Vietnam. It was "passed in the fever of indignation that followed reported attacks by North Vietnamese torpedo boats against U.S. fleet units in Tonkin Bay." CONGRESSIONAL RECORD, June 9, 1965, page 12990. There is no evidence that Congress thought or understood that it was declaring war. It took no contemporaneous action which would have implemented a declaration of war. And the remarks of several Members of the House and Senate during and since the debate on the resolution reinforce the conclusion that the Tonkin Bay Resolution was not regarded as a declaration of war. Congress manifestly cannot delegate to the President its exclusive power to declare war; and even under the specific terms of the Tonkin Bay Resolution, the President's actions neither conform nor are consonant with the Constitution—and, as we have seen in the earlier analysis, the President's actions are not consonant with the Charter of the United Nations, nor with the SEATO Treaty.

In passing the May 7, 1965, resolution, authorizing a supplemental appropriation for the Vietnam operations, Congress was confronted with a fait accompli which severely circumscribed its action. Its constitutional check on the will or errors of the Executive was by the President's message, reduced to its power of the purse. Such a circumscription will not necessarily prevent unwise or unpopular decisions or allow for the exercise of the full discretion which the Constitution intended Congress to have, and for it alone to exercise. Nevertheless, a resolution authorizing an appropriation does not constitute a declaration of war, nor can it constitutionally authorize the President to wage an undeclared war.

The presidential assumption of powers vested exclusively in the Congress concern arrogations of power which convert republican institutions, framed for the purpose of guarding and securing the liberties of the citizen, into a government of executive supremacy. If the Constitution has such elastic, evanescent character the provisions for its amendment are entirely useless; presidentially-determined expediency would become then the standard of constitutional construction.

Under the rule of law, compliance with the forms and procedures of the law are as imperative as compliance with the substance of the law. A lynching is a totally inadequate substitute for a trial, regardless of the guilt of the victim. What Mr. Justice Frankfurter wrote in another context is equally applicable here: "The history of liberty has largely been the history of observance of procedural safeguards." *McNabb* v. *United States*, 318 U.S. 332, 347 (1947).

Under our system, constitutional powers must be exercised in a constitutional manner by constitutionally established institutions. Disregard of fundamentals in an area concerning the highest sovereign prerogative affecting the very lives and fortunes of its citizens in the interest of a short term expediency undermines " 'constitutional morality' to such an extent that the maintenance of the order itself is endangered." Friedrich, "The Philosophy of Law in Historical Perspective," p. 216 (Chicago, 1963).

Finally, it cannot be over emphasized that even a declaration of war by the Congress would not negate the violations of our obligations assumed under the United Nations Charter or negate the violations of international law inherent in United States intervention in Vietnam.

Conclusion

A learned authority in international affairs has stated:

"Bluntly, all the rules about intervention are meaningless if every nation can decide for itself which governments are legitimate and how to characterize particular limited conflict. Unless we are prepared to continue a situation in which the legality of intervention will often depend upon which side of the fence you are on, and in which, therefore, our policy becomes one of countering force with force, we must be willing to refer questions of recognition (i.e., legitimacy of the government involved) and characterization of a disorder (i.e., whether an armed attack from abroad or a civil war) to some authority other than ourselves. The United Nations is the most likely candidate for the role." [38]

The United States has not observed the letter or spirit of its treaty obligations with respect to the action taken in Vietnam. World order and peace depend on the willingness of nations to respect international law and the rights of other nations. The United Nations is a symbol of the rejection of fatal policies which led to World War II, and an acceptance by the peoples of the world of the principles of collective security, and the avoidance of war and the use of armed forces in the settlement of differences between nations. The United Nations was intended to insure the preservation of international peace, security, and justice, through rules of law, binding upon all member nations. The fundamental condition for the effective functioning of the United Nations is the observance on the part of all signatory nations of the obligations assumed under the charter. Only in this way can the awesome potential of a third world war be prevented.

We have concluded that the U.S. Government is in violation of its treaty obligations under the U.N. Charter. We urge upon the Government that all steps be immediately taken to undo this illegality by an immediate return to an observance of the letter and spirit of the provisions of the U.N. Charter.

This is a solemn hour in history. We have a moral obligation to history to return to the high purposes and principles of the United Nations—to honor the pledges we solemnly assumed—to settle international disputes by peaceful means—to refrain in international relations from the threat or use of force.

At this fateful hour, we do well to recall the prophetic dream of President Franklin D. Roosevelt, the architect of the United Nations, who upon his return from the Yalta Conference in his last address to the Congress in March 1945, said:

"The Crimea Conference * * * ought to spell the end of the system of unilateral action, the exclusive alliances, the spheres of influence, the balances of power, and all the other expedients that have been tried for centuries—and have always failed. We propose to substitute for all these, a universal organization in which all peace-loving nations will finally have a chance to join."

Should we not, 20 years after President Roosevelt's hopeful dream—20 years after the advent of the nuclear age with the awesome potentiality of incineration of our planet and the annihiliation of our civilization and the culture of millenia—should we not "spell the end of the system of unilateral action * * * that has been tried for centuries—and has always failed"?

[38] Roger Fisher, professor of law at Harvard University, "Intervention: Three Problems of Policy and Law" found in Essays on Intervention, a publication of the Marshon Center for Education in National Security, Ohio State University Press, pp. 19–20.

RECESS UNTIL 11 A.M. TOMORROW

Mr. MORSE. Mr. President, if there is no further business to come before the Senate, I move, pursuant to the order previously entered, that the Senate stand in recess until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 7 o'clock and 16 minutes p.m.) the Senate took a recess, under the order previously entered, until tomorrow, Friday, September 24, 1965, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 23 (legislative day of September 20), 1965:

U.S. ATTORNEY

Thomas L. Robinson, of Tennessee, to be U.S. attorney for the western district of Tennessee for the term of 4 years. (Reappointment.)

Merle M. McCurdy, of Ohio, to be U.S. attorney for the northern district of Ohio for the term of 4 years. (Reappointment.)

HOUSE OF REPRESENTATIVES

THURSDAY, SEPTEMBER 23, 1965

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., prefaced his prayer with this verse of Scriptures: I John 3: 11: *This is the message that ye heard from the beginning, that we should love one another.*

Eternal God, in these moments of prayer, may we come nearer to Thee and cling to Thee with greater love and faith and that we may have Thy light and love to solve our problems and perform our appointed duties.

We beseech Thee to enter our minds by ways known only to Thyself and send us into the crowded ways of life with hearts of compassion and as servants of Thy holy will and teach us that the hope of the world lies in the realization of God and the practice of brotherhood.

Help us to understand that we give proof of our religion when we resolve to make it strong enough to overcome our apathy, our antipathy, our unkindness, and strong enough to unite us in a fellowship and a willingness to serve the needs of humanity.

Let us never be content with toleration, but give us insight, understanding, and appreciation. May we reveal love where now there is hatred; where there is rancor, may there be concord. May we lead and lift ourselves and others into a more radiant faith in Thy love and goodness.

In Christ's name we pray. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

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

S. 597. An act to amend the Public Health Service Act to provide for a program of grants to assist in meeting the need for adequate health science library services and facilities.

The message also announced that the Senate had passed, with amendments in

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2580. An act to amend the Immigration and Nationality Act, and for other purposes; and

H.R. 9336. An act to amend title V of the International Claims Settlement Act of 1949 relating to certain claims against the Government of Cuba.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2580) entitled "An act to amend the Immigration and Nationality Act, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EASTLAND, Mr. MCCLELLAN, Mr. ERVIN, Mr. KENNEDY of Massachusetts, Mr. HART, Mr. DIRKSEN, Mr. FONG, and Mr. JAVITS to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5688) entitled "An act relating to crime and criminal procedure in the District of Columbia," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BIBLE, Mr. MORSE, Mr. MCINTYRE, Mr. KENNEDY of New York, Mr. TYDINGS, Mr. PROUTY, and Mr. DOMINICK to be the conferees on the part of the Senate.

AMENDING TITLE 38, UNITED STATES CODE

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2127) to amend title 38, United States Code, in order to provide special indemnity insurance for members of the Armed Forces serving in combat zones, and for other purposes, with a Senate amendment to the House amendment, and concur therein.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 17, lines 11 and 12 of the House engrossed amendment, strike out "as a direct result of an explosion of an instrumentality of war; or" and insert "as a direct result of the extra hazard of military or naval service, as such hazard may be determined by the Administrator; or".

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

Mr. ADAIR. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Texas would give us a brief explanation of the Senate amendment? In advance of that I will say, Mr. Speaker, speaking for myself and I think for all minority Members, we are completely in accord with it, and that an excellent result was achieved. But I do wish the gentleman would tell us briefly what has happened.

Mr. TEAGUE of Texas. Mr. Speaker, when this bill was being considered by the House, last Monday, the case of a young soldier was discussed. He was killed in a vehicle which turned over on the way back to camp from the training area where the young soldier had been engaged in a training maneuver. The question was raised whether this man would be covered by section 3 of the bill—the $5,000 death gratuity section. We believed that the language used in the bill, as reported to the House, would cover such a case.

After the bill was passed by the House, the Veterans' Administration informed me that it would not cover him. So this language merely broadens the death gratuity section.

Mr. ADAIR. Mr. Speaker, I should like briefly and simply to say I do feel, and I am sure this is the opinion of many people as expressed when this legislation was before the House a few days ago, that this is first of all highly desirable protection for the men who are now in uniform and their families.

Second, Mr. Speaker, the insurance program represented in this legislation is a prime example of private enterprise combining with and cooperating with the Federal Government in providing a benefit to a segment of our population—a most deserving segment, I might add. It offers living proof that the Federal Government and private enterprise represented by the insurance industry can enter into a partnership with the result of benefiting the Nation's citizens. It is most unfortunate that we in the Congress too frequently are called upon to vote upon social reforms in which Government undertakes the entire program with free enterprise stifled or being given little opportunity to demonstrate its potential or its ability to solve the problem. In this instance, it appeared desirable to make life insurance protection available to members of the uniformed services. Our committee did not respond by drafting a measure authorizing a new government life insurance program. Instead, the insurance industry was consulted to see whether or not they could solve the problem without the Federal Government entering further into the insurance business. The Subcommittee on Insurance, as well as the entire Committee on Veterans' Affairs are to be commended for taking this unprecedented step. The insurance industry responded nobly to the call for assistance. The result is the partnership represented in the measure before you today, with the insurance industry issuing and underwriting the insurance program and the Government bearing the costs associated with extrahazardous deaths. This is an excellent program which serves to perfect a sound structure of veterans' benefits.

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

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

There was no objection.

Mr. SAYLOR. Mr. Speaker, I rise in support of the motion offered by the distinguished chairman of the Committee on Veterans' Affairs to accept the Senate amendment to S. 2127. Members will recall that last Monday the House amended this measure that passed the Senate with a $10,000 indemnity limited to men who died in combat. The House amendment increased the scope of the Senate bill by offering $10,000 worth of insurance to every member of the armed services, not just those who were killed in combat. The fact that this was a considerable improvement over the Senate bill is attested to by the fact the Senate accepted the amendment yesterday without controversial debate. The Senate amendment is designed to eliminate some of the inequities with respect to the payment of the death gratuities for deaths occurring between January 1, 1957, and the effective date of this bill that was brought out during the House debate on this measure.

I urge the adoption of the chairman's motion.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. TEAGUE]?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AMENDING SECTION 510 OF THE MERCHANT MARINE ACT, 1936

Mr. GARMATZ submitted a conference report and statement on the bill (H.R. 728) to amend section 510 of the Merchant Marine Act, 1936, which was ordered to be printed.

CALL OF THE HOUSE

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

The SPEAKER. Evidently, a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 319]

Anderson, Ill.	Farnum	Mackie
Andrews, George W.	Fino	Minshall
	Frelinghuysen	Moeller
Ashley	Giaimo	Morton
Bolton	Green, Oreg.	Murray
Bonner	Halleck	O'Brien
Buchanan	Harris	O'Hara, Ill.
Burton, Utah	Harsha	Passman
Clausen, Don H.	Herlong	Resnick
	Hicks	Scott
Clevenger	Holifield	Senner
Colmer	Holland	Smith, N.Y.
Craley	Hosmer	Springer
Dawson	Howard	Thomas
Diggs	Johnson, Okla.	Thompson, Tex.
Dowdy	Landrum	Toll
Edmondson	Lindsay	Wright
Farnsley	McEwen	

The SPEAKER. On this rollcall 378 Members have answered to their names, a quorum.

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

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965

Mr. POWELL. Mr. Speaker, I call up the conference report on the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act, and I ask unanimous consent that the

statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1061)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: "In lieu of the matter proposed to be inserted by the Senate amendment insert the following: 'That this Act may be cited as the 'Economic Opportunity Amendments of 1965.'

"AMENDMENTS TO TITLE I—YOUTH PROGRAMS

"Job Corps—Displacement of workers

"SEC. 2. Section 103 of the Economic Opportunity Act of 1964 is amended by inserting after 'SEC. 103.' the following new sentence: 'The Director of the Office shall prescribe regulations to prevent programs under this part from displacing presently employed workers or the impairment of existing contracts for services.'

"Job Corps—Payments to certain individuals or organizations prohibited

"SEC. 3. Subsection (e) of section 103 of the Economic Opportunity Act of 1964 is amended by striking out the period and adding after the word 'terminated' the following: ': *Provided, however,* That the Director shall make no payments to any individual or to any organization solely as compensation for the service of referring the names of candidates for enrollment in the Corps.'

"Job Corps—Cuban refugees

"SEC. 4. Section 104(a) of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following: 'For purposes of this subsection, any native and citizen of Cuba who arrived in the United States from Cuba as a nonimmigrant or as a parolee subsequent to January 1, 1959, under the provisions of section 214(a) or 212(d)(5), respectively, of the Immigration and Nationality Act shall be considered a permanent resident of the United States.'

"Job Corps—Enrollee affidavits

"SEC. 5. Section 104(d) of the Economic Opportunity Act of 1964 is amended to read as follows: '(d) Each enrollee (other than an enrollee who is a native and citizen of Cuba described in section 104(a) of this Act) must take and subscribe to an oath or affirmation in the following form: "I do solemnly swear (or affirm) that I bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies foreign and domestic". The provisions of section 1001 of title 18, United States Code, shall be applicable to the oath or affirmation required under this subsection.'

"Job Corps—Application of Federal Employees' Compensation Act

"SEC. 6. Section 106(c)(2)(A) of the Economic Opportunity Act of 1964 is amended retroactive to January 1, 1965, to read as follows:

"'(A) The term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of an enrollee while absent from his or her assigned post of duty, except while participating in an activity (including an activity while on pass or during travel to or from such post of duty) authorized by or under the direction and supervision of the Corps.'

"Job Corps—Enrollee work activities

"SEC. 7. Section 110 of the Economic Opportunity Act of 1964 is amended by inserting the word 'male' before the word 'enrollees' in the first sentence.

"Work training programs—Cuban refugees

"SEC. 8. Section 114(a) of the Economic Opportunity Act is amended by adding at the end thereof the following new sentence: 'For purposes of this subsection, any native and citizen of Cuba who arrived in the United States from Cuba as a nonimmigrant or as a parolee subsequent to January 1, 1959, under the provisions of section 214(a) or 212(d)(5), respectively, of the Immigration and Nationality Act shall be considered a permanent resident of the United States.'

"Work training programs—Limitations on Federal assistance

"SEC. 9. The first sentence of section 115 of the Economic Opportunity Act of 1964 is amended by striking out 'two' and inserting in lieu thereof 'three', and by striking out ', or June 30, 1966, whichever is later,'.

"Work-study programs—Limitations on Federal assistance

"SEC. 10. Section 124(f) of the Economic Opportunity Act of 1964 is amended by striking out 'two' and inserting in lieu thereof 'three,' and by striking out 'or June 30, 1966, whichever is later,'.

"AMENDMENTS TO TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

"Community action programs—Public information

"SEC. 11. Section 202(a) of the Economic Opportunity Act of 1964 is amended by striking out 'and' at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof '; and', and by adding at the end thereof the following new paragraph:

"'(5) which includes provision for reasonable access of the public to information including, but not limited to, reasonable opportunity for public hearings at the request of appropriate local community groups, and reasonable public access to books and records of the agency or agencies engaged in the development, conduct, and administration of the program, in accordance with procedures approved by the Director.'

"Types of programs

"SEC. 12. The last sentence of section 205 (a) of the Economic Opportunity Act of 1964 is amended by inserting after 'including' the following: ', but not limited to,'.

"Special programs for the chronically unemployed poor

"SEC. 13. Section 205 of the Economic Opportunity Act of 1964 is amended by redesignating subsection (d) as subsection (e) and adding after subsection (c) a new subsection (d) as follows:

"'(d) The Director is authorized to make grants under this section for special programs (1) which involve activities directed to the needs of those chronically unemployed poor who have poor employment prospects and are unable, because of age or otherwise, to secure appropriate employment or training assistance under other programs, (2) which, in addition to other services provided, will enable such persons to participate in projects for the betterment or beautification of the community or area served by the program, including without limitation activities which will contribute to the management, conservation, or development of natural resources, recreational areas, Federal, State, and local government parks, highways, and other lands, and (3) which are conducted in accordance with standards adequate to assure that the program is in the public interest and otherwise consistent with policies applicable under this Act for the protection of employed workers and the maintenance of basic rates of pay and other suitable conditions of employment.'

"General community action programs—limitations on Federal assistance

"SEC. 14. (a) The first sentence of section 208(a) of the Economic Opportunity Act of 1964 is amended by striking out 'two' and inserting in lieu thereof 'three', and by striking out ', or June 30, 1966, whichever is later,'.

"(b) Section 208 of such Act is amended by redesignating subsection (b) as subsection (c) and inserting a new subsection (b) as follows:

"'(b) The Director is authorized to prescribe regulations establishing objective criteria pursuant to which assistance may be reduced below 90 per centum for such community action programs or components as have received assistance under section 205 for a period prescribed in such regulations.'

"(c) Section 208(c) of such Act (as so redesignated by subsection (b) of this section) is amended by adding at the end thereof a new sentence as follows: 'The requirement imposed by the preceding sentence shall be subject to such regulations as the Director may adopt and promulgate establishing objective criteria for determinations covering situations where a literal application of such requirement would result in unnecessary hardship or otherwise be inconsistent with the purposes sought to be achieved.'

"Participation of State agencies

"SEC. 15. Section 209(a) of the Economic Opportunity Act of 1964 is amended by inserting before the period the following: 'including, but not limited to, consultation with appropriate State agencies on the development, conduct, and administration of such programs'.

"Disapproval of plans

"SEC. 16. Section 209(c) of the Economic Opportunity Act of 1964 is amended by (1) inserting 'of part B' before 'of title I' and (2) striking out 'and such plan has not been disapproved by him within thirty days of such submission' and inserting in lieu thereof 'and such plan has not been disapproved by the Governor within thirty days of such submission, or, if so disapproved, has been reconsidered by the Director and found by him to be fully consistent with the provisions and in furtherance of the purposes of this part'.

"Notices

"SEC. 17. Section 209 of the Economic Opportunity Act of 1964 is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"'(d) When the Director receives an application from a private nonprofit agency for a community action program to be carried on in a community in which there is a community action agency carrying on a number of component programs, he shall, within five days, give notice to such community action agency and the Governor of the State in which the community is located of the receipt of such application. When the Director determines that a separate contract or grant is desirable and practical and that good cause has been shown, he is authorized to make a grant directly to, or to contract directly with, such agency.'

"Adult basic education programs—Payments; Federal share

"SEC. 18. Section 216(b) of the Economic Opportunity Act of 1964 is amended by striking out 'and the fiscal year ending June 30, 1966,' and inserting in lieu thereof 'and each of the two succeeding fiscal years,'.

"Adult basic education programs—Teacher training

"SEC. 19. Part B of title II of the Economic Opportunity Act of 1964 is amended—

"(1) by striking out 'From the sums appropriated to carry out this title' in section 213(a) and inserting in lieu thereof 'From so much of the sums appropriated or allocated to carry out this part as is not reserved pursuant to section 218'; and

"(2) by redesignating section 218 as section 219 and inserting immediately after section 217 the following new section 218:

" 'Teacher training projects

" 'SEC. 218. Not to exceed 5 per centum of the sums appropriated or allocated to carry out this part for any fiscal year may be reserved and used by the Director to provide (directly or by contract), or to make grants to colleges and universities, State or local educational agencies, or other appropriate public or private nonprofit agencies or organizations to provide, training to persons engaged or preparing to engage as instructors for individuals described in section 212, with such stipends and allowances, if any (including traveling and subsistence expenses), for persons undergoing such training and their dependents as the Director may by or pursuant to regulation determine.'

"Voluntary assistance program for needy children

"SEC. 20. Title II of the Economic Opportunity Act of 1964 is amended by striking out the second sentence of section 220(a) of part C thereof.

"AMENDMENTS TO TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

"SEC. 21. Title III of the Economic Opportunity Act of 1964 is amended by striking out 'Grants and' in the heading, and by striking out the dash after the word 'make' in the first subsequent sentence and the subsequent number '(1)'.

"Cooperative association—Prohibition of loans to assist manufacturing

"SEC. 22. Section 305(f) of the Economic Opportunity Act of 1964 is amended by inserting immediately before the period at the end thereof the following proviso: ': *Provided*, That packing, canning, cooking, freezing, or other processing used in preparing or marketing edible farm products, including dairy products, shall not be regarded as manufacturing merely by reason of the fact that it results in the creation of a new or different substance'.

"Assistance for migrant and seasonally employed agricultural employees

"SEC. 23. Section 311 of the Economic Opportunity Act of 1964 is amended to read as follows:

" 'Migrants and seasonally employed agricultural employees

" 'SEC. 311. The Director is authorized to develop and implement a program of loans, loan guarantees, and grants to assist State and local agencies, private nonprofit institutions, and cooperatives in establishing, administering, and operating programs which will meet, or substantially and primarily contribute to meeting, the special needs of migratory workers and seasonal farm laborers and their families in the fields of housing, sanitation, education, and day care of children.'

"Indemnity payments to dairy farmers

"SEC. 24. Section 331(c) of the Economic Opportunity Act is amended by striking the words 'January 31, 1965' and inserting in lieu thereof the words 'June 30, 1966'.

"AMENDMENT TO TITLE V—WORK EXPERIENCE PROGRAM

"SEC. 25. Section 502 of the Economic Opportunity Act of 1964 is amended (1) by inserting after the first sentence thereof the following new sentence: 'Workers in farm families with less than $1,200 net family income shall be considered unemployed for the purpose of this title.', and (2) by striking out of the last sentence the following: 'for the fiscal year ending June 30, 1965,'.

"AMENDMENTS TO TITLE VI—ADMINISTRATION AND COORDINATION

"Vista volunteers—assignment; application of other provisions and Federal laws

"SEC. 26. (a) Subsection (a) of section 603 of the Economic Opportunity Act of 1964 is amended by striking out everything in paragraph (2) following the clause designation '(C)' and inserting in lieu thereof 'in connection with programs or activities authorized, supported, or of a character eligible for assistance under this Act.'

"(b) Subsection (d) of such section is amended to read as follows:

" '(d)(1) Each volunteer shall take and subscribe to an oath or affirmation in the form prescribed by section 104(d) of this act, and the provisions of section 1001 of title 18, United States Code, shall be applicable with respect to such oath or affirmation; but, except as provided in paragraph (2) of this subsection, volunteers shall not be deemed to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, and Federal employee benefits.

" '(2) All volunteers during training and such volunteers as are assigned pursuant to paragraph (2) of subsection (a) shall be deemed Federal employees to the same extent as enrollees of the Job Corps under section 106 (b), (c), and (d) of this act, except that for purposes of the computation described in paragraph (2)(B) of section 106(c) the monthly pay of a volunteer shall be deemed to be that received under the entrance salary of GS-7 under the Classification Act of 1949.'

"National advisory council

"SEC. 27. Section 605 of the Economic Opportunity Act of 1964 is amended by striking 'fourteen' in the second sentence and inserting in lieu thereof 'twenty'.

"Programs for the elderly poor

"SEC. 28. Part A of title VI of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new section:

" 'Programs for the elderly poor

" 'SEC. 610. It is the intention of Congress that whenever feasible the special problems of the elderly poor shall be considered in the development, conduct, and administration of programs under this Act.'

"Affidavits

"SEC. 29. Title VI of the Economic Opportunity Act of 1964 is amended by striking out section 616 thereof and substituting a new section 616, as follows:

" 'Transfer of funds

" 'SEC. 616. Notwithstanding any limitation on appropriations under any title of this Act, not to exceed 10 per centum of the amount appropriated or allocated from any appropriation for the purpose of enabling the Director to carry out programs or activities under any such title may be transferred and used by the Director for the purpose of carrying out programs or activities under any other such title; but no such transfer shall result in increasing the amounts otherwise available under any title by more than 10 per centum.'

"Authorization of appropriations

"SEC. 30. (a)(1) The first sentence of section 131 of the Economic Opportunity Act of 1964 is amended by striking out 'two' and inserting in lieu thereof 'three'.

"(2) The second sentence of such section is amended to read as follows: 'For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $412,500,000 for the fiscal year ending June 30, 1965, and the sum of $700,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorize by law.'

"(b)(1) The first sentence of section 221 of such Act is amended by striking out 'two' and inserting in lieu thereof 'three'.

"(2) The second sentence of such section is amended to read as follows: 'For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $340,000,000 for the fiscal year ending June 30, 1965, and the sum of $850,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorize by law.'

"(c)(1) The first sentence of section 321 is amended by striking out 'two' and inserting in lieu thereof 'three'.

