-work laws, and will make more difficult the achievement of good relations between labor and management.

Many persons do not seem to realize that in order to be established in the first place, a union must have the support of a majority of the workers. The National Labor Relations Board, a Government agency, is charged with the duty of supervising elections by secret ballot, when workers petition to have union representation at a plant or place of employment. By law, strictly enforced regulations surround the election, and prohibit coercion of workers by either labor or management. Only by the free-will expression of a majority of the workers is a union chosen to represent them in bargaining with management. It should be pointed out, as well, that workers may, by secret ballot, vote to discontinue union representation. At the end of any contract period, such an election can be requested.

Under the laws of the United States, once a union wins certification as the bargaining agent, by secret vote of a majority of the workers, it must represent all of the workers in that bargaining unit or plant. It must represent both those who voted for it and those who ignore it. It secures for all of them the contract benefits for hours, wages, safety, and retirement which unions achieve through collective bargaining.

Every employee is free to decide whether he wants the plant in which he works to have a union shop, or, if the plant is already unionized, to decide whether he wants to work there. In this decision, there is complete freedom of choice. However, once a decision is made by the majority, as in any election, all the workers must then abide by that decision.

But if a State has enacted a so-called right-to-work law, workers who wish to do so can refuse to pay their share of maintaining the bargaining agent for contract benefits. Thus, they become free riders. They flout the expression of the collective will, but receive the benefits gratuitously.

Those who argue about the right of the average worker not to join a union overlook the right of a group of individuals to express themselves through their organization, and to benefit by the expression of collective will through the collective bargaining process. Collective bargaining means all members of the group. No one should hold himself as superior or unaffiliated.

Abiding by the will of the majority has never, to my knowledge, been considered a violation of the doctrine of individual freedom. But today, in the debate about repeal of section 14(b), it has become the paramount issue.

Yet, it is no more a violation of human freedom to require a worker to pay dues to a union than it is to require a student to pay his activity fees, or a lawyer to pay dues to the bar, or a doctor to belong to the county medical society before he practices in local hospitals.

The stockholders of a corporation have to abide by what the majority of stockholders decide in choosing directors who manage the money which has been invested. If a stockholder does not like what is being done, he has the freedom to sell his shares, and to invest elsewhere.

There are those who contend that a job is different from a profession or an investment. There are differences; but the basic principles abide. No worker has unlimited freedom. Every job has its conditions: starting time, work rules, job requirements, rate of compensation. Some persons object to them; but they obey them—if they want the job.

Let me make clear that nothing in the proposed legislation would force workers in plants throughout Utah to join a union. This is a decision which the workers in each plant will make for themselves, with complete freedom of choice.

The repeal of section 14(b) would not change in any respect the Federal law governing the conduct of government-supervised, secret ballot elections whenever Utah workers request to be represented by a union. Every worker has a free, unbiased vote. If a majority of the workers in any Utah plant or bargaining unit were to vote against having a union, no union would be established there. Furthermore, if, on majority vote, a union was established, no worker would have to join that union in order to get a job in that plant. But if the employment contract contained a union security provision, then, after a period of 1 month or more, he must accept the contract conditions, including his duty to pay union dues. Of course, he has a right to work elsewhere, if he so chooses.

An interesting situation prevails in Utah: A number of the large corporations which are located there also have plants in other parts of the country. In many instances, these corporations have negotiated union security agreements in other States. I think it is significant that these employers are not opposing repeal of section 14(b). They

evidently believe, as do many other corporations and businessmen, that management and labor should have the right to negotiate union security contracts if they wish to do so.

A former Republican candidate for the Presidency opposes section 14(b) on this basis. Gov. Alfred M. Landon of Kansas, who ran for the Presidency in 1936, has stated emphatically:

Every employer has the right to sign a contract for a union shop if he wants to. Yet, the so-called right-to-work legislation would deprive the employer of that right.

Opposition to section 14(b) comes from many persons in all walks of life, and of all political shades and persuasions. Business, political, religious, and civic leaders throughout the country have spoken out against the ban on union shop agreements. They have declared, in public statements, that the union shop makes for mature labor-management relations, industrial peace, and close cooperation between employers and employees. Let me quote from statements by some of them:

John F. Kennedy:

Let me make it clear once again, as I have in the past, that whatever office I shall hold—I shall always be unalterably opposed to the so-called right-to-work laws at any level, Federal or State.

W. Willard Wirtz, Secretary of Labor:

Any logic of the situation and any practical considerations require, suggest, demand, and warrant the immediate repeal of Section 14(b) of the Taft-Hartley Act.

James P. Mitchell, former Secretary of Labor, under President Eisenhower:

They call them "right-to-work" laws, but that is not what they really are * * *.

In the first place they do not create any jobs at all. In the second place they result in unnecessary and undesirable limitations upon the freedom of working men and women and their employers to bargain collectively and agree upon conditions of work. Third, * * * they restrict union security and thereby undermine the basic strength of labor organizations.

I oppose such laws categorically.

Edmund "Pat" Brown, Governor of California:

I am unequivocally against legislation which would deny a freedom of choice for employees and their employer to agree or disagree on these matters (a union security arrangement) * * * Government should intrude as little as possible into free collective bargaining.

George Romney, Governor of Michigan:

These (right-to-work) laws, whether national or State, are not the answer because they deny to workers the same organization right exercised by stockholders. Management and its policies are the result of majority votes by stockholders, and minority stockholders must accept the will of the majority or sell out. In the American economy and political system, workers must have these same rights of organization.

William Scranton, Governor of Pennsylvania:

I have never been in favor of right-to-work legislation, and am not now * * * I know of no leader in either party in our State who favors right-to-work legislation.

THRUSTON B. MORTON, U.S. Senator from Kentucky:

It is my deep conviction that decisions relating to the union shop should be determined by collective bargaining between employers and unions and not through right-to-work laws.

MARGARET CHASE SMITH, U.S. Senator from Maine:

Back in 1948, when I first ran for the U.S. Senate, I publicly stated my opposition to the so-called right-to-work proposal. It was known then as the Barlow bill. I have not changed my mind since, and I am still opposed to the right-to-work proposal.

National Council of Churches, general board:

To the extent to which labor and management act with a high degree of social responsibility in the process of bargaining, they should be given freedom to deal with issues of mutual interest. One such issue involving this freedom which has come to the forefront of public attention is the right of two parties to include in a bargaining contract the element of union security, as represented by membership as a basis of continued employment. On this point, it is the opinion of the general board of the National Council of Churches that union membership as a basis of continuing employment should be neither required nor forbidden by law; the decision should be left to agreement by management and labor, through the processes of collective bargaining.

Rabbinical Council of America:

Right-to-work (is) a camouflage * * * to weaken and undermine responsible, democratic unionism. * * * (It) makes the nonunion worker a moral parasite in a democratic labor force.

Catholic Church opinion, as expressed by Rev. Benjamin Masse, S.J., associate editor of America—National Catholic Weekly Review:

The overwhelming majority * * * of Catholics justify the union shop in theory and practice, and oppose the present campaign to outlaw it. At least a dozen archbishops and bishops have publicly taken stands against State right-to-work laws.

Rev. William J. Kelly, former chairman of the New York State Labor Relations Board:

Right-to-work laws are immoral according to Catholic social teaching.

John I. Snyder, Jr., chairman of the board and president of U.S. Industries, Inc.:

As an employer, and from the point of view of what is good for an employer, I am firmly opposed to any so-called right-to-work law. * * *

Once a majority of the employees in any plant have voted for a union, that union then has the right and—equally important—the duty to represent every one of the employees in the plant in collective bargaining. * * *

I know that it has been argued in behalf of the right-to-work law that just as no man should be compelled to belong to any particular church, so, too, he should not be forced to join a union against his will. But no analogy could be more unsound.

Put in basic terms, the issue is simply whether an employee, for reasons, real or feigned, of hostility to the union, should have the privilege of not paying to support a bargaining agent that a majority of his fellow employees voted to have represent all of them.

Some have compared this to the right of a voter for Adlai Stevenson, for example, to be excused from paying taxes because Eisenhower won. * * *

We are not so naive, of course, as to believe that these right-to-work advocates are really interested in correcting abuses within the labor movement. Their plan is simply to weaken and ultimately destroy labor unions, by cutting their source of support.

Peter Drucker, management consultant:

Union security is also in the social interest. Without it, no union can be expected to accept the responsibility for labor relations and for contract observance which our society must demand of a successful union movement.

Milton J. Shapp, president and chairman of the board, Jerrold Electronics Corp., of Philadelphia:

I speak as a representative of management—management of industry—and I say that I am opposed, and violently opposed, to a right-to-work law in Pennsylvania or anywhere in the United States.

It would not bring new industry into the State, nor would it raise wages. It would not do labor, or industry, any good. It would not help the individual. * * *

I see nothing in the right-to-work law that helps create good labor-management relationships. In fact, I have a list of big employers and small employers throughout the country who say it does the exact opposite. * * *

It is time we got rid of this phony issue. It is time for all businessmen to look forward to the real needs of the State, and not to look backward to the solutions of a half century ago.

Ed Emerine, Idaho farmer and farm journal editor:

I believe in God, in the 10 Commandments, and the Golden Rule. And if I thought, or could find any evidence, that a right-to-work law would help the farmer, I'd charge right out like a mad bull and get into the fight for it.

Instead, I'm against it. I've never held a union card in my life. But I don't like to see farmers used by the National Association of Manufacturers and the U.S. Chamber of Commerce to put over schemes that, in the long run, will hurt the farmers most of all.

Joseph W. Rocco, a trade union member in Utah:

I've been a union member since 1948, and if it wasn't for the union I would be back at the same pay and benefits as when I started.

Section 14(b) of the Taft-Hartley bill hinders the union and union men. The nonunion man wants the union scale and benefits, but won't pay the dues and assessments to keep the union up.

I'm for repealing the bill, 14(b).

It is apparent, Mr. President, that some persons who oppose the repeal of section 14(b) do so because they oppose trade unions generally. Others are sincerely concerned because of the evidence of corruption and of wrongdoing which has been found in some of the unions.

It is true that some unions have misused their power and have flouted the public interest. I deplore dishonesty or violence or destruction wherever it is found, and I will always do everything within my power to stop it.

But unions are growing in maturity; and they are now, for the most part, responsible organizations, run in a democratic manner. They have been formed

and have prospered because they meet a need. They are here to stay. Without them, we would have a very different America than we have today.

In 1911, when I was born, only 6.5 million production workers were employed by our country's manufacturing industries. The average wage of those workers was approximately 20 cents an hour. They toiled long hours, under working conditions that permitted no human dignity, no protection against industrial accidents, and no meaningful degree of individual freedom.

The worker's only freedom was the "freedom" to be unemployed if he could not provide for his family at the rate of pay offered by his employer. There were no child-labor laws, no minimum-wage regulations, no protection against joblessness, and no insurance against crippling accidents. Almost everyone worked a full 6-day week. A day of leisure on Saturday for working people was practically unknown. Pensions and social security for workers too old to be gainfully employed were still a dream of the future.

Today, as all of us know, these conditions have passed into history. America no longer has a "laboring class" that is set apart from the rest of our society. Recently, I read that in America there are 20 million individual stockholders—capitalists, if you please. The great majority of these are wage earners—even as you and I. Unions are largely responsible—along with the passage of needed legislation—for the elimination of the type of class society that plagues so much of our world.

Now that many of the reforms are won, organized labor is not sitting on its hands. Today, it is in the forefront of drives to improve our educational programs, to strengthen our national defense, to enact strong civil-rights laws, and to protect our natural resources. It is working for laws that will strengthen and improve America for all of us. This is a picture of unions which many would have us forget.

Mr. President, section 14(b) is the only provision of the Taft-Hartley Act which does not apply uniformly to all of the States. As a result, as I have already pointed out, there are right-to-work laws in 19 of our States. Most of them are in the South, although four Western States—Arizona, Utah, Nevada, and more recently, Wyoming—have such laws.

Six States have repealed right-to-work laws, after enacting them. So a total of 31 States have no such law. The trend is, therefore, away from right to work.

I think this is desirable. In the past, it might have been to the advantage of all of us to have the decision as to whether there should be right-to-work laws made in different ways in different States. But changing conditions in the United States and in the rest of the world have made necessary changes in our thinking and in our policies.

Improvements in transportation and communication and the growing interdependence of one section of the country on another have welded us into a national economic complex. Whenever we have economic decisions to make, the laws under which we make these decisions should be national and uniform.

It is as a great common market, as well as on the basis of what is American and just, that I feel that we should approach the question of the repeal of section 14(b) of the Taft-Hartley Act. Repeal would be both practical and fair.

Right-to-work laws do not guarantee anyone a job or the right to a job.

They restrict collective bargaining, and tend to substitute individual bargaining.

They give workers the right to duck their responsibility, and to refuse to pay their share of benefits they receive—although I have yet to see a nonunion worker who was willing to accept a pay rate lower than the one negotiated between his employer and his union.

They prevent an orderly, uniform system for resolving problems of workers, and for removing the causes of grievances.

They deprive management of the right to negotiate for union security, and they deprive workers of the same right.

They are a threat to the continued expansion of our economy.

Finally, they do violence to the American tradition that the will of the majority prevails; and they go counter to all commonsense rules of our free, democratic society.

THE BALANCE OF PAYMENTS

Mr. HARTKE. Mr. President, the dollar deficit is over. The U.S. balance-of-payments problem has been solved. That is what all the reports on the success of the President's emergency balance-of-payments program are revealing. The second quarter of 1965 ended last week; it is already clear that during the second quarter this Nation ran a payments surplus of at least $250 million. What I and many of my distinguished colleagues have been saying for the past few weeks is vindicated: the problem before us today is not that our payments deficit is too large, but that our payments surplus is becoming so.

For the last 8 years, the United States has sent overseas more dollars than have been taken in at home. But these dollars have been working. Our annual payments deficits have provided the working capital for the European and Japanese economic miracles. They have financed a tremendous expansion in world trade. They have gone to the defense of currencies from London to Brasilia. Now these dollars are no longer available.

The major problem before the world, affecting international trade and finance is not any alleged "weakness" of the U.S. dollar. The dollar has never been stronger. Its strength is based upon the biggest, most productive economy in the world's history, and upon the continuation of the longest peacetime economic expansion in this Nation's history. The dollar's strength is demonstrated by the almost incredible speed with which past working deficits have been transformed into today's dangerous surplus.