"(2) The second sentence of such section is amended to read as follows: 'For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $35,000,000 for the fiscal year ending June 30, 1965, and the sum of $55,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorize by law.'

"(d)(1) The first sentence of section 503 of such Act is amended by striking out 'two' and inserting in lieu thereof 'three'.

"(2) The second sentence of such section is amended to read as follows: 'For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $150,000,000 for the fiscal year ending June 30, 1965, and the sum of $150,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorize by law.'

"(e)(1) The first sentence of section 615 of such Act is amended by striking out 'two' and inserting in lieu thereof 'three'.

"(2) The second sentence of such section is amended to read as follows: 'For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606(a)), there is hereby authorized to be appropriated the sum of $10,000,000 for the fiscal year ending June 30, 1965, and the sum of $30,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorize by law.'

"(f) Title VI of the Economic Opportunity Act of 1964 is further amended by inserting at the end thereof a new section as follows:

"Distribution of benefits between rural and urban areas

" 'SEC. 617. The Director shall adopt appropriate administrative measures to assure that benefits of this Act will be distributed equitably between residents of rural and urban areas.'

"AMENDMENT TO NATIONAL DEFENSE EDUCATION ACT—MORATORIUM ON STUDENT LOANS TO VISTA VOLUNTEERS

"SEC. 31. (a) Paragraph (2)(A) of section 205(b) of the National Defense Education

Act of 1958 (20 U.S.C. 425(b)(2)(A)) is amended by striking out 'or' before '(iii)' and by inserting before the proviso and after 'Peace Corps Act' the following: ', or (iv) not in excess of three years during which the borrower is in service as a volunteer under section 603 of the Economic Opportunity Act of 1964'.

"(b) The amendments made by this section shall not apply to any loan outstanding on the effective date of this Act without the consent of the then obligee institution."

And the Senate agree to the same.

ADAM C. POWELL,
JOHN BRADEMAS,
HUGH L. CAREY,
AUGUSTUS F. HAWKINS,
SAM M. GIBBONS,
WILLIAM D. FORD,
Managers on the Part of the House.

PAT MCNAMARA,
WAYNE MORSE,
RALPH W. YARBOROUGH,
GAYLORD NELSON,
J. K. JAVITS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964 submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text. The House recedes from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment.

The differences between the House bill and the substitute agreed upon in conference are described in this statement, except for incidental minor, technical, and clarifying changes. References to the "act" are to the Economic Opportunity Act of 1964.

DISAPPROVAL OF PLANS

The present act provides that no assistance can be made available for work-training programs or community action programs until the Governor of the State in which they are to be carried on has been given notice of the plan for the assistance and has not disapproved it within 30 days.

The House bill amended this provision so that, in the event of the disapproval of a plan by a Governor, the Director could reconsider it, and if he found it fully consistent with the provisions and in furtherance of the purposes of this act, could override the Governor's disapproval.

Pursuant to the instructions of the House, your managers have insisted on the inclusion of the House provision in the conference report. The conferees expect that the procedures established by the Director of the Office of Economic Opportunity under section 209(a) will include provision for informal hearings held by the Director at the request of the Governor of a State or other interested parties.

JOB CORPS—DISPLACEMENT OF EMPLOYED WORKERS

The Senate amendment contained a provision, which had no counterpart in the House bill, which prohibited the Director from authorizing a Job Corps program which would result in the displacement of employed workers or impair existing contracts for services. The conferees have agreed upon a compromise under which the Director is required to prescribe regulations to prevent Job Corps programs from displacing presently employed workers or the impairment of existing contracts for services.

JOB CORPS—PAYMENTS TO RECRUITERS

The Senate amendment prohibited the Director from making payments to any individual or organization for the service of referring candidates for enrollment in the Job Corps or names of such candidates. The House bill contained no similar provision. The conference report contains a substitute which provides that the Director shall make no payments to any individual or organization solely as compensation for the service of referring the names of candidates for the Corps.

OATH OF ALLEGIANCE BY CUBAN REFUGEES

Both the House bill and the Senate amendment contained a provision permitting Cuban refugees to serve in the Job Corps and in work-training programs carried on under part B of title I. The Senate amendment also provided that the requirement that Job Corps enrollees take an oath of allegiance to the United States shall not apply in the case of Cuban refugees. The conference substitute includes this provision of the Senate amendment.

COMMUNITY ACTION PROGRAMS—ACCESS OF PUBLIC TO INFORMATION

The Senate amendment provided that community action programs must include provisions for feasible access of the public to information, including, but not limited to, reasonable opportunity for public hearings at the request of appropriate local community groups. The House bill contained no comparable provision. The conference agreement adopts the Senate provision, except that the word "feasible" is changed to "reasonable".

COMMUNITY ACTION PROGRAMS—TYPES OF PROGRAMS

The present act contains examples of programs which fall within the purposes of community action programs. The Senate amendment added to the list the fields of family planning, consumer credit education, and consumer debt counseling programs. It also gave emphasis to the fact that the list is merely to give examples by providing that the programs falling within the purpose of the part include, but are not limited to, the listed fields. The House bill contained no comparable provision. The conference substitute omits the listing of additional examples of types of permissible programs. It adopts, however, the Senate provision insuring that the listed fields are not the only ones in which programs may be carried. The managers on the part of the House wish it to be understood that the omission of the Senate provison in no way indicates that it is their intention or the intention of the Senate conferees to discourage the continuation and expansion of these programs. Programs in these fields are now being carried on and are to be encouraged.

SPECIAL PROGRAMS FOR THE CHRONICALLY UNEMPLOYED POOR

The Senate amendment authorized the Director to make grants for special programs directed at the needs of those chronically unemployed poor persons who have poor employment prospects, and are unable, because of age or otherwise, to obtain appropriate employment or training assistance under other programs. These programs, in addition to other services, would enable such persons to participate in projects for the betterment or beautification of the community served by the program, including activities which will contribute to the management, conservation, or development of natural resources, recreational areas, Federal, State, and local government parks, highways, and other lands. The programs must be conducted in accordance with standards adequate to assure that the program is in the public interest and otherwise consistent with policies applicable under the act for the protection of employed workers and the maintenance of basic rates of pay and other suitable conditions of employment. It was also provided that $150,000,000 of the funds appropriated for carrying out title II of the act for the fiscal year 1966 could be used for this purpose. The House bill contained no similar provision. The provisions for these special programs are retained in the substitute agreed upon in conference. However, the provision for earmarking a portion of the funds appropriated for title II for this purpose was not retained.

GENERAL COMMUNITY ACTION PROGRAMS—SELF-HELP HOUSING REHABILITATION

The Senate amendment contained a provision requiring the Director to give special consideration to programs which would, through self-help, rehabilitate substandard housing and provide instruction in basic skills associated with such rehabilitation. This provision is not included in the substitute agreed upon in conference. However, programs in these fields are now being carried on and are to be encouraged.

PARTICIPATION OF STATE AGENCIES

The Senate amendment required that the procedures established by the Director to facilitate participation of the States in community action programs must include continuing consultation with appropriate State agencies on the development, conduct, and administration of such programs. The House bill did not contain any comparable provision. The conference substitute adopts this provision, except that required consultation need not be "continuing."

COMMUNITY ACTION PROGRAMS—PRIVATE NONPROFIT AGENCIES

The House bill provided that when the Director receives an application for a community action program to be carried out in a community in which a community action agency is carrying on a program consisting of several component programs, he must give notice to that agency. The Senate amendment added a requirement that the Director also give notice to the Governor of the State. The Senate amendment also provided that when the Director determines that a separate contract or grant is desirable and practical and that special cause has been shown, he may make a grant directly to, or contract directly with, such agency.

The conference substitute includes both of these Senate provisions, except that the requirement that "special" cause must be shown before the Director may contract directly has been altered to require "good" cause to be shown.

POLITICAL ACTIVITIES

The Senate amendment contained provisions, which had no counterpart in the House bill, relating to the application of the Hatch Political Activities Act to persons employed by agencies administering or carrying on community action programs and to persons serving in the Vista volunteers.

The managers on the part of the House wish to make it clear that their insistence on the exclusion of these provisions was based upon the difficulty of applying the existing statutory restrictions to organizations and agencies for which they were not designed. They in no way intend to depart from the principle that these programs must be conducted on a nonpolitical basis, free of any activity designed to further the election or defeat of any candidate for public office.

VOLUNTARY ASSISTANCE PROGRAM FOR NEEDY CHILDREN

The House bill struck out part C of title II of the act providing for the establishment in the Office of Economic Opportunity, a center to encourage voluntary assistance for deserving and needy children. The Senate

amendment retained part C but deleted the provision under which the center was directed to collect the names of persons who voluntarily desire to assist such children financially, and to obtain information concerning deserving and needy children from social welfare agencies.

The conference report adopts the Senate provision.

INDEMNITY PAYMENTS TO DAIRY FARMERS

The Senate amendment extended until June 30, 1966, the program provided for by the act for making indemnity payments to dairy farmers who have been directed to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use at the time of such use. The conference substitute adopts the Senate provision.

PROGRAMS FOR THE ELDERLY POOR

The Senate amendment added a provision to the act stating the intention of Congress that whenever feasible the special problems of the elderly poor should be considered in the development, conduct, and administration of programs under the act. The conference report retains this provision of the Senate amendment.

The Senate amendment also provided for the establishment in the Office of Economic Opportunity of a Task Force on Programs for the Elderly Poor. The conference substitute does not include this provision.

TRANSFER OF FUNDS BETWEEN TITLES

The Senate amendment added a section to the act permitting up to 10 percent of the amount appropriated or allocated for any title to be transferred for use in carrying out other titles, but the amount available for use for any title could not be increased by more than 10 percent. The conference substitute includes this provision.

EQUITABLE DISTRIBUTION OF BENEFITS BETWEEN URBAN AND RURAL AREAS

The Senate amendment required the Director to adopt such administrative measures as are necessary to assure that benefits of the act will be distributed equitably between residents of rural and urban areas. The substitute agreed upon in conference contains a modification of the Senate provision under which the Director is required to adopt appropriate administrative measures to assure such equitable distribution.

AUTHORIZATIONS OF APPROPRIATIONS

The House bill authorized the appropriation for fiscal year 1966 of $825,000,000 to carry out title I of the act. The Senate amendment authorized the appropriation for such year of $535,000,000 for such purpose. The amount fixed in conference is $700,000,000.

The House bill authorized the appropriation for fiscal year 1966 of $680,000,000 to carry out title II of the act. The Senate amendment authorized the appropriation for such year of $880,000,000 for such purpose. The conference substitute authorizes the appropriation for such purpose for such year of $850,000,000.

The House bill authorized the appropriation for the fiscal year 1966 of $70,000,000 to carry out title III. The Senate amendment authorized the appropriation for such year of $55,000,000 for such purpose. The conference substitute adopts the Senate figure.

The House bill authorized the appropriation for the fiscal year 1966 of $300,000,000 to carry out title V. The Senate amendment authorized the appropriation for such year of $150,000,000 for such purpose. The conference report contains the Senate figure.

The House bill authorized the appropriation for the fiscal year 1966 of $20,000,000 to carry out title VI. The Senate amendment authorized the appropriation for such year of $30,000,000 for such purpose. The substitute agreed upon in conference adopts the Senate figure.

ADAM C. POWELL,
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SAM M. GIBBONS,
WILLIAM D. FORD,
Managers on the Part of the House.

Mr. POWELL (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers on the part of the House be dispensed with.

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

There was no objection.

Mr. POWELL. Mr. Speaker, I bring before the House today the second conference report on H.R. 8283, extending the war on poverty legislation.

The House had voted to recommit the conference report with instructions to retain the House language under title II, section 209(c), which stated that any community action program and Job Corps program in a State would go into effect if a Governor had not vetoed the proposals within 30 days, and if so disapproved can be reconsidered by the Director of the Office of Economic Opportunity and "found by him to be fully consistent with the provisions and in furtherance of this part."

In the second Senate-House conference, the Senate receded and agreed to accept the House language in place of the Senate language on the Governor's vote which had been included in the first conference report. The Senate amendment had required the Director to provide for an informal hearing at the Director's office to entertain any Governor's objections to any application from his State.

The substitution of the House amendment for the Senate amendment of the Governor's veto was the only change delineated in the conference report at the second House-Senate conference on September 22, thus carrying out the precise instructions of the House to this committee.

I yield to the gentleman from Minnesota [Mr. QUIE], who has done a very fine job on the committee of conference.

Mr. QUIE. Mr. Speaker, I thank the chairman for yielding. I merely wish to report to the House that in the conference the Senate accepted the exact House language that was in the House bill with regards to the Governor's veto. While it was not adequate in the bill for me, that was all that the House passed, and therefore we could not put in any more or any stronger Governor's veto provision.

I can say that the House gained all that it could possibly ask for in the conference that was held yesterday.

The remainder of the conference report was debated at the time when it originally came before the House. During that debate, the minority pointed out that even with the Senate language which was accepted the bill was not acceptable to us. There are basic faults in this legislation and I will enumerate them briefly. First, it does not provide for adequate State administration of the program. In previous debate I pointed out examples where this type of administration has enabled other programs to work well and receive strong acceptance in State and communities. An example of this was the Vocational Rehabilitation Act. Secondly, there is no guarantee of adequate participation on the part of the poor and it is possible to circumvent local government officials and the agencies which have traditionally been helping the poor. Unless the glaring forthcomings of this legislation are remedied I believe that the antipoverty program will continue to be the most controversial and least productive of any Federal venture to date.

Mr. BANDSTRA. Mr. Speaker, I rise to urge adoption of the conference report on H.R. 8283, which amends the Economic Opportunity Act of 1964 so as to expand the war on poverty.

I would like to point out that one amendment to the existing law is of particular importance to rural areas in America. This amendment, approved by the conference committee, adds to title VI of the 1964 law a section reading as follows:

The Director—

Meaning the Director of the Office of Economic Opportunity—

shall adopt appropriate administrative measures to assure that benefits of this Act will be distributed equitably between residents of rural and urban areas.

As a Representative from a predominately rural area, I have become aware in the last several months that a special effort is needed by the Office of Economic Opportunity to assist rural communities in developing antipoverty programs.

By their very nature, rural areas present problems in administration and organization. There are problems with respect to geographical distance, communication of information and, in some cases, a lack of trained specialists to aid those interested in the war on poverty.

But these are problems that must be overcome, not ignored, if the war on poverty is to have a successful influence in diminishing rural poverty.

This amendment gives the Director of the Office of Economic Opportunity wide latitude in developing the administrative procedures necessary to assure equitable treatment for rural residents. But it does instruct him to act.

I am hopeful that, once this amendment becomes law, the Office of Economic Opportunity will begin as quickly as possible to take steps aimed at overcoming administrative problems in rural areas.

And I think the Congress, as it reviews the antipoverty effort in the future, should keep this amendment in mind and make sure that it does not become simply a dead letter on the statute books.

Mr. POWELL. Mr. Speaker, I thank all the conferees, the Speaker, and all other Members.

I yield back the remainder of my time.

I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. POWELL. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 days to revise and extend their remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

TO AMEND THE BANK HOLDING COMPANY ACT OF 1956

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7371) to amend the Bank Holding Company Act of 1956.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7371, with Mr. O'HARA of Michigan in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. PATMAN] will be recognized for 2 hours, and the gentleman from New Jersey [Mr. WIDNALL] will be recognized for 2 hours.

The Chair recognizes the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, I yield myself 5 minutes.

I realize that 4 hours is a long time to debate the bill. It would be satisfactory to those of us on our side, I believe, to reduce the time, with the understanding that we shall not try to restrict time on amendments. I believe the time allowed on the amendments is more important than time for general debate on the bill. That is my personal feeling. I shall be glad to talk to the gentleman who represents the minority, the gentleman from New Jersey [Mr. WIDNALL], on the question of reducing time allowed on the bill.

Mr. Chairman, when Congress passed the Bank Holding Company Act of 1956, it did so with the conviction that such legislation was necessary to preserve the traditional American system of locally owned and operated independent banks, competing to serve the needs of their communities, and to avoid the dangers of concentrating control of bank credit in a few large institutions.

The regulation of bank holdings companies under the 1956 act has been a great step forward in the economic development of the United States. No longer could a bank holding company monopolize a town, county or regional area by controlling both banking and nonbanking enterprises, for the act prohibits ownership of both banking and nonbanking interests.

It has been suggested by Members of this body that H.R. 7371 is class or punitive legislation aimed at the Du Pont estate. Such a thought could not be further from the truth. What this bill does is correct a glaring weakness in the Bank Holding Company Act that, if left untouched, could wreak havoc on the basic principles of the act. If the loophole is allowed to exist, individuals or corporations wishing to monopolize banking and nonbanking industries could set up testamentary trusts, partnerships, or use some form of religious, charitable, or educational institution to accomplish their purposes. We have been extremely fortunate in that only one organization has hit upon this scheme as a method of advancing its interests. I challenge any Member of this body to guarantee that the failure to close this loophole in the Bank Holding Company Act will not result in other companies taking advantage of this legislative oversight. It has already been brought to my attention that several organizations are waiting in the wings to see if the loophole is closed. If it is not, they plan to form unregistered bank holding companies and, thereby, flaunt the objectives of the Bank Holding Company Act. I am certain that no Member of this body endorses such tactics.

A REVIEW OF ALL BANK HOLDING COMPANY EXEMPTIONS PROMISED

Mr. Chairman, the Banking and Currency Committee is not unsympathetic to removal of all bank holding company exemptions. Shortly another bill will be before this body which will remove a second objectionable exemption to the act. The report on that legislation carries the following paragraph:

> Your committee, after considering H.R. 7372 and H.R. 7371, feels strongly that Congress should review all exemptions granted to the Bank Holding Company Act of 1956.

I can assure the Members of this body that such a study will be made. However, the exemptions to the act were not granted on a "blanket basis." They were granted one by one. It would, therefore, be unfortunate, if not poor legislative policy, to remove them with one stroke of the pen. Until we have studied all of the exemptions, we cannot in good faith and conscience endorse such a move.

COMPANIES TO BE COVERED IF EXEMPTION IS REPEALED

It has been suggested by some Members of this body that the Committee is not certain what groups, companies, and other organizations would be covered if the exemption to the Bank Holding Company Act were removed. In explaining the reason that we have been unable to obtain the names of all which would be covered, let me say that this is one of the bases for the legislation—the fact that we do not know who owns many of our banks. I want to make it clear that companies which are not covered by the Bank Holding Company Act are not governed by, nor are they required to make any reports to any Federal banking agency. Thus, since these groups are not required to make known their ownership, it is impossible to determine who would be covered by this legislation. However, by passing this legislation, these companies would have to register and we would no longer be in the dark as to who was operating under preferential treatment. The argument that we are not certain who would be covered by the legislation is a valid one and it is one of the reasons why we should pass H.R. 7371. We would then not be forced to operate in the dark.

Mr. Chairman, in order to show how the Bank Holding Company Act has prevented banking concentration, I would like to briefly discuss the major requirements of the Bank Holding Company Act.

FRB REGISTRATION REQUIRED

The act requires any company owning 25 percent or more of the voting stock of two or more banks to register with the Board of Governors of the Federal Reserve System; prohibits the formation of such a company without the Board's approval; prohibits any such company from acquiring any additional bank, or as much as 5 percent of the voting stock of any bank, without such approval; prohibits banks that are a subsidiary of a holding company from lending to or investing in the parent company or other subsidiaries; and prohibits bank holding companies, subject to certain limited exceptions, from engaging in nonbanking businesses.

The Bank Holding Company Act is an excellent piece of groundbreaking legislation. But the Bank Holding Company Act in its original form was not designed to stand the test of time. Rather, it was designed as a stopgap measure to prevent unwholesome concentration of banking and nonbanking enterprises which could eventually do away with the independent banking system that helped to mold this Nation into its economic greatness. The fact that the Bank Holding Company Act of 1956 was not considered a complete legislative answer to the overall problem of concentration and conflicts of interest in banking is made clear in Senate Report No. 1095, 84th Congress, 1st session, page 19 in the following manner:

> It represents a compromise to meet acceptance of proponents of this type of legislation, while at the same time being fully fair to the companies to which the provisions of the bill will apply. In view of the lack of adequate legislation concerning the formation and operation of bank holding companies, your committee strongly urges the passage of this bill. Perfecting amendments may then be considered upon their merits by any subsequent Congress.

The act itself directed the Board of Governors of the Federal Reserve System to report to the Congress within 2 years, and each year thereafter in the Board's annual report, "the results of the administration of this act, stating what, if any, substantial difficulties have been encountered in carrying out the purposes of this act, and any recommendations as to changes in the law which in the opinion of the Board would be desirable."

RECOMMENDED BY FRB

The legislation before this body today, H.R. 7371, is a product of both of those congressional directives. It is easily justified as a perfecting amendment to the Bank Holding Company Act and has been consistently recommended by the Federal Reserve Board since 1958. Basically, H.R. 7371 would amend the

Bank Holding Company Act of 1956 by broadening the coverage of the act. The act presently excludes from coverage partnerships and trusts, other than business trusts, as well as nonprofit religious, charitable, or educational organizations. The bill before you today would repeal these unjustified exemptions, except for trusts established for individual beneficiaries and which must terminate within 25 years, or upon the death of a named beneficiary; such "family type" trusts would continue to be exempt from the act.

When the Bank Holding Company Act was passed, several exemptions were granted because it was felt necessary to do so in order to get a basic bank holding company law passed. These exemptions were not granted to provide competitive inequality in the bank holding company field. In short, it was not the intent of Congress to make it easier for some bank holding companies to operate while making it more difficult for others to compete in the same field.

A HYPOTHETICAL VIEW

Let us for a moment look at a hypothetical case of how the competitive advantage would work in favor of an exempt company. If company A, a registered bank holding company, and company B, an exempt company, were both interested in purchasing bank C, company A would have to obtain permission from the Federal Reserve Board before making the purchase. Such approval would take weeks, if not months, and would be subject to extensive review by the Board. However, company B, the exempt company, would not have to obtain permission from the Federal Reserve Board and could purchase bank C without any form of approval from higher authority except for the stockholders of the bank and the bank holding company. Similarly, an exempt company could sit back and wait for a registered company to make its move to purchase a bank and apply for such purchase authority from the Federal Reserve Board. Prior to approval by the Federal Reserve Board the exempt company could move in, make a better offer to the bank and sew up the deal while the registered bank holding company was still trying to obtain clearance from the Federal Reserve Board. Certainly, this is not the type of competitive equality that Congress envisioned when it passed the Bank Holding Company Act.

There are other dangers in allowing a bank holding company to hold both banking and nonbanking company interests. These were brought out in the Banking and Currency Committee's report on the 1956 act dealing with the divestment provision of the legislation. The report in part stated:

> The reasons underlying the divestment requirement are simple. As a general rule, banks are prohibited from engaging in any other type of enterprise than banking itself. This is because of the danger to the depositors which might result when a bank finds itself in effect the borrower and the lender. It is for this reason, among others, that statutes limiting the investments by banks have been passed by both Congress and the State legislatures.
>
> The bank holding company is under no such restriction. It may acquire and operate as many nonbanking businesses as it has funds and a disposition to acquire. There are in the country today, as has been pointed out previously, bank holding companies which, in addition to their investments in the stock of banks, also control the operation of such nonbanking businesses as insurance, manufacture, real estate, mining, and a number of others.
>
> Whenever a holding company thus holds both banks and nonbanking businesses, it is apparent that the holding company's nonbanking business may thereby occupy a preferred position over that of their creditors in obtaining bank credit. It is also apparent that in critical times the holding company which operates nonbanking businesses may be subjected to strong temptation to cause the banks which it controls to make loans to its nonbanking affiliates even so such loans may not at the same time be entirely justified in the light of current banking standards. In either situation the public interest becomes directly involved.

GREAT POTENTIAL FOR ABUSE

In short, the potential for abuse was so great if holding companies were allowed to delve into multiple fields, it was felt that such diversification should not be allowed. The fears were well founded in 1956, and they are well founded in 1965, for if a bank through its parent holding company is associated with other businesses in its trading area, then the association of the bank and a nonbanking enterprise puts other banks and industry in that area at a competitive disadvantage. Deposits of the captive industry, which normally would be sought in a competitive market would automatically go to the affiliate bank. There could be a freeze-out on lines of credit from the captive bank to businesses and industries that competed with the companies that were controlled by the bank holding company. The potentials for abuse are unlimited if such situations are allowed to continue.

The legislation before you today, when it was originally introduced in the 88th Congress, would have applied to only two testamentary trusts, only one of which would have been seriously affected, because the other had only minor nonbanking interests. The 1 trust principally affected controls 31 banks in a single State with deposits of more than $60 million, plus a number of important nonbanking interests, including railroads, paper mills, and sizable real estate interests. Most of the income from the trust now goes to the testator's widow, but upon her death it will go to a charitable foundation. However, the concentration of banking assets combined with substantial nonbanking businesses would, in this case, continue to exist in perpetuity.

During hearings on H.R. 7371, members of the Banking and Currency Committee felt that legislation should be broadened so as to close other loopholes in the Bank Holding Company Act. The expanded version of H.R. 7371 now removes from the exempt category partnerships, nonprofit religious, charitable, or educational organizations.

It is impossible to determine what companies would be covered under the expanded legislation, since exempt companies are not required to report to the Federal Reserve Board, nor for that matter are they subject to any bank supervisory agencies' control. However, during the multiple hearings that were held on H.R. 7371 and its predecessor bill, only one witness appeared in opposition to the measure which would seem to indicate that only a limited number of organizations would be subject to registration under bank holding company status.