Today, the major problem before the world, in the field of international trade and finance, is, not the U.S. payments deficits of past years, but the U.S. payments surplus of today, for the end of the dollar deficit means the creation of a worldwide dollar shortage. From Japan to West Germany, the industrialized world is now threatened with dollar starvation. Already, an international money squeeze is in effect, threatening both world trade and the domestic economies of our trading partners.

The achievement by the United States of a payment surplus makes imperative an immediate expansion of international liquidity. On Sunday, the President took one vital step in the direction of international monetary reform, by announcing the appointment of the blue-ribbon Dillon Committee to study international monetary problems. On Tuesday of this week, another major step was taken by Representative HENRY S. REUSS, chairman of the House of Representatives Subcommittee on International Exchange and Payments, who announced that at the end of the month hearings would be held to develop guidelines for improving the international monetary system. All deliberate speed is required in these deliberations if the expansion of international liquidity is to come in time to prevent international deflation and recession.

The swift elimination of the dollar deficit has brought tremendous influence and prestige to this Nation and to its leaders, from the President on down. Now is the time of our maximum bargaining power in seeing that new international monetary arrangements are not made at the expense of the dollar or of the dollar economy. However, two clear and present dangers exist, each threatening the maintenance of our current position of strength.

Threat No. 1. The first threat is that the voluntary program to restrain dollar loans to foreigners will act to cut back privately financed exports and, thus, cut into our historically massive trade surplus. All through the years of balance-of-payments deficits, we consistently proved the competitiveness of our economy by our ability to sell overseas far more goods than we have bought. It would be ironic, indeed, if the elimination of our payments deficit brought with it the collapse of the great pillar of our payments position—our trade surplus The sooner that we realize that the payments battle has been won and that the time has come to consolidate that victory by expanding international credit, the sooner the threat to American exports will be eliminated.

Threat No. 2. The second threat to our hard-won position of international financial strength is at home. It is the continuing restrictive monetary policy of the Federal Reserve Board. This policy, which starves American banks for reserves, even as our payments surplus starves foreign economies for dollars, is aimed at a payments problem which no longer exists, and at an inflation problem which does not yet exist. The Federal Reserve tight-money policy strikes at the heart of the dollar's strength, for it strikes at the great and growing prosperity of the American economy. The

money squeeze which the Federal Reserve Board has created at home must be ended, if we are to be in a position to end the money squeeze which our payments surplus is creating abroad.

The strength of the dollar is now clear to all the world, including the President of France. Now is the time to act from strength. Now that we have successfully defended the dollar's integrity, the time has come to defend the world's prosperity. Now is the time for the President to take the lead in calling for an international conference, to meet this year, to expand international liquidity.

ESTABLISHMENT OF TRAFFIC BRANCH IN DISTRICT OF COLUMBIA COURT OF GENERAL SESSIONS

Mr. MORSE. Mr. President, I introduce, for appropriate reference, a bill to establish a traffic branch in the District of Columbia court of general sessions and enlarge the size of the court by five members.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2263) to establish a traffic branch of the District of Columbia court of general sessions, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on the District of Columbia.

Mr. MORSE. Mr. President, the bill provides that the traffic branch of the District of Columbia court of general sessions shall consist of two judges who shall serve in that branch during their tenure of office. The bill also authorizes the chief judge of the court of general sessions to assign other judges of the court to the traffic branch if the workload requires the assignment.

In addition, the bill provides that the traffic branch shall be open for the transaction of business every day of the year, including night sessions, except Saturday afternoons, Sundays, and legal holidays.

The size of the District of Columbia court of general sessions would be increased from 15 associate judges to 20 associate judges—2 of the 5 additional judges being assigned to the traffic branch.

As chairman of the subcommittee of the Senate Committee on the District of Columbia having jurisdiction over police matters, I have over the past year and a half studied the operations of the Metropolitan Police Department and many of the problems it encounters as a law enforcement agency for the District of Columbia. During the course of my study, I learned that thousands of police man-hours are spent in the District of Columbia court of general sessions which could probably be better spent patrolling the streets of Washington. Mr. President, I am not criticizing the court or the police in regard to this matter. I just do not believe the court has the sufficient manpower to handle expeditiously the cases coming before it for trial action. If this is the case, and I am convinced that it is, it is the responsibility of Congress to provide a sufficient number of judges to handle the cases and the responsibility of the White House to promptly fill vacancies on the court when they occur.

For instance, Mr. President, in fiscal year 1964, police officers spent 41,944 hours of their off-duty time in court, and 59,925 hours of their on-duty time in court. It is estimated that at least 90 percent of the above-mentioned time was spent by police officers in the court of general sessions waiting for their cases to be reached. I am advised that often, after spending a considerable number of hours at the court, the officer is advised that the case is to be continued. This has caused considerable morale problems within the Police Department and has caused internal problems within many of the homes of these officers. It also means that while these officers are sitting the hours away in court awaiting their cases to be reached, they could be on the street during their on-duty time doing police patrol work.

That is where we need them; that is where I wish to keep them during their on-duty periods, for as much of that time as possible. I believe that by doing that, it will be bound to help solve the manpower shortage in the Police Department. I believe that we can take judicial notice of the fact that it would have a beneficial effect in regard to the problem of crime control in the District of Columbia.

I am advised that the average police officer works 1,808 hours per year. This would mean that the courts are tying up more than 56 police officers per day per year. I do not believe that this should be permitted to continue. It appears to me that with a more adequate staffing of the court and the establishment of a Traffic Branch, the cases could be heard more expeditiously. The police officer could be advised to appear in court either for the morning or afternoon session. This, I am convinced, would considerably reduce the number of police man-hours in court. It could also alleviate some of the overtime pay bill problems for police officers presently pending before the Senate Committee on the District of Columbia.

With the serious crime situation in the District of Columbia, every effort should be made to free police officers to patrol city streets. During the course of some recent hearings on crime by the Senate District Committee, I suggested to the District Commissioners and the Chief of Police ways of better utilizing present manpower within the Police Department. The proposal I am offering in the Senate today is another attempt to better utilize police manpower and improve the administration of justice as well.

As I mentioned earlier, my bill would provide that the traffic branch shall be open in the evenings for business.

Mr. President, this is a common procedure in many cities comparable in size to the District of Columbia.

Furthermore, the bill I am offering is not a substitute for the bill offered by the chairman of my committee earlier today, the Senator from Nevada [Mr. BIBLE]. It is a bill that supplements the bill which he has introduced.

I feel that it is very important that this branch be open during the evening hours, so that people who are charged with traffic violations may have their cases heard in the evening after work, so that they will not lose a day's pay. I have a strong suspicion that some people are paying fines, though they are convinced they are innocent and would be found innocent by the court if they went to court, because it is cheaper to pay the fine than lose a day's work waiting for their case to be adjudicated. I see no special problems involved in having the traffic branch open in the evenings. I am informed that the Central Violations Bureau, which is a branch of the court of general sessions, is open in the evenings so that people may pay their fines.

Mr. President, one of the benefits of my bill for the improvement of law enforcement in the District of Columbia would be the diminishing—or should be the diminishing—of traffic ticket fixing in the District of Columbia. If we can supply the people of the District of Columbia with an adequate traffic court to quickly hear these traffic cases, then, it seems to me, some of the fallacious arguments advanced by way of expediency by the office of the Corporation Counsel for the District of Columbia would vanish. For as I have been heard to say heretofore, and will speak at some great length on in the near future, I believe that we must take further steps to stop traffic ticket fixing, even to the degree that it still persists.

Let me also point out that those who believe that my bill may result in all expenditure of public funds and no income, and that it will be an added burden to the taxpayers, had better take a good look at the statistics.

I do not like to put this problem on a money basis, but the fact is that if we have traffic courts available during the hours for which my bill would provide, including evenings, then the Corporation Counsel should have less concern about fixing traffic tickets, violators will be taken to court, and the income received from the fines and penalties imposed on those found guilty will pay many times over for the extra cost of the court which is proposed to be established in the bill.

I have been told that the amount of money flowing into the Treasury of the District of Columbia, which otherwise would have been lost as a result of my campaign to bring to an end or greatly diminish the traffic ticket fixing racket in the District of Columbia, is somewhere in the neighborhood of $300,000.

Take that figure, and we have a rather good idea of how important it was that as chairman of the subcommittee of the District of Columbia Committee with jurisdiction over law enforcement problems and police administration, this abuse should be stopped.

I express my deepest appreciation to the Police Department, and, let me say goodnaturedly, to my colleagues in the Senate—in giving me support, both moral and otherwise, in trying to bring about a cleanup in the traffic ticket fixing racket which had developed in the District of Columbia, with thousands of traffic tickets a year being fixed, a large

percentage of them being fixed through what we call "pull"—political and otherwise.

We cannot have efficient law enforcement unless we provide the necessary law enforcement facilities to bring about that efficient and effective law enforcement.

There is no doubt in my mind that the lack of a traffic court in the District of Columbia is part of the cause—I stress the word "part"—for some of our problems in regard to traffic control in the District of Columbia.

I also believe, Mr. President, that with the establishment of a traffic court, there would be a more uniform administration of penalties administered to those persons found guilty than under the present system of rotating judges.

The present system makes possible the practice of some lawyers of shopping around for the "right kind" of judge to hear their clients' case. With the assignment of two judges to the traffic branch, the quality of their work could also be more closely observed by the press and the public. A great deal could be done by these judges in the field of traffic safety and traffic education.

I have precedents galore from other cities of comparable size which carry out the proposal I am now suggesting for the District of Columbia, of having judges on a full-time basis specially assigned to the traffic bench.

As for the need for the other additional judges provided for in my bill, I rest my case on published statistical material showing the serious backlog of civil cases as well as the fact that the jurisdiction of the court has been recently increased. There is no sign that there will be any decline in the number of cases reaching the court in the near future.

I know of the great interest that Senator BIBLE, the distinguished chairman of our committee, has expressed on the subject of adding additional manpower to the court of general sessions. I pledge my efforts to assist in every way I can to see that additional manpower is attained for this court as quickly as possible.

I wish to supplement his proposals by providing, in addition, for two so-called traffic judges, who would spend their time hearing traffic cases and seeing to it that people get quick, efficient, and fair justice in regard to traffic violation charges.

THE WAR IN VIETNAM—REPLY TO WALTER LIPPMANN

Mr. MORSE. Mr. President, I ask unanimous consent that there be published at this point in my remarks the column written by Mr. Walter Lippmann published in today's Washington Post.

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

ORDEAL OF DECISION

(By Walter Lippmann)

The President must often feel that he is between the devil and the deep blue sea—between the devil of unlimited war and the deep blue sea of defeat. The dilemma is a cruel one, and for some time now, since the rejection in April of his offer to negotiate, he has had no policy for winning the war and only a speculative hope as to how to bring it to a decent end.

He has hoped that a military stalemate would produce an acceptable negotiated settlement. Our present objective is to stave off military defeat in the south and soften up the north by limited bombing. By autumn we ought to know whether the current administration strategy is based on a true estimate of the state of the war, or whether it is, as some of us fear, a device for putting off the evil day of having to decide between unpleasant alternatives.

If the current strategy is successful, it will be a most happy surprise. If, by the autumn, Hanoi with Peiping's consent agrees to negotiate at all, it will at least mean that there is a pause in the relentless movement toward a larger war. But there will still remain the very great question of whether the Vietcong and Hanoi and China will agree to any settlement which bears some recognizable resemblence to the objective of an independent South Vietnam which the President and Secretary Rusk have been talking about.

Were this to become possible in the autumn, it would be a miracle. For we would have snatched a moral victory from the jaws of a military defeat. It seems most unlikely that it will happen. It is unlikely that the Vietcong will be ready to quit if it does not win a military victory during this monsoon season. The Vietcong and its allies have been at war for 20 years, and there is no reason to suppose that they are not prepared to go on for many more monsoon seasons.

As for inducing North Vietnam to pull back, it is significant, as we know from Secretary Rusk, that Hanoi has thus far refused even to talk about some kind of cease-fire in return for a cessation of the bombing. It looks as if Hanoi has taken into account that it will probably be bombed, has discounted its losses in advance, and is prepared to commit its formidable army to the war. From their point of view the stakes are very high.

If the hope of a stalemate to be followed by the negotiation of an agreeable settlement fades out, the President's Republican critics will demand that he win the war by devastating North Vietnam. The Republican activists, Messrs. FORD, and LAIRD, have taken up where Barry Goldwater left off, that is with the simple-minded notion that this war, and virtually any other war, can be won by bombers. It will not be easy, however, for the President to refuse to try strategic bombing. For if he holds back, he has no way of proving that the policy will not work. This will be especially awkward if large numbers of American infantrymen are bogged down in South Vietnam. The evil consequences of unlimited bombing upon the whole international situation would not be visible until the policy is undertaken.

In order to resist the Republican attack and satisfy our deepest interests, the President will need, I think, to make a decisive change of policy. He needs a new policy which will override the debate about victory, or withdrawal, and will make feasible his hope of an eventual negotiated settlement. The new policy would have to be, it seems to me, a pullback of our forces from the defense of villages and small towns to one or more highly fortified strongpoints with certain access to the sea, and then to advise Saigon that it should seek to make peace with the Vietcong and with North Vietnam.

This would not be a withdrawal from southeast Asia, such as Senator MORSE has been advocating, for the American presence would remain, providing a sanctuary against the persecution of our friends and a basis of influence while a new order of things in Asia is being negotiated. There would not be much glory in such a strategic retreat. But it would not be a surrender. It would be honest and honorable; since it would be feasible, it would be credible. It would extricate us from a war that cannot be won at any tolerable cost; it would disentangle us from a political commitment that is grossly overextended and leave us with the possibility of playing a significant part in the eventual settlement with China.

Mr. MORSE. Mr. President, in the course of the column, Mr. Lippmann, for whom I have great respect and admiration—in fact, I point out in the letter, which I shall read momentarily, that I have found him to be a very reliable source of information in connection with America's war of outlawry in Asia—he committed one of the few errors that I have found him guilty of, when he said:

> This would not be a withdrawal from southeast Asia, such as Senator MORSE has been advocating, for the American presence would remain, providing a sanctuary against the persecution of our friends and a basis of influence while a new order of things in Asia is being negotiated. There would not be much glory in such a strategic retreat. But it would not be a surrender.