Given two choices, this legislation would not automatically require such registration but would give the affected organization a choice of either (1) registering as a bank holding company, or (2) divesting itself of most of its banking interests. It would be able to retain some of its banking interests by reducing these holdings to acceptable minimums of the Federal Reserve Board. If the company chose to register as a bank holding company, it would have to divest itself of all nonbanking businesses. In the past, the Federal Reserve Board has ruled that businesses which are closely related to the business of banking and which deal solely with the operation of the bank, may be held by the bank holding company. Included in this category are data processing firms which handle the accounting work for the banks.

Mr. Chairman, H.R. 7371 is truly a bipartisan measure. It was reported favorably from the Banking and Currency Committee by a vote of 21 to 4. In the past, Congress has been criticized for not taking action until a problem arose. This is not the case with the legislation before you today. As I stated earlier, the potential for abuse in the areas of unregulated holding companies which control both banks and nonbanking enterprises is unlimited. We can correct that situation today and practice preventive legislation by passing H.R. 7371.

Mr. BROCK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I intend to be very brief. We have covered this subject fairly completely in extensive hearings over 2 years. We discussed it thoroughly when we debated the rule 2 weeks ago.

The Bank Holding Company Act is an act to prevent conflict of interest, in that it prohibits a bank holding company from owning nonbanking assets. The purpose I think is fairly clear.

Mr. Chairman, if we got into a difficult economic situation there might be a tendency for a parent company to ask its bank to give special consideration to loans on other banking facilities to another nonbanking subsidiary, thereby creating a dangerous situation for the depositors in that bank.

Mr. Chairman, the particular bill which we have before us is an attempt to remove one of the exemptions from that law which was granted some 8 or 9 years ago, in 1956.

In 1956 when the Bank Holding Company Act was passed several exemptions were written into that act. For instance, we exempted labor unions and agricultural cooperatives, and we exempted charitable foundations. The bill we have before us is an attempt to remove

one category of exemption, that of charitable foundations or testamentary trusts.

Mr. Chairman, as a matter of fact, it only strikes at one foundation, the Du Pont Foundation for Crippled Children. I do not believe in committee many of us argued against the fact that exemptions should be removed. There is a possibility of conflict of interest. There is a possibility of unfortunate adverse economic effects. I do not believe such effects have occurred as a result of these exemptions, but the possibility does exist. Therefore, we should legislate in order to eliminate such potential danger.

Mr. Chairman, we felt that if we were going to attack the problem at all, we should look at the total problem, at the total Bank Holding Company Act and at all exemptions.

Now, Mr. Chairman, the chairman of the Committee on Banking and Currency, the gentleman from Texas [Mr. PATMAN], will say that we held no hearings on all of the exemptions relating to charitable foundations, but as a matter of fact, we had substantial hearings on removing the exemptions.

Mr. Chairman, in the last 7 years the Federal Reserve Board of Governors has on 25 separate occasions asked the Congress to remove all exemptions under the Bank Holding Company Act. We held hearings on their request. We have considered it thoroughly.

Mr. Chairman, during the hearings on the bill and in executive session I asked whether it might not be possible to hold hearings on removing all further exemptions if we were going to pass this one particular segment and was assured that we would. This was 3 or 4 months ago and we have had no hearings whatsoever.

Mr. Chairman, as far as I am concerned the Congress of the United States has a unique responsibility, the responsibility to do what we can through the legislative process not only to insure equity but to insure ourselves against further potential damage.

Mr. Chairman, it is our contention on the minority side that if we are going to pass a bill removing exemptions, we should remove all exemptions.

This is the thrust of an amendment which will be offered by the gentleman from Florida [Mr. BENNETT] and I would urge that we all support it.

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

Mr. BROCK. I yield to the gentleman from New York.

Mr. CELLER. Does the gentleman think we should follow the recommendation of the Federal Reserve System, which was to the effect that all exemptions now pertaining to banking holding companies should be eliminated? Should we develop comprehensive legislation with respect to those exemptions as advocated by the Federal Reserve System, and not pick off like the leaves of an artichoke, one by one, these so-called exemptions? Am I correct in that?

Mr. BROCK. The gentleman is entirely correct.

Mr. CELLER. Is it not also a fact that if a farm organization or a labor organization or a horticultural organization or a charitable organization owns and operates a chain of banks, the danger of bank concentration is present in all those organizations owning those chains of banks; is that correct?

Mr. BROCK. That is correct.

Mr. CELLER. It is no different than the ownership of a bank by a so-called foundation that is aimed at in this bill, is that correct?

Mr. BROCK. That is correct.

Mr. CELLER. Therefore, does it not seem logical that a bill should be immediately brought before the Congress taking care of all those exceptions; that we should not approach this difficult problem, this vexatious problem, ad hoc—one by one. Am I correct?

Mr. BROCK. I agree with the gentleman.

Mr. CELLER. Does not the gentleman think it is rather naive to believe that the Committee on Banking and Currency will attempt, for example, to divest the trust company of Atlanta, Ga., from its operation of the Coca-Cola International Co? The Federal Reserve System said that company should be separated from nonbanking facilities. Here you have the reverse, which is an exception also, in the Bank Merger Act to leave this huge bank in Georgia operating a commercial endeavor that traverses the whole world?

Does not the gentleman think it is rather naive that the Committee on Banking and Currency will come forward with this comprehensive approach and force the trust company of Georgia to divorce itself from the Coca Cola Co.? Is it not rather naive for us to believe that?

Mr. BROCK. As the distinguished chairman of the Commitee on the Judiciary knows well, we will not take time to go through these.

Mr. CELLER. There are also labor organizations in the banking field, and I am a laboring man. I have always fought for labor. Does the gentleman think it would be naive or not to think that the Committee on Banking and Currency as constituted is going to come in here and force a labor organization to give up its banks? Does the gentleman think it is naive to believe that?

Mr. BROCK. I agree with the gentleman.

Mr. CELLER. Because of the power of the labor organizations.

Furthermore, does the gentleman think a farm organization or a horticultural organization which owns banks should be compelled to come under the Bank Merger Act?

Do you not think it is naive for us to believe that the Committee on Banking and Currency would bring legislation forth to accomplish that?

Mr. BROCK. I certainly do. I thank the gentleman for his contribution. This is the entire thrust of the opposition to the bill as it is presently constituted.

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

Mr. BROCK. I yield to the gentleman.

Mr. LAIRD. I appreciate very much hearing the gentleman's explanation of this bill. I have looked over this report and I note that the committee report does not include any report from the Treasury on this bill. I asked my office staff to look into this matter and I find a report was rendered by the Treasury Department on this bill, a bill that was the initial version of the bill that is before us today, H.R. 10668. I intend to put that report in the RECORD at this point.

The report says:

THE GENERAL COUNSEL
OF THE TREASURY,
Washington, May 26, 1964.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on H.R. 10668, "To amend the Bank Holding Company Act of 1956, and the Federal Deposit Insurance Act, as amended."

The proposed legislation would amend the Bank Holding Company Act of 1956 and the Federal Deposit Insurance Act to include within the definition of the "bank holding company" any testamentary trust controlling bank assets of $100 million or more.

The proponents of this legislation are frank to admit that it is aimed at only one existing situation, the Alfred I. du Pont Estate, a testamentary trust which owns control of 31 banks in the State of Florida and numerous other corporations including a large paper manufacturing operation and the Florida East Coast Railway. The railway has been the subject of a bitter strike for the past several months.

It is the expressed intent of the proponents to subject the Du Pont Estate to the provisions of the Bank Holding Company Act. This would require the estate to dispose of either its nonbanking corporations or of the 31 banks.

The technical provisions of the bill are three, as follows:

1. The definition of "company" in the Bank Holding Company Act of 1956 (12 U.S.C. 1841(b)) would be amended to include "any corporation, business trust, testamentary trust, which at the end of the most recent calendar year controls bank assets of $100 million or more."

2. The present exemption in the Holding Company Act for charitable corporations would be amended to exclude any charitable foundation which controlled bank assets of $100 million or more.

3. The Bank Merger Act (12 U.S.C. 1828(c)) would be amended to include in the subjects which the approving agency had to consider on any merger "possible inconsistency with the purposes and objectives of the Bank Holding Company Act of 1956, should the transaction result in the removal of any company from the purview of that act."

The intent of the third amendment in relation to the Du Pont Estate seems remote. The explanation given by the sponsor in his remarks introducing the bill was along the following lines. The Florida Legislature at some time in the future may remove restrictions on statewide branching. If this happens, the Du Pont Estate would be in a position to merge its 31 banks into 1 large bank. The agency, having to approve such a merger, would be required under amendment No. 3 to reject such a merger as inconsistent with the "purposes and objectives of the Bank Holding Company Act of 1956." The reasoning behind this seems a bit attenuated since it is problematical whether it can be said that one of the purposes and objectives of the Bank Holding Company Act is the preservation of an existing bank holding company over some other form of combination.

Amendment No. 3, unlike the other two proposals could, we believe, have unintended effect in the case of proposed mergers of banks controlled by an existing bank holding company having no relation to the Du

Pont Estate situation. For this reason alone, and also because of its vagueness and obscurity, we would object to proposal No. 3.

With regard to the intent of the bill as a whole, we do not believe it appropriate or desirable for Congress to amend a piece of legislation as important as the Bank Holding Company Act in order to take care of a single situation. The Federal Reserve Board and others have suggested amendments to the act of general application, having much greater importance in our opinion than the Du Pont Estate situation. Any unsolved problems of Government regulation inherent in the Du Pont Estate situation should, we believe, be handled only in the context of legislation which would have general application.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the administration's program to the submission of this report to your committee.

This is signed by the General Counsel of the Treasury Department.

It seems to me that the Committee on Banking and Currency has not fulfilled all of its requirements by making no mention of this adverse report. It would seem the committee has gotten out a stiletto to go after one group without facing up to the problem that exists from one end of this country to the other.

It is the most recent report from the Treasury Department which was requested by the committee at the time the overall hearings were held on this bill.

Was this Treasury Department report considered by your committee?

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

Mr. BROCK. I yield to the gentleman.

Mr. PATMAN. I would like to know the date of that letter. It does not sound like this particular bill. What is the date of the letter?

Mr. LAIRD. I refer you to the committee report.

Mr. PATMAN. What is the date of the letter?

Mr. LAIRD. I will answer the gentleman's question in due time. Mr. Chairman, will the gentleman from Tennessee yield?

Mr. BROCK. I yield to the gentleman.

Mr. LAIRD. Your report which is dated June 21, 1965, states as follows and I quote from page 4 of that report:

The initial version of the bill (H.R. 10668, 88th Cong.)—

You refer in this report at some length to this bill and in your report use as the basis of a great portion of your report the hearings which were held on that bill. Those hearings were held in the second session of the 88th Congress. This report was dated May 26, 1964, and refers to the very same bill that is used as the basis for the discussion of this bill by the Committee on Banking and Currency. I have here the hearings which were held on the bill which are the basis for this report which is given to us today as the basis for the enactment of this legislation.

Mr. PATMAN. Mr. Chairman, will the gentleman yield to me at this point?

Mr. BROCK. I yield to the gentleman.

Mr. PATMAN. I would like to invite the gentleman's attention to the fact that he should read on just a few more lines and I think his criticism is answered. In this report it says, and I am quoting from page 4 of the committee report:

H.R. 10668 was criticized as "class legislation" aimed at one particular organization. Partly in response to this criticism and partly in recognition of the strong arguments advanced for closing other loopholes in the Holding Company Act, your committee has broadened the bill.

In other words, the gentleman is talking about a different bill in a different context, not one like the bill that we now are considering.

I should like to make one further statement. The Treasury Department does not supervise the banks. We have supervisory agencies, three in number, but none of them is the Treasury Department.

Mr. BROCK. In reply, let me say, first, that one of the supervisory agencies is a department of the Treasury Department and is under the direct control of the Treasury Department.

Mr. PATMAN. That is correct.

Mr. BROCK. The point that we are ducking around here is this. The chairman has said that we broadened the bill. The letter which the gentleman refers to relates to the fact that the bill covers only one category of exemptions. When we broadened the bill, we did not broaden the category of exemptions. The first bill provided that we would remove those exemptions from charitable foundations with assets in excess of $100 million. The only way we broadened the bill was to reduce that amount of money. That did not cover any other exemptions under the Bank Holding Company Act, including agriculture, labor and other activities. The chairman knows that.

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

Mr. BROCK. I yield to the gentleman from Florida.

Mr. SIKES. We heard about a broadened bill. How broad is the bill? Does it cover anyone except the Du Pont estate?

Mr. BROCK. It is hard to see how the bill was broadened when it covered only one company before, and it still covers only one company today. The terminology might be broadened but not the application.

Mr. LAIRD. Mr. Chairman, will the gentleman yield at that point?

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

Mr. LAIRD. The gentleman from Texas cannot name a single other party that would be affected by this legislation.

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

Mr. BROCK. I yield to the gentleman from Texas.

Mr. PATMAN. If the exemption was obtained by mistake in 1956 for one company—and that was a mistake—why should we be criticized for merely aiming at one company when a bill is brought forth to repeal that one exemption? As the gentleman from California [Mr. HANNA] has often pointed out, yes, it was a single shot bill when they got it; it is a single shot bill when we remove it. It is obviously that way.

Mr. BROCK. The point that we are trying to make is that if there is a case for removing exemptions under the Bank Holding Act which apply to many groups so that we have an equitable situation and an honest application of the law, then the Congress of the United States has no right to single out one and ignore the other exemptions. That is exactly what we are doing under this bill. That is our objection to the bill.

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

Mr. BROCK. I yield to the gentleman from Texas.

Mr. PATMAN. I believe it was the gentleman from California [Mr. TALCOTT] who raised this point in committee. I asked him to find out and, with the support of the committee, he made an effort to find out and he came up with about 10 different companies that are included in the bill. Those are 10 that the gentleman did not know about. I have their names here. But they did not complain. They are willing to take it, and although it will affect them, since the language is as broad as it is, they just cannot afford to come forward and say that the bill ought not to pass, because the law is reasonable and the bill ought to be passed.

Mr. BROCK. The chairman knows full well that these same 10 people who were named, when contacted, said, "We have read the new bill and do not feel that we are covered under the broader applications." There still is only one company under this bill.

Mr. WELTNER. Mr. Chairman, will the gentleman yield to me?

Mr. BROCK. I yield to the gentleman from Georgia.

Mr. WELTNER. Is there anything in the Bank Holding Act which would prevent any estate at this point from acquiring both banking and nonbanking interests? Is there anything that would prevent duplication of the DuPont situation?

Mr. BROCK. Rather than "estate," the gentleman means testamentary trusts?

Mr. WELTNER. That is correct. Is there not some value in considering not only what the situation is but what the situation might become through the existing language in the bill?

Mr. BROCK. I agree completely with the gentleman. I think there is substantial value in precluding potential danger.

The same answer would apply in the case of other exemptions now allowed under the Bank Holding Company Act.

Mr. WELTNER. Is it the gentleman's feeling that without considering the effect of removal of all exemptions upon companies or entities which might be affected by such removal, we should proceed to do so at this point?

Mr. BROCK. Not at all.

I would reply to the gentleman in this fashion: We have had substantial consideration of the removal of all exemptions by several regulatory agencies, specifically the Board of Governors of the Federal Reserve System. They have testified several times in this behalf.

They have submitted several requests to the Congress to remove all exemptions. We have had hearings on this subject.

I see no reason why we are not in a position to act on the Bennett amendment, or some modified version thereof.

Mr. WELTNER. Does the gentleman feel that at this stage of the game we are prepared to enact that portion of the Bennett amendment which would change the 2-bank definition to a 1-bank definition and apply the provisions of the Bank Holding Company Act thereby to some 341 banks all over the country?

Mr. BROCK. I would say, as is the case with respect to most legislation we pass these days, I have some area of disagreement with it. I have my own amendment which I would prefer to offer, which is different in substance from the Bennett amendment. It would remove these other exemptions. I would prefer that. I am supporting the Bennett amendment in an effort to make an honest attack on the problem.

Mr. WELTNER. The gentleman is saying, in effect, that the Congress needs to give full and careful consideration to each exemption. I submit that Congress has done that in connection with the present exclusion from the coverage of the Bank Holding Company Act of testamentary trusts. It has done it with respect to those companies affiliated with companies registered under the Bank Holding Company Act, as in the case of the Financial General Co.

I believe the chairman indicated—and I can be corrected by the chairman—that the Committee on Banking and Currency will proceed to consider exemptions. I believe he has made quite plain that that is the case. I would submit that the time to act upon this exemption is now and the committee and the Congress have a full opportunity to know all of the ramifications.

Mr. BROCK. I thank the gentleman.

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

Mr. BROCK. I yield to the chairman.

Mr. PATMAN. I believe the gentleman made a mistake. I know he did not intend to. He said we have had hearings on all exemptions. I believe that is a mistake. We did not have hearings on all the exemptions for the obvious reason that just 1 exemption would involve 341 different banking chains and institutions in 44 States. All would want to be heard. It would take 2 or 3 months to hear that. We did not hear them all before.

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

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

Mr. LAIRD. I have before me the legislative calendar for the Banking and Currency Committee for the 2d session of the 88th Congress. I turn to page 130. We look at docket No. 448, a bill by the gentleman from Texas [Mr. PATMAN], by request, April 14, 1964. This happens to be the bill the Federal Reserve recommended—a so-called Federal Reserve bill—H.R. 10872, to amend the Bank Holding Company Act of 1956, and for other purposes.

Action, as shown in the committee calendar:

April 28, 1964, hearings held by the full committee.

Here are the hearings which were held by the full committee on the recommendation of the Federal Reserve Board, and they cover the same items exactly as referred to by the gentleman from Georgia, particularly as to the one-bank amendments, which is the simplest part of the recommendations of the Federal Reserve Board.

I believe this record shows that hearings were held. This hearing document, which was published by the committee, shows that those were very exhaustive hearings held on the removal of all exemptions.

Mr. BROCK. The gentleman is entirely correct.

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

Mr. BROCK. I yield to the gentleman from Florida.

Mr. HALEY. Of course the gentleman is correct. The gentleman is pointing out the fact that this is punitive legislation. If you want to apply this in the overall picture that is one thing, but why put the bill on one man's back. That is exactly what is involved.

These people have committed many sins of omission and commission. I do not defend those, but this organization has done more for the economy of my State than anybody that I know of. I think that the Congress is doing a great disservice when they come here with punitive legislation directed at just one organization in this great United States. It is wrong and you should defeat this bill or amend it and take everybody in under the same umbrella.

I thank the gentleman for yielding to me.

Mr. BROCK. I thank the gentleman for his contribution.

Mr. PATMAN. Mr. Chairman, will the gentleman yield to me?

Mr. BROCK. I yield to the chairman of the committee.

Mr. PATMAN. I would like to invite the gentleman's attention to the fact that the gentleman is correct in saying hearings were called on H.R. 10668 and also included another related bill for hearings, H.R. 10872. However, there were no hearings on the latter bill at all. All the testimony was on 10668. I think the gentleman will be convinced of that when he examines the testimony.

Mr. LAIRD. Mr. Chairman, will the gentleman yield once more?

Mr. BROCK. I yield to the gentleman.

Mr. LAIRD. If the chairman of the Committee on Banking and Currency will examine the testimony of the Federal Reserve Board that was given at these hearings, he will see that they constantly refer to this bill. The Committee on Banking and Currency quite properly on the front of the cover of these hearings states that the hearings were on H.R. 10668 and H.R. 10872. I would suggest most respectfully the chairman of the committee read the Federal Reserve Board's testimony in this particular matter, which dealt with it quite thoroughly.

Mr. PATMAN. Will the gentleman yield briefly?

Mr. BROCK. Certainly I yield.

Mr. PATMAN. I would like to suggest that not one witness requested an opportunity to be heard on that bill. That is the reason why we did not have hearings. The fact that the Federal Reserve Board made some reference to it I do not think would be sufficient to say that the committee had hearings on the bill. The committee did not have hearings on the bill, H.R. 10872.

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

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

Mr. KEITH. I would like to ask as to the reason for these exemptions at the time of the passage of the act in 1956. There must have been some logic to these exemptions. I realize that you were not on the committee at that time. Perhaps the chairman of the committee could enlighten us as to the reason for these exemptions.

Mr. BROCK. I yield to the chairman for that purpose if he wishes to answer the question.

Mr. PATMAN. I did not hear the question. I am sorry. Mr. REUSS, who has heard the question, will answer it.

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

Mr. REUSS. I heard the question, which was, what was the purpose of the various exemptions in the 1956 act? Since I, like the distinguished chairman, was a member of the committee at that time, I can answer this by saying, just as the other day the wise and witty gentleman from Virginia [Mr. SMITH], the chairman of the Committee on Rules, conceded on the House floor that the great Committee on Rules was not always without sin, so I would have to be the first to admit that in 1956 we of the House Committee on Banking and Currency, in putting forth this bill, unwittingly left undone some things that we ought to have done and we did some things that we ought not to have done. Now, in all humility, we come before the House to say that a rather egregious loophole in granting an exemption to testamentary trusts, after full and fair hearings before the Banking and Currency Committee, ought to be closed.

Let me say, in addition—and I am speaking for myself—that I am by no means convinced there are not other loopholes in that 1956 Holding Company Act which also ought to be closed. Although I am a friend of labor, I see no reason under the sun why a labor union which is a holding company and which controls as the Ball estate does, a number of banks plus a number of industrial operations—I see no reason why such an organization should not be subject to the Bank Holding Company Act.

I am equally partial to horticulture, and was even before the current interest in beauty, but even a horticultural organization which is a holding company and which controls 31 banks, a railroad, and some papermills and has real estate interests, ought to be also subject to the Bank Holding Company Act. I am ready to go to hearings on that and ex-

tend the withdrawal of the exemption for those.

But in answer to the very fair question of my friend, the gentleman from Massachusetts [Mr. KEITH] I would say in all humility that the Committee on Banking and Currency erred, and even this body erred, in 1956. I hope Members will be charitable to us now that we have come in and tried to repair the wrong that we did.

Mr. KEITH. Mr. Chairman, if the gentleman will yield further, I would like to ask another question on the same line. There must be some economic hardship that would be felt by others who would be disturbed by this change in the status quo. It would have in some areas of our country, certainly, adverse effects upon the economy of those areas. I realize that you maintain that in the long run there would be beneficial effects and greater security for the investors in these banking institutions. But it seems to me that business builds on confidence that the rules of the game will not be changed, and investors have put their money into these holding companies in years past feeling that the Congress in its wisdom established these exemptions and that there were some safeguards with reference to the formation of new holding companies where they had to go to the Federal Reserve Board.

Now if we are going to change the rules in the middle of the game, has consideration been given to the adverse effect of amending this bill by making it broader in its application and, in fact, removing all exemptions?

Mr. REUSS. Mr. Chairman, if the gentleman will yield further, the gentleman from Massachusetts, as always, has a point. This is in a sense changing the rules of the game that were written in 1956, but I can assure the gentleman that very full consideration was given to this by the committee and it was the judgment of the committee that these 31 banks would continue, this railroad would continue, these papermills and other industrial interests would continue. But they should continue while recognizing a valid principle of our banking laws—that by and large our banks in America, and our industrial and commercial organizations, ought to be kept separate.

As I said to the gentleman, I will be the first to concede that we should have done this right in 1956, but I think the public good will be served now by doing what we should have done then, and I do not believe that the hardship consideration comes anywhere near equaling the public interest consideration.

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

Mr. BROCK. I yield.

Mr. HALEY. What assurance has the gentleman from Wisconsin that these banks will continue, that these railroads will continue, that these various plants that these people own will continue to operate? If I were in their position and this kind of legislation were directed at me, I would pull out and put the money in good tax-exempt bonds and forget about the economy of the State or the community.

Mr. REUSS. Mr. Chairman, I shall try to answer the gentleman, if the gentleman from Tennessee will yield again to me, by saying that the assurance is contained in the commonsense of Members of this body. The fact is that the great State of Florida needs adequate banks, it needs railroads, it needs paper mills and it needs the other elements in this great testamentary trust organization. I cannot believe that the various banking and nonbanking organizations exist solely because of the lack of arm's-length dealing by putting them all under one testamentary trust umbrella.

I would like to think that the economy of the great State of Florida is sound enough so that it can support these disparate banking and nonbanking activities without giving them the unfair advantage which organizations in other States do not have.

So I would conclude by saying that I have great confidence in the economy of the State of Florida. I think it needs good banks; it needs good railroads and industrial organizations; but it does not need them under the same umbrella, and no other State in the Union has it that way.

Mr. BROCK. I would say to the gentleman from Florida that I would have to agree that these banks probably will continue, although with perhaps a less degree of incentive than they have had in the past. But I believe the gentleman from Wisconsin [Mr. REUSS] is somewhat arguing against his own case when he says that we must deal with this problem in this particular area with testamentary trusts. He agrees that we perhaps would find it difficult to justify a case for a horticultural cooperative or an agricultural cooperative or labor organizations. Why did the committee not meet its responsibility to consider the whole thing? If the chairman is correct in saying that we did not hold hearings, then we cannot agree with the gentleman that we are meeting our responsibility in the entire area of the Bank Holding Company Act.

Mr. REUSS. Mr. Chairman, will the gentleman yield further?

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

Mr. REUSS. I would hope that the gentleman from Tennessee or another member of the committee would introduce a bill, or a series of bills——

Mr. BROCK. I would advise the gentleman from Wisconsin that I have done this.

Mr. REUSS (continuing). Directed at these particular problems, I certainly will pledge my ardent attention to them, because I could not agree more with the gentleman that if one loophole is closed attention ought to be given to other loopholes.