Mr. President, Mr. Lippmann is not the only journalist who has formed the erroneous impression that the senior Senator from Oregon, during the past years in his many speeches here in the Senate and across the Nation, advocates getting out of South Vietnam.

That has never been my position. What I have urged is that the United States change its status in South Vietnam from one of unconstitutional warmaking, which violates international law and treaties, point by point.

I have advocated that we stop our warmaking and join in a multilateral effort with other nations in keeping the peace. There is as much difference between the status of warmaking and the status of keeping the peace as there is between high noon and black midnight.

I wrote Mr. Lippmann the following letter this morning:

JULY 8, 1965.

Mr. WALTER LIPPMANN,
Washington, D.C.

DEAR MR. LIPPMANN: I think you know the high regard in which I hold you, both as an individual and as a keen student of foreign relations problems.

Time and time again during the past 2 years, I have used your penetrating articles on the U.S. undeclared war in southeast Asia to buttress my criticisms of unilateral U.S. military action in southeast Asia.

For 2 years, I have urged that the United States, in keeping with its obligations under the United Nations Charter, formally lay before the Security Council a request that the United Nations take full and complete jurisdiction over the threat to the peace of the world in Asia. In those speeches, I have pointed out that if Russia or France or any other member of the Security Council should veto a U.S. resolution calling for United Nations jurisdiction over the threat to the peace in Asia, the United States should then call for an extraordinary session of the General Assembly of the United Nations and lay the issue before the General Assembly. At no time, have I advocated that the United States should withdraw from southeast Asia.

In your column this morning, I was very disappointed to read these words, "This would not be a withdrawal from southeast Asia, such as Senator MORSE has been advocating, for the American presence would remain, providing a sanctuary against the persecution of our friends and a basis of influence

while a new order of things in Asia is being negotiated. There would not be much glory in such a strategic retreat. But it would not be a surrender."

Contrary to advocating a U.S. withdrawal from southeast Asia, I have, in speech after speech in the Senate and on platforms across our country during the past 2 years, urged that we change our status in southeast Asia from one of warmaking to one of peacekeeping and that we urge other nations to join us in a multilateral peacekeeping operation in southeast Asia in place of our present unilateral military warmaking policy.

In the early months of my rather lonely campaign against our country's military outlawry in Asia, I urged that we formally call upon SEATO to join us in multilateral, peacekeeping activities in southeast Asia. I also, in many of my speeches, urged that we formally call for a reconvening of the 14-nation conference that gave birth to the Geneva accords.

However, from the very beginning of my discussion of this crisis during the past 2 years, I have pointed out, time and time again, that in keeping with out clear international law obligations under the United Nations Charter, we should call upon the United Nations to take jurisdiction over this serious threat to the peace of the world. In speech after speech in support of my position, I discussed the precedents of United Nations peacekeeping action in the Congo, the Gaza Strip, Cyprus, and Kashmir. On some occasions, I pointed out that I thought the multilateral action of the United Nations in Korea was very instrumental in bringing about the final settlement of that war.

It has always been my view that if the United States had continued the fight in the Korean war alone without United Nations intervention, that war would have dragged on for years and years, just as I think the present war in southeast Asia will drag on for many years if we continue following a go-it-alone policy. Granted that Australia and the Philippines are making a token contribution to the war effort at the present time, the fact is that their participation in the action is also completely outside the framework of the United Nations.

For a long time, Senator GRUENING and I stood alone in the Senate in our advocacy of the substituting of the rules of international law for the jungle law of military might by which the United States through its administration has besmirched its professed ideals. Recently, a few other Senators have seemed to join us, at least part way, in advocating resort to submitting the Vietnam war issues to the United Nations.

I trust that you will not consider me presumptuous in writing this frank letter to you, but I, of course, owed it to myself to correct your error in stating that I advocate United States withdrawal from southeast Asia. On this point, my major thesis has always been that the United States should stop making war in Asia, and through existing treaty obligations, call upon all other signatories to join in a multilateral effort to keep the peace in Vietnam. We will never know how such an approach will work until we try it. We owe it, not only to our own generation but to future generations.

With best wishes,

Sincerely yours,

WAYNE MORSE.

P.S. I am enclosing speeches and materials of mine on the southeast Asian crisis that rebut a statement in your column this morning, attributing to me an advocacy of U.S. withdrawal from southeast Asia:

1. A CONGRESSIONAL RECORD reprint of a speech I made in the Senate on January 6, 1965. You will find a paragraph marked on page 2.

2. A speech I made on January 15, 1965, at the University of Chicago, with statements marked on page 17.

3. A press release for February 8, 1965, which likewise refutes your statement.

4. A press release for May 9, 1965.

5. A speech I made in the Senate on July 1, 1965—see page 12.

6. A speech I gave at Millersville State Teachers College on July 6, 1965—see pages 6, 10, 11, and 12.

Mr. President, I ask unanimous consent that there immediately follow in the RECORD excerpts from those speeches, press releases, and other material to which I referred in the letter to Mr. Lippmann.

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

[Jan. 6, 1965]

I say again that the senior Senator from Oregon has never favored our simply pulling out of Vietnam. The senior Senator from Oregon has taken the position that if the only course open to us is to remain on a unilateral basis, we cannot justify staying there under international law. What I have urged, in speech after speech and article after article, is that we should make use of existing international agencies for the settlement of this dispute, if possible, by way of negotiated settlement, short of war. So I have urged, time and time again, and repeat this afternoon, that we ought to try to use SEATO; but the fact is that a majority of the SEATO nations want no part of it.

[Jan. 15, 1965]

The question now is whether President Johnson can bring himself to do the only thing that can be done in Asia to escape an expanded war: to bring other interested parties into a multilateral political agreement for southeast Asia.

This could take the form of a United Nations jurisdiction along the lines proposed so wisely by President Roosevelt; or it could take the form of seeking a SEATO action that would police South Vietnam while a political solution is developed; or it could take the form of a new 14-nation conference among the same nations that arranged the 1954 Geneva accords.

[Feb. 8, 1965]

We should have called upon the nations who signed the Geneva accords in 1954 and all the nations who signed the United Nations Charter to join with us in taking joint action under one of those treaties to enforce the peace and negotiate an international settlement of this threat to world peace.

Bombing North Vietnam is but a prelude to years of guerrilla warfare against the United States in Asia. We should stop our warmaking and call upon members of the United Nations to join in a program of united peacekeeping in Asia.

[May 9, 1965]

I am not asking, and have not asked, that we get out of South Vietnam. I am asking that our allies come on in and be of assistance to us in Asia, not to make war but to enforce the peace, just as we cooperate with other nations in enforcing the peace in the Gaza Strip, in Cyprus, and in the Congo. Don't forget that there we have insisted that the procedures of the United Nations be followed. But in South Vietnam, we are urging the substitution of American jungle law of military might for the rule of law.

I am only asking that we walk back inside the framework of our Constitution and the framework of the United Nations. I think we ought to first try to work out an honorable negotiated settlement in accordance with the principles of international law.

This is WAYNE MORSE reporting from Washington, D.C.

[July 1, 1965]

OBLIGATIONS TO SOUTH VIETNAM SECONDARY TO THOSE OF U.N. CHARTER

There is nothing in what I have discussed that would be inconsistent, either, with our commitment of support to South Vietnam.

Article 51 of the charter affirms the right of individual or collective self-defense "until the Security Council has taken the measures necessary to maintain international peace and security. Measures taken by members in the exercise of this right of self-defense shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the present charter to take at any time such action as it deems necessary in order to maintain or restore international peace and security."

If the Security Council declines to take jurisdiction, or if it fails to take action that effectively stops the war, the United States is free to come to the support of South Vietnam, just as other nations are free to come to the support of North Vietnam.

We can continue to help South Vietnam until the U.N. acts to restore peace. But let us not forget that our 1954 commitment to South Vietnam was no treaty, and it pledged only American aid in the form of goods. Even that was to be in return for certain actions on the part of the South Vietnam Government, actions which it has not to this day carried out. Our commitment was contained not in a treaty but in a letter from our President to President Diem, and it extended our foreign aid "provided your Government is prepared to give assurances as to the standards of performance it would be able to maintain in the event such aid were supplied."

The Government of South Vietnam has been unable to fulfill its obligations. Yet we have gone infinitely beyond our obligation, into cobelligerency. By so doing, we have become involved in a situation that brings us under those provisions of the United Nations Charter, to which we are treaty bound.

[July 6, 1965]

That is why I believe it is in our interest to stop the war, and to exhaust every possible means of doing that through the United Nations. We cannot stop the war alone. But the United Nations could, if it would, and the United States has more to gain from a U.N.-imposed peace than from a continuation of the fighting that can lead anywhere but to a victory on our terms.

We can place the issue before the U.N. very simply, by means of a letter addressed to the President of the Security Council. That is our primary duty. In so doing, we do not necessarily have to propose a specific action to be taken. But I believe the U.S. Ambassador should address to the President of the Council a letter, declaring that acting under these articles of the United Nations Charter, the United States requests a urgent and immediate meeting of the Security Council to discuss the matter of the war in Vietnam and the extent of the threat it poses to international peace and security.

That would put the issue where it belongs—before the United Nations Security Council. That would achieve what the Senator from Idaho calls soliciting the help of the United Nations in finding a peaceful solution.

POSSIBLE SOLUTIONS THAT COULD BE PROPOSED BY THE UNITED STATES

It could well be that Security Council members who are not directly involved in Vietnam as yet could come up with some proposals for handling the problem that

would be more successful than what the United States could promote. But we could offer some resolutions.

One of them might take the form of calling upon the Secretary General to bring together the participants in the Geneva Conference of 1954, to discuss the means by which a cease-fire may be obtained and steps which may be taken to maintain the future independence of and peace among the states of Indochina.

That would provide a means of seeking a political solution and settlement.

But it is even more important that we call upon the Security Council to take action to stop the fighting, and send to Vietnam a peace mission. We could do that through a resolution taking note that the Geneva Agreement of 1954 has been widely violated by signatories and nonsignatories alike, and that as a result a condition of war exists in South Vietnam, North Vietnam, and Laos that constitutes a breach of the peace and threatens international peace and security, and which directs the Secretary General to call upon member states to furnish forces and equipment for a United Nations force to separate the belligerents and maintain a cease-fire in South Vietnam, North Vietnam, and Laos pending a political settlement of their dispute.

Quite possibly the sending of a peace force, and the effort to negotiate through a reconvening of the Geneva Conference could both be proposed. They are not consistent.

SUPPORT OF THE PRESIDENT AND THE WAR IN VIETNAM

Mr. MORSE. Mr. President, writing in yesterday's Washington Post, Columnist Roscoe Drummond is applying the theory that if one says something is so, perhaps it will be so. That is a common device among journalists whose profession is commentary, rather than reporting. Many of them slip over into the realm of trying to manufacture events or situations, instead of reporting them or commenting on them.

Mr. Drummond has consistently supported the administration policy in Vietnam. He has "commented" on criticisms of it just as though the critics were directing their remarks to Drummond's own policy. He has answered the criticism faithfully, and sought to downgrade and dismiss the critics.

Today, Mr. Drummond is trying to end the debate over Vietnam by pronouncing it ended.

Mr. President, I ask unanimous consent that the column entitled "Debate Concluded; Defense of Vietnam Supported" to which I referred, written by Mr. Roscoe Drummond be printed at this point in the RECORD.

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

DEBATE CONCLUDED—DEFENSE OF VIETNAM SUPPORTED

(By Roscoe Drummond)

The debate is over. The verdict is in. By now President Johnson knows he can count on the decisive support of Congress and the country behind his decision to defend South Vietnam.

For a time it looked like touch-and-go and many though the President's public backing was crumbling. The professorial teach-ins crying, "Get out of Vietnam" were contagious. Poets writing L.B.J. about how wrong he was seemed to be getting a better hearing than Rusk and McNamara.

But it was the opposition to the defense of Vietnam that was crumbling, not the support. Although there has been no formal referendum, the national decision is amply clear. Here is the evidence:

Top Republican spokesmen—Senator EVERETT DIRKSEN and Representative GERALD FORD, the minority leaders in Congress, who have given Mr. Johnson strong support over Vietnam from the beginning, have just renewed their bipartisan backing.

Democratic leaders in Congress—like Senators J. W. FULBRIGHT and FRANK CHURCH—who have been sharply critical of the President's course in Vietnam, are now agreeing that for the United States to withdraw or give up would be disastrous.

The public critics of the Government—like Hans Morgenthau, of the University of Chicago, the leading professional teach-in—have talked so much and said so little that the country could not fail to see that they had no constructive alternative.

This undermined their criticism so badly with the public that Professor Morgenthau had to shift his stance and say he was against withdrawal.

Some sincerely say, "Let's negotiate." The United States has offered unconditional discussions, the Communists have refused and you can't negotiate at an empty table.

Some sincerely say, "Quit escalating the war." The fact is that U.S. military power is being used with care and measure. It is the Vietcong who are raising the level of terror and escalating the fighting.

Some sincerely say, "The real struggle in Vietnam is economic, not military." It is both, and Vietnam cannot begin to make real economic progress until the aggression is ended and the fighting stopped. At which time, as the President has announced, the United States will provide general aid.

And what next? There is no certain answer. We don't know how long it will be before the aggressor has had enough. But there is no reason to think that the Vietcong are going to overrun South Vietnam if we are prepared to stay the course. I give you the words—and the faith—of Capt. James Spruill, U.S. Army, written to his wife in the United States a few days before he gave his life in Vietnam.

"I feel there is too much talk of despair. Above all, this is a war of mind and spirit. For us to despair would be a great victory for the enemy. We must stand strong and unafraid and give heart to an embattled and confused people. At the moment my heart is big enough to sustain those around me. Please do not let them, back where you are, sell me down the river with talk of despair and defeat. Talk instead of steadfastness, loyalty, and of victory—for we must and can win here.

"There is no backing out of Vietnam, for it will follow us everywhere we go."

Another American has said: "We will not withdraw. We will not grow tired. We will not be defeated."

That was the President of the United States. It is evident by now that his goal is the goal of most Americans.