I would call to the attention of the gentleman, however, the fact that very frequently our House Committee on Ways and Means comes to the floor of the House with a bill designed to close certain tax loopholes.

I do not believe it wise or in our province to say that we are against the House Committee on Ways and Means for trying to close loophole A, because on the same day they do not come in and try to close loopholes B, C, and D. Let us take what the committee produces and act on it and then, following the good advice of the gentleman from Tennessee, get moving on any other loophole.

Mr. BROCK. I would advise the gentleman that I have introduced a bill to this effect. I would be absolutely shocked and chagrined if I saw the Committee on Ways and Means coming before the House of Representatives and asking us to remove a loophole on Ford Motor Co. and not on General Motors and the Chrysler Corp. That is exactly what we are attempting to do today.

Mr. KEITH. Mr. Chairman, will the gentleman yield further?

Mr. BROCK. I yield further to the gentleman from Massachusetts.

Mr. KEITH. When this railroad company has its financial difficulties, does it turn to the Federal Government for assistance or does it turn to this holding company for assistance?

Mr. BROCK. To my knowledge, I would reply that it has turned to neither. The railroad was in receivership for approximately 30 or 31 years. It came out of receivership in the early 1960's, 1960 or 1961. It has since operated in the black.

Mr. Chairman, I would state in defense of the foundation and their banks and the other industries, that I know of no single case where these corporations have received special loans or any loans from the banks owed by the same holding company. They are on the open market seeking funds from any source; that is, the railroad is, and so are the other subsidiaries.

Mr. Chairman, we have no evidence whatsoever of any conflict of interest in this instance. We are attacking a problem which is a potential problem and not a present problem.

Mr. KEITH. If the gentleman will yield further, does the gentleman feel that the long-range implications of removing all these exemptions, have been studied and understood? It is not apparent, as yet, to me that you have proved that we should take such action, but neither do I feel that we have explored deeply enough thus far as a Congress the long-range implications with reference to an amendment that would remove all exemptions and change the status quo so substantially.

Mr. BROCK. Sometimes it is difficult for the Congress to know the total impact of its action. When we asked in this particular bill of the Federal Reserve and the other agencies what charitable foundations would be affected by removing this exemption, they did not know. I asked the chairman if the committee staff would take the time and responsibility of finding out what other charitable foundations and testamentary trusts would be affected under this bill and the chairman said no.

Mr. KEITH. When you fool around with testamentary trusts, it is a very serious matter, and one that needs thoughtful study.

Mr. BROCK. I agree with the gentleman.

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

Mr. BROCK. I yield to the gentleman from Texas.

Mr. POOL. This is the same railroad that was bombed down in Florida at the time Mr. Johnson made a speech a few miles away. Then he comes back and condemned the railroad. That is the same railroad?

Mr. BROCK. The gentleman is correct.

Mr. POOL. This railroad is now operating in the black over the years, and has made money since 1961, that is correct?

Mr. BROCK. That is correct.

Mr. POOL. It is the same outfit that could not bomb it out of existence, and now they are trying to bomb it out of existence by getting the Congress to vote it out of existence, is that correct?

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

Mr. BROCK. I yield to the gentleman from New York.

Mr. CELLER. With reference to the claim that entities other than the Du Pont Foundation are embraced in this bill, it is interesting to call attention to page 4 of the report, part of which reads as follows:

During the hearings it was attempted to ascertain what organizations would be brought under the broadened bill, but your committee was unable to develop this information. Vice Chairman Balderston of the Federal Reserve Board pointed out that the Board has no means of requiring exempt organizations to report their holdings, and he informed the committee that the Board's efforts to find out from the Reserve banks what other trusts might be covered had produced only incomplete and unsatisfactory information.

Since only one witness came forward to oppose the bill, it may be inferred that very few organizations are affected. But whether there are at present few or many, the potential for abuse persists in these unjustified exemptions.

This is an admission in the report that the committee was unable to disclose whether there was or was not any other organizations embraced in this bill other than the so-called Du Pont Foundation?

Mr. BROCK. That is correct.

Mr. CELLER. Does the gentleman think that is the proper way to legislate?

Mr. BROCK. No, sir; I do not.

Mr. CELLER. Is it not very much like a blind man looking for a dark hat in the dark, when the committee itself does not know whether or not the bill will affect other entities?

Mr. BROCK. I think so.

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

Mr. BROCK. I yield to the gentleman from Texas.

Mr. PATMAN. I understand the gentleman from New York is going to support the Bennett amendment, so called.

I would like to ask the gentleman how can he support this amendment unless he knows what is involved and who is involved?

Mr. CELLER. I have read the amendment to be offered by the gentleman from Florida. It is a good amendment, and I hope it will prevail. I asked the gentleman from Florida whether he had conferred with the Federal Reserve Board as to his amendment. He said he had, and the Federal Reserve Board approved the language, and that it would embrace 25 exemptions that now exist in the Bank Holding Act which, as was indicated by my congenial friend, the gentleman from Wisconsin, for whom I have an abiding affection and great respect, who made sort of a confession in avoidance when he admitted that the committee was in error in not addressing itself more expeditiously and suitably to these other situations existing in the Bank Holding Act.

Now he comes in on behalf of the committee, confessing the error, and he seeks to avoid the responsibility. But I fear he cannot avoid the responsibility by just bringing in one of these exemptions and disregarding the other 24 exemptions—and those 24 may be just as baneful, just as mischiefmaking and just as disastrous to banking as the one entity that is contained in the instant bill. I cannot swallow a bill of that sort. It is a bone in my throat and it should be a bone in the throat of all those who want logic and cogency in the legislation that they approve.

Mr. BROCK. I thank the distinguished gentleman and the chairman of the Committee on the Judiciary for his contribution.

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

Mr. BROCK. I yield to the gentleman.

Mr. PATMAN. But the gentleman did not name any of the companies that would be affected. He criticizes the committee for not naming them, but only names exemptions in general. I think if we were to name all the cases that would be involved in his broad blanket exemption, we would not have an opportunity of passing any bill in this Congress. We could not pick out an isolated case of injustice to all the people and get it passed because you would have so many in there affecting so many different districts that we probably would not have an opportunity to get it passed.

Mr. CELLER. If the gentleman from Tennessee will yield so that I may answer the distinguished gentleman from Texas whose zeal and enthusiasm I admire and who has done a great deal to prevent bank concentrations in this country. Although I may differ with him on this matter, it does not detract from my admiration for the fine work he has done

Mr. BROCK. I yield to the distinguished gentleman.

Mr. CELLER. Mr. Chairman, I have before me an office memorandum from the Comptroller of the Currency. I also have a letter here which clearly indicates the opposition of the Treasury Department. The Comptroller of the Currency also disapproves of this bill. Before I go into detail in answering the question of the gentleman from Texas, let me read what the Comptroller of the Currency says.

This letter is dated September 20, 1965. It is addressed to Congressman SIKES. It reads as follows:

The proponents of this legislation are frank to admit that it is aimed at only one existing situation, the Alfred I. du Pont Estate, a testamentary trust corporation * * *.

With regard to the intent of the bill as a whole, we do not believe it appropriate or desirable for Congress to amend a piece of legislation as important as the Bank Holding Company Act in order to take care of a single situation. The Federal Reserve Board and others have suggested amendments to the act of general application, having much greater importance in our opinion than the Du Pont Estate situation. Any unsolved problems of Government regulation inherent in the Du Pont Estate situation should, we believe, be handled only in the context of legislation which would have general application.

That letter is signed by James J. Saxon, Comptroller of the Currency.

Now the Comptroller of the Currency has indicated to me which exemptions of the Bank Holding Company Act would be cancelled out by the amendment that will be offered by the gentleman from Florida. These are the exemptions. The memorandum from the Comptroller of the Currency's office reads as follows:

There are five more or less arbitrary exceptions in the act which are currently being used. Three of the exceptions are contained in the definition section and are therefore complete; that is to say, entities within such exceptions are not subject to any of the provisions of the act.

The other two excepted categories in use are exempt only from the provisions requiring divestment of nonbanking functions, but are subject to the requirements for advance approval of acquisition of additional banks.

The three categories of complete exemption are as follows:

1. Companies which are registered under the Investment Company Act of 1940, or which are affiliated with a company so registered. This is the exemption which Financial General Corp. enjoys. Manuel F. Cohen, chairman of the SEC said, in his testimony on H.R. 7371, that to his knowledge Financial General was the only company getting the benefit of this exemption.

2. Testamentary trusts such as the Du Pont Estate. The exemption is not express in the statute but is implied because the definition of "bank holding company" does not include testamentary trusts but only business trusts.

3. Any corporation or foundation organized and operated exclusively for religious, charitable, or educational purposes.

The bill we are now considering would not touch any of the foundations organized and operating exclusively for religious, charitable, or educational purposes.

Continuing to read from the memorandum:

The two exceptions from the divestiture requirements are:

1. Interests acquired "by a bank which is a bank holding company" prior to the date of enactment of the Bank Holding Company Act.

2. A labor, agricultural, or horticultural organization which is exempt from taxation under section 501 of the Internal Revenue Code of 1954. The Amalgamated Clothing Workers of America controls one bank in New York and one in Chicago.

That operation would be unaffected by this act as would, in No. 1, the Trust Co. of Georgia, which has acquired the controlling stock interest of the Coca-Cola International Co.

I mentioned that earlier.

Those are some of the organizations that would be covered under this um-

brella, under the amendment that will be offered by the gentleman from Florida [Mr. BENNETT].

I say with all humility to the gentleman from Texas, if you are going to attack these organizations, do not do it piecemeal. Do not do it with an ad hoc approach. You have got to do it with some semblance of equality.

On the facade of the Supreme Court Building we read, "Equality before the law." This bill is a nullification of that equality, because it says to A, "The hex is placed upon you. A bar sinister is placed on you. But 24 other organizations, because of our inactivity and our failure to act, can go scot-free. There is no bar sinister on you. Therefore, what you are doing meets with our indirect approval."

That is not equality under the law. That is the very thrust of my objection to this bill.

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

Mr. BROCK. I yield to the gentleman from Texas.

Mr. PATMAN. If the gentleman voted for the original act—and I think he did—he helped put the inequalities in, or he voted to keep those in that were in the original bill. We cannot take the word of the Comptroller of Currency because he does not control holding companies. He does not supervise holding companies. Only the Federal Reserve Board has the responsibility for supervising holding companies.

Mr. BROCK. That is exactly correct.

Mr. PATMAN. This is the only holding company in the United States like this.

Mr. BROCK. And the Federal Reserve Board has requested that we remove all exemptions.

Mr. PATMAN. The Federal Reserve unanimously endorsed this bill. They said it was a good start, a good approach.

Why should we try to put everything in without adequate hearing and kill the bill? Do you want to kill the bill? Why should you not want to remove this one exemption that does not exist in any other State? I am not against it because Florida is involved. Not at all. But why should anyone have a special privilege like this? The proposal involves a lot of money—over the years, millions of dollars. I can see why it would excite a great deal of interest.

Mr. BROCK. If the Congress should decide to enact legislation of this type from now on, we should forgo all recesses and go on a straight 24-hour day, if we are going to treat each case with a specific piece of legislation, rather than enter into the problem by general legislation.

We are in a situation in which one case has achieved a certain degree of notoriety. Rather than initiating responsible legislation, we react to the pressures involved and pass a bill that would affect only that special situation. We do not meet our responsibilities in the broad scope of the Bank Holding Company Act and consider all of these exemptions. That is my objection.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BROCK. I yield to the gentleman from Pennsylvania.

Mr. JOHNSON of Pennsylvania. Is it not true that the testimony of Mr. Balderston on behalf of the Federal Reserve Board was to the effect that they agree they favor removing all exemptions, and because this bill is just a narrow step in the right direction they are for it—but it was a rather feeble endorsement of the bill?

Mr. BROCK. He also pointed out that he wanted the bill broadened, if possible, to include the other exemptions. He was very specific on this point.

Mr. JOHNSON of Pennsylvania. I believe it was pointed out that one of the reasons for this narrow bill is that it would afford the Du Ponts an opportunity to discriminate because they own 31 banks. Was any testimony presented to the committee—I do not recall any—which showed one single instance of any discrimination by these banks in Florida against anybody, and anything other than a good faith job of building up that great State and helping to make Florida the great State it is today?

Mr. BROCK. None whatsoever.

Mr. JOHNSON of Pennsylvania. Has the gentleman in his congressional career ever seen a bill before this Congress which had for its sole purpose discriminating against one firm and using the instrumentalities of the Congress to accomplish a result against one firm? Is not a bill like this wholly inconsistent with sound legislative processes? It is not befitting the Congress to pinpoint one firm like this. Has the gentleman ever seen a bill like this come before Congress previously?

Mr. BROCK. I have not.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HANNA].

Mr. HANNA. Mr. Chairman and ladies and gentlemen, I have listened to the argument here on the floor, and it was very reminiscent of the excellent presentation made by Mr. Ball when he was before our committee.

On that committee, at the time we considered this legislation, I had a seat way off at the end. This indicates that I come to you as a rather inexperienced Member, not well versed and not deeply experienced either in the well of this House or before this great body.

Having made that recognition of fact, with some hesitancy I will proceed to tell you what my experience was, way off on the end of the line, when I had the opportunity to listen to the tremendous exchanges before that great committee. I must say Mr. Ball was a great witness.

It was kind of like watching a bunch of dogs chasing a goose. They all try to get a piece of that goose. I tell you, as I watched the proceedings, there was no one who had more than a mouthful of feathers when they got through with Mr. Ball.

So when the time came for my small contribution, I made it. I see it here in the hearings, as reported. I said to Mr. Ball:

> Mr. Ball, I am brought to remember a little thing I saw on a coffeeshop wall in my district. It goes something like this: "As you go through life, my brother, no matter what your goal, keep your eye upon the doughnut and not upon the hole."
>
> Now, as you have presented your testimony, I have attempted to keep my eye upon the doughnut.

I have attempted, during this debate, to keep my eye upon the doughnut.

Where does it lie? The gentleman from Massachusetts [Mr. KEITH] asked an excellent question. The question here is on the public policy as expressed in the Bank Holding Company Act itself. That public policy, simply stated, is that it is not good for people in business activity to own banks and to own competitive businesses within the same community. The feeling is that if they have a competitive business and they have a bank they have a financial advantage that is not fair. That is the public policy.

So Members will understand that when I proceeded with Mr. Ball I said:

> I should like to have some expression from you as to what overriding public policy demands the exemption of a testamentary trust.

Now to show you what an expert does. Whenever you do not want to answer a direct question and do not want to fight in the other guy's field, you create your own new field. Notice how Mr. Ball does this with an excellence which is a match for anybody here on the floor, and we have some great ones here. He said, he thought it would be upsetting to Mr. Du Pont if he were alive today to find that his will was against the public interest. I said:

> Well, it may be some succor to you to know that my preacher has indicated to me that the transmigration of souls to the world beyond is said to have a beneficial and clarifying effect on the powers of human reasoning and understanding, and that we might therefore expect that Mr. Du Pont will be in a position to appreciate that this Congress is talking about not his will but the public interest.

Let us get back to that. I asked, "Where is there an overriding public interest for the testamentary trust to be exempt from the great public policy expressed in the Bank Holding Company Act" We got no answer to that, because that was back in the ball park where we wanted to play the game. Then I said that it seems to me that we have—and let me say at this juncture Mr. Ball raised what has already been raised many times on the floor of this House, "Why do you pick on me, Charley Brown? Why is everybody picking on me?" He said, why don't you bring in the labor unions or why don't you bring in these shippers, and why don't you bring in everybody else?

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

Mr. PATMAN. I yield the gentleman 5 additional minutes.

Mr. HANNA. He said, Why don't you bring in these other people who are exempt? I said this to him, and I say it to you, that it seems to me you have to look at this in terms of the realities in life. The realities in life are that although there may be others, even in this area, requiring the Bank Holding Company Act policy to apply, you have to make certain distinctions in this world. I reminded Mr. Ball and I remind you of

the fact that just because something carries the same name as another thing, it does not indicate it is in the same class. I pointed out to that because a thing is a horse that does not necessarily mean it has the same care and feeding. Suppose I asked you to give me one standard policy for the feeding and care of saw horses, clothes horses, show horses, plow horses, and race horses. Now, because I have called them all horses, are you going to be able to take care of them with the same standard of feeding and care? I suggest to you it would be a little troublesome. So it is here on this floor where the big question is being insinuated but never stated. This question is, who is going to name the dragon that we are going to slay? Is it going to be the great Committee on Banking and Currency that heard these bills or is it going to be somebody else on the floor of this House? Is that the way you want to play this game? I suggest to you these dragons are plenty tough to slay. Whether we are talking about a clothes horse or a saw horse, this is an entirely different grade of horse and he should be handled differently. If you think we can slay all of these dragons on the floor of this House all at once, then blessings on you, but I do not believe you really mean it when you say that.

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

Mr. HANNA. I yield to the gentleman from Georgia, a member of the committee.

Mr. WELTNER. I thank the gentleman from California for yielding. Would the gentleman say whether or not it would be in the power of a testamentary trust to operate vast economic interests toward an evil end as well as a beneficient end?

Mr. HANNA. I should hope it would not happen, but it is within the power.

Mr. WELTNER. Is there anything about a testamentary trust that places it beyond the same temptations for abuse of economic power than those that might come to a corporation?

Mr. HANNA. Admitting to the vagaries and the susceptibilities of the human flesh, there are none. I would further say in answer to the question of the gentleman, and a very excellent question raised by the gentleman from Massachusetts [Mr. KEITH], if I might, as to what would be the result of this thing, may I go to the exchange in the testimony between Mr. Ball and myself. I said to Mr. Ball, Is there any policy that you are carrying out now insofar as the will is concerned that you could not carry out in the event we passed this legislation?

I said, "Remember, we are not taking anything away from you in this bill." And he said, "Well, Mr. Congressman, as I see it, a good part of it, even though you do not take it away from us, depends on the market price, what I could get for it, whatever it is you divest yourself of and the conditions under which you have to divest yourself of it."

I said, "We will give you plenty of time to divest, but" I said, "you have impressed me, Mr. Ball, as the kind of man if he has a certain amount of money in his hands, it will be wisely invested and there will be a good return from it."

And, believe me, you had to see that man operate to appreciate that that is true. This is what I said at that time:

> Mr. HANNA. Let me say on that score, Mr. Chairman, and that is my last comment on this thing, that I have been singularly impressed, Mr. Ball, with your outstanding ability and candidness, and I am sure that the amount of money that you would get for the divestiture will be in good hands and will certainly be invested in a way in which it will make a very justifiable return.

If he impressed me with anything, Mr. Chairman, he impressed me with that.

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

Mr. HANNA. I yield to the gentleman.

Mr. WELTNER. Can the gentleman tell us from his perceptive participation in these hearings, whether there is any cause, whereby in the State of Florida, two groups of banks should be under the general Bank Holding Act, and one substantial group, the largest group in that State should be excluded from the provisions of the Bank Holding Company Act?

Mr. HANNA. Mr. Chairman, I will say to the gentleman, we strongly solicited such testimony and there was none.

Mr. WELTNER. Can the gentleman suggest one?

Mr. HANNA. I have wracked my brain trying to be as fair to Mr. Ball and the estate of Mr. Du Pont as I could be, and I have found none.

Mr. WELTNER. Mr. Chairman, if the gentleman will yield further, does he consider it to be a wise procedure to offer to any person or interest that might be affected by amending the Bank Holding Company Act the opportunity to be heard and present his views before our committee?

Mr. HANNA. Absolutely.

Mr. WELTNER. And would he consider it somewhat less than the congressional concept of due process to pass wholesale, far-reaching changes and to bring vast new interests under this act without the opportunity to be heard?

Mr. HANNA. I certainly do. I think the gentleman and I both have had considerable experience in law, in handling legal matters before a court, to know that the fact that you ask the same question does not mean that you get the same answer, because it depends on whom you ask it. Somebody may ask me how much my house is worth, but it depends on whether the questioner is the tax collector or whether he is a man who is going to sell the house what your answer is going to be. It seems to me that the fact that you ask the same question does not mean that you are going to get the same answer. It depends on whom you ask the question.

The general policy must be very carefully weighed in each instance.

Mr. WELTNER. Does the gentleman think, after holding extensive hearings in the 88th Congress and in the 89th Congress, and after examining carefully a substantial area that excludes vast economic interests and after concluding that there was no substantial justification for that exclusion, the time to act is now to foreclose that exemption.

Mr. HANNA. I think the gentleman is absolutely correct. We simply asked this question: Is the Bank Holding Act policy right? And then we asked the question, Is the elimination of the testamentary trust justified on an overriding policy? The answer to the first question was "Yes" and the answer to the second question was "No." The only other question before this body is how many dragons do you want to slay, in asking these questions on the floor of this House, when you know that you are going to get different kinds of testimony from different kinds of witnesses, depending upon whom you ask the question.

I would predict, Mr. Chairman, that at conclusion of all testimony, there will be no showing of a public policy served by the single exemption of the testamentary trust. There will be no showing of harm to the legitimate activities of an eleemosynary kind of the trust by the change in law.

Let us examine other exemptions as carefully as we have this one. Give those exempted the same ample opportunity to justify their exemption or to show unjust results by being covered by the excellent, well proven, general policy of the Bank Holding Act.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. BROCK. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

The CHAIRMAN. The gentleman from New York is recognized for 10 minutes.

Mr. CELLER. Mr. Chairman and Members of the Committee, I hold no brief for or against the Alfred I. du Pont Foundation. The thrust of my argument is as follows: I condemn no entity, no foundation, no labor organization, I condone no such entity and I praise no such entity, nor do I dispraise such entity. All I desire is uniformity of treatment. I want no disparity of treatment. Treat all alike.

Mr. Chairman, I maintain this bill, and I repeat, is a one-shot proposal. It is not fair, it is not just, it is not equitable. It is very much like an approach to the abolition of the so-called 14(b), the right-to-work bill. It would be like passing a separate bill which would apply to each different right-to-work State. Or, it might be like applying that provision to each separate labor organization, today in favor of the steelworkers and a month from now in favor of the United Auto Workers, and so forth. We would shun such a procedure. Why use it here?

Mr. Chairman, that is no way to legislate and we never do legislate that way. So I do not see either the efficacy of this legislation, I do not see the justice of the legislation.

Mr. Chairman, it has been stated that the Treasury Department disapproves this bill. There has been some argument to the effect that the letter which was read—and I have a copy of it before me—spoke of the Treasury's disap-

proval referred to a previous bill. But, no matter how you slice this piece of bologna, it still smells of garlic, it still smells the same way. It is exactly the same. The previous bill is no different than the bill now before you.

Mr. Chairman, the Treasury Department said:

> With regard to the intent of the bill as a whole we do not believe it appropriate or desirable for Congress to amend a piece of legislation as important as the Bank Holding Company Act in order to take care of a single situation.

Now, Mr. Chairman, the bill as framed may be a little different merely in verbiage than the previous bill. But it still only covers the Du Pont Foundation.

You know, Mr. Chairman, words can be shuffled around in any way you wish. I have learned that art many years ago. When I would want to get a bill referred to my Committee on the Judiciary, I would shuffle the words around so that they would come under the jurisdiction of the Judiciary Committee and would not go to any other committee. That is an art I have learned many years ago. I am sure the very amiable and distinguished gentleman from Texas [Mr. PATMAN] has learned likewise. He knows how to juggle words.

Now, Mr. Chairman, there is need to set forth a standard, a criterion, a pattern under general legislation, and then any organization that falls within that pattern shall be deemed guilty.

It is unfair to say one is guilty and all the rest are not guilty.

This bill simply, in a very cavalier fashion, points only to one testamentary foundation and says that "you are guilty."

That is unfair because all other testamentary foundations that may be operating in the same fashion go scot-free.

Mr. Chairman, I read portions of the report which indicate that no one seems to know whether the bill covers the others or not, and these others may be doing exactly the same thing as this Du Pont Foundation does.

Mr. Chairman, this reminds me very much of the teacher singling out one pupil of the entire class for punishment, while the numerous others of the class may be just as guilty of the mischief. That is wrong, it is dead wrong.

It is very easy to ignite the flame of prejudice. It is easy when you refer to the Du Pont Foundation to conjure up an idea of wrongdoing. But I hope the Members of the House will not do that. I hope the daylight of reason will prevail. Only light can conquer darkness, only the light of logic can conquer the darkness of prejudice. I hope prejudice will not prevail here because a Du Pont is involved. I do not care whether it is a Celler, a Du Pont or a Vanderbilt, or a Patman—it makes no difference. I am interested in a principle here. Nor can we overlook—I cannot overlook—the fact this is a charitable organization.

I have been interested in charity all my life, as director of hospitals, eleemosynary institutions, children's home, family welfare, and so forth. I therefore have an interest in charity foundations in general. I do not know much about this one, about the Du Pont Foundation, except it was founded many years ago, long before the Bank Holding Act went into effect, decades ago. It provides that the wife of the testator shall have a life interest and after her death the money shall go to homes for destitute children and crippled children.

I know of no charity that is more worthy than that kind of charity.

We cannot lose sight of the fact, Mr. Chairman, that this is a worthy charity. There is not a blemish against the operation of this trust. Nobody has come forward with any accusation of any sort, no accusation against the operation of the banks which are controlled by a regulatory body in the State of Florida.