Mr. MORSE. Unfortunately, Mr. Drummond's effort is not going to have any more effect than his previous efforts, and those of so many of his colleagues, have had in ending the debate over American policy in southeast Asia. That debate is growing and spreading, and it will continue to grow and spread with every new shipment of Americans into the Asian ground war, with every shipment of coffins with the bodies of American troopers in them as they arrive at the west coast.

Like so many columnists of recent days who reflect administration policies, Mr. Drummond seeks to make much of the fact that President Johnson has the general support of the country, and of the Congress, in his conduct of affairs in Vietnam. But he, too, prefers to ignore the basic assumption of this support, which is that the American people generally do support almost any foreign policy of a President until it proves unwise or disastrous over the long run.

There is not the slightest doubt, for example, that the American people would also express support for President Johnson's handling of Vietnam if he announced that our original aims there are impossible of achievement, and undertook a general withdrawal. So would the American people support President Johnson's handling of Vietnam if he appealed to the United Nations to intervene.

The American public place great, almost unlimited, confidence in their President, largely because they have to, in his handling of international affairs because the administration does not give them the facts.

But the warnings are already visible to those who want to know the depth of this support. It is not a support of a given policy so much as it is support of the Office of the Presidency. We all know that the American people are deeply fearful of the Nation's involvement in Asia. We know they shun the prospect of another ground war in Asia. We know they doubt the validity of the argument that we are defending the freedom of South Vietnam, because they know there is little semblance of freedom for the people of South Vietnam under the procession of military governors we have more or less appointed to rule South Vietnam and have supported as our puppets. The American people at the grassroots are beginning to recognize that there has never been any freedom in South Vietnam from the time that the United States set up its first puppet government in South Vietnam back in 1954.

The American people are already beginning to hold for an accounting the spokesman for this administration who have been misrepresenting to the American people that we are in South Vietnam to uphold freedom.

I have asked for 2 years, and again tonight, what freedom? When was there any freedom in South Vietnam? There has not been an hour of freedom in South Vietnam since the United States took control of that unfortunate country by taking over the South Vietnamese exiled from Washington, D.C., and New York City, militarizing him, financing him, setting him up in power; and when Diem could not deliver, we proceeded to support puppet after puppet.

We are now supporting one of the most vicious military dictators that has ever been imposed upon South Vietnam by the U.S. Government. After I finish a bit of research on that man's horrible and shocking record, I shall address the Senate on the information I am now analyzing.

Here is one Senator who will not tell the American people that we are in South Vietnam to support freedom, because it is

not so. It cannot be so, for there is no freedom there. American boys are dying in South Vietnam tonight to support a military dictatorship in South Vietnam. I am satisfied, may I say for the benefit of the apparent lack of information of Mr. Drummond or his willingness to write contrary to information that he knows, that when the American people find out the sordid facts of the kind of government we are supporting in South Vietnam, this administration will hear from them.

I say once again to my President, "Do you think the Republicans will continue to support you in regard to the war in Asia? Watch them when public opinion starts to turn. They will trample each other in trying to get off your ship of state. Mr. President, you are already getting a little taste of what you can expect from Republicans. High leaders in the Republican Party are already publicly advocating the bombing of Hanoi and the Chinese nuclear installations in Red China, and criticizing you because you are not doing it. That is the height of foreign policy of irresponsibility being demonstrated by Republican leaders in this country in these hours."

I repeat, as I discussed at some length only a week ago today on the floor of the Senate, that I am satisfied that the bombing of Hanoi and the bombing and/or bombing of the Chinese nuclear installations would bring Russia into the war, and Russia would not confine her fighting in China.

I say to the President, "We cannot bomb Hanoi without killing Russians, and Russia has as much right in Hanoi as we have in South Vietnam. But if you wish to follow Republican advice, you will lead our country into a massive war in Asia, and the American people will repudiate you, because the American people will learn that there is not the slightest justification for your continuing the unconstitutional war that you are now conducting in Asia."

I respectfully say to my President again, "If you are to engage in making war in Asia, you should get back into the framework of the American Constitution—and you are acting outside of it now—and bring to the Congress a recommendation for a declaration of war."

Only Congress, under article I, section 8, of the Constitution can declare war. Congress cannot delegate to you, Mr. President, the power to make war in the absence of a formal declaration of war. It has almost reached the point where it would appear that Members of Congress are perfectly willing to ignore the language of the Constitution, although each of them walked up to the Presiding Officer's desk in their respective Chambers and swore to uphold the Constitution. I have no intention of violating my oath.

My view is that the war in southeast Asia cannot be supported in the absence of a declaration of war. As I said last Thursday, but wish to repeat again and shall repeat many times in the months ahead, because I want Mr. Roscoe Drummond to know he could not be more wrong than to assume that the debate on the war in southeast Asia has ended, so far as the senior Senator from Oregon is concerned, the debate has only started; and so far as increasing thousands of people in this country, who are being asked to express themselves on the war are concerned, the debate has only started.

There will be those who would like to end the debate. There will be those who will advocate repressive measures to silence those who refuse to rubberstamp the President in the outlawry by our country in Asia. But we are perfectly willing to be judged by history. We have no intention of being a part of the program of concealing from the American people the facts about the war is Asia.

I wish to say a word again tonight, for the RECORD, for the reservationists to read tomorrow, for frequently I speak to the reservationists in the Senate. Do Senators remember them, Mr. President? Not so many weeks ago the President sent to Congress his request for a $700 million appropriation for South Vietnam, but admitted at the very time he sent the message that he did not need the money because he had authority to transfer whatever funds he needed to supply our troops with whatever equipment they needed; and, of course, so long as they are over there, the senior Senator from Oregon wants our troops to have the equipment they need to protect themselves.

But on that occasion the President said, in effect, that he was using that bill to obtain again from Congress a vote on whether it supported his policies in Vietnam. Three Members of the Senate refused to go along with the bill. I was proud to be associated with the Senator from Wisconsin [Mr. NELSON] and the Senator from Alaska [Mr. GRUENING] and seven Members of the House who refused to go along with it.

To me, the most interesting part of that debate was to hear Senators whom I referred to as reservationists claim that in voting for that bill they wanted it understood that they were not rubberstamping the President. They wanted it understood that they expected to be consulted before any decision was made by the President to send any considerable number of additional troops to South Vietnam. They expected to be consulted in regard to our military plans in South Vietnam.

I could not believe my ears. The RECORD will show that my reply was: "You are being consulted now; and this is the last time you will be consulted, if you support this vote of confidence in the President this afternoon, for it is perfectly clear in the language that he is asking for that the President has been perfectly frank, forthright, and honest with Congress in asking for these votes of confidence."

The Senate voted that vote of confidence; and several times since then, as thousands more American boys have been sent to Vietnam, I have, on the floor of the Senate, asked the reservationists: "Were you consulted?" I ask them, for the RECORD, tonight: "Was any Senator who stood here a few weeks ago and said he would vote for the $700 million appropriation to give the President a vote of confidence, consulted? Were they consulted prior to today, when we received the announcement of the latest contingent of several thousand new troops being sent to South Vietnam?" Of course they were not. It sounded good for the record; but the fact is that when the resolution of August, a year ago, was voted, and when the bill of a few weeks ago was voted, the Senate rubberstamped the wishes of the President of the United States. That is my interpretation of the vote. I shall be glad to have my descendants read that I did not vote for it; as I did not, in 1955, seek to vote to the then President of the United States, Mr. Eisenhower, a power that he was not entitled to have under the Constitution in respect to the Formosa resolution; as I refused to vote power to the President at the time of the Lebanon crisis.

But note, Mr. President, that when we considered the Cuba resolution, the Cuba resolution was completely changed. In the Cuba resolution, as to which I spoke at length in the advocacy of this change, in my capacity as chairman of the Subcommittee on American Republics Affairs, no political authority was given to the President of the United States. The Cuba resolution squares with the Constitution.

The Formosa resolution, the Lebonon or so-called Middle East doctrine resolution, and the southeast Asia resolution of last August, and also the bill that was passed a short time ago, cannot, in my opinion, be squared with our obligations under the Constitution.

If Mr. Drummond thinks that the debate has been ended on this vital issue, he could not be more mistaken. I say to him that he has not heard anything yet in regard to the discussion that will take place in this Republic in the months ahead, as more and more American flag-draped coffins come back from southeast Asia. At long last, the American people will be heard from; they are not going to take it in silence. That is why I continue to plead with my President to change our status from warmaking to peacekeeping in southeast Asia, and to live up to our obligations under the United Nations Charter and stop being a violator of the United Nations Charter, as we are 24 hours of the day and night.

Lay the issue before the United Nations in keeping with the procedures of the charter and ask the other signatories to the charter—which countries have exactly the same moral and legal obligations as does the United States—to assume their fair share of responsibility for bringing a peaceful settlement to this war-torn part of the world that, day by day, increasingly threatens the peace of the world.

No, Mr. President; far from the debate being silenced, may I say for the benefit of Mr. Drummond that the debate is growing over the wisdom of the course of action in Asia that commits us ever more deeply to ground action and brings us into closer conflict with the great Communist giants, Russia and China. I do not think I tell Mr. Drummond anything he does not already know if I tell him that there is increasing debate within

the administration itself over our policy. Of course, most spokesmen for any administration prefer that all debate over policy take place behind closed doors and not on the floor of Congress or among the general public.

But the public pressure is growing; the continued support for the President is more and more contingent upon his achieving success not only in curbing communism but in keeping a major war from breaking out. If the casualties rise to the hundreds, or to the thousands, then public support and congressional support for the President and his office, and his policy will dissolve overnight.

The American people put Lyndon Johnson in charge of foreign policy last November. They will give him the benefit of a lot of doubts. But if he makes a mistake that costs the American people a lot of blood, they will take the first opportunity on the first election day to put someone else in charge. That means 1968.

I thought that Walter Lippmann, in a recent column, very wisely pointed out to this administration that it has no assurance of reelection in 1968, for much will depend on the course of the foreign policy that this administration takes in the months between now and November 1968.

The only thing under those circumstances that could reelect the present administration, in my judgment, would be for the Republican Party to out-warmonger the Democratic Party, and because some of the Republican spokesmen these days indicate that they would not hestitate to take us into a nuclear war.

I do not believe that President Lyndon Johnson will fall victim to that kind of bad advice. However, I say to him that if he gets an opposition in 1968 that does not advocate a massive war in Asia, but advocates the United States keeping faith with its own ideas and returning to its professed belief in the substitution of the rule of law for the jungle law in military might, he will be in trouble in 1968—and, may I say most respectfully—he should be.

Mr. President, I want to help my administration avoid that eventuality. So do a great many other Members of Congress who are critical of our present policy in Vietnam because we believe it cannot succeed and that it will bring repudiation to the administration if it is pursued to its bitter end.

That is why we are trying to bring out the facts about the United States in Asia. That is why we are trying to show that the United States stands no better chance of remaining on the Asian mainland than have other Western nations before us. That is why we are urging that the help of the United Nations in seeking peace in Vietnam be sought.

As the military buildup continues, as the casualties rise, and as the participation in the war of the Soviet Union and China draws closer, the level and the extent of the debate in this country will also grow, because the American people have never yet relinquished final control over their affairs to any public official, and I am sure they are not going to start with the war in southeast Asia.

In closing this subject matter, for the benefit of Mr. Drummond, I say: "You could not be more mistaken if you think that the debate on the war in Vietnam has ended." One is going to see a growing interest and concern on the part of increasing thousands of Americans in regard to the policy of making war in southeast Asia, and the subject matter will be the subject matter of debate. In discussions in innumerable community and neighborhood groups across the land, one can go into practically no drawing room and stay for more than 10 to 15 minutes without someone raising the issue as to whether we are right or wrong in our outlawry in southeast Asia.

Mr. President, let me say for the benefit of Mr. Drummond that he will observe more and more debate in the editorial columns of this country, for more and more editors in the country are becoming more and more concerned about the justification of the foreign policy that the President of the United States is following under the advice of McNamara, Taylor, Lodge, the Bundys, and the others who have been talking in terms of a preventive war in Asia.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD an editorial entitled, "Debate and Vote on Vietnam War," published in the July 6, 1965, edition of the San Francisco Chronicle.

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

DEBATE AND VOTE ON VIETNAM WAR

The depth of public division and confusion over Vietnam, even as the American troop buildup in southeast Asia escalates toward 75,000, is revealed by the following statement from the latest Gallup Poll.

"The number of people who would like to see this country stop military action is almost the same as the number who would like to see us step up our efforts—about one in four. One person in three is unable to formulate any opinion."

It certainly should not be surprising to learn that there is no consensus of public opinion on the Vietnam conflict, much as President Johnson would like to feel he has one. The Gallup Poll is merely confirmation of what has been revealed by the teach-ins, by letters to newspaper editors, and by ordinary curbside conversations.

At last Congress seems to be waking up to the disturbed public mood. As one forum where discussion of Vietnam policy ought to be vigorous and voluble, Congress up to now has been relatively and, we think, distressingly apathetic. But last week the opening guns of what we hope will be a genuine debate were heard. It could be healthy; certainly it is desperately needed.

Congressman MELVIN R. LAIRD, the chairman of the House Republican Conference, recently said that the Administration was "needlessly sacrificing" American lives if its objective was a negotiated settlement. Were the administration to persist in that, LAIRD said, it might lose Republican support. He urged more airstrikes and suggested Haiphong in North Vietnam as a target.

Senator MIKE MANSFIELD, the Democratic majority leader, took out after LAIRD. He said he was disturbed by demands upon the President to follow a policy of "what can only amount to an indiscriminate slaughter of Vietnamese by air and naval bombardment—a slaughter of combatants and noncombatants alike * * *."

In rejoinder, Representative GERALD R. FORD, the House Republican leader, came strongly to the support of LAIRD. The President said FORD "must not yield" to some Democrats who would abandon South Vietnam, must not make any settlement involving a coalition government with the Communists, and should force the North Vietnamese to terms by bringing air and sea power to bear on "significant military targets" in North Vietnam without committing ground forces on a grand scale.

FORD's prescription was then attacked by Senator GEORGE D. AIKEN, of Vermont, second-ranking Republican on the Foreign Relations Committee. He said that, like MANSFIELD, he was disturbed by Republican statements urging the President "to broaden and intensify" the war in Asia; he feared it might win for the Republicans the title of "the war party." He is entirely correct in this.