I was told at my mother's knee that there was "hope, faith, and charity, and that the greatest of these was charity." I was also told by my father about the 10 hard things of life. He said the mountain is hard, but fire melteth the mountain. We know how devastating a conflagration can be, but there is something with even more power than fire. That is water. We know how horrible and devastating any flood can be. We know, also that the air can waft it away. And if the air is terrifying, we know in this age of man that he can conquer the wind, that is, with jets, airplanes, rockets, and so forth. And if a man is inexorably cruel at times, as he has been, we know that wine can overcome man. And the effects of wine can be conquered by sleep, and if sleep is hard and inexorable, there is something stronger than sleep. That is death. And death is terrifying. But there is something even that can control death, and lives after death—that is charity. Charity can live even after death.

Therefore, when you consider this whole matter do not lose sight of the fact this is a testamentary trustee devoted to wholehearted charity.

Mr. MULTER. Mr. Chairman, I yield myself 10 minutes.

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

Mr. MULTER. I am happy to yield to the gentleman.

Mr. WELTNER. Mr. Chairman, the distinguished dean of this House always has something to say that is worth hearing. Today is no exception. I was particularly impressed with his statement that we should treat all alike. Certainly no man in the U.S. Congress has stood more firm for equal treatment and equal opportunity that the gentleman from New York.

I think this bill offers an opportunity to realize that great principle of treating all alike. I think this bill offers an opportunity to the Members of the House to equalize the treatment of the two other bank holding companies in Florida with the Alfred I. du Pont estate. I think it offers an opportunity to bring them all under the same provisions and under the same restrictions and with the same privileges and opportunities.

Further I think it offers an opportunity to provide equal treatment for bank holding companies throughout the Nation. If there is only one instance such as the testamentary trust of the Du Pont estate, then that matter should be changed so that all stand on an equal footing. I think this bill accordingly is certainly in line with the great principle of equality so eloquently espoused for so many years by the gentleman from New York.

Mr. MULTER. Mr. Chairman, I dislike taking issue with our very distinguished dean. I have sat at his feet for many years. I think I have learned a great deal from him, and a part of that is the art of compromise.

If I may refer to the fact that he felt this was a bone in his throat, I would like as a student of that great surgeon to perform a little painless surgery and possibly remove that bone from the gentleman's throat.

I must remind my colleagues that our distinguished dean has addressed himself to the bill that was introduced last year and to the bill that was introduced originally and considered by the committee. He has not addressed himself to the bill that has been reported by the committee to the House.

I am one of those who during the course of the original hearings on the Bank Holding Company Act fought against any exemptions being written into the bill. I went along with it at that time so far as the exemptions are concerned, because I felt that was the only way we could get a bill to the floor of the House and get it passed.

All through these years, even though many times I have taken issue with the Federal Reserve Board on many important matters of principle, this is one matter of principle where we have stood side by side through the years against any exemptions from the Bank Holding Company Act.

Now what we are trying to do by the Bank Holding Company Act is not to put anybody out of business. You must bear in mind, originally the banking acts of every State in the Union as well as the national banking acts have always provided that they shall be brought into being by incorporators who will be identified as individuals. The reason for that was to keep corporate control and the cloak of corporate secrecy from the operation and control of banks. We wanted to know who the individuals were who are running the banks and who own the banks and who operate and control them. For years we were trying to tear down the mask of secrecy that was surrounding the operation of banks through the ingenious creation of the bank holding company. When we could not prohibit the bank holding company from getting into this business and staying in it, we took the next best step and that was to regulate them. That is what the Bank Holding Company Act does—and nothing more. It improves the regulation of the banks owned by the bank holding company and tries to regulate the bank holding company to the same extent as we regulate banks. No one who knows anything about banking will espouse the cause or the idea that the bank holding company, owning and operating and controlling banks, should be immune from the same regulations that we impose on the banks themselves.

That is all we seek to do by the Bank Holding Company Act. That is all we are seeking to do by this bill, to bring under its control more of the bank holding company operators whether they be in the form of a partnership, corporation or a group of individuals, or a joint venture or a trust.

Now there has been considerable said as to why we should not at this time go all the way and provide in this bill for taking away all of the exemptions in existing law.

It has been said that we do not know who these people are who may also be affected. That is true. But we do know who some of them are.

The Federal Reserve Board has, on a confidential basis, given to us a long list of names. They include some foundations, a college, university, and a school. All of these have been invited to appear before the committee and testify as to how the measure would adversely affect them if they were included within this legislation. None of them availed themselves of that privilege. Undoubtedly there are others whom we have not been able to put our finger on. The Federal Reserve Board tells us in so many words that undoubtedly there are others operating banks, and unless we require their registration under the Bank Holding Company Act, we shall never be able to control them. We shall never know who they are. We shall never know what they are doing.

If that is what Members would like to have, then, of course, they will reject this bill. But I do not believe there is any Member of this House who takes that view. If there are some labor organizations that own some banks—and we are told that there are—our committee should bring them in and have them state their case before the committee. If they cannot make out a good case for exemption—and I doubt whether they can—let us take the exemption away. I think we ought to hear them first.

It does not matter who it is, what it is, or what form of legal entity they take. They are entitled to no exemption from regulations unless they can make out a good case for it.

The trustee in this case has not made out such a case. He can show no harm. Bear in mind, when we enacted the first Bank Holding Company Act, in cooperation with the Ways and Means Committee, we had a title added to that bill that gave to these companies that would be required to divest either their banking or their nonbanking facilities, certain tax privileges. Bear in mind, we did not make the choice for them. We said to these holding companies, "You make the choice. If you want to run banks, and be a holding company, divest yourself of everything else. If you want to engage in any other field of activity—manufacturing or anything else—that is fine. Do that. You make the choice. But then either get rid of the banks or get rid of the nonbanking operations."

We do not want them operated together any more than we want banks to own and operate any kind of commercial venture, whether it be a merchandising company, a manufacturing company, or an import or export company.

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

Mr. MULTER. I yield very briefly to the gentleman from North Carolina.

Mr. JONAS. I think the gentleman from New York is making out a good case for the elimination of all exemptions. What concerns and disturbs me is that the committee, in its support of this bill, is picking at one entity to deal with and leaving 25 others untouched.

I agree that if the labor unions own banks and are involved, they ought to have a hearing. But what I cannot understand is why the great Committee on Banking and Currency would not have heard of all these people at the same time and then brought a bill in for consideration by this body that would eliminate all the unwarranted exemptions instead of attacking the problem piecemeal.

Mr. MULTER. I am afraid the only way we would ever be able to accomplish the desired result is by doing it piecemeal.

I should like to call attention again to the fact that the bill is not aimed solely at one company. It may be that the hearings were prompted by the DuPont Co. acting as a bank holding company. But the bill before the House is not the bill introduced. I should like to read it. It is very brief.

The bill which was introduced, was amended and if enacted, as amended will define the word "Company" as follows:

"Company" means any trust, or any corporation, association, partnership, or similar organization, but shall not include—

And then we define the Government-owned corporations.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PATMAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MULTER. So we do broaden it. It is true that this does not yet include the labor unions. It does not include foundations. It does not include colleges and universities.

I believe we ought to have hearings on such a bill. Possibly we should have addressed ourselves to that, but we did not.

There is another bill, H.R. 7372, on which we conducted hearings. That has been reported. That covers another facet of the Bank Holding Company Act, and will take away another exemption.

Let us not talk about taking away exemptions; let us talk about bringing under the control of the banking authorities those who are doing a banking business. That is what we seek to do by this bill.

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

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

Mr. JONAS. I could be wrong—the gentleman will correct me, if I am—but I was under the impression that the gentleman in the well has for several years introduced bills in the Congress which have been pending before this very committee, to bring other organizations under the purview of the Bank Holding Company Act, and the gentleman could not even get a hearing on them. Is that correct?

Mr. MULTER. It is not fair to say I could not get a hearing.

Mr. JONAS. Has the gentleman introduced such bills?

Mr. MULTER. The gentleman is correct in stating my philosophy. I say there should be no exemption from regulations of the Bank Holding Company Act.

Mr. JONAS. I asked the gentleman whether he has introduced such bills?

Mr. MULTER. Yes. Mine has been the minority view on the committee. It was the minority view in 1956.

We are attacking this, it is said, piecemeal. We are taking it piece by piece. We have reported from the Banking and Currency Committee this year two bills which will bring within the inclusion of the provisions of the act two situations. I hope that by the time we adjourn this Congress next year, there will be other bills passed to broaden the field and to bring more of them under the effectiveness of the act.

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

Mr. MULTER. I yield to the Chairman.

Mr. PATMAN. I believe that Vice Chairman Balderston brought out a good point, as shown on page 9 of the hearings:

The Board welcomes the interest your committee is showing in amendments to the Holding Company Act. I hope that your hearings both on this bill and on H.R. 7372 will convince you of the merits of these two bills, and lay the groundwork for subsequent action on the other recommendations of the Board.

Mr. MULTER. The distinguished chairman, in the report on H.R. 7372, inserted in the committee report, in accordance with the request of the committee, the following language:

Your committee—

Meaning the entire committee—

after consideration of H.R. 7372 and H.R. 7371—

The bill before us now—

feels strongly that Congress should review all exemptions granted to the Bank Holding Company Act of 1956.

That is what the chairman is committed to. I know we will have full and complete hearings to consider all of the implications, no matter who may be affected, of those situations now outside of the operation of the Bank Holding Company Act.

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

Mr. MULTER. I yield briefly to the gentleman from Iowa.

Mr. GROSS. The gentleman still has not answered the specific question as to why we should take up this type of legislation piecemeal.

Mr. MULTER. I believe the reason why we take it up piecemeal is the same as taking up a bill to outlaw the Arab boycott. Why do we take such things up piecemeal?

Mr. GROSS. That is not the same.

Mr. MULTER. In the foreign aid authorization bills time after time we aim specific limitations at one country. Not too long ago one was aimed at the United Arab Republic. We have seen them offered against Yugoslavia and against Indonesia.

We attack it piecemeal because the alleged evil has been demonstrated by a particular act. When that is called to our attention we try to deal with it.

Time after time the Committee on Ways and Means has brought to this body a bill dealing with a single item, under a closed rule, so as not to open up the whole act to consideration of matters not considered by the committee and thus limiting our action to the precise problem to which the committee addressed itself.

That is what we are trying to do now.

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

Mr. MULTER. I yield briefly to the gentleman from Michigan.

Mr. GRIFFIN. The gentleman just said that there was an evil act which brought the committee's attention to this particular exemption. I have been sitting here on the floor, trying to evaluate this. I wonder just what evil act the gentleman makes reference to.

Mr. MULTER. I think the gentleman is misinterpreting what I said.

Mr. GRIFFIN. I did not think so.

Mr. MULTER. I was referring to evil acts in connection with foreign aid bills when we were pointing a finger at the United Arab Republic and at Indonesia and at some of these other countries, where some of us felt there was something wrong.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRIFFIN. Will the gentleman get some more time?

Mr. MULTER. Will you let me have some time from your side?

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. GRIFFIN. If the gentleman will yield further, I think this gets to the very heart of the problem bothering many of us. If there has been some particular evil with respect to this particular exemption, then obviously it would make sense for the committee to single this exemption out for their first action. However, if there has been no particular evil or abuse with respect to this exemption, then why deal with it separately and not deal with all of the exemptions at the same time? That is my question, and the gentleman's remarks about evil prompted me to ask the question.

Mr. MULTER. The reason for proceeding in this manner is that when we discover there are people or companies that are operating without any regulation, we try to bring them within the regulation. Whether this particular trustee that we have heard so much about is doing ill or good is beside the point. The point is nobody can give you a single reason why this trustee or any other trustee or any corporation or any partnership should be exempted from regulation under the Holding Company Act.

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

Mr. MULTER. Yes. I yield to the gentleman from Georgia.

Mr. WELTNER. Does the gentleman recall a former Member of Congress who was often quoted as saying it is far better to use a rifle than a shotgun?

Mr. MULTER. I have heard it many times.

Mr. WELTNER. Do you think it is appropriate?

Mr. MULTER. I would rather take it piecemeal and not scatter our shots and maybe hurt somebody who should not be covered. In the State of Rhode Island we have savings banks. There are at least four of them, each of which is a mutual bank and each owns a commercial bank. They are technically bank holding companies. I am not prepared to take that exemption away from them until we have a bill directed at them and we hear from them as to whether or not they are now being sufficiently regulated by the banking authorities both as a savings bank and a commercial bank. If it is necessary to submit them to the additional regulation as a bank holding company, then let us do it, but let us hear them first.

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

Mr. PATMAN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. Chairman, will the gentleman yield?

Mr. MULTER. Yes. I yield to the chairman.

Mr. PATMAN. The gentleman from New York [Mr. CELLER], mentioned about a handicapped child being helped. Of course, there is a small amount comparatively that goes to crippled children, but there is no mention about handicapped children. I guess they would probably be considered such. We certainly want all of the help possible to go to them, but the particular wording of the trust is for the care and treatment of crippled children but not incurables, or the care of old men or old women and particularly old couples. So it is very much restricted. In addition to that, the amount of money that goes for that purpose is very much restricted. The principal beneficiary last year received $7,584,000, but only a small bit went to the foundation which even provided for the handicapped people.

Mr. MULTER. What we are seeking to do by this amendment to the Bank Holding Company Act is to permit the banking authorities to go in and find out how this holding company is acting with reference to the banks. That is all we seek to do here. Should this enormous sum have been spent out of earnings on depositors' moneys? The moneys of these commercial banks may be used only as permitted by law. Has it been properly spent, and are they operating these banks as they should be operated in accordance with all of the standards written into the banking acts? It is not a matter of going to them and saying get rid of your banks but of saying do not hide behind the trustee but tell the banking authorities what you are doing. That is all we seek to do.

Mr. PATMAN. Is it not a fact that holding companies have a special privilege throughout the United States and this is one which has an additional special privilege in that it is not subject to the Bank Holding Company Act although it owns 31 different banks in different parts of the State of Florida? It is not subject to the Bank Holding Company Act and it should be. So this is just a question of making the company comply with what the Congress has done for others in the past whether it be in nonrelated businesses or in the banking business. It must choose one or the other, and whoever owns the bank should be subject to the Bank Holding Company Act.

Mr. MULTER. And the choice will not be made by us or the banking authority but by those who are in the business.

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

Mr. MULTER. I yield to the gentleman.

Mr. JONAS. Mr. Chairman, I quote the following statement made by the gentleman now in the well, the gentleman from New York, in a colloquy with Mr. GETTYS and others in the hearings appearing on page 16, where the gentleman from New York [Mr. MULTER], said:

> I have been introducing bills to repeal all exemptions ever since the Holding Company Act has been enacted. This was long before the Du Pont strike or the strike involving the railroad. So while the Patman bill was introduced in 1964, we had hearings then, that was a continuation or rather—not a continuation, a part of what I had been proceeding on. I was originally opposed to any exemptions being written into the Holding Company Act. I still am opposed to any exemptions.

I do not quarrel with that.

Mr. MULTER. That is an accurate statement, and I still stand by that statement.

Mr. JONAS. I am asking the gentleman to tell us why he has not been fighting to get hearings on his bill and why we are asked to act today on eliminating one exemption when there are 25 or more organizations similarly affected that are not even brought within the purview of this bill.

Mr. MULTER. Frankly, I will say to the gentleman, the plain legislative facts of life are that we take this piece by piece. We will get it piece by piece. We may never get it all at one time. I am willing to compromise and take as much as we can get when we can get it and move forward accordingly.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Chairman, at the expense of being somewhat repetitive I would like to adhere throughout my remarks entirely to the question of principle. This is a legislative debate which has to do with principle. It is much more important that we look at that than that we look at the specific items as illustrative of the principle. The principle is well enunciated in the committee report itself on page 2, where it says why the banks were prohibited from going into nonbanking businesses. It says that

this is because of the danger to depositors. Then down at the bottom it says that it "may be subjected to strong temptation to cause the banks which it controls to make loans to its nonbanking affiliates even though such loans may not at that time be entirely justified in the light of current banking standards."

So the principle involved in this legislation is the principle that it is against the public weal to allow banking and nonbanking businesses to be owned by the same concern. Let us keep that in front of us.

I remember, when I was a little boy, living a little bit in the country—part of my life in Kentucky, in a very rural area, with no electric lights—when I would go outside at night to the barn, or somewhere like that and, I would carry an old kerosene lantern. It used to scare me to death, all the shadows that I would see around me. I told my grandmother about that and she said:

If you will hold that lamp in front of you, and look at the light, you will have no trouble with the shadows.

And so I think in this debate we ought to look at the principle; that is the light in this debate, and the shadows will go away.

I have already mentioned the reason for this bill. The reason is the temptation to bail out or to assist nonbanking businesses at the expense of the depositors. A violation of this principle would be a violation of a trustee relationship, a fundamental relationship that banks have with people who place money in their hands.

The 1933 law decided, made the edict, that no bank should be allowed to own a nonbanking business. It was as clear as that, as clear as crystal. Nobody could fight with that principle. It went back to the original principle. But by 1956 it was said that a good number of people had decided that a nice technique was to have a bank holding company, to own a bank and also to own a business. They were not then included in the banking bill, because the banking bill only referred to a bank owning a nonbanking business.

So in 1956 we enacted a law which provided that a company could not hold a bank or own a bank and also own a nonbanking business.

It just goes right back to that original principle that it is against the public interest to have a banking and a nonbanking business in the same hands because there might be a temptation or tendency on the part of those who operate it to take care of the nonbanking business at the expense of the depositors of the bank.

Mr. Chairman, there are a number of exceptions to this law. It is rather interesting to me to hear one which has been talked about quite a bit.

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

Mr. BENNETT. I shall not yield until I finish my remarks.

Mr. PATMAN. I shall be glad to yield the gentleman additional time.

Mr. BENNETT. I am not the orator that the gentleman from Texas is. I would rather complete my thoughts and then I shall be glad to yield to the gentleman from Texas.

Mr. Chairman, in 1956 we passed this law. That passage was preceded by the passage in 1955, in the House of Representatives of a bill that said that there was no reason to exempt labor unions at all. It came from the House Committee on Banking and Currency with no exemption there for labor unions.

There were very few exemptions at all in that bill. Some of the Committee on Banking and Currency say that they ought to have a lot of hearings and discussions about this matter; but that committee has already decided, in 1955, long ago, a decade ago, that these exemptions should not exist. They decided then and they had hearings then. They have had continuous hearings since which deal with the general subject. They have had report after report from the Federal Reserve Board asking them to eliminate the exemptions that passed in 1956. So the Banking and Currency Committee now asks for further hearings. This is a little late. They had already had hearings in 1955. They asked this House of Representatives to vote for a bill then that left out those exemptions.

Also, Mr. Chairman, I would say to the members of the committee that they were of sound judgment in 1955 when they left the exemptions out and that they ought to leave them out today.

Mr. Chairman, the Federal Reserve Board has prepared the amendments which I plan to offer to this bill today. The amendments have come from the Bank Holding Company Act.

I did not draft these amendments. These amendments, for the information of the Members of the Committee appear on the last page of the CONGRESSIONAL RECORD of yesterday. And the insertion which I placed in the CONRESSIONAL RECORD at that time will tell the Members of the Committee what the amendments propose to do and the effect of them. The effect of those amendments which will be offered to this bill pending before us today is to eliminate all exemptions.

Mr. Chairman, I think the bill is an improvement over the law as it now exists and I expect to vote for this bill when it comes out for a vote whether or not it comes out with the amendments which I propose.

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

Mr. BENNETT. I would really rather complete my remarks before yielding.

Mr. SIKES. I merely wanted to call attention to the fact that the statement to which the gentleman referred appears on page A5345 of the daily RECORD of September 21, not September 22.

Mr. BENNETT. I thank the gentleman from Florida for that correction.

Mr. Chairman, on page 5 of the report which we have before us, let us see whom we are taking out of the exemptions by this bill. We are not taking out the labor unions, the Goodyear Tire & Rubber Co., not Macy's, not the Manufacturers Trust Co. and not the company which has a controlling interest in the Coca-Cola Co.; but this great committee came to this great conclusion that instead we should remove the exemptions for "Any corporation or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, or educational purposes."

Well, Mr. Chairman, that is really laboring over a lot and coming up with something, is it not? In other words, for some reason there is more equity in allowing a labor union, and allowing Macy's, or Goodyear or Manufacturers Trust or any of these gargantuan, tremendous organizations which greatly exceed the size of Du Pont, in allowing them to do these things. In other words this bill says there is much more virtue in letting them do these things than letting the churches and philanthropic organizations do these things.

Mr. Chairman, this bill now pending before us today does take out an exemption in this law which I think should be removed.

I think obviously it is not the most important part to take out. I strongly urge that the amendments should be adopted.

What do the amendments do specifically? There is just one amendment with several sections. It says that we should eliminate first of all the exemption where there is only one bank involved. What is the difference between one company and several companies? There is not a particle of difference. This is not a question of merger or a question of monopoly; this is a question of its being inconsistent under the trust operation to have ownership of a bank and nonbanking business at the same time.

The second point I would like to make is with reference to the companies under the Investment Banking Act of 1940. There was not a particle of reason why the people under that law should be excluded from the principle. As a matter of fact, this committee has brought in a bill to eliminate this exemption.

The third one refers to a company with 80-percent assets in agriculture. That is an astonishing sort of exemption. There was only one, and it was in my congressional district, the Consolidated Naval Stores Co., that was involved. It is now out of existence. But we should not continue this open-door for others to approach.

Fourth, there is an exemption for shares owned prior to 1956 by what? By a bank which is also a bank holding company that has acquired these shares prior to 1956. That was written for the Trust Co. of Georgia, which controls the Coca-Cola Co.

The principle involved applies just as much there as it does anywhere, because we have a merger of a great nonbanking and banking institution. The reason behind it was just as strong in that case as in the case of the Du Ponts, Macy's, the Manufacturer's Trust, or any of these great organizations.

The last point is where a bank holding company is a labor, agriculture or horticulture organization and is exempt from taxes under section 501 of the code of 1954. There is obviously no reason for such an exemption.

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

Mr. BROCK. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BENNETT. Mr. Chairman, obviously the principle underlying these amendments is the same. There should never have been these exemptions in the first place. The Banking Committee so found in 1955 when it brought out that bill, and we in the House of Representatives also created that bill. The report and hearings are ample.

The Federal Reserve Board wrote my amendments. Now, referring to what I said originally, when we look at a problem like this we should not look solely at the question of whether or not a particular constituent or somebody like this is affected. We should work on a basic principle. We should not have a merger of nonbanking interests with banking interests. That principle runs throughout all this legislation, and all of these exemptions should be eliminated.

Someone has said that I am trying to kill this bill by my amendment. I am not. I hope my amendment is added but I am not trying to kill the bill. I shall be for the bill even without the amendment but I think it will be a much better piece of legislation with my amendment added.

Some remarks were made about some banks in Florida, and as to why the law should not be equally applied. This is not a question of being equal as between the banks of Florida, this is a question of being equal to all citizens. It does not stop at the St. Mary's River.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. WELTNER].

Mr. WELTNER. Mr. Chairman, as always I am impressed by the intelligent presentation the gentleman from Florida [Mr. BENNETT] makes on every occasion when he raises his voice in this Chamber.

I think he is right that we should proceed on principle. As a broad matter of principle, I believe, unless there is some countervailing reason to the contrary, all bank holding companies should be subject to the provisions of the act. I agree with his broad outline of principle. I submit, however, there is another great principle involved, which is not contradictory to the principle outlined by the gentleman from Florida. That principle is that in this Congress we do not proceed to enact sweeping changes in the legislation of the United States without affording to those interests and to those persons directly concerned the opportunity to appear and to be heard. I submit that is a principle of equal import with the principle that banking interests and nonbanking interests should not be unduly conjoined.

But let us examine, if we might, just exactly what Mr. BENNETT's amendment might do, and I commend him for having the courtesy to place this amendment in the RECORD so that all of us might have an opportunity to examine it prior to this debate today.

The first thing his amendment would do would be to change the "two bank" requirement of the Bank Holding Company Act to a single-bank requirement.

Can any Member of this House tell me just what that would mean and how many banks would be affected? Has any "one bank" company come before the Congress to have an opportunity to be heard? The fact of the matter is, Mr. Chairman, that if this first section of the amendment offered by the gentleman from Florida is adopted, then 341 companies throughout the country would be subjected to the provisions of the Bank Holding Company Act.

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

Mr. WELTNER. I yield to the gentleman from Texas.

Mr. POOL. How would that affect the trust companies in the State of Georgia? Would there be any effect on them?

Mr. WELTNER. I shall answer that in a subsequent portion of my remarks. I will say this: There are six banks in the State of Georgia having 34 percent of the deposits that would be brought in under this act pursuant to that provision. However, in the State of Florida there are 23 such banks with total assets of $682 million and in the State of Texas the gentleman will be interested to know that there are 40 separate banks having combined assets of $2,216,000,000 that would in one fell swoop be brought under the provisions of the Bank Holding Company Act.

Not a single one of them has come before this Congress to be heard. Not a single one has been advised of what this House is considering doing. Not a single one of them has had an opportunity to show what they consider would be the effects of extending the two-bank rule to a one-bank rule. I think that is a principle which we need to bear in mind.

The second thing that the gentleman's amendment would do is exactly what this bill, H.R. 7371 does, and that is, remove totally the unwarranted exemption for testamentary trusts. Why? Because we have had hearings during two sessions of the Congress and not a single iota of evidence has been offered to show any sound basis or logic for treating testamentary trusts which happen to be bank holding companies any differently from corporations which are bank holding companies. That is the second thing the gentleman's amendment would do.

The third thing it would do would be to eliminate the present exemption under section 2(b) of the Bank Holding Company Act that permits a vast billion dollar industrial-commercial complex to exist in this country, unregulated by the Bank Holding Company Act because it happens to be affiliated with the company that is registered under the Investment Act of 1940. That is the Financial General Co. We held lengthy hearings on that. These hearings took many weeks and many Members spent many hours studying that question, we have come to the very firm conclusion in our Committee that there is no reason for that exemption. Consequently we have a bill, H.R. 7372, that will soon be before this House, the Members of the House willing, which repeals that exemption.

That is the second thing that the amendment of the gentleman from Florida [Mr. BENNETT] would do. But bear in mind that that comes before the House after weeks of hearings and after all parties had an opportunity to be heard.

The third thing that the amendment of the gentleman from Florida [Mr. BENNETT] would do would be to eliminate the exemption existing to companies that are 80 percent, by virtue of their assets, agricultural companies.

The gentleman states—and I am sure his statement is well founded—that there was but one company that was under that rule, Consolidated Naval Stores. It is no longer in existence. Perhaps that is true. I have no reason to doubt his word. But there may be others. We do not know. We may, by adoption of the amendment, foreclose the right to be heard of some other company on the other side of our Nation. We have no way of knowing at this point.

The fourth thing that his amendment would do would be to affect the Trust Co. of Georgia specifically and I am advised perhaps one other bank that happens also to be a bank holding company. But bear in mind that at this point we have come beyond that portion of the act that would require registration under the Bank Holding Company Act, and we have proceeded to a subsequent portion of the act, which provides certain exemptions from the divestiture provisions. That is very important. It has been stated that labor unions are not subject to the Bank Holding Company Act. That statement is only in part true. Labor unions, if they happen to be bank holding companies, are subject to the act insofar as the regulations are concerned. They are not subject to it only insofar as the divestiture proceedings contained in section 4 of that Bank Holding Company Act are concerned.

I can think of no reason at this point why one bank or another bank that held assets lawfully acquired by it prior to the passage of the Bank Merger Act should not be required to dispose of those assets if those assets are nonbanking assets. It does not occur immediately to me, but it occurred to the Members of this Congress when the act was passed, and certainly we should not at this stage of the game affect the interest and the holdings of the stockholders of those banks that come under that provision, without giving them an opportunity to be heard.

I read in the report of the hearings held in the other body that witnesses came before the committee and supported those exemptions. Maybe the situation has changed, but certainly we should not act at this point and deprive them of what the law has provided, nor should we subject to the act at this point organizations that are exempt from the divestiture proceedings without hearing from them, without having them before our committee and giving them an opportunity to be heard, and without enabling them to communicate with the Members of the House who are not members of that committee. It simply is not in accord with the principles of a great deliberative body to pass legislation of such sweeping and unknown effect without giving all parties concerned an opportunity to be heard.

Ladies and gentlemen, there is one principle: That banking and nonbanking activities should be kept apart. That is a sound principle.

There is another principle: That the interests of the citizens of the United States should not be adversely affected without their full and fair opportunity to appear and state their case.

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

Mr. WELTNER. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, the gentleman has made a very effective plea for not taking this measure up at this time because certain interests have not been considered before the committee. Is it not true that at the time we had the committee hearings on the bill, Members of the minority sought to have other people come in and testify in connection with the Bennett proposal and they were foreclosed from having any opportunity to do that because of the desire to put the bill through just as it was? Is that not true?

Mr. WELTNER. In response to the gentleman from New Jersey, it is my recollection that at the Executive hearings, at which time the bill H.R. 7371 was considered, there was a suggestion that the committee consider further exemptions and whether or not they should be retained in the law. It is my further recollection that there was a consensus that it would be wise indeed to consider further hearings on other exemptions, and that matter should come before our Committee in this Congress; that the hearings having been concluded and every possible avenue fully explored, it was time to act on H.R. 7371.

I might say also, as I indicated before, and as the Chairamn of our Committee has indicated, the matter of the Bank Holding Company Act will not rest with the passage of this bill, nor will it rest with the passage of the subsequent bill, H.R. 7372.

It is my firm understanding that our committee will proceed to consider the full range of this legislation and the full effect of present exemptions and exclusions.

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

Mr. WIDNALL. Mr. Chairman, I yield to the gentleman 1 additional minute.

Will the gentleman yield?

Mr. WELTNER. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Is it not true that not one word of testimony was taken before our committee with respect to the change affecting partnerships?

Mr. WELTNER. I believe it is true that the reports received from the agencies having regulatory power over banks, bank holding companies, and bank interests in the United States indicated they knew of no partnership who would be interested. I may be in error on that, but I believe that appears in the RECORD and in the report.

Mr. WIDNALL. I believe it also appears in the RECORD that they did not know what banks were included.

Mr. WELTNER. I believe it is true the agency said it was unable to state which religious or educational activities might be covered because of the absence of reports pertaining to those organizations.

These hearings have not been conducted in the still of night or under a cloak of secrecy. They have been conducted in the full light of public knowledge, and they have been proceeding for many months.

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

Mr. PATMAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WELTNER. The proceedings have been well imparted to members of the public, and certainly there is a solid foundation upon which to proceed to assume that those persons who might be affected should come forward and make their interests known.

In summation, when this legislation was passed, the President of the United States stated that "as a result of various exemptions and other provisions the legislation falls short of achieving its objectives."

The Senate report from the other body went on to say:

> Perfecting amendments may then be considered upon their merits by any subsequent Congress.

I submit that is exactly what we are doing today. That is what the committee bill is, a "perfecting amendment." It is known full well what its scope might be. All interests in any way connected with it have been fully heard.

It is time now to perfect the Bank Holding Company Act by the exclusion and repeal of a totally unwarranted and unsubstantiated exemption.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia, [Mr. BROYHILL].

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

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

There was no objection.

Mr. BROYHILL of Virginia. Mr. Chairman, I am reminded of the old saying "the chickens are coming home to roost."

We are witnessing an amazing spectacle wherein the proponents of an alleged "perfect" home rule bill now admit that they have a bad bill which needs corrections and changes in order to lure enough additional votes to obtain its approval by this body.

We hate to say "We told you so," but we did tell you so over and over again. We tried to explain that this was a complicated and confusing problem which should have the full benefit of committee study and hearings. Yet the proponents ignored our pleadings and were successful in discharging our Committee on the District of Columbia from jurisdiction while we are actually in the process of carrying out this responsibility.

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

Mr. BROYHILL of Virginia. Not until I finish my statement.

Mr. PATMAN. A point of order, Mr. Chairman. We wish to finish debate on this bill.

Mr. BROYHILL of Virginia. Mr. Chairman, I do not yield.

The CHAIRMAN. Does the gentleman from Texas make a point of order?

Mr. PATMAN. The discussion is supposed to be on the bill.

The CHAIRMAN. The gentleman from Virginia obtained unanimous consent to speak out of order.

Mr. BROYHILL of Virginia. In order to point out and explain the defects and dangers in the bill under the discharge petition, we had to attack it through a committee report on another bill and by individual efforts on the part of several Members who had studied this problem.

Now we find the proponents of this monstrosity employing patchwork, piecemeal tactics in a desperate last-minute attempt "to make a silk purse out of a sow's ear," in what the Washington Post calls a bipartisan compromise. A new bill has now been introduced which you are going to be asked to accept as a substitute on Monday for the alleged perfect bill which 218 Members discharged from our committee.

The statement that this is a bipartisan bill is not true. No one among the Republican leadership authorized or approved the action taken by the sponsors of this new bill. The ranking Republican member of the Committee on the District of Columbia was not even consulted. The misleading proposals held out as compromises are clear admissions that the bill discharged from the committee is bad legislation, fraught with pitfalls. It fails to meet the objections as outlined by the Republican policy committee. The fact that the proponents will now back off from their demand for an automatic appropriation clearly acknowledges their fear that this odious procedure will not be swallowed by their colleagues in the House. But it is a trap unless they recede from their formula demand. That is the serious problem and defect in this bill. You give them authority to assess a tax against the Capitol Building and other Federal buildings. Once this is done, then the trap places the monkey on the back of the Committee on Appropriations who can then be blackjacked by the city council. The council could demand that we put up the money we have authorized, or else. They could threaten the Congress to reduce the police force and neglect the avenues and streets or cut off funds in the areas of most vital Federal interest.

The question of self-rule and self-determination should be decided here and in the committee and not on the pages of a crusading local newspaper.

What better evidence do we need to prove that this whole subject should be recommitted to our District of Columbia Committee for clearing up and cleaning up?

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

Mr. BROYHILL of Virginia. I yield to the gentleman from Minnesota, the ranking minority member of the Committee on the District of Columbia.

Mr. NELSEN. Mr. Chairman, I wish to add to the statement that the gentleman has made, with reference to the so-called bipartisan bill's treatment of the Hatch Act. I have been trying to search for a description of what has been done in this bill. The only kind of a description that I find that meets the action of the so-called bipartisan group is that the language now becomes just plain gobbledegook. There has been nothing cured by the change of language. I shall continue to object to the butchery of the civil service laws of the land and the Hatch Act, which I believe is important to our civil service system. I intend to continue my battle in that direction. It could have been cured by a nonpartisan election, but somehow or other there seems to be an insistence to hang on to the partisan feature. I have today prepared a letter dealing with this feature which I wish to insert at this point.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., September 23, 1965.

DEAR COLLEAGUE: Much has been made of a late inning so-called compromise over the de-Hatching provision in the home rule bill. In my opinion, absolutely nothing is being compromised except the entire civil service system. The obnoxiously dangerous de-Hatching provision still remains in the bill.

The only honest way to deal with this issue and its serious ramifications is to (1) make all the local elections nonpartisan, and (2) continue the protections of the Hatch Act over the activities of both the Federal and local District employees—both of whom are presently covered.

The so-called compromise version would switch the mayor-council (4-year terms) elections to the off-election years, thus theoretically avoiding intermingling the de-Hatched local elections with the Hatched presidential elections. However, the de-Hatched mayor-council elections would coincide with the Hatched election for delegate. How does one keep separate the campaign and funds for the mayor-council-delegate elections inasmuch as all three elections will be conducted by one and the same political parties?

Though the compromise version purports to de-Hatch purely for the local elections, it would be impossible to prevent the wholesale fund solicitation of Federal employees—and all that that implies—presumably for the local elections but the lion's share of such funds would—in fact—go into the national party coffers. Solicitation of Federal employees through lists provided sub rosa by a national administration would be made on a local and even national scale supposedly seeking funds for a local election but the funds actually would be destined elsewhere.

In addition to solicitation, the de-Hatching for purely local elections would result in wholesale coercion of Federal employees to engage in partisan campaigns to insure the building of a District party machine favorable—of course—to the administration in power to insure holding the District's three electoral votes on which a future presidential election might hinge. Neither party would be without sin.

Can you see, for instance, a Federal worker actively helping the party which is out of power nationally? It is my unshakeable belief that the de-Hatching provision advanced by its proponents—under the guise of allowing Federal employees to participate in a purely local election campaign is a malignancy which will corrupt the entire civil service.

The Hatch Act is designed to provide security of our civil service against the reincarnation of corruption. It protects our civil servants against political exploitation, including assessment, coercion, intimidation, political clearance, and kickbacks; and insures the efficiency, impartiality, objectivity, and faithfulness of our Government employees to their duties. The act must not be tampered with.

A number of years ago, the president of the National Federation of Federal Employees testified concerning the Hatch Act that the act is the:

"Strong bulwark of the career civil service system * * *. We do not share the view of those who assert that it * * * makes second-class citizens of Federal employees. The Hatch Act, on the contrary, protects the career employees from the kind of improper pressures which have no place in career public service, and it does so without doing violence to their basic rights and indeed duties as American citizens."

In closing, may I urge your attendance Monday on the floor so that you may participate in a full discussion of the provision I have alluded to and the bill in its entirety.

Sincerely,

ANCHER NELSEN,
Member of Congress.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WIDNALL. Mr. Chairman, I yield the gentleman 2 additional minutes.

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

Mr. BROYHILL of Virginia. I yield to the gentleman.

Mr. ROUDEBUSH. I certainly agree with and commend the gentleman from Virginia for his statement. It is a real paradox for the members of this committee that they would sign a discharge petition to take home rule legislation from the committee especially when that committee was actively considering such legislation and hearings were actually being conducted and witnesses actually being heard. Like many others, I do not object to a discharge petition if the committee fails to consider legislation, but here we have a bill during which an actual witness asked to be excused before the committee during the hearings on it so that he could sign a discharge petition for this bill. This was done while he was actually testifying before the committee. Now we hear about this compromise legislation. It is difficult to understand why the legislation discharged by a majority of this House must be changed and compromised. The answer is that the bill was not ready to be reported to this House and a dedicated committee under our great chairman has been embarrassed and ridiculed by this action.

I thank the gentleman from Virginia for yielding.

Mr. WIDNALL. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I might say at the outset that technically what I wish to talk about might be considered slightly out of order, but it relates to this subject and is in response to statements made on this floor by the distinguished chairman of the great Committee on Banking and Currency on September 13, 1965, when the 21-day rule was invoked in order to bring this measure before the House of Representatives.

I have always been impressed by the ability of the gentleman from Texas to expound at length on the subject of high interest rates; depressions; the evils of the Federal Reserve System; the defects of our national banking system; and related subjects that come under the jurisdiction of that most important committee of the House.

I listened to him on September 13 make some remarks along this line which shocked me because they were not in accordance with my understanding of the facts, but I did not have an opportunity to respond to him then because he moved the previous question. I would like to take advantage of the opportunity today to comment on his statements on that occasion to the effect that the Federal Reserve Board and Government agencies kept interest rates down until the Eisenhower administration came along, that Government bonds were supported at par under administrations previous to the Eisenhower one, and that upon the advent of the Eisenhower administration interest rates began to go up, and up and up. And the fantastic statement was made that if that administration had continued in power we would have a debt of $600 billion instead of $318 billion that it is today.

Because I was shocked at those statements, as they were not in accordance with my understanding of the facts, I took the trouble of making a little investigation on my own. I did not go to the Republican Congressional Committee or the Republican National Committee or any other partisan sources to get these facts. I turned to the Economic Report of the President of the United States filed with the Congress in January of 1965.

I find on page 248 in table B–49 of that Economic Report that during the Eisenhower 8 years the average interest or cost to the Government on 90-day Treasury bills was 2.34 percent. But during the 4 following years under administrations of the late President Kennedy and President Johnson the average interest on 90-day Treasury bills amounted to 2.96 percent, an increase of more than one-half of 1 percent over the average of the 8 Eisenhower years.

These are not long-term commitments that were made by the previous administration; these are 90-day Treasury bills. If you want to consider long-term bond yields you will find a similar situation. Over the 8 Eisenhower years you can see from the table, in the President's Economic Report, that the average interest paid by the U.S. Government on 3- to 5-year bond issues amounted only to 3.09 percent, while the average during the next 4 Kennedy-Johnson years increased to 3.73 percent.

And if you consider taxable bonds you will find that during the 8 Eisenhower years the interest averaged 3.30 percent whereas during the following 4 Kennedy-Johnson years the average interest paid by the Government on taxable bonds increased to 4 percent.

So, Mr. Chairman, the members of the committee can see from that table, if they will look at it, that instead of reducing interest upon the change of administrations, interest rates have gone up and have continued to go up and we are paying today, on September 15, 1965,

the latest date on which I could get any figures, interest on long-term issues at the average rate of 4.30 percent.

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

Mr. JONAS. I shall yield to the gentleman from Texas when I conclude my statement. I would prefer not to be interrupted right at this time. But I shall yield to the gentleman after I finish this statement.

Mr. Chairman, I also find the facts to be that it was under the administration of President Truman in 1951 when the Federal Government, through the Treasury Department and the Federal Reserve Board, entered into an accord which discontinued the price support of U.S. bonds at par. It was that accord, which was entered into under the administration of President Truman, that caused bonds not to be redeemable at par on a moment's notice. The purpose was to have U.S. bonds sell on the open market at the market price rather than be supported at par by the Government.

But my point is that the statement made by the distinguished chairman of the Committee on Banking and Currency would indicate that the Federal Reserve Board, up until the Eisenhower administration, kept the interest cost down and the price of Government bonds at par. But the fact is that the Government discontinued the support of U.S. bonds at par in 1951 under the administration of former President Truman.

I also would call attention—and I believe the record should show—that President Truman appointed Mr. Martin Chairman of the Federal Reserve Board. Mr. Eisenhower did not discover him or bring him out of nowhere and put him in charge of the Federal Reserve Board. He was designated Chairman of that Board by President Truman, was continued in that position by President Eisenhower, and continued in it again by President Kennedy.

So, Mr. Chairman, if the gentleman from Texas has any critical comments to make about the Chairman of the Federal Reserve Board, and I certainly do not, I say to him that Mr. Martin was first brought to the Federal Reserve Board chairmanship by President Truman, and the late President Kennedy continued him in that high office.

I would also like to comment apropos of the statement of the gentleman from Texas that the Federal debt would probably be $600 billion now if the Eisenhower administration had remained in power, that the truth of the matter is that on January 22, 1961, when the Eisenhower administration went out of power, the interest-bearing public debt of the Government of the United States, was $290 billion, and just 4 years later it had gone up to $319 billion.

I would further comment that on January 22, 1961, we had gold assets in this country amounting to $17.504 billion. Those gold assets on July 1, 1965, are down to $13.9 billion, about $4 billion less in gold.

I would call attention to the fact that the interest on the national debt has gone up during these past 4½ years from about $9 billion to about $11.5 billion. So when discussion about who is responsible for increasing the national debt and for high-interest rates, the whole record should be considered instead of oratory and unsupported charges.

In conclusion, I would like to call the attention of the committee to the fact that on August 10, 1965, Mr. Eugene Foley, Administrator of the Small Business Administration, issued a circular stating that the Small Business Administration will soon announce a decision to sell direct and immediate participation loans to private purchasers, and I quote this sentence from his announcement:

> Buyers will be permitted to charge up to 7½-percent interest, but in accordance with regional rates determined by SBA.

I would like to ask the gentleman from Texas, the guardian of low-interest rates in this country, is he going to stand for the Small Business Administration permitting private investors to charge small business concerns who obtain small business loans 7½-percent interest? No such interest as that was charged under the Eisenhower administration by the Small Business Administration.

I think the entire record on this subject of interest rates ought to be considered. I may say to the gentleman from Texas I have great respect for him but, unfortunately, I cannot agree with the statements he made in his speech on the floor on September 13, and I have cited the record to show how erroneous some of his statements were.

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

Mr. JONAS. I yield to the gentleman from Texas.

Mr. PATMAN. I hope the gentleman will not question the fact that from the time the Eisenhower administration came in there was a demand to increase interest rates quickly, and by reason of that it caused three depressions in 8 years by increasing interest rates.

Mr. JONAS. I may say to the gentleman that is his opinion. I am quoting figures. If the gentleman has figures to show interest rates have gone down under the Kennedy-Johnson administration, I would like to see them.

If the gentleman has figures to show average interest rates have gone down since Eisenhower left office, I will be glad to have them put in the RECORD; but the mere statement by the gentleman that interest policies under the Eisenhower administration caused depressions is subject to debate. The figures I have cited speak for themselves and need no debate to sustain them.

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

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

Mr. CURTIS. The gentleman from North Carolina is giving statistics. The gentleman from Texas is confused by the statistics, and resorts to argument and disregards those statistics. I say to the gentleman, put your figures in occasionally.

Mr. PATMAN. I will be glad to do that. And if Mr. Eisenhower had kept interest rates as they were when he came in, over a period of 15 years our national debt would have been $40 billion less. The interest rate would be $6 billion a year.

Mr. JONAS. Then why did not the interest rates go down when the Kennedy administration assumed office?

Mr. PATMAN. Because you cannot turn too quickly that way on interest rates. It requires time to do it.

Mr. JONAS. On 90-day Treasury notes?

Mr. PATMAN. That was because the Congress passed a law making average interest rates apply in certain agencies.

Mr. JONAS. Who was in charge of that Congress?

Mr. PATMAN. The Congress did that.

Mr. JONAS. I mean who was in control?

Mr. PATMAN. I do not know—but you probably voted for it.

Mr. JONAS. I am sure the gentleman knows that his party has controlled Congress since January 1955.

Mr. PATMAN. I did not say the gentleman did but the Congress passed the law, then the Federal Reserve established the interest rates that enabled the average rate to go up to nearly as much as long-term rates, which I think was terrible.

I would like now to answer the statement about Mr. Truman appointing Mr. Martin and also Mr. Kennedy appointing him.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. JONAS] has expired.

Mr. PATMAN. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I want to refer to the statement about Mr. Truman's appointing Mr. Martin and Mr. Kennedy also appointing him Chairman of the Federal Reserve Board. This goes back to 1951. The only time a President ever called the Open Market Committee into his office was Mr. Truman. He called them in and said, "You cannot increase these interest rates as you claim you are going to do." They promised not to.

After they gave that promise not to increase interest rates, Mr. Truman selected Mr. Martin as Chairman of the Board. I think he did so purely under a misapprehension of the facts as to Mr. Martin's true intentions. Later on when Mr. Kennedy was President, Mr. Kennedy was also called upon to select a Chairman of the Board. Every President should have his own Chairman and the term of office of the Chairman of the Board should be coterminous with the President. Even though some big people in the Federal Reserve agree with me on this, but it has never been arranged that way.

So when President Kennedy was called upon to select a Chairman, he could not go out and pick the best man in the United States to be Chairman. The law had been fixed by a series of amendments from time to time so that a President could only select one of the seven members already on the Board to be Chairman. He could not go out and pick any other individual.

Mr. JONAS. But he did not have to pick Mr. Martin, did he?

Mr. PATMAN. The President was in a straitjacket. He was handicapped. He

did not have freedom of choice. He had to pick one of those seven. Naturally, Mr. Martin had had the longest experience and was one of the members of the Board.

Mr. JONAS. On raising the interest rates—and that suited President Kennedy? Is that what you want us to believe?

Mr. PATMAN. I can state that others increased the rate. So I do not know whether he could do better himself or not, but anyway President Kennedy did not have a freedom of choice. He could not select anybody he wanted to. That law should be amended and the gentleman should support an amendment to the law that would permit the President of the United States to have the freedom of choice in the selection of a Chairman of the Federal Reserve Board.

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

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. TODD].

Mr. TODD. Mr. Chairman, I have tried to follow the debate as a member of the committee and to put some of the remarks together that have been made by those who have been seeking an enlargement of the bill as well as those of us who, I believe, support the bill as it is written.

It seems to me in the first place, no one has an objection to removing this particular exemption to the Bank Holding Company Act. Everyone seems to agree that it is wise to plug loopholes. Everyone seems to agree it is wise to plug up this one loophole that we are trying to plug up. The objection as I understand it is that we are not plugging all the loopholes at once. This it seems to me, Mr. Chairman, to be similar to not passing a law against one crime because you would not be eliminating all crime at once.

I think, in substance, my feeling toward the bill is that we would do better to eliminate any loophole that we can eliminate as we move along, rather than wait until we can eliminate all loopholes. I feel we should pass this bill now. This to me, Mr. Chairman, is what we are discussing here today—whether we are going to go ahead and close this loophole or whether we are going to leave this loophole open.

I should like to make one further observation. It appears to be much easier to get a loophole into a bill than to get the loophole out.

Mr. WIDNALL. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, a lot of things have been riding for this bill.

The Du Ponts were found guilty by association, hanged, drawn, and quartered, even before the trial started. The sponsor of the legislation before the House is one of the most adroit and skillful in the annals of Congress, and I have a great deal of personal admiration for him.

When the rule was adopted on H.R. 7371—and that had to be done by bypassing the Rules Committee—we did not hear much about the merits and the demerits of the bill. We heard about Herbert Hoover and the great depression, and in some way the Florida Du Pont organization became responsible for it all.

A vote for H.R. 7371 automatically became a vote against the misery and the hardship that still are remembered in that period.

Now we find that the Du Ponts somehow are responsible for high interest rates. If that is not cross enough to bear, we must face the forces of organized labor. Now a vote against H.R. 7371 becomes a vote against labor. Why? The bill does not have anything to do with labor. I do not know why labor should be injected into it. The bill does not determine wages, hours, or working conditions. I would think that labor would have enough to do in looking after its own people and their conditions without getting involved in the question of who owns banks.

This much I do know: There is only one Du Pont organization in my district and that is the St. Joe Paper Co. That company provides employment for people in my district. That is why I am interested in this bill and against the bill, and the only reason. But I have not heard one word from the employees of the St. Joe Paper Co. union. They have not asked me to support the bill. They are the only union members in my district that have a legitimate interest in it. Maybe my words are falling on deaf ears. Perhaps the pattern has been established. Here is an opportunity to kill an economic giant. Everybody can take home a little piece of the pelt and say, "I killed a giant." It does not make any difference whether it is a good giant or a bad giant. Here is a chance to kill a giant.

Whether it is worth while or not, I am going to talk about the merits of the bill. Please remember that the only legal entity affected by the bill is the Alfred I. du Pont estate of Jacksonville, Fla. Some of my colleagues have gone astray in assuming that there is a connection between this company and the E. I. du Pont de Nemours Co. of Delaware. There is not. Mr. Alfred du Pont, before his death, was a significant contributor to the economic development of Florida, and he was a public-spirited citizen of whom my State was proud. His will created the estate in question, including a charitable foundation which cares for crippled children and elderly people.

Now the ugly whisper has gone around that the Du Pont estate in Florida does not pay Federal income taxes and that it receives specialized treatment. The facts are that the bulk of the income of the Du Pont estate is derived from dividends on stock owned by the estate itself. When dividends are paid to the estate, each of the companies in which it owns stock has paid taxes—income taxes, State taxes—on the money earned.