Congressmen and Senators returning to Washington today after the weekend celebration of the independence of the United States will best contribute to the preservation of that independence by carrying on a full-scale debate to a conclusion. The rational way to conclude would be to put the question to a vote: Is the United States prepared to declare war?

If that bald proposition were put, it would unquestionably be defeated. And it is not inconceivable that a congressional refusal to declare war in southeast Asia might provide just the impulse to bring about serious negotiations.

Mr. MORSE. Mr. President, a part of the editorial reads as follows:

The depth of public division and confusion over Vietnam, even as the American troop buildup in southeast Asia escalates toward 75,000, is revealed by the following statement from the latest Gallup poll:

"The number of people who would like to see this country stop military action is almost the same as the number who would like to see us step up our efforts—about one in four. One person in three is unable to formulate any opinion."

It certainly should not be surprising to learn that there is no consensus of public opinion on the Vietnam conflict, much as President Johnson would like to feel he has one. The Gallup poll is merely confirmation of what has been revealed by the teach-ins, by letters to newspaper editors, and by ordinary curbside conversations.

I say to Mr. Drummond that the debate is on, and it will continue as long as we follow a military warmaking course of action in southeast Asia.

RESIGNATION OF GEN. MAXWELL TAYLOR

Mr. MORSE. Mr. President, I was asked an hour or so ago by the press for my reaction to the news announcement that Gen. Maxwell Taylor has resigned as Ambassador to Saigon, and that the President has appointed Henry Cabot Lodge to take his place.

I paraphrase what I said to the press. I said that it is good news to learn that Gen. Maxwell Taylor has resigned as Ambassador to Saigon, for he should not have been appointed in the first place.

I spoke and voted against him in the Committee on Foreign Relations. I spoke and voted against him here on the floor of the Senate.

I pointed out before that he was one of the assistant architects, the chief

architect being the Secretary of Defense, Mr. McNamara, who drew the blueprint for the escalated war in North Vietnam that has violated one tenet after another of international law. I said before that I knew of no qualification that fitted him for the ambassadorship in Saigon.

The predictions I made at that time have been proven true over and over again under his unfortunate work as Ambassador in Saigon, for the political situation and the military situation have deteriorated under this American Ambassador who at one time was chairman of the Joint Chiefs of Staff of the Defense Department.

A military person should not have been put in that position, and his appointment aroused great criticism and suspicion in many capitals of the world. But, Mr. President, the appointment really in effect telegraphed to the world what our plans were, for this was a military appointment. I have not been surprised at a single military escalation that has taken place under Taylor's ambassadorship.

Mr. President, it was bad news to read that Henry Cabot Lodge was appointed as Ambassador to Saigon to succeed Taylor, because he was one of the triumvirate who was another assistant architect in drawing the blueprint for an escalated war in southeast Asia.

This appointment is most unfortunate, and I shall vote against it when the confirmation vote is called for in the Senate.

As I have said so many times, I do not feel very happy when I have to express these great differences on foreign policy with my administration. But I wish to make very clear that I owe it to the President.

It was said to me the other day, in all good nature, by a very distinguished American that Prime Minister Wilson has his back benchers, but the President of the United States has his Wayne Morses. My reply was that the best friends Prime Minister Wilson has are his back benchers, because if one has sincere and honest differences of opinions with the policies of his government and he sits in a position of trust, such as a seat in the U.S. Senate, he owes it to his President and to the people of his country to express the differences of opinion and let the facts be his judge and let history render the verdict.

The Cleveland Plain Dealer of Monday, July 5, had an editorial which I would suggest that Mr. Drummond and other journalists who seem so bent on getting us into an escalated, massive war in Vietnam read. It is entitled "The Bolero Dance In Vietnam." I ask unanimous consent that the editorial be printed in the RECORD at this point.

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

THE BOLERO DANCE IN VIETNAM

On February 18, 1964, Defense Secretary Robert S. McNamara declared that the struggle in Vietnam was a "counterguerrilla war that can only be won by the Vietnamese themselves."

He said, "our responsibility is not to substitute ourselves for the Vietnamese but to train them * * *." The United States, he asserted, "will pull out most of its troops by 1965 even if the anti-Communist drive there falters."

At the time, the United States had 17,000 "advisers" in Vietnam. Today, there are 53,500 U.S. troops there substituting themselves in a counterguerrilla war they presumably cannot win.

This is war, and complete candor cannot be expected from the Defense Secretary or from President Johnson. Military security forbids any revelation of decisions.

But the jump from the 685 U.S. military personnel in Vietnam at the beginning of 1962 to the 53,500 troops there now must come through as a loud and clear announcement to the public that the United States is moving steadily toward a second Korea in which, as Senator EVERETT DIRKSEN has mentioned, 150,000 American troops may soon be embroiled.

While McNamara continues to baffle his news conferences with military jargon and vague implications of success, dispatches from the front are telling of the unsuitability of U.S. weapons for jungle fighting, of the inability of U.S. troops to locate the enemy and of the deadly science the Vietcong have made of the ambush.

For what exact information the public has been given about the increasing throb of the terrible Viet bolero dance, news reporters on the scene must be given most of the credit.

They have depicted the Vietcong as the master jungle fighters they are, even better than they were 10 years ago when the humiliated and routed a battlewise French Army led by the best French military brains.

They have reported the preposterous 4,000-mile flight made by 30 B-52's which plastered a Vietcong forest with thousands of bombs, apparently without a single Vietnam casualty.

Like the French, the American supply lines are overextended for this faraway war and, like St. Cyr, West Point does not specialize in jungle strategy.

While information out of Washington remains guarded and confused, the public must get prepared for involvement on a Korean scale.

Any willingness on the part of either Hanoi or Red China to negotiate is out of the question at this time. Why? Because they obviously are winning in their type of war.

These are the facts, regardless of what Washington says.

LEGISLATIVE APPROPRIATIONS, 1966

Mr. MORSE. Mr. President, turning to another matter, I invite the attention of Senators, very briefly, to the report of the Committee on Appropriations on the legislative appropriation bill for 1966, headed by the subcommittee chairman, the Senator from Oklahoma [Mr. MONRONEY].

It will be recalled that a few weeks ago I deplored in the Senate the fact that the Senate is not the best of employers. It will be recalled that I pointed out, as the chairman of the Subcommittee of the District of Columbia Committee holding hearings on a minimum wage bill for the District of Columbia, that I had evidence that the Senate paid some employees less than $1.25 an hour. I knew that was true of some of our service employees in the Senate restaurant.

I am delighted, and I want to highly compliment the members of the Appropriations Subcommittee that had jurisdiction in making recommendations for legislative branch appropriations this year. Listen to this:

The committee recommends an appropriation of $246,000 for the Senate restaurants. The deficit in the operations of the restaurants during fiscal year 1966 is estimated to be $121,000. In addition, there is a deficit from prior fiscal years of $25,000. The balance, $100,000, is recommended to provide for a wage increase for the restaurant employees. The General Accounting Office, at the request of the Committee on Rules and Administration, made a detailed study of the Senate restaurant operations, including the wages paid to its employees. As a result, a report has been submitted by the General Accounting Office representatives recommending increases in wages for the employees, which will result in increased cost aggregating $134,000 per year.

Under existing law, it is the responsibility to the Committee on Rules and Administration to supervise the operation of the restaurants. The Committee on Appropriations recommends that the General Accounting Office recommendations be adopted.

Those involved the wage increase recommendation.

The sum of $134,000 additional was not provided since this sum was based on a full 12-month operation, and because of the late date the full amount will not be required. Furthermore, the committee believes that prices in the Senate restaurants should be increased in order to assist in financing these wage increases. The committee recommends to the Committee on Rules and Administration that price increases and wage increases be effected as soon as possible. With price increases effected, the deficit for fiscal year 1967 should be materially reduced.

In the event the Committee on Rules and Administration does not see fit to order wage increases into effect, the Architect of the Capitol is directed to return the $100,000 to the U.S. Treasury.

Mr. President, that is a wonderful report. I can well imagine that not all my colleagues, and not all the staff members of the Senate, will be too happy about the recommendation that prices of meals be increased in the Senate, but they can still buy cheap dinner buckets or dinner pails. I think it would be wonderful to see them carrying their dinner pails to their Senate offices if they do not want to pay for any increase in the price of meals.

Let us face it—those poor employees, underpaid, and exploited in the Senate restaurant, are subsidizing us in effect by working for wages below the national minimum of $1.25 an hour. I have talked with many of these employees. I did a little investigating. One of the arguments used is that the Senate restaurant is running too large a deficit. I do not care what the deficit is. We have no moral right to pay our Senate employees a wage below $1.25 an hour.

Let me say to those in charge of the service departments in the Capitol that I expect them to supply, through the Sergeant at Arms of the Senate, the facts concerning the wages they are paying.

If the reports made to me are that there are some spots in the service departments of the Senate paying less than $1.25 an hour, I say that they should be corrected forthwith, because we cannot justify passing legislation increasing the minimum wage to $1.25 an hour and not

having it apply to Senate employees, because in fact and in effect those employees are the employees of each and every Senator—all 100 of us—and I disapprove of paying below standard wages, which, I am advised, exist under the Capitol Dome and under the roofs of the two Senate Office Buildings with respect to some employees.

THE WESTERN SIDE OF OUR CONTINENTAL STORY

Mr. MORSE. Mr. President, today, the New York Times publishes a book review about the western part of the United States, written by Earl Pomeroy, who is a professor of history at the University of Oregon. His book is entitled, "The Pacific Slope." It is an excellent book. It is a scholarly book.

I ask unanimous consent to have the book review printed in the RECORD.

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

BOOKS OF THE TIMES—THE WESTERN SIDE OF OUR CONTINENTAL STORY

(By Charles Poore)

("The Pacific Slope," by Earl Pomeroy; 413 pages; Knopf; $8.95.)

When he went out West in the 19th century, an indomitable old pioneer once proudly said, "I was worth nothing—and now I owe $2 million."

That may be a pittance by our lavish modern standards. Call it a paltry, twisted status symbol if you will. Yet it gives a truly human scale to those great spacious lands Earl Pomeroy leads us through in "The Pacific Slope," a splendid, scholarly history of California, Oregon, Washington, Idaho, Utah, and Nevada.

Here is no Wagnerian-Spenglerian decline of the West. Rather it is a jubilant pageant of new fortunes, where many things that shouldn't happen do, and many that should, don't.

Imagine an American map. Say its colors are still wet from the printing. Fold it in half, the colors touching. Now open it and see how the Atlantic urban sprawl has been duplicated, as it were, on the Pacific slope, along with our eastern spaghetti superhighway networks—mountains and deserts notwithstanding.

The West was the East's second chance. What it made of it, then, must be blamed on, or credited to, easterners in multitudes who for one reason or another went out there and grew nativer than the natives in no time at all.

The West had sunshine. The East brought along cars and industries that spread what you might call a compensating smog. And instead of bringing the temperature down, that just made tempers go up. The East had big banks, big labor troubles. The West has its own plenty now, in those lines. Anyone who thinks New York's politics are a bit inscrutable at the moment can transfer a taste for confusion and fusion to Mr. Pomeroy's scrupuously documented western political chronicles.

Europe's feverish and alarmingly materialistic search for Eldorado ended triumphantly in the West. Gulches blazed with gold. Conquistadores of a new breed, however, won the big spoils. And Mr. Pomeroy never tires of reminding us that greater riches flowed from more prosaic industries out there.

A lettuce grower on a vast scale got lots of the green stuff. So did an orange orchardist. And so, of course, did the railroad builders, the cattlemen, the lumber kings, the sugar people, the maritime concerns, the incorporated shepherds, the real-estate speculators, the flying machine builders, and transplanted easterners who started as moviemakers and ended, with luck, among the oil millionaires. All sit for their portraits in Mr. Pomeroy's gallery.

The East drove the Mormons away and they found their empire in Utah. Nevada turned out silver in quantities and gave the laws of chance a spectacular demonstration ground at Las Vegas.

Without discernible preliminary planning, the Beats found homes away from home, or, if you like, villages away from Greenwich Village, all up and down the sunset coast. They became even more numerous than Nobel physicists at Berkeley, UCLA, Palo Alto and other famous centers of teaching in and teaching out.

Mr. Pomeroy, descended from wanderers who went West more than a century ago, is Beekman Professor of History at the University of Oregon. He has won the Beveridge Award of the American Historical Association.

He takes pride in mentioning that once complacent eastern universities are becoming "uncomfortably aware that bright young scholars on the coast" no longer regard invitations to serve even temporarily around here "as a command from the throne." Such, ladies and gentlemen, is a significant manifestation of upmanship in the glorious company of learning.

The main fact about the West, Mr. Pomeroy notes, is that its place "as an area separate and different from the rest of the United States is disappearing." Another point he stresses, time and again, is that the West was always rather more urban than heedless people thought: it has from the beginning clustered into towns. But then, I suppose, that is equally true for Sicily.

Writing about the West has decidely matured. All scholars know that the Wild West began to lose luster a long time ago. But think of the electronic gadgetry, the technological art the urban sprawl called Hollywood pours into the production of its simple, homespun, deadly hippic operas.

SOCIAL SECURITY AMENDMENTS OF 1965

The Senate resumed 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.

Mr. MORSE. Mr. President, because of the unanimous-consent agreement entered into earlier this evening, the time limitation will not make it possible for me to make my major address on the medicare bill tomorrow. Therefore, I shall do it tonight—and I hope as quickly as possible—for it is a matter which I wish to have in the RECORD for future reference.

Mr. President, I ask unanimous consent to have printed in the RECORD at the end of my speech an article written by a doctor from my own State, Walter A. Noehren, entitled "Now is the Time—a Proposal Concerning Prepayment Medical Care."

I also ask unanimous consent that a sheet headed "Reference No. 1a," from a debate manual written for Sandy High School debate team 1964 be printed in the RECORD along with the article to which I have just referred.

I ask unanimous consent that at the same place in the RECORD there be printed another article entitled "Special Article—Medical Care for Everyman—a Proposal," written by Dr. Walter A. Noehren and Jack R. Hegrenes, Jr., in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, I have conferred with Dr. Noehren over the years many times. We have not seen eye to eye in regard to medicare. I have sought to be of help to him, and he has sought to be of help to me as we have tried to clarify our respective thinking in regard to the subject matter.

In fairness to him, it should be said that he is very much opposed to the bill now pending before the Senate—which I shall vote for, because I believe that it represents a great step forward, that it is in keeping with the teaching of the Good Samaritan, and that it is a bill which seeks to put into legislative enactment the principles of Golden Rule.

The pending bill carries out what I have stated so many times is one of our primary obligations as Members of Congress; namely, to work for legislation which will promote the general welfare of all the people, and not permit the selfish interests of any group with our citizenry to prevent the passage of legislation which as a matter of public policy all the people are entitled to have enacted in their best interests.

Nevertheless, I thank Dr. Noehren for his sincerity of purpose, and for his sincere attempts to win me over to his point of view.

However, I believe that the preponderance of the evidence is clearly against him, and, therefore, tomorrow I shall vote with no hesitation for the medicare bill.

Mr. President, in 1958, I introduced the first Senate companion bill to what was known as the Forand bill, providing insurance under social security for certain medical expenses of people 65 and over.

How well I remember the day on which I offered that bill, because I stood alone; but, as Members of the Senate started to contemplate the import of the bill, I gained some support. That support has snowballed. To show what can happen in a 9-year period, we are now about to witness the basic principles of the Forand bill, which was introduced in the House and introduced by me as a companion bill in the Senate finally being adopted and enacted into law.

Since then, the Forand bill gained steady support among the American people. It was revised as to its coverage of expenses and individuals and, in fact, has been revised and amended many times.

But the principle of the bill has remained, and today we are taking one of the final steps toward its enactment into law. It would be hard to find a better example of the necessity, in a democratic system, for new ideas to be

offered and discussed, voted on, revised, and debated, until the public is familiar with them and is afforded an opportunity either to accept them or reject them. It has taken approximately 7 years for the Forand bill to be enacted. That is about average for a proposal that breaks as much new ground as this one does. It takes time for politicians to be counted on a given issue, for the voters then to pass upon the judgment exercised by the politicians. Yes, medicare became a political issue. But that is how nearly all changes come about in a political democracy. Before they can succeed, they must first be expounded by the few in order to convince the many.

Now we are very close to achieving success with this measure. I shall always cherish the contribution I made to medicare when it was still in its political infancy, meaning when it was supported by only a small minority of Representatives and Senators.

I believe that the public and most Members of the Congress are persuaded that medicare's benefits are both rational and meaningful in terms of the needs of the elderly. I believe that the public and most Members of the Congress are persuaded that the financing of the program is sound and equitable.

But, I also believe that there is another aspect to this program—apart from meaningful benefits and sound financing—whose implications and opportunities merit the most careful consideration. We have a duty to see to it that the administrative mechanisms employed in implementing medicare are completely consistent with the "public interest" and the principles of public responsibility.

Obviously, to the extent that the administrative functions of medicare are rendered by Federal, State, and local governmental agencies, the overriding public interest is well served. Conflicts of interest may arise, however, where administrative responsibilities may be delegated or assigned by the Secretary of Health, Education, and Welfare to nonpublic agencies. These are nongovernmental agencies whose basic commitment is not to the beneficiaries of the program but to whom medicare is an incidental, profitable, and subordinate supplement to other business.

My concern with the need for properly focused and oriented public administration and accountability lies primarily with the administrative arrangements authorized under part A, the basic medicare portion of H.R. 6675.

The Social Security Administration will have overall responsibility for the program. That agency would maintain records of eligibility; notify providers of services of the status of persons eligible under the program; issue identification cards, answer inquiries, etc. In other words, social security would perform the central recordkeeping function along with its other responsibilities.

It has been suggested that a private agency or agencies such as Blue Cross should control the data-processing equipment, records, and eligibility-determination process in order to insulate the providers of services from direct dealings with Government. The means suggested to attain this goal are, however, incompatible with efficient and economical administration in the public interest.

The size of the investment required to establish a proper system and the need to coordinate the various uses of the computers employed, make it imperative that the datakeeping equipment and operation be handled by the Federal Government. It is only under such auspices that the various agencies concerned with the program—such as the Social Security Administration, and the Public Health Service, including the National Institutes of Health—can obtain the kinds of information they need to fulfill their responsibilities. These new responsibilities include administration of a complex set of benefits, deductibles and coinsurance features, and benefit ceilings that may require repeated determinations of eligibility. At the same time a vast amount of epidemiological, morbidity, and costs information will be available. Responsible public agencies must have quick and unfiltered access to these data so that they may have a continuous check on their efforts and thus assure economical and efficient operation of the program.

Other agencies, public and private might be given access to the data in the central information system. But access should not be confused with direction and operation which should absolutely remain in public hands.

Present computer technology is such that local community computer stations can be tied in electronically with a central system. This arrangement would permit State health departments and other agencies to feed information into the system and to obtain answers relating to eligibility, costs, utilization, and so forth. Current technology thus facilitates the attainment of two desirable goals: Ample means of public officials to oversee the operation of the system, and a decentralized program.

Federal direction of the recordkeeping function is absolutely necessary if maximum benefit is to be obtained from the multiple-use possibilities of computer systems. Federal operation provides the opportunity to establish an information system which would benefit all our citizens and all of the groups concerned with health services rather than functioning largely as the private preserve of a select group or private monopoly.

With regard to other administrative functions under part A, the bill requires the Secretary of HEW to use appropriate State and local public agencies in determining whether providers of services—such as hospitals and nursing homes—meet the requirements for participation in the program. Then, the providers of services may nominate an agent to serve as fiscal intermediary between themselves and the Federal Government. Undoubtedly, Blue Cross plans would be elected as intermediaries in most areas. This would be an entirely appropriate role for Blue Cross which is essentially a creature and instrumentality of the hospitals. But, Mr. President, there are a substantial number of administrative functions necessary in addition to those to which I have referred. Auditing of hospital costs, utilization review, consultative services to providers to assist them to maintain appropriate records and otherwise to qualify, and service as a channel of communication between the Secretary and the providers, are among these additional administrative tasks. The bill, however, assigns performance of these functions to a no-man's land. Nominally, they are the province of the Department of Health, Education, and Welfare. As a practical matter, it is anticipated that they will be delegated or assigned by the Secretary to private or public agencies such as Blue Cross or State health departments.

Mr. President, to the extent that any administrative functions are delegated or assigned, I urge the Secretary, and I am quite sure that many of my colleagues join with me in this statement, to give unequivocal preference to State and local public health agencies willing and capable of performing such functions.

There are at least two solid reasons why State and local health agencies should receive preference in any assignment of administrative responsibility. First. The requirements of public responsibility and public accountability in a program financed with tax funds would be met. The New York Academy of Medicine, a distinguished organization of some 2,000 physicians, articulated this point succinctly in a recent policy statement which said:

> When Federal and/or State and local tax funds are available for purchase of health care, whether for public assistance, social security or other categories or public program beneficiaries, it is the official health agencies, and the official health agencies alone, to which should be delegated responsibility for the administration of such funds. The official health agency is the only unit of Government that can coordinate all governmental health programs and combine public responsibility and accountability and the other functions of public administration with the professional skills, concern, and consultation required for setting standards, and for continuous evaluation of program quality and effectiveness.

Use of State and local health agencies would serve to sharpen their skills and develop their expertise—all of which would benefit the total population and not solely the elderly. This position is consistent with the policy of the highly respected American Public Health Association which urges "that public health departments and personnel within State and local health departments be utilized wherever possible to constantly increase and elevate the quality of health care provided to the citizens of this Nation."

The second reason for giving preference to State and local health agencies in all cases where administrative functions are to be delegated, is avoidance of conflict of interest issues.

As a practical matter, the principal competitor vying with the State and local health departments for these administrative functions is Blue Cross. Blue Cross has testified before both the Finance Committee and Ways and Means Committee as to its very keen—almost hungry—interest in the administration of the program.

As I have indicated, Blue Cross is essentially a creature of the hospitals. The American Hospital Association owns and franchises use of the Blue Cross symbol, and sets the standards which must be met by Blue Cross plans. The majority of Blue Cross plan directors are either directly or indirectly affiliated with hospitals. Thus, while Blue Cross can legitimately serve as the agent of the hospitals in dealing with the Government, it cannot possibly serve as the agent of the Government. Blue Cross simply cannot meet the requirement that it "deal at arm's length." Further, Blue Cross plans may be affected by the amount of payments under the Government program—the larger the medicare payment the less the cost that might have to be met by Blue Cross. For example, hospitals incur substantial expense whether a hospital bed is occupied or not. A portion of the cost of maintaining unused hospital beds is passed on to Blue Cross. Thus, if Blue Cross were assigned responsibility for utilization review, it might be advantageous to approve overlong hospital stays by beneficiaries of medicare as a means of reducing its own cost for unused beds.

There are other conflicts of interest involved in use of Blue Cross as other than the fiscal agent of the hospitals. But, there is something almost as serious arguing against all but the most limited usage of that organization.

Blue Cross is simply nothing more than a fair weather friend of medicare. The irresistible perfume which drew Blue Cross nigh consisted of the heady scent of dollars and power.

Consider, for example, Blue Cross's behavior in 1962. During the height of Senate debate on the King-Anderson bill, Blue Cross issued a press release rejecting and denouncing the bill. A press release which, by the way, was quoted extensively on the Senate floor. Blue Cross said that the 1962 bill was unacceptable for three reasons: first, that the program did not include an income test for eligibility; second, that the benefits were not stated in broad categories; and third, "that the Government's relations with Blue Cross were not on an underwriting basis."

Mr. President, not a single one of those three Blue Cross conditions is met in the bill we are now considering and should not be in the bill. Blue Cross was dead wrong in 1962. In my judgment, its opposition to medicare, its propaganda against medicare, its lobbying against medicare in the past does not qualify it, may I say to the Secretary of Health, Education, and Welfare, for being used in connection with the use that it wants now to apply for. Yet, Blue Cross is suddenly a friend to "medicare." Mr. President, I believe that the "friendship" of Blue Cross for medicare today is as specious as its negative arguments of 1962.

The year 1962 was an interesting one for Blue Cross and medicare. In the fall of that year, Blue Cross undertook a massive national advertising campaign promising the elderly new programs of hospital insurance. That, too, was a specious effort. And it was an effort which took place curiously enough during the height of an election campaign. The Senator from New Jersey [Mr. WILLIAMS] thoroughly exposed this rather shoddy affair in a well documented and detailed speech on October 11, 1962.

Mr. President, I think it is crystal clear that a purely public program such as part A of medicare must be administered to the greatest extent possible by public agencies at the Federal, State, and local levels. Preference should be given in every instance to public agencies willing and capable of performing necessary administrative functions.

Mr. President, finally I should like to say tonight that I voted today in opposition to certain amendments that were offered on the floor of the Senate to the medicare bill. The titles of those amendments were very enticing. In my judgment, the bill was not an appropriate vehicles to hitch them to.

I have no doubt that there will be some in the country who are not familiar with the nature of the debate today who will form their judgments on the basis of the titles of those bills. Senators must expect to have it said that we voted against this or that proposal for improvement of social security.

The position that I took was that we should not jeopardize medicare in a conference with the House. We should take to the House a bill that limits itself very much to medicare issue. I yield to no one in the Senate or in the House or in the country in my belief that the Social Security Act itself needs to be overhauled and revised by some needed amendments. I happen to believe that those amendments ought to be considered separate and distinct from medicare.

I happen to believe that we cannot justify the low social security payments that are being given to those who retire on social security, for those payments cannot maintain the individual or his dependents in health and decency. My record shows that for years I have either cosponsored or offered amendments that seek to improve the payments under the Social Security Act. A few years ago I joined with the great Senator from New York, Mr. Herbert Lehman, in the major reforms that he advocated to social security. Few have been adopted, and we have many more to adopt. But I say to the people of my State and to the country that I believe we ought to handle the improvement of social security payments by way of a separate and independent bill dealing with the Social Security Act itself, and not use the medicare really as a vehicle to which we attach, as a rider so-called reforms on social security.

We ought to have hearings on a set of proposed amendments to the Social Security Act, and when those amendments come before the Senate, the senior Senator from Oregon will be speaking in their support and voting for them.

EXHIBIT 1

REFERENCE NO. 1: NOW IS THE TIME—A PROPOSAL CONCERNING PREPAYMENT MEDICAL CARE

(By Walter A. Noehren, M.D., Vancouver, Wash.)

(NOTE.—The following article was written and published in 1947. At that time prepayment health insurance, even though endorsed by the AMA, was as yet not well accepted. Hence a program of compulsory prepayment insurance was recommended to force the pattern, to make it economically feasible. Today—1965—this pattern is more fully developed, so that now it would not be necessary to require compulsion (the Journal of Pediatrics, Vol. 31, No. 6—December 1947—pp. 704–709).)

The development of a medical care program in this country has made considerable progress in the past decade. Progress is too slow however, and we are constantly threatened by possible revolutionary changes in medical care such as proposed in some of the present bills before Congress. It is clear that a change will come that the time is short. It is disappointing to realize that the American Medical Association has fallen into the role of conservative moderator in this problem. The present attempts to provide care by voluntary prepayment plans cannot solve many of the basic aspects of the problem. The present American Medical Association program (1) will not reach low or indigent income groups, (2) will not give complete care, (3) is proving inefficient, (4) does not pay the full cost of hospitalization, (5) is not creating adequate facilities, (6) does not support research, and (7) is not reaching rural and sparsely populated areas.

The American Medical Association, if it wishes to control medical practice in this country, as it certainly does and as is proper, should develop a more comprehensive approach to the problem now. A step forward must be found which will further progress, yet which will allow physicians and patients their proper relationships. The following proposal suggests one possible method of accomplishing this. The proposal is:

That each individual in the country would be required by law to pay, each year, a sum adequate for his complete medical care. He would pay this to a prepayment medical care plan which exists in his area and which is properly incorporated as a nonprofit organization. Those unable to pay such a fee would apply for payment in whole or in part of this fee by government to a medical care plan selected by the individual. These latter persons would be, for the most part, those who are now receiving government care through welfare agencies, but might include also the very low income groups. Evidence that such payment had been made for the current year would be required by the Bureau of Internal Revenue at the time of income tax declaration. Government agencies would not directly handle funds except for those unable to pay. This method or required prepayment would be roughly comparable to preset methods of payment of automobile liability insurance in States where such insurance is required by law.