The trustees of the estate, under the terms of the trust agreement, then distribute the dividends earned to the named beneficiaries. There are two primary beneficiaries: Mrs. Jessie Ball du Pont, the widow, who receives 88 percent of the income for the remainder of her life; and the Nemours Foundation, which receives 12 percent.

The foundation is a tax-exempt, nonprofit charity.

The income which Mrs. du Pont receives is subject to Federal income taxes and State taxes, and she pays taxes just as you and I on her income. Only the foundation, which receives 12 percent of the total, pays no taxes; and it will not pay any taxes even if this bill is passed. That will not change a thing.

This bill does not propose to change tax laws or regulations; it proposes to change the Bank Holding Company Act by removing one—just one—of the exemptions to the act.

It has been discussed here all day. Members know the story. The Bank Holding Company Act of 1956 prohibited bank holding companies from owning both banking and nonbanking interests. When the Congress passed the act—and it came from the gentleman's Banking and Currency Committee—in 1956, it contained a number of exemptions. All right. The Congress instructed the Federal Reserve to submit annual reports on how the act could be improved.

The Federal Reserve Board's first report was submitted in 1958, and it contained 25 suggested revisions which, in the opinion of the Board, would make the administration of the act more efficient. That is what my distinguished colleague from Florida [Mr. BENNETT], is going to try to add to the bill in a little while, and I am going to support his amendment.

This matter has been before the Banking and Currency Committee since 1958. Well, the recommendations have been resubmitted every year, but only last year was an action taken to legislate.

Normally, it has been my experience that a committee chairman will introduce legislation to carry out the recommendations of administrative agencies. But finally last year the only bill that was introduced on this subject would have changed one exemption only, the one affecting the Du Pont estate. That bill did not get out of the committee.

This year the distinguished chairman introduced the bill we are considering today, and it is substantially the same as the bill of last year. We have been told that it would broaden the act, but nobody can tell us how it would broaden it. It would not broaden it enough to bring in any other companies, so it is not very broad.

Let us see what the Government agencies think about the Patman bill. Last year, when requested for an opinion on the bill then before the Congress, the Comptroller of the Currency reported against the bill, so apparently the committee does not have an interest anymore in what the Comptroller thinks. But I do, so I asked the Comptroller for his opinion on the current bill. That opinion already has been discussed. Here it is. I put it in the RECORD as a part of my remarks:

SEPTEMBER 20, 1965.

Hon. ROBERT L. F. SIKES,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN SIKES: This is in response to your request of our views on H.R.

7371. This bill is substantially similar to H.R. 10668 of the 88th Congress. The bill would amend the definition of "company" in the Bank Holding Company Act of 1956 so as to include, in addition to the corporations, business trusts, and similar organizations now covered, any other trust "unless by its terms it must terminate within 25 years, or not later than the death of a named beneficiary."

The proponents of this legislation are frank to admit that it is aimed at only one existing situation, the Alfred I. du Pont estate, a testamentary trust corporation including a large paper manufacturing operation and the Florida East Coast Railway. The railway has been the subject of a bitter strike for the past several months.

It is the expressed intent of the proponents to subject the Du Pont estate to the provisions of the Bank Holding Company Act. This would require the estate to dispose of either its nonbanking corporations or of the 31 banks.

With regard to the intent of the bill as a whole, we do not believe it appropriate or desirable for Congress to amend a piece of legislation as important as the Bank Holding Company Act in order to take care of a single situation. The Federal Reserve Board and others have suggested amendments to the act of general application, having much greater importance in our opinion than the Du Pont estate situation. Any unsolved problems of Government regulation inherent in the Du Pont estate situation should, we believe, be handled only in the context of legislation which would have general application.

Sincerely,

JAMES J. SAXON,
Comptroller of the Currency.

I shall not read the whole statement. It is a full page letter from the Comptroller of the Currency in which he says:

With regard to the intent of the bill as a whole, we do not believe it appropriate or desirable for Congress to amend a piece of legislation as important as the Bank Holding Company Act in order to take care of a single situation. The Federal Reserve Board and others have suggested amendments to the act of general application, having much greater importance in our opinion than the Du Pont estate situation.

Well, a similar request was made by the committee last year to the Treasury Department for an opinion on the bill before the committee.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WIDNALL. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SIKES. The report from the Treasury Department also was unfavorable to the bill. Well, it never appeared in the committee report or the hearings. That is a strange sort of thing.

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

Mr. SIKES. In just a few moments. I just want to go a little further. I do not think that my distinguished friend means me any good, and I learned a long time ago that it makes no sense to fatten frogs to feed snakes. If my distinguished friend will allow me to continue until I have told a little bit more about this bill, then I will be glad to yield to him.

Mr. PATMAN. It will just be a brief observation.

Mr. SIKES. Not just now.

The request for an opinion by the Department of the Treasury was not repeated this year. I wonder why? Was it because it was unfavorable last year?

But here is what the Department of the Treasury had to say about the bill last year. It is substantially the same bill. Again I am not going to read all of this, but I am going to see that it goes into the RECORD. There are two pages on the bill from the Treasury Department, and it is signed by the General Counsel, telling why Treasury does not think this is a good bill:

THE GENERAL COUNSEL
OF THE TREASURY,
Washington, D.C., May 26, 1964.

The Honorable WRIGHT PATMAN,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on H.R. 10668, "To amend the Bank Holding Company Act of 1956, and the Federal Deposit Insurance Act, as amended."

The proposed legislation would amend the Bank Holding Company Act of 1956 and the Federal Deposit Insurance Act to include within the definition of "bank holding company" any testamentary trust controlling bank assets of $100 million or more.

The proponents of this legislation are frank to admit that it is aimed at only one existing situation, the Alfred I. du Pont Estate, testamentary trust which owns control of 31 banks in the State of Florida and numerous other corporations including a large paper manufacturing operation and the Florida East Coast Railway. The railway has been the subject of a bitter strike for the past several months.

It is the expressed intent of the proponents to subject the Du Pont estate to the provisions of the Bank Holding Company Act. This would require the estate to dispose of either its nonbanking corporations or of the 31 banks.

The technical provisions of the bill are three, as follows:

1. The definition of "company" in the Bank Holding Company Act of 1956 (12 U.S.C. 1841(b)) would be amended to include "any corporation, business trust, testamentary trust which at the end of the most recent calendar year controls bank assets of $100 million or more."

2. The present exemption in the Holding Company Act for charitable corporations would be amended to exclude any charitable foundation which controlled bank assets of $100 million or more.

3. The Bank Merger Act (12 U.S.C. 1828 (c)) would be amended to include in the subjects which the approving agency had to consider on any merger "possible inconsistency with the purposes and objectives of the Bank Holding Company Act of 1956, should the transaction result in the removal of any company from the purview of that act."

The intent of the third amendment in relation to the Du Pont estate seems remote. The explanation given by the sponsor in his remarks introducing the bill was along the following lines. The Florida Legislature at some time in the future may remove restrictions on statewide branching. If this happens, the Du Pont estate would be in a position to merge its 31 banks into 1 large bank. The agency, having to approve such a merger, would be required under amendment number three to reject such a merger, as inconsistent with the "purposes and objectives of the Bank Holding Company Act of 1956." The reasoning behind this seems a bit attenuated since it is problematical whether it can be said that one of the purposes and objectives of the Bank Holding Company Act is the preservation of an existing bank holding company over some other form of combination.

Amendment number three, unlike the other two proposals, could we believe, have unintended effect in the case of proposed mergers of banks controlled by an existing bank holding company having no relation to the Du Pont estate situation. For this reason alone, and also because of its vagueness and obscurity, we would object to proposal number three.

With regard to the intent of the bill as a whole, we do not believe it appropriate or desirable for Congress to amend a piece of legislation as important as the Bank Holding Company Act in order to take care of a single situation. The Federal Reserve Board and others have suggested amendments to the act of general application, having much greater importance in our opinion than the Du Pont estate situation. Any unsolved problems of Government regulation inherent in the Du Pont estate situation should, we believe, be handled only in the context of legislation which would have general application.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the administration's program to the submission of this report to your committee.

Sincerely yours,

G. D'ANDELOT BELIN,
General Counsel.

In substance they say substantially as the Comptroller of the Currency said, with regard to the intent of the bill as a whole, that they do not believe it appropriate or desirable for Congress to amend a piece of legislation as important as the Bank Holding Company Act in order to take care of a single situation.

Normally in the Congress when the affected agencies of the Government recommend against a bill, that is it. That is the end of the bill. You seldom hear any more about those bills, because normally when that situation prevails, if a bill is passed and goes to the White House, it gets vetoed.

Now, Mr. Chairman, this is what the affected Government agencies have to say about this bill. They say it is bad procedure.

Mr. Chairman, the Du Pont estate is an important contributor to Florida's economy. Its holdings in Florida include the Florida National Bank group, the St. Josephs Paper Co., and the Florida East Coast Railroad. The unions are on strike against the Florida East Coast Railroad, so you understand why they are involved here. Now I hold no brief for the railroad or the union. I do not know who is right or wrong in that dispute. However, I do not think that dispute has a thing in the world to do with the consideration of H.R. 7371. It just proposes to modify the Bank Holding Company Act. It does not change any labor laws. It is in that context alone that this House should consider it. This bill is single-purpose legislation, and it should be defeated.

The Federal Reserve has submitted 25 proposals for modification. We are being asked here to pass on one. All right. If the Bank Holding Company Act needs modification, then let us make all of the modifications at one time. That is the normal way to do these things. Surely the claim is not going to be seriously made that we should consider these exemptions separately, each of them in a separate bill. That would not make

much sense and it would take forever. Of course, we would never get around to doing it.

The Federal Reserve did not send its recommendations to the Congress in individual packages. They came in one comprehensive report. The same recommendation has come back to us year after year. Now, surely this emphasizes the fact that this is punitive, single-purpose legislation, which does not deserve to be on the floor of the House.

It is punitive to the Du Pont estate, to the foundation which was created; and punitive to the general public. If exemptions are wrong and if the public interest is to be served, then we should remove them all at once. To remove this exemption and allow the others to remain would be like compelling General Motors to install seat belts and speed governors on Chevrolet automobiles while everybody else would be allowed to produce cars without them. That kind of legislation would be unjust and contrary to the public interest. Let us be fair. Let us not use the power of Congress to pick on one organization just because someone in power does not like them. It is bad legislation.

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

Mr. SIKES. I yield.

Mr. PATMAN. To dispel any apprehension that any effort might be made to get Members to vote against the bill on account of this amendment, I wonder if the gentleman will say that if the amendment is not adopted he will vote for the bill or if it is adopted he will vote for the bill.

Mr. SIKES. I have made that statement before—I made it when the rule was before us. I have no reluctance whatever to say that I am going to vote for the Bennett amendment. If the Bennett amendment is adopted I am going to vote for the bill. Otherwise I am going to vote against it.

Mr. PATMAN. Mr. Chairman, I should like to say that we have an understanding with the other side that we will conclude debate in 5 minutes. I now yield 5 minutes to the gentleman from Illinois [Mr. ANNUNZIO].

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

Mr. ANNUNZIO. I yield to the chairman.

Mr. PATMAN. Something was said about the labor organizations not supporting this bill, including the paperplant in Florida. I assume that the plant employees belong to the recognized labor organizations headed by George Meany, who is president. Mr. Meany has endorsed this bill. He said:

> There is no reason why a loophole in the law, unintentionally created by Congress, should allow one man privileges which are not available to any other similar group or individual.
>
> We will continue to support legislation which would bring the Florida national banks under the provisions of the Bank Holding Company Act of 1956.

This is in a statement by George Meany, president of the American Federation of Labor and CIO.

Also, the city council of the city of Miami endorsed this bill.

Mr. ANNUNZIO. Mr. Chairman, I rise against the Bennett amendment, and in wholehearted support of H.R. 7371.

The legislation before this body today is a product of exhaustive study by the Banking and Currency Committee and is the first step in a program of strengthening the laws dealing with bank holding companies. I might also add that it is preventive legislation, or I might term it a bill to close the barn door before the horse escapes.

H.R. 7371 cannot be considered class or discriminatory legislation. It is designed merely to close a loophole which is available to any organization or institution that can qualify for the exemption. If we do not close this loophole, we cannot say for certain that it will not be taken advantage of by persons seeking to monopolize both banking and nonbanking businesses.

We have a choice here today of either adding a perfecting amendment to the Bank Holding Company Act or giving the green light to widespread dilution of the principles of the Bank Holding Company Act.

It seems strange to me that Congress in passing the Bank Holding Company Act would allow some groups to obtain a competitive advantage over others with a legislative blessing. Many of the exemptions to the Bank Holding Company Act are bona fide and in the public interest. However, it is not in the public interest to create an exemption for an organization that will use it to create its own power structure and perpetuate its policies.

As Chairman PATMAN has stated, the committee is sympathetic toward a review of all exemptions to the Bank Holding Company Act, aimed primarily at determining which exemptions are still in the public interest and which are being used for competitive gain over companies that are required to register as bank holding companies. It would be a mistake to remove all exemptions to the Banking Holding Company Act without adequate hearings. For instance, just in my home State of Illinois, there are at least 30 companies brought under the Holding Company Act without an opportunity to appear and state their case—if Mr. BENNETT'S amendment is adopted. We have conducted adequate hearings on H.R. 7371 and the legislation was reported nearly unanimously by the full committee. The hearings were open to any group, company or individual that wished to testify on the legislation, and the hearings were conducted in an extremely fair and proper manner. Certainly, this is the proper way to legislate, as opposed to the broad brush treatment proposed by some Members of this body in removing all exemptions.

It may well be that all exemptions should and may be removed, however, this should be determined on the basis of hearings and careful study. The legislative process is what has given Congress the greatness and respect that it commands throughout the world.

I ask my colleagues: Is it logical to forsake the tried and true, traditional legislative process to vote for full-scale amendments which have not been subject to one word of testimony?

Mr. HECHLER. Mr. Chairman, there are some aspects of this legislation, and the discussion which has ensued which puzzle me. I believe that in general this legislation is aimed in the right direction and I will probably support it on final passage. One of the proposed amendments concerns me, however. I agree with the arguments which have been advanced by the Federal Reserve Board that a holding company holding a single large bank might well be included under the terms of the act, because of the danger that credit may be refused to competing industrial interests.

Yet it seems to me, Mr. Chairman, that there are many small family corporations around the country, particularly in small towns. Lots of these are small "holding companies" where the owner's father or grandfather has founded the business, and there is not such an issue about their suppressing competition. Now where a family owns a bank and perhaps a local clothing store or something like that, I do not believe that they should now be forced to divest themselves of their nonbanking business.

Perhaps one way to handle such a situation would be to limit the application of any amendment to banks with deposits over $50 million, or with $5 million of capital and surplus. Actually, this would cover more than 80 percent of all the bank deposits, but would exempt about 80 percent of the banks. Personally, I think any amendment along the lines of the Bennett amendment goes too far, but if my colleagues insist on such an approach, I would hope that the very small banking business is not thereby penalized.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

H.R. 7371

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 2(b) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(b)) is amended to read as follows:

"(b) 'Company' means any corporation, business trust, association, or similar organization, or any trust unless by its terms it must terminate within twenty-five years, or not later than the death of a named beneficiary, but shall not include (1) any corporation the majority of the shares of which are owned by the United States or by any State, or (2) any corporation or community chest, fund, or foundation, organized and operated exclusively for religious purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, or (3) any partnership."

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That section 2(b) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(b)) is amended to read:

"'(b) "Company" means any trust, or any corporation, association, partnership, or similar organization, but shall not include—

"'(1) any corporation the majority of the shares of which are owned by the United States or by any State, or

"'(2) any trust which by its terms must terminate within twenty-five years or not later than the death of a named beneficiary, and which is for the benefit of named individuals or for the benefit of identifiable individuals related by blood or marriage to the settlor.'"

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

Mr. Chairman and Members of the Committee, I believe we have reached the point of debate on this matter where Members are entitled to some explanation, which we have not had during the course of general debate, as to exactly what has prompted this legislation.

I would like to ask the chairman or any member of the Committee on Banking and Currency or any Member of the Committee of the Whole House on the State of the Union to explain for my benefit and the benefit of other Members of the House why we have this legislation pending before us today. What abuses have brought about this proposal? What is the need for the legislation? Is there an explanation? I ask these questions as one who has made no decision on this bill. As a general rule I agree that banks should be prohibited from engaging in any other type of enterprise than banking itself for obvious reasons.

Mr. PATMAN. Mr. Chairman, if the gentleman will yield, yes, there is a good explanation. This is just like Mr. Meany said, "Congress did not intend to pass this special privilege exception to this particular group." It permits them to operate industrial plants, paper mills, railroads, and everything else along with banks, and 31 banks in this case, and not be under the supervision and direction of the Federal Reserve Board which is charged with the duty of supervising holding company legislation.

This is to bring them back into the same position where they should have been all the time and the exemption should never have been granted in the State of Florida. I am not saying it because it is in Florida, but if it were in the State of the gentleman from Louisiana or my own State, I would say that they are not entitled to that special exception and that special exemption.

Mr. WAGGONNER. Does the gentleman who chairs the full committee share this same attitude toward those others who have been granted such exemptions?

Mr. PATMAN. Well, I think that the exemptions will be considered at the right time.

Mr. WAGGONNER. Well, will the gentleman just answer the question, whether or not he shares that same attitude with regard to the other exemptions?

Mr. PATMAN. For consideration, yes. I cannot tell what I would do in each case.

I certainly say that they were given consideration. These 25 exemptions were put in there after months of hearings. Each one of them stood on its own feet.

Mr. WAGGONNER. Would the gentleman explain to me and the other Members of the House why hearings were not held in the other instances where exemptions have been granted?

Mr. PATMAN. We were just considering one exemption.

Mr. WAGGONNER. Getting back to my original question: What prompted hearings on just one exemption, and not all of them?

Mr. PATMAN. Because it was pointed out by the Federal Reserve for years they should have been taken off.

Mr. WAGGONNER. I do not understand your use of the word "they." Did not the Federal Reserve Board point out that the others were no more entitled to their exemption and loopholes in their case should have been closed too?

Mr. PATMAN. We have another bill. We are getting to them as fast as we can. We cannot put them in at one time. You have to take them one at a time. That is what we are doing. That is what Mr. Balderson meant when he recommended taking them up.

Mr. WAGGONNER. Which is the next one?

Mr. PATMAN. H.R. 7372 is the next one. We hope later on we wil get to others. But we have to take them as we can. You cannot have hearings on 25 exemptions in probably a whole session of Congress. It takes too much time.

Mr. WAGGONNER. Why is it these recommendations, having been before the Committee on Banking and Currency since 1958, some action was not taken before now?

Mr. PATMAN. We had other things to do.

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

Mr. WAGGONNER. I yield to the gentleman from Georgia.

Mr. WELTNER. I would like to point out to the gentleman this is not one exemption as I see it in H.R. 7371. It also removes an exemption presently existing in the law on charitable organizations. That involves some 10 entities that we know of. They have been contacted, and expressed no desire to attend. There is only one testamentary matter which has created such economic power in this country; it constitutes a bank holding company under the amended provision.

Mr. WAGGONNER. Could the gentleman tell me whether these 10 other organizations, religious and charitable, are using their exemption presently?

Mr. WELTNER. They are included.

Mr. WAGGONNER. Are they now utilizing their exemptions?

Mr. WELTNER. With the passage of H.R. 7371 they will be in there.

Mr. WAGGONNER. It goes without saying I still do not have an answer to any of my questions.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. BENNETT

Mr. BENNETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT: Page 2, add the following at the end of the bill:

"SEC. 2. (a) The first sentence of section 2(a) of such Act is amended by changing 'each of two or more banks' to read 'any bank' each place it appears therein.

"(b) The first sentence of section 3(a) of such Act is amended by changing 'company becoming a bank holding company' to read: 'bank becoming a bank holding company or of any other company becoming a bank holding company with respect to more than one subsidiary bank'.

"SEC. 3. The second sentence of section 2(a) of such Act is amended (1) by striking 'no company shall be a bank holding company which is registered under the Investment Company Act of 1940, and while so registered prior to May 15, 1955 (or which is affiliated with any such company in such manner as to constitute an affiliated company within the meaning of such Act), unless such company (or such affiliated company), as the case may be, directly owns 25 per centum or more of the voting shares of each of two or more banks, (C)', (2) by changing '(D)' to read 'and (C)', and (3) by striking ', and (E) no company shall be a bank holding company if at least 80 per centum of its total assets are composed of holdings in the field of agriculture'.

"SEC. 4. (a) Section 4(c) of such Act is amended—

"(A) by striking ', or to shares lawfully required and owned prior to the date of enactment of this Act by a bank which is a bank holding company, or by any of its wholly owned subsidiaries' from paragraph (4).

"(B) by adding 'or' at the end of paragraph (6).

"(C) by striking:

"'(7) to any bank holding company which is a labor, agricultural, or horticultural organization and which is exempt from taxation under section 501 of the Internal Revenue Code of 1954; or'.

"(D) by redesignating paragraph (8) as paragraph (7).

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

"'(d) With respect to shares which were not subject to the prohibitions of this section as originally enacted by reason of any exemption with respect thereto but which were made subject to such prohibitions by the subsequent repeal of such exemption, no bank holding company shall retain direct or indirect ownership or control of such shares after two years from the date of the repeal of such exemption, except that the Board is authorized upon application by such bank holding company to extend such period of two years from time to time as to such holding company for not more than one year at a time if, in its judgment, such an extension would not be detrimental to the public interest, but no such extensions shall extend beyond a date five years after the date of repeal of such exemption'."

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

Mr. BENNETT. Mr. Chairman, I do not want to take up very much more time. I would like to emphasize the things that I have already tried to emphasize in this debate.

The amendments which I have introduced are 100 percent from the Federal Reserve Board—every one of them was written by the Federal Reserve Board. They have all been requested over the period of the last 5 or 6 years by the Federal Reserve Board.

Second, the things that have been raised here with regard to the exemptions really have already been handled by the Committee on Banking and Currency in 1955 when that committee brought out a bill to the floor of the House in which

these exemptions did not exist. They had hearings and they decided there was no reason for the exemptions so they left the exemptions out. So the Committee on Banking and Currency as a matter of fact after deliberate hearings has already decided that these exemptions should not exist. We have not only had a long time elapse but we have had department report after department report favorable to this. We have had witnesses and long hearings and we have a legislative history on this matter showing that the House of Representatives itself has gone on record in favor of leaving these exemptions out.

So let us return now to the cardinal thing that we ought to have in our minds in regard to this legislation. That is the reason, the principle behind it. The principle caused the 1933 law. It was not to allow banking and nonbanking businesses to be controlled by the same interests.

That principle runs counter to every one of the exemptions. If we do not have these exemptions stricken, we will have a violation of those principles upon which the banking law that was passed in 1933 is based. In 1955 they discovered that just prohibiting a bank from holding a nonbanking business did not close the door entirely because somebody thought up the idea of the bank holding company to own a bank and own a business. So the Congress had to pass a bank holding company act, and the House of Representatives went on record as opposing those exemptions.

There is no reason why any of these exemptions should exist. They all violate the basic principle of the law. A trustee for the depositors in a bank should not be allowed to have those funds available to do anything that is contrary to the depositing purposes of the bank. He should not be allowed, for instance, to conduct the Coca Cola Co. or conduct Macy's department store or the Goodyear Tire & Rubber Co. All of these examples are involved in the legislation before us. Neither should he be running a labor organization or a labor union. There is no sense to that. That is contrary to principle. A labor union could use those funds to see to it that a business that was going out of existence and which was favorable to labor was helped. As a matter of fact, an article in the News & World Report sometime back went into a specific case somewhat like that.

For labor organizations to do that is just as bad as it would be for a church or any other kind of organization to do it.

The bill before us today, the so-called Du Pont bill is not just a Du Pont bill. The bill says that churches cannot do this, and it says that religious organizations, and the Community Chest and all of those very fine organizations cannot do this. So this committee in its profundity has come up here and said,—We suspect you churches and we suspect the Community Chest—and of course Mr. Du Pont's estate for the crippled children and the elderly. But organized labor? We are not suspicious about them. We will allow them to continue to have the exemption.

How ridiculous can you be?

Gentleman, I hope you will give thought to the amendment I have offered. It is a meritorious amendment and adds value to the bill. If the amendment is put into the bill, you can chalk this bill up as the finest piece of legislation that this entire Congress will have passed, because it will take political courage to do it.

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

Mr. BENNETT. I yield to the gentleman from Florida.

Mr. HALEY. As I understand the amendment offered by the gentleman, all it would do is not single out one particular organization or one particular group, but it would put all the "cats in one bag." Is that correct?

Mr. BENNETT. Exactly.

Mr. WIDNALL. Mr. Chairman, I rise in support of the amendment.

Under the Bank Holding Company Act, the Federal Reserve Board is required to report to the Congress annually on any recommendations it may have for changes in the Bank Holding Act which, in the opinion of the Board, would be desirable changes. For the past several years, the Board has so reported to the Congress and submitted a draft bill to effect a number of changes in the bank holding company law. The report this year was transmitted to the chairman of our committee on March 15.

When the Bank Holding Company Act was passed, it included a number of exemptions from the act designed to lessen opposition to the bill. The Board repeatedly called attention to these exemptions and consistently has taken the view that they should be removed from the act. This was true in their prior recommendations and it is true in their report of this year.