The laws of incorporation for prepayment plans would be broad enough to allow all of the forms of prepayment plans which now exist except for those which are run for profit. Such plans would include: (1) those of the medical societies, which are a form of producer cooperative; (2) those run by physician groups but not necessarily under medical society sponsorship; (3) those of nonprofit corporations or foundations; and (4) those which are consumer cooperatives. All of these types exist at the present time, and in some areas there is already a wide choice available between various prepayment plans, although almost none offer complete care. The plans should necessarily, to accomplish their full purpose, cover all aspects of medical care including hospitalization.

Under such a proposal, the total amount of money spent in this country for medical care would be only as much more as would be required to produce the extension of care which is demanded by modern standards.

That modern medical care should be available now to all people is beyond question. Each individual would have to pay his annual fee, which would be sizable, but he would derive manifest benefits in return. Many people have already chosen to pay a portion of this fee voluntarily and would welcome the increased efficiency which would result from extension of the insurance principle to the entire population. The private practice of medicine would continue as at present and any person could seek private care at any time with the exception that he could not seek such care from physicians on the panel of his chosen prepayment plan. He could seek such care from physicians on the panels of other plans, or from physicians who would wish to do private practice only. The only fundamental change which would occur in medical practice would be that fewer patients would seek private care since they would have prepayment care by a physician group of their own choosing available to them. The American Medical Association has already endorsed this principle, however, and no other group, except profit groups, could object to such a change. There should be general agreement that medical care should never be conducted with a profit motive. Certainly an intermediary third party, even in the form of an insurance carrier, should never profit from medical care.

Should such a proposal as this be effected, a variety of changes would occur in the present management of medical care. It would seem that the whole evolution would favor the medical profession immensely.

The present wishful thinking about preserving the individual physician as an isolated practitioner would immediately cease, and the medical profession would have to cooperate among themselves in the necessity of proving their contention that medical care should be administered by physicians and not by lay individuals or by government. Because of the complexity and specialization in modern medical care, it is becoming clear that a physician can no longer practice as an isolated individual. Even the general practitioner is becoming a highly trained specialist who must have ready access to experts in a wide variety of fields to give his patients adequate care. He cannot practice alone, but must be a part of a group. Such a group can be as small as 5 or 10 men, or it can be considerably larger. It can be closely organized, or can be a more loose relationship. The medical societies themselves, which exist as county units, are essentially groups, and when such societies sponsor prepayment plans, the physicians on the panels of the plans are working as groups. Failure to realize this fully has been the major fault of the medical society prepayment health plans, for in these plans the physicians are often selfish in the use of prepayment funds.

A physician may order laboratory studies or prescribe therapy which is extravagant and even of questionable value to the patient, or he may see a patient more often than is necessary, and thus use up funds needed for the care of other sick patients. He is thinking in terms of his individual patient and of his individual fee for service without giving proper recognition to the fact that he is one of a group of physicians attempting to provide care to a larger group of patients. The result of this has been an inefficiency which has made it necessary for the medical society prepayment plans either to charge higher fees or to reduce their coverage to the point where the plans have value only for serious or emergency illness.

All of the physicians on the panel of any prepayment plan must work together as a group so that they can give care where it has real value. This may seem to be compromising the judgment of the individual physician toward his individual patient, but this same compromise always exists in the patient-doctor relationship, except in the treatment of the very wealthy. In private practice, the physician cannot order laboratory studies or hospitalization at will, because patients are often unable to pay for these, or because there would be no money left to pay the physician's fee. Medical care is very costly at best, and must be given with economy. Under whatever system, voluntary or compulsory, the medical societies must fully realize this point before prepayment care can succeed. In addition, a considerable education of the general public is required, for many patients attempt to misuse prepayment, largely through misunderstanding. Patients must be reasonable in requests for care, and they must be educated in this reasonableness by the medical profession.

Among the outstanding medical groups in the country are the medical school faculties. A few of these at present are developing participation in prepayment plans. Many others are talking about doing so. The university groups today are faced with problems which will need solution soon. Because of diminishing income from endowments, there is a real need for more money. Because of dependence on indigent patients for teaching material, there is need for more patients in periods of prosperity such as was experienced during the war, and which we all hope may be achieved in peacetime. Under a plan of required membership in prepayment plans, as suggested, the university physician groups could organize as prepayment groups and because of their great prestige, would attract a large patient clientele. They would actually tend to dominate the practice in some areas. This would be proper and in keeping with their excellence. Each might be part of a medical society plan, or might compete with a medical society plan. In any event, the university groups would receive a large income from their work, and would have an increased patient load consisting of patients who, by their joining a university plan, would have expressed their willingness to be used for teaching purposes. It has been well shown that most people do not object to this, but recognize its advantages to them as patients. Students and physicians in training would then deal with patients on a proper level.

The present county, city, and charity hospitals would change their status completely under the proposed plan of required prepayment insurance. These facilities would become, in fact, private hospitals and would accept staffs suitable to their board of directors. There would no longer be the charity or welfare patient, which would be a blessing for all concerned. The inadequate care which patients now receive in many isolated and understaffed county hospitals would be improved because of increased physician economic interest in these patients.

Under a plan of required membership in prepayment plans, as proposed, no physician group would ever be able to relax in its efforts to do good work. The public in the course of time will be an even better judge of medical care, and will express this judgment in its choice of prepayment plan. Monopolization of prepayment would be very unlikely, since groups as small as 10 men would be able to form prepayment plans and could effectively compete in the field. Smaller groups would have to refer some of their more specialized work, such as neurosurgery, to larger centers and would pay fee for service for such work.

The individual patient could be given the privilege of changing groups, but he should not be allowed to do so more than once in a given period of time without special justification. To shop from doctor to doctor is poor and an extravagant way to seek medical care. This shopping about is too frequently indulged in under present medical society plans.

The supplementary use of private consultants would occur and has been experienced under some of the already existing prepayment plans, where it fills an excellent role. Occasionally, in case of serious illness, the patient or his family feels the desire for further opinion. The group caring for the patient under prepayment considers the care already being received completely adequate, but does not object to further opinion. The family, having no expense for the illness, since it has been provided for under prepayment, is able to afford even sizable consultant fees. The consultant is called in and the situation benefits from this added, though usually unnecessary, opinion.

The phrases "freedom of choice of physician" and "fee-for-service," concerning which many physicians argue vehemently in current discussions of medical care, would be properly tested under such a plan as the one proposed. "Freedom of choice" is at best a relative thing and must be understood in its relationships to the number of physicians in an area, proper training for various specialized functions, ability of patients to choose a proper physician, and ability to pay. Certainly as much "freedom of choice" as can be obtained is desirable. Under present circumstances, a large portion of the population has exceedingly limited choice and many have no choice. It is a challenge directly to the medical profession to improve this situation both by making this freedom truly available and by educating the public to the ability to choose.

Under this proposed plan of required insurance, each person would be able to choose a group, and even to choose a "family doctor" by selecting a prepayment group which would make a physician of his choosing available to him. The individual would further be able to change his group at least once in a time period, and he could always seek private care at his own cost. What further "freedom of choice" the medical profession would desire for their patients, they would have to provide and prove valid in group competition. It would not be possible to make allowance for extravagant misuse of "freedom of choice" and "fee for service" by cutting back coverage or by other schemes such as indemnity plans, since complete coverage at proper overall fee would be required of them. What the proper overall fee would be, could be determined accurately in the course of time by the competition between the various prepayment groups, and could be controlled properly by the medical profession. The profession's chance of achieving this proper income level may well depend on its ability to produce a real solution to the medical care problem before some revolutionary and irrevocable scheme is hoisted upon it.

Under the proposed plan of required prepayment insurance, the status of various types of hospital administration would not have to change at first, but one would expect an evolution of ownership and directorship of hospitals by the prepayment corporations which would give the advantage of increased efficiency with closer control of all hospitals by physicians. The fact that hospitals would be controlled by specific groups would not mean that other physicians need be excluded any more than under present methods of hospital control. The Permanente Foundation hospitals for example, which are run by physician groups who give prepayment care, are open staff hospitals and are used by other physicians of the areas for private patients. All physicians associated with prepayment groups would automatically have proper hospital relationships and privileges. This would directly solve the difficulties of the general practitioners who would realize their full importance in prepayment care.

The present status of hospitalization under medical society voluntary prepayment plans contains faults of which many are not aware.

Most of the plans are content to extend limited hospital coverage usually under a separate contract with Blue Cross. The medical profession prefers to concern itself only with medical practice and is happy to have someone else worry about hospitalization. Even now, 70 percent of the hospital beds in this country are in government control yet medical care and hospitalization are inseparable by modern standards and both should be controlled properly by the medical profession. The particular fault of present hospitalization insurance is that it is not adequate to pay for what it attempts to provide, since it depends on private patient income, on hospital endowments, and on government funds to pay much of the costs. If voluntary prepayment succeeds as well as the American Medical Association hopes it will, the private-patient hospital income will diminish. Endowment is becoming increasingly scarce. Government subsidy of hospitalization must then become increasingly important. New facilities will be created only with government help. This phase of medical care can become as unhappily involved in politics as can the practice of medicine itself, and it can interfere considerably with the practice. In its attempts to preserve its own dignity, why does the medical profession lean so heavily in this respect on government and on Blue Cross, a lay corporation? The unity of medical practice and hospitalization must be realized.

Under the proposed plan of required prepayment insurance there would be no excuse for further extension of public health administration into general medical care, and in some fields already invaded, this work could revert back to the practicing physicians where it belongs. Public health administration should continue more or less as it now exists, but should be made available in all areas. All problems of clinical medicine, however, should be handled by the practicing physicians. The public health authority should limit its activity to such work as study of epidemiologic data, enforcement of therapy as prescribed by law, sanitation, pest control, and the like. A closer unity of purpose could be achieved in public health since the health authorities would be dealing with physician groups rather than with a large number of individual physicians. Reporting of infectious disease, poorly done by individual physicians, could be accomplished better through groups. Economic want would never interfere with adequate therapy. The medical profession should welcome a means of stopping the broadening powers of the public health authority, and the public health authority should be happy to be able to administer an effective program without the need to indulge in actual medical care. In a few specialized fields now well established, it might be desirable to continue government administration, as in tuberculosis and in mental illness.

The care of veterans, under the proposed plan could be accomplished by having the Government pay the prepayment fee for nonservice-connected care of the veterans to a physician group of the veteran's choosing. Service-connected disabilities could be handled as at present, either in veterans' hospitals or by special contract with practicing physicians. The huge new veterans' hospitals might better be general community hospitals staffed by local physicians rather than by straight Government employees.

Under this proposed plan of required prepayment insurance, the role of government would be limited even more than it is at present, since all welfare care would be placed back on a patient-physician relationship, government ownership of hospital facilities would be reduced, and public health authority would be limited. The role of government would be limited to writing the laws regulating prepayment corporations (as is done under voluntary plans), arbitration of these laws, investigation of individual income as concerns ability to pay for medical care (as is done for income tax and for present welfare care), and distribution of tax-raised funds to medical prepayment corporations, but always to the corporation selected by the individual citizen, free of political pressure. It is difficult to see how a government bureaucracy could evolve under this type of control, or how politics could have much influence.

The competitive profits motive in practice could be fully maintained, just as in voluntary plans. A large new source of income to physicians would accrue from the establishment of regular fees for patients now treated for substandard welfare fees or as charity patients.

Should such a proposal be effected, it would not be an irreversible move, but could be discontinued with a return to present status. The final outcome of such a plan would depend almost entirely on the ability of the medical profession to produce good care economically and in a form satisfactory to patients. If the physicians themselves failed in their administrative functions, they would possibly become the servants of consumer cooperatives. It is most likely, however, that consumer cooperatives would fall by the wayside because of their indirectness. It is proper that medical care should be administered by physicians, not by physicians sitting in regional or national offices, and certainly not by physicians in government employ or in the cabinet, but by the physicians who are doing the actual competitive practice of medicine.

Under a proposal such as this there would be no basic change in the present status of physicians except for their admission that they practice as groups and not alone. They would have all the patients, plenty of money, and the ability to create proper modern facilities in all areas. In sponsoring voluntary prepayment plans, the physicians have already endorsed the group principle. To hope that voluntary prepayment will solve the medical care problem in this country is unrealistic, even if it may seem the lesser of evils. A middle ground of sound principle must be found. It must be endorsed by the medical profession, and it must be soon.

REFERENCE NO. 1A

From a debate manual written for Sandy High School debate team 1964:

"In a just published book, 'Medical Care in the United States,' Walter J. Lear writes: 'Planning for total medical care is practically nonexistent in government or citizen agencies. And no State or city has a working cooperative relationship among all its health services.' This sort of statement is often expressed. It seems to suggest that what is needed is planning which to most people means administrative design and control or an exterior conformity. But this is not valid, for it fails to understand the inherent administrative, organic nature of medical care. Certainly we need planning, but this must be a creatively conceived design which grows from within and which usually develops best in a pattern of competition.

In medical care, answers must be found from the point of view of the individual patient, the individual doctor, the small community. When these are all satisfied, then the desired pattern will be reached. The point which Mr. Lear has missed is this: that we have almost reached this pattern—we are nearly there. In our private care in America we have reached it. All that remains is to support the low income and the indigent persons so that they can have the same quality and free choice of care as the rest of us. This is best accomplished by support from voluntary funds raised locally, as in United Good Neighbors, and given to qualifying individuals for their own purchase of a prepayment service policy as recommended by their own chosen personal physician.

Also, contrary to Mr. Lear's statement, we have achieved a working cooperative relationship between all health agencies—in Oregon for example. This correlation is achieved by the only person who can possibly do this—the personal physician. This also cannot be learned by looking at care at a national, State, or even at a city level, but by looking at it at the neighborhood community level—about the size of a high school district.

The personal physician no longer needs to be a "general practitioner" or a "family doctor," but he can also be a specialist who is willing to assume comprehensive concern for the patients under his care. Both the generalist and the specialist need the help of each other and of an array of other doctors and of paramedical helpers; each man working as an individual, and also as a member of an ever changing team.

Reference 1 ("Now Is the Time") describes a total national compulsory prepayment health care design. Reference Ia (above) describes a purely voluntary local health care design.

These two might seem very dissimilar, but they are the two sides of the same coin. They are both based upon the same basic principles of:

1. Personal health care by mutual free choice of patient and doctor.

2. Direct subsidy to those who need financial help to buy their own care.

The AMA prefers and recommends the purely voluntary local health care design and is hesitant to accept governmental help, especially from the Federal level. It can be seen, however, that if the basic principles of personal care and of direct subsidy to needy individuals can be maintained, it should not matter where the subsidy comes from.

Only through strict adherence to both of these basic principles, however, can real health care be achieved.

"MEDICAL CARE FOR EVERYMAN"—A PROPOSAL

(By Walter A. Noehren, M.D., and Jack R. Hegrenes, Jr., ACSW)

Resolution 16, introduced to the house of delegates of the American Medical Association in November 1961, and never acted on, is a proposal for the experimental production now of the best possible medical care for the elder citizens of the United States, and for the study of a fundamental method of financing such care. It reads as follows:

"We propose legislation by the Congress of the United States to this effect: that each person whose income is inadequate for the purchase of his own medical care may, upon his voluntary request, and with his eligibility automatically determined by his current income records, obtain assistance from the Federal Government for his own purchase of comprehensive prepayment doctoring in the open, free, competitive market of care."

We believe that if such legislation is recommended to the Congress of the United States by the medical profession of this country, Congress will then have a clear path on which to proceed rapidly. This can then be carried out clearly within the framework of scientific research. If it succeeds, it will not only accomplish the needed care but also produce data of sociologic importance.

PURPOSE

The comprehensiveness of such care will necessarily be limited by the going cost of care in the private market, and by the amount of money Congress will be willing to appropriate. The costs and the effectiveness of care under such a program can be continuously studied by the Congress for periodic evaluation and control.

It is readily apparent that the purpose of resolution 16 is fully in accord with the traditions of the American medical profession, and also with the principles of American democracy as expressed in the Declaration of Independence and the Constitution of the United States.

It has been said, "capitalism is a wonderful theory; it is too bad someone doesn't try it sometime." It is the purpose of resolution 16 to give the theory of capitalism a clear trial in the social area in which it is most possible to achieve a measurable result. It is further our purpose to study, by scientific method, the likelihood that this theory and the Golden Rule are identical, and that this is the social relation that can produce, at the same time, maximal efficiency and maximal freedom for the individual citizen.

It is readily apparent that, to achieve success, resolution 16 will make demands for fine cooperative effort by physicians, hospitals, paramedical personnel, the private insurance industry and all other sectors of the economy, each achieving independently and competitively its necessary function. Basic controls of quality, quantity, and patient satisfaction, it is postulated, will occur automatically within the competitive framework so that governmental or bureaucratic controls, although necessarily outlined by the Congress, will be practically minimal.

The doctors of Puerto Rico are leading the way in this. They have expressed this purpose so clearly that we quote them here in reiteration of our statements above. In a brilliant statement written by Dr. Torres, president of the medical association of Puerto Rico, and signed by physicians of Puerto Rico, the following occurs:

"We are certain that the best physician-patient relationship is that which is based upon the freedom of mutual selection. This principle of freedom of choice is indispensable in guaranteeing the patient the best medical care. Every citizen, regardless of his social or economic position, is entitled to this right.

"The medical profession is against any system whereby medical and hospital services are offered through a monopolistic setup. It is also opposed to any system supported by the imposition of special taxes or quotas upon the people for this sole purpose. Our opposition to such plans, regardless of the name they may be given, is due to the fact that there are other methods of financing medical and hospital services which can solve the health problems of our people with greater efficiency and at a lower cost, while preserving the principle of freedom of choice essential to good quality of care.

"We believe that there is no reason for the continuation of the inequalities of medical care and services received by the different segments of our population, and we insist on the democratization of medical care and services at the fastest possible pace. By democratization of medical care and services we mean the recognition in theory and practice that all human beings are entitled to receive the highest, most efficient, and up to date medical care and services available irrespective of whether they have personally the money to pay for them or not.

"The challenge to accomplish a full democratization of medical care and services is a difficult one and there is no way to make its solution easy.

"We are convinced that the best way to achieve the purpose in which we all agree * * * is through a sensible prepaid voluntary health insurance program in which the insured individuals pay rates according to their incomes.

"We do not believe in compulsory plans because we consider that the individual should exercise a certain degree of personal responsibility in regard to his and his family's health security. A society like ours, which lacks natural riches, has to cultivate the responsibility and effort of the individual to compensate for what the country and its government simply cannot give."

HISTORY OF RESOLUTION 16

Resolution 16 originated in the Clackamas County (Oreg.) Medical Society in April 1961. This is a small society (50 members) with a record of 100-percent participation by its physicians for 24 years in the production of outstanding prepayment care. The resolution was approved unanimously by the Oregon State Medical Society in September 1961. It was first presented to the American Medical Association house of delegates at the Denver midyear meeting in November 1961. At that meeting, and also at the succeeding meeting of the house of delegates in Chicago in June 1962, portions of the resolution were approved, and the resolution as a whole was referred each time for further study by the board of trustees and by the Council on Medical Services. At the Denver meeting, held in November 1961, approval was given to the policy "that any proposed plan of medical care that can provide better medical care more economically should always be given serious consideration by medical associations including experimentation with prepayment under assistance programs." At the Chicago meeting, held in June 1962, approval was given to the following:

"1. The need for the application of the prepayment or insurance principle to protect our people against the costs of medical care is fully recognized and applies to all ages rather than to the aged alone.

"2. See below.

"3. Persons financially able to prepay their own expenses are expected to do so and must be encouraged rather than compelled to do so.

"4. The prepaid system should be devoid of governmental controls.

"5. Dignity and self-sufficiency for the individual should be upheld.

"6. The protection offered must be reasonably comprehensive rather than token in character."

One basic consideration remains, then: to recommend the source of funds to support persons unable to buy their own care, and to recommend practical methods for the implementation of this support. In this, the house of delegates did not yet believe that it could recommend the broad use of general Federal funds, but made the following recommendation: "2. Persons financially unable to prepay adequately their expenses may properly be assisted to the degree necessary by their families, their communities, their States, and if these fail by the Federal Government, but only in conjunction with other levels of government." Resolution 16 differs from this present policy statement in that it recommends that the needed funds be fully from the Federal general fund (equitably collected and equitably distributed, as far as possible, by the Internal Revenue Service).

DISCUSSION

This paper will not enter into any detailed discussion of present methods of financing and their effectiveness. We consider it reasonable to state that, at present, equitable, effective, and adequate financial support of those in need of help has not been accomplished. Progress is being made on State levels in implementing Kerr-Mills legislation for the partial support of elder citizens who need financial help, but, thus far, this has been inequitable, and for the most part inadequate and inefficient.

There are two aspects of resolution 16 to be considered:

URGENCY

Is there any urgency for an immediate better support for those in need of assistance? This is a matter of opinion. If world affairs were more settled, if one could be sure that democracy is understood and admired not only by the free world but also by the Communist countries, certainly one could continue to work toward solution of these problems on local levels. The admitted ideal would be that those in need would be supported by voluntary contributions of family and community, with no need for any governmental money. But this has not occurred. Large sums of State and Federal money are being used at the present time. Present inequities and insufficiencies can certainly be remedied on local levels if each area can somehow show enough interest and ability to bring this about. But progress is very slow for times that move so fast. Too many governmental programs, furthermore, are monopolistic and bureaucratic. They are inefficient and do not allow mutual freedom of choice. Much present care is substandard, with inadequate payment of the producers of care, with the effect that one finds basic inequality, very sharp in many cases, in the medical care and services received by different segments of the population. We believe that all these matters can be corrected literally overnight if sufficient general funds can be made available uniformly throughout the country for the support of those who need help. Present bureaucratic care would be converted to private care. As an added bonus welfare departments would be relieved of the task of arranging for medical care, and caseworkers, in very short supply, would be available to fulfill their proper function in social work.

Although we believe that ideally, and according to American Medical Association policy as stated in June 1962, Resolution 16 should be applied to the entire population, we think that it would be inadvisable and impractical to attempt so large an experiment. Rather, it would be advisable to apply this program in the limited area of elder-citizen care.

SAFETY

Would it be a safe experiment to use Federal general funds for the support of elder citizens who need help for their own purchase of private medical care? Again, this is a matter of opinion. The final answer would await careful study of accurate data. But as a matter of opinion, we believe that it would be very safe. In fact, we believe it would be far safer to try this experiment than to continue the present pattern. We can see no respect in which the proposed use of Federal general funds could cause any serious difficulty. Because of the large amounts of money involved Congress would have to stay on top of the problem at all times. If for any reason, once the program was in effect, this use of Federal funds might prove faulty, it could be discontinued, with a return of responsibility to local levels. Since this would be tried in the limited area of elder-citizen care the support of those in need in the rest of the population would continue as at present, and the two methods of support could be adequately studied side by side. (Allowance would have to be made for the higher cost of elder-citizen care. Comprehensive prepayment care for citizens over 65 years of age costs at present approximately $25 per month.)

The medical profession is justifiably concerned over governmental controls in any program. It is to be emphasized that resolution 16 calls for the use of Federal general funds only for the support of individual citizens in need as determined by income test. Furthermore, it allows each citizen to determine how these funds are to be spent in the

purchase of care available in his locality. The only controls necessary would be to protect the citizen against misrepresentation or fraud in what he buys. In areas producing care on a healthy competitive basis practically no enforcement of controls would be required. To prove this point we have excellent data available in the Federal employee health program. This can be considered a model program in many respects. It covers all Federal employees who wish to join (voluntary). The Federal Government pays a portion of the cost as employer. Each employee may chose his own prepayment plan individually from the plans available in his area. In Clackamas County, Oreg., the Federal employee can choose from among 6 plans, including commercial insurance. His best buy is the plan produced locally by the physicians' association as a nonprofit service plan. This plan pays high physicians' fees and still gives the patient a 30 percent better value than the next best competitor. There are controls written into the program, but we have not seen any of these applied during the past year in this area. An excellent description of the Federal employees' health benefits program was given by its director, Mr. Andrew Ruddock, at the Denver meeting of the American Medical Association in November 1961. His concluding statement was: "The Federal employes program offers an unparalleled opportunity to demonstrate that voluntary health care can solve its problems and is here to stay."

SUMMARY

Resolution 16 (November 1961) is a specific proposal for the solution of the socioeconomic problems of contemporary American medical care. We believe that it is practical and safe, and that it is urgently needed. It has been partially approved by the house of delegates of the American Medical Association. It is under continuous study by the association. When fully approved by the house of delegates, it will give the Congress a clear dictate to enact promptly legislation to the following effect: "that each person whose income is inadequate for the purchase of his own medical care may, upon his voluntary request, and with his eligibility automatically determined by his current income records, obtain assistance from the Federal Government for his own purchase of comprehensive prepayment doctoring in the open, free, competitive market of care." Once in effect, experimentally in the area of elder-citizen care, such a program should prove dramatically effective and produce data of general sociologic importance.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 1236. An act for the relief of Salvador Munoz-Tostado;

H.R. 1306. An act for the relief of Loretta Negrin;

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. 3708. An act to provide assistance in the development of new or improved programs to help older persons through grants to the States for community planning and services and for training, through research, development, or training project grants, and to establish within the Department of Health, Education, and Welfare an operating agency to be designated as the "Administration on Aging";

H.R. 5184. An act for the relief of the port of Portland, Oreg.;

H.R. 5306. An act to continue the authority of domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors;

H.R. 5874. An act to amend Public Law 815, 81st Congress, with respect to the construction of school facilities for children in Puerto Rico, Wake Island, Guam, or the Virgin Islands for whom local educational agencies are unable to provide education, to amend section 6(a) of Public Law 874, 81st Congress, relating to conditions of employment of teachers in dependents' schools, and for other purposes; and

H.R. 7847. An act to amend the Small Business Act.

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS:

S. 2262. A bill for the relief of Capt. William O. Hanle; to the Committee on the Judiciary.

By Mr. MORSE:

S. 2263. A bill to establish a traffic branch of the District of Columbia Court of General Sessions; to the Committee on the District of Columbia.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

SOCIAL SECURITY AMENDMENTS OF 1965—AMENDMENTS

AMENDMENT NO. 335

Mr. LONG of Louisiana submitted an amendment, intended to be proposed by him to 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, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 336

Mr. MILLER submitted an amendment, intended to be proposed by him to House bill 6675, supra, which was ordered to lie on the table and to be printed.

INDEPENDENT OFFICES APPROPRIATION BILL—AMENDMENT

AMENDMENT NO. 337

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to the bill (H.R. 7997) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1966, and for other purposes, which was ordered to lie on the table and to be printed.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTION

Mr. MUSKIE. Mr. President, I ask unanimous consent that the names of Senators GRUENING, MORSE, PASTORE, RIBICOFF, and SMITH be added as cosponsors of Senate bills 2218 and 2225.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCARTHY. Mr. President, I ask unanimous consent that the name of the Senator from Wisconsin [Mr. NELSON] be added as a cosponsor of two measures I previously introduced: S. 2143, the Great River Road bill, and Senate Joint Resolution 85, the resolution proposing an amendment to the Constitution relating to equal rights for men and women; and that his name be listed among the sponsors at the next printing of the bill and joint resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I ask unanimous consent that the senior Senator from North Carolina [Mr. ERVIN] be added as a cosponsor of S. 2097, providing for judicial review of the constitutionality of grants or loans under certain acts, at the next printing of the bill.

RECESS UNTIL 10 A.M. TOMORROW

Mr. MORSE. Mr. President, if there is no further business to come before the Senate at this time, I move, pursuant to the order previously entered, that the Senate stand in recess until 10 o'clock a.m., tomorrow.

The motion was agreed to; and (at 9 o'clock and 7 minutes p.m.) the Senate took a recess, under the order previously entered, until tomorrow, Friday, July 9, 1965, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate July 8, 1965:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Dr. Albert H. Moseman, of New York, to be Assistant Administrator for Technical Cooperation and Research, Agency for International Development, vice Dr. Leona Baumgartner.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 8, 1965:

U.S. MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade indicated:

To be major generals

Paul R. Tyler
William J. Van Ryzin
William T. Fairbourn
Bruno A. Hochmuth
William R. Collins

To be brigadier generals

John G. Bouker
Norman J. Anderson
Keith B. McCutcheon
Ronald R. VanStockum
Joseph L. Stewart
John P. Coursey
Joseph S. Reynaud
William K. Jones
Hugh M. Elwood