As many of you will recall, the Bank Holding Company Act was passed on the premise that expansion of bank holding companies should be subject to Federal regulation and that, generally speaking, bank holding companies should be divorced from nonbanking activities. In general, a bank holding company is an organization that owns 25 percent or more of the stock in two or more banks. But the original act made exemptions to this general provision. For instance, a company with 80 percent or more of its holdings in the field of agriculture could control two or more banks and yet, by definition, be exempt from the Bank Holding Company Act. Nonprofit religious, charitable, or educational organizations, likewise could control two or more banks and by definition were exempted from the act. By definition, partnerships controlling two or more banks were exempted from operation of the act. Although a business trust controlling two or more banks was included under the act, no provision was made for coverage of a testamentary trust controlling two or more banks. Another exemption relieved registered investment companies owning banks from operation of the act.

In the section of the act dealing with divestiture of nonbanking activities, two exemptions were provided which the Federal Reserve Board has recommended be repealed. One of these relates to nonbanking shares of stock acquired by a bank holding company prior to enactment of the act. The other exempts labor, agricultural, and horticultural organizations from the divestiture requirements of the act.

The Federal Reserve Board, year after year, has recommended removal of all of the above-mentioned exemptions with the exception of the exemption for partnerships. The bill before us today would remove but three of the exemptions; namely, the exemption for nonprofit religious, charitable, or educational organizations, the exemption for partnerships, and would modify the trust exemption so that any trust controlling two or more banks would be subject to the act unless it had a duration of less than 25 years.

Our colleague, the gentleman from Florida, Congressman BENNETT, has offered an amendment to remove the other exemptions as repeatedly recommended by the Federal Reserve Board. These are the exemptions for registered investment companies with 80 percent or more of their holdings in agriculture and the two divestiture exemptions applying to previously acquired shares owned by a bank holding company and the exemption from divestiture by labor, agricultural, and horticultural organizations holding bank stocks. In addition, Congressman BENNETT'S announced amendment contains another recommendation of the Federal Reserve Board to make applicable a one-bank rather than a two-bank definition. Presently, the act is only applicable in the case of an organization controlling two or more banks. A provision in the Bennett amendment would make the act applicable to an organization controlling one or more banks.

The Federal Reserve Board position is that if it is wrong to mix banking and nonbanking activities, then the potential for abuse exists whether the company controls one or a dozen banks. In the case of a nonbanking company controlling a large bank in fact, the abuse potential might be even greater than in the case of a holding company controlling only small banks.

What the situation boils down to is this; the bill with the Bennett amendment will once and for all get rid of the unjustified exemptions in the act. Without the Bennett amendment, the bill only removes part of these exemptions and is open to the charge that it is special legislation essentially directed at but one situation, namely, the Du Pont estate, which control 31 banks in Florida.

Personally, I think the Bennett amendment should be adopted so that there is an overall approach to the elimination of these exemptions rather than the limited approach embodied in the bill as reported by the committee.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a unanimous consent request?

Mr. WIDNALL. I yield to the gentleman from Texas.

Mr. PATMAN. On this side we have about four speakers, three from the committee and the gentleman from New York [Mr. CELLER]. I believe if we were to agree on a 20-minute limitation that would certainly cover all the time indicated to me to be needed by the speakers.

Could we have a unanimous-consent agreement to limit debate to about 25 minutes?

Mr. WIDNALL. Twenty minutes will be sufficient.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that debate close in 20 minutes.

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

There was no objection.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that I may yield my time to the gentlewoman from Missouri [Mrs. SULLIVAN], so she can close debate for the committee.

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

Mr. HALL. Mr. Chairman, reserving the right to object, I wish to propound a parliamentary inquiry as to whether, in the Committee of the Whole House, one can reserve time for the purpose of closing debate, on either side?

The CHAIRMAN. The gentleman from Texas asked unanimous consent to yield his time to Mrs. SULLIVAN.

Mr. HALL. There was an additional unanimous consent involved.

The CHAIRMAN. Recognition is a matter under the discretion of the Chair. The Chair does not conceive that to be included within the gentleman's request.

Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. BROCK].

Mr. BROCK. Gentlemen, I think the case has been made clearly today. The thrust of the amendment of the gentleman from Florida is to treat all groups in the same fashion whether they be labor or agricultural organizations or charitable foundations. The case has well been made in the committee. We have had substantial hearings and the committee as early as 1956 voted out a bill. The House of Representatives passed that bill, which did not include these exemptions. They were put in on the Senate side by and large. To say that we have had no adequate consideration is not entirely true. The case has been made clearly and cogently, and I hope that the Members of the House will support the Bennett amendment. If that amendment is not adopted, then we should vote against final passage on the grounds that we have no right to pass single-purpose punitive legislation.

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

Mr. CRAMER. Mr. Chairman, I rise in support of the Bennett amendment.

I, too, do not believe—regardless of what the feelings may be of some members of the Committee on Banking and Currency with regard to specific organizations—I do not believe in class legislation, either. I think the gentleman from Florida has taken the sound and equitable and proper approach that if you are going to delete these exemptions, consideration should be given to doing it across the board. I agree with my distinguished chairman of the Committee on the Judiciary who takes the same position. His logic is equally sound, I think. I hope that the Bennett amendment will prevail. Otherwise, and properly so, this Congress and the Committee on Banking and Currency could be charged with trying to legislate punitively on a class basis.

The committee was wrong in voting such a punitive bill out in the first place without considering the executive agency's request on all exemptions.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. WELTNER].

Mr. WELTNER. Mr. Chairman, I oppose the Bennett amendment. I believe that the Congress ought to know what it is about in enacting legislation. It is true that the Bennett amendment removes all the exemptions. But the main thrust of that amendment is not to remove exemptions but to change definitions. The first portion of that amendment would bring into the provisions of the Bank Holding Company Act 341 holding companies located in 44 States and the District of Columbia. Those holding companies own 331 banks. Those holding companies control through those banks 521 branches, making a total of 851 banking facilities which we are about to sweep in under this Bank Holding Company Act—with no prior consideration, and with no opportunity to be heard. Those holding companies control in banking assets, deposits of $13,553 million.

If we are going to legislate soundly, we cannot do so by changing a definition which no one had presupposed, and we cannot do so by sweeping legislation today which affects 341 holding companies in 44 States and the District of Columbia. Those companies have no earthly idea of what is contained in this amendment. They have the right to be heard, and we have the duty to hear them.

For that reason I oppose the Bennett amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CURTIS] for 2 minutes.

Mr. CURTIS. Mr. Chairman, as one who is not on this committee, but, like many of the rest of the Members of the House, is very much concerned about the Bank Holding Company Act, I am distressed at the way this legislation is before us. I would suggest that we might do a little thinking back on the fact that this comes out under the 21-day rule, and why did this not get a rule before the Committee on Rules? It becomes very apparent to me why a rule was not granted.

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

Mr. CURTIS. No, I am not going to yield. I only have 2 minutes. You cut the time down so we could not debate this, and I want the 2 minutes in order to state my position.

The matter would not have been granted a rule, in my judgment, after listening to this and looking at the hearings. If I have ever seen single-purpose legislation directed at one institution, this is it. I have heard the word used that it is punitive, and there is great merit to that description.

I am impressed somewhat by the point made by the gentleman from Georgia [Mr. WELTNER] that the committee has not had the studies or given us the information necessary to act on the Bennett amendment. Of course, the broad thrust of the Bennett amendment does appeal to me over the narrow scope of the bill before us. We should have had legislation out of the Committee on Banking and Currency long before this on the recommendations of the Federal Reserve System to close the loopholes in the Bank Holding Act. But that is not before us. I shall probably vote for the Bennett amendment but, in my judgment, what really should happen is that this matter, the bill itself, should be recommitted to the committee and let us have an end to it and then have the committee, after adequate study, report out broadly based legislation.

From the practical standpoint I understand the Bennett amendment is one way of killing the special legislation bill and I would do anything I could to do that as long as it is proper. I only hope that in the future we will pay a little more attention to what the Committee on Rules can do for us if it follows, as it has in most instances, its policy of going into the question whether or not a bill should be on the floor for debate.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. STEPHENS].

Mr. STEPHENS. Mr. Chairman, I rise in opposition to this amendment. There were reasons for putting all exemptions into the Bank Holding Company Act originally. There has been no evidence in hearings that would cause me to change my mind, either to vote to take away the exemption granted in the main bill or to vote to take away exemptions covered by the amendment of the gentleman from Florida [Mr. BENNETT]. There was no evidence placed before me to indicate that these things should be changed but complete hearings were had on the original act when those exemptions were put in. We are in the same position of that jury that came out with a verdict: "We find the defendant guilty although we do not believe he committed this crime. We have found him guilty because we believe that if he had been there he would have done it." That is the way it is with this amendment.

There is no evidence upon which to convict every single company that has been granted an exemption. So far as evidence is concerned, a vote for the Bennett amendment would be to convict on no evidence. Until there is such evidence before this House in the form of hearings before our committee, then there is no reason to write legislation on the floor without evidence. This amendment seems to be simple but it is not. It

is far reaching in its effect all over this country, with over 300 institutions that might be affected by this without having had their day in court.

These reasons are why I am opposed to this particular amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I am not a member of the Committee on Banking and Currency, but I am very much interested in the concentration of banking power, especially the concentration of banks. That has always enlisted my interest. The undue concentration in one form is as good as or as bad as concentration in any other form. Concentration among the labor unions with reference to banks is just as bad as concentration by an eleemosynary group or a religious group or a horticultural group.

I think all these exemptions that are in the act now must be removed. Here is a golden opportunity to remove these exemptions. If you adopt the Bennett amendment, you will at one fell swoop do what probably would take months and months, if not years, to do. I say seize this opportunity now. If there is any doubt in anybody's mind with reference to the bill itself I think he should take the advice of experts. The Treasury Department says it is opposed to the original bill.

The Comptroller of the Currency said he is opposed to the bill. The Federal Reserve says, "We want all of the exemptions taken out."

Therefore, Mr. Chairman, I would say that the Federal Reserve System is somewhat opposed to the bill and I am sure it would be in favor of the bill I am sure wholeheartedly with the Bennett amendment. The Bennett amendment is exactly what the experts want, the experts being; namely, the Treasury, the Comptroller of the Currency, and the Federal Reserve.

Therefore, Mr. Chairman, I hope the amendment will prevail.

The CHAIRMAN. The Chair recognizes the gentlewoman from Missouri [Mrs. SULLIVAN] for 4 minutes.

Mrs. SULLIVAN. Mr. Chairman, I urge that this amendment be rejected.

Mr. Chairman, just as Rome was not built in a day, we cannot expect in one fell swoop to completely overhaul the regulations of group banking.

Mr. Chairman, it is clearly the intent of the Committee on Banking and Currency that we look into all of the exemptions contained in the Bank Holding Company Act and that we consider each exemption on its own merits.

Mr. Chairman, this is the only way to legislate sensibly in this area.

We, in committee, agreed that there was no good reason and no purpose to be served by delaying correction of glaring weaknesses brought out by full and complete hearings. After hearing all parties wishing to testify, the committee carefully considered the excellent record made under the chairman's leadership and we voted out a broadened bill by an overwhelming vote of 21 to 4.

Using the same deliberate and careful procedure, we also reported out unanimously H.R. 7372, a bill to remove the investment company exemption. The report filed on this bill specifically stated that we would hold further hearings on all of the exemptions in the act.

Mr. Chairman, I believe the House may have full confidence that we will do just that, giving all affected parties an opportunity to be heard. If the House insisted upon closing all the loopholes, and I am not arguing that these loopholes should not be closed, without hearings to determine the merits of each, then we lay ourselves open to a charge of engaging in star chamber proceedings unworthy of this House.

Mr. Chairman, may I suggest that the Members go to the committee table and look up the holding companies listed in their own State. In Missouri alone we have 24 companies which would become bank holding companies controlling bank assets exceeding $1 billion, without an opportunity to be heard, if the Bennett amendment is adopted.

Mr. Chairman, any company should have an opportunity to be heard before we accept such an amendment of this impact.

Mr. Chairman, I urge that the amendment be defeated.

Mr. ANNUNZIO. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. MURPHY] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. MURPHY of New York. Mr. Chairman, I want to join in the remarks of the gentlewoman from Missouri, the chairman of the Subcommittee on the Panama Canal of the House Committee on Merchant Marine and Fisheries, on the floor of the House today.

In my 3 years of service on this committee, the gentlewoman has been the subcommittee chairman for that entire time. I traveled to Panama on several occasions with the chairman, not only to inspect the site and operation of the canal, but to confer with the Governor General and his staff, our military leaders, our diplomatic leaders, our American businessmen, and civic, veterans and religious groups.

On our most recent trip in January of this year, we met with the Secretary of the Army; the then Assistant Secretary of State for Inter-American Affairs, now Under Secretary of State for Economic Affairs, Thomas C. Mann; and the then Ambassador to Panama, now Assistant Secretary of State, Jack H. Vaughn. We expressed at that time as a committee that the sense of the Congress was that the canal and the treaty with Panama with its sovereignty provisions should not be changed and that the United States must remain in control of this canal until such time as a new sea-level canal is constructed, in operation, and under the control of the United States.

I also feel that the rash of press speculation at the present time that the canal is about to be given away, is evidence enough that our foreign policy and our treaties need careful and considered scrutiny in the Congress. I join with the gentleman from Pennsylvania [Mr. FLOOD] in his assertion that the House of Representatives should be a ratifying body for U.S. treaties in the future.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 53, noes 36.

So the amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. O'HARA of Michigan, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7371) to amend the Bank Holding Company Act of 1956, pursuant to House Resolution 499, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. PATMAN. Mr. Speaker, I demand a separate vote on the Bennett amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 2, add the following at the end of the bill:

"SEC. 2. (a) The first sentence of section 2(a) of such Act is amended by changing 'each of two or more banks' to read 'any bank' each place it appears therein.

"(b) The first sentence of section 3(a) of such Act is amended by changing 'company becoming a bank holding company' to read: 'bank becoming a bank holding company or of any other company becoming a bank holding company with respect to more than one subsidiary bank'.

"SEC. 3. The second sentence of section 2(a) of such Act is amended (1) by striking 'no company shall be a bank holding company which is registered under the Investment Company Act of 1940, and while so registered prior to May 15, 1955 (or which is affiliated with any such company in such manner as to constitute an affiliated company within the meaning of such Act), unless such company (or such affiliated company), as the case may be, directly owns 25 per centum or more of the voting shares of each of two or more banks, (C)', (2) by changing '(D)' to read 'and (C)', and (3) by striking ', and (E) no company shall be a bank holding company if at least 80 per centum of its total assets are composed of holdings in the field of agriculture'.

"SEC. 4. (a) Section 4(c) of such Act is amended—

"(A) by striking ', or to shares lawfully acquired and owned prior to the date of enactment of this Act by a bank which is a bank holding company, or by any of its wholly owned subsidiaries' from paragraph (4).

"(B) by adding 'or' at the end of paragraph (6).

"(C) by striking:

"'(7) to any bank holding company which is a labor, agricultural, or horticultural organization and which is exempt from taxation under section 501 of the Internal Revenue Code of 1954; or'.

"(D) by redesignating paragraph (8) as paragraph (7).

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

"'(d) With respect to shares which were not subject to the prohibitions of this section as originally enacted by reason of any exemption with respect thereto but which were made subject to such prohibitions by the subsequent repeal of such exemption, no bank holding company shall retain direct or indirect ownership or control of such shares after two years from the date of the repeal of such exemption, except that the Board is authorized upon application by such bank holding company to extend such period of two years from time to time as to such holding company for not more than one year at a time if, in its judgment, such an extension would not be detrimental to the public interest, but no such extensions shall extend beyond a date five years after the date of repeal of such exemption.'"

The SPEAKER. The question is on the amendment.

Mr. PATMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 199, nays 178, answered "present" 3, not voting 52, as follows:

[Roll No. 320]

YEAS—199

Abbitt	Dole	McDowell
Abernethy	Dorn	McMillan
Adair	Downing	MacGregor
Andrews,	Duncan, Oreg.	Madden
Glenn	Duncan, Tenn.	Mahon
Andrews,	Dwyer	Mailliard
N. Dak.	Edwards, Ala.	Marsh
Arends	Erlenborn	Martin, Ala.
Ashbrook	Everett	Martin, Mass.
Ashmore	Evins, Tenn.	Martin, Nebr.
Ayres	Fascell	Mathias
Baldwin	Findley	Matthews
Bandstra	Fisher	May
Baring	Fountain	Michel
Bates	Fulton, Pa.	Mills
Battin	Fuqua	Minshall
Belcher	Gathings	Mize
Bell	Gettys	Moore
Bennett	Giaimo	Morris
Berry	Gibbons	Morse
Betts	Griffin	Mosher
Boland	Gross	Murray
Bow	Grover	Nelsen
Bray	Gubser	O'Konski
Brock	Gurney	Passman
Broomfield	Hagen, Calif.	Pepper
Brown,Calif.	Haley	Pickle
Broyhill, N.C.	Hall	Pike
Broyhill, Va.	Halpern	Pirnie
Buchanan	Hanley	Poage
Burleson	Hansen, Idaho	Poff
Byrnes, Wis.	Hansen, Iowa	Pool
Cabell	Hansen, Wash.	Purcell
Cahill	Hardy	Quie
Carter	Harvey, Ind.	Quillen
Cederberg	Harvey, Mich.	Reid, Ill.
Celler	Hays	Reid, N.Y.
Chamberlain	Henderson	Reifel
Clancy	Horton	Reinecke
Clawson, Del	Hull	Rivers, S.C.
Cleveland	Hutchinson	Robison
Collier	Jennings	Rogers, Fla.
Conable	Johnson, Pa.	Rogers, Tex.
Conte	Jonas	Roudebush
Cooley	Keith	Roush
Corbett	Kornegay	Rumsfeld
Craley	Kunkel	Satterfield
Cramer	Laird	Saylor
Curtin	Langen	Schneebeli
Curtis	Latta	Schweiker
Daddario	Lennon	Secrest
Dague	Lipscomb	Selden
Davis, Wis.	Long, Md.	Shriver
de la Garza	McCarthy	Sikes
Derwinski	McClory	Skubitz
Devine	McCulloch	Smith, Calif.
Dickinson	McDade	Smith, Iowa
Smith, N.Y.	Tuck	Whitten
Smith, Va.	Tupper	Widnall
Stafford	Ullman	Williams
Stanton	Waggonner	Willis
Stubblefield	Walker, Miss.	Wilson,
Sweeney	Walker, N. Mex.	Charles H.
Talcott	Watkins	Wolff
Teague, Calif.	Watson	Wyatt
Teague, Tex.	Watts	Younger
Tenzer	Whalley	
Thomson, Wis.	Whitener	

NAYS—178

Adams	Grider	O'Neal, Ga.
Addabbo	Griffiths	O'Neill, Mass.
Albert	Hagan, Ga.	Ottinger
Annunzio	Hamilton	Patman
Ashley	Hanna	Patten
Aspinall	Hathaway	Perkins
Barrett	Hawkins	Philbin
Beckworth	Hébert	Price
Bingham	Hechler	Pucinski
Boggs	Helstoski	Race
Bolling	Howard	Randall
Brademas	Hungate	Redlin
Brooks	Huot	Reuss
Burke	Ichord	Rhodes, Pa.
Burton, Calif.	Irwin	Rivers, Alaska
Byrne, Pa.	Jacobs	Roberts
Callan	Jarman	Rodino
Cameron	Joelson	Rogers, Colo.
Carey	Johnson, Calif.	Ronan
Casey	Jones, Ala.	Rooney, N.Y.
Chelf	Jones, Mo.	Rooney, Pa.
Clark	Karsten	Rosenthal
Clevenger	Karth	Rostenkowski
Cohelan	Kastenmeier	Roybal
Conyers	Kee	Ryan
Culver	Kelly	St Germain
Cunningham	Keogh	St. Onge
Daniels	King, Calif.	Scheuer
Davis, Ga.	King, N.Y.	Schisler
Delaney	King, Utah	Schmidhauser
Dent	Kirwan	Shipley
Denton	Kluczynski	Sickles
Dingell	Krebs	Sisk
Donohue	Leggett	Slack
Dow	Long, La.	Staggers
Dulski	Love	Stalbaum
Dyal	McFall	Steed
Edmondson	McGrath	Stephens
Edwards, Calif.	McVicker	Stratton
Fallon	Macdonald	Sullivan
Farbstein	Machen	Taylor
Feighan	Mackay	Thompson, N.J.
Flood	Mackie	Todd
Flynt	Matsunaga	Trimble
Fogarty	Meeds	Tunney
Foley	Miller	Tuten
Ford,	Minish	Udall
William D.	Mink	Van Deerlin
Fraser	Moorhead	Vanik
Friedel	Morgan	Vigorito
Fulton, Tenn.	Morrison	Vivian
Gallagher	Moss	Weltner
Garmatz	Multer	White, Idaho
Gilbert	Murphy, Ill.	White, Tex.
Gilligan	Murphy, N.Y.	Wright
Gonzalez	Natcher	Wydler
Grabowski	Nedzi	Yates
Green, Oreg.	Nix	Young
Green, Pa.	O'Hara, Mich.	Zablocki
Greigg	Olson, Minn.	

ANSWERED "PRESENT"—3

Callaway	Pelly	Roncalio

NOT VOTING—52

Anderson, Ill.	Farnum	Monagan
Anderson,	Fino	Morton
Tenn.	Ford, Gerald R.	O'Brien
Andrews,	Frelinghuysen	O'Hara. Ill.
George W.	Goodell	Olsen, Mont.
Blatnik	Gray	Powell
Bolton	Halleck	Resnick
Bonner	Harris	Rhodes, Ariz.
Burton, Utah	Harsha	Roosevelt
Clausen,	Herlong	Scott
Don H.	Hicks	Senner
Colmer	Holifield	Springer
Corman	Holland	Thomas
Dawson	Hosmer	Thompson, Tex.
Diggs	Johnson, Okla.	Toll
Dowdy	Landrum	Utt
Ellsworth	Lindsay	Wilson, Bob
Evans, Colo.	McEwen	
Farnsley	Moeller	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hosmer for, with Mr. Holifield against.

Mr. Halleck for, with Mr. Toll against.

Mr. Colmer for, with Mr. Olsen of Montana against.

Mr. George W. Andrews for, with Mr. Farnum against.

Mr. Scott for, with Mr. Farnsley against.

Mr. Hicks for, with Mr. Diggs against.

Mr. Harsha for, with Mr. Moeller against.

Mr. Herlong for, with Mr. Roosevelt against.

Mr. Bob Wilson for, with Mr. Senner against.

Mr. Frelinghuysen for, with Mr. Corman against.

Mr. Rhodes of Arizona for, with Mr. Dawson against.

Mr. Bonner for, with Mr. O'Hara of Illinois against.

Mr. Don H. Clausen for, with Mr. Powell against.

Mr. Burton of Utah for, with Mr. O'Brien against.

Mr. Anderson of Illinois for, with Mr. Resnick against.

Mr. Goodell for, with Mr. Holland against.

Mr. Morton for, with Mr. Anderson of Tennessee against.

Mrs. Bolton for, with Mr. Blatnik against.

Mr. Ellsworth for, with Mr. Landrum against.

Mr. McEwen for, with Mr. Monagan against.

Until further notice:

Mr. Thomas with Mr. Gerald R. Ford.

Mr. Harris with Mr. Springer.

Mr. Dowdy with Mr. Fino.

Mr. Evans with Mr. Lindsay.

Messrs. CASEY, LONG of Louisiana, DONOHUE, PHILBIN, WRIGHT, ROBERTS and ADAMS changed their vote from "yea" to "nay".

Messrs. McMILLAN and RUMSFELD changed their vote from "nay" to "yea".

The result of the vote was announced as above recorded.

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

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

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

The bill was passed.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 2300) entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCNAMARA, Mr. RANDOLPH, Mr. MUSKIE, Mr. GRUENING, Mr. MOSS, Mr. COOPER, and Mr. FONG to be the conferees on the part of the Senate.

AMENDING PUBLIC HEALTH SERVICE ACT

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 590, Rept. No. 1090) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that

the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3142) to amend the Public Health Service Act to provide for a program of grants to assist in meeting the need for adequate medical library services and facilities. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

GENERAL LEAVE TO EXTEND

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AMENDING THE CLEAN AIR ACT

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution, House Resolution 587, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 306) to amend the Clean Air Act to require standards for controlling the emission of pollutants from gasoline-powered or diesel-powered vehicles, to establish a Federal Air Pollution Control Laboratory, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the substitute amendment recommended by the Committee on Interstate and Foreign Commerce now in the bill and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Indiana [Mr. MADDEN] is recognized for 1 hour.

Mr. MADDEN. Mr. Speaker, I yield myself such time as I may require and pending that I yield 30 minutes to the gentleman from California [Mr. SMITH].

Mr. Speaker, House Resolution 587 provides an open rule with 2 hours of general debate on S. 306, a bill to amend the Clean Air Act to require standards for controlling the emission of pollutants from gasoline-powered or diesel-powered vehicles, to establish a Federal Air Pollution Control Laboratory, and for other purposes. The resolution also makes it in order to consider the committee substitute as an original bill for the purpose of amendment.

S. 306, as reported, would broaden the present authority of the Department of Health, Education, and Welfare in two areas affecting the public health and welfare: First, air pollution; and second, solid waste disposal.

The bill would add a new title II to the Clean Air Act providing for control of air pollution from motor vehicles. This title would authorize the Secretary to prescribe by regulation as soon as practicable performance standards applicable to new motor vehicles and new motor vehicle engines with regard to air pollution which endangers the health or welfare of any person.

In addition, the bill would amend the Clean Air Act so as to permit a foreign country in the case of air pollution emanating from the United States which endangers the health or welfare of persons in such foreign country to participate in conferences called by the Secretary of HEW and, for the purposes of such conferences and proceedings resulting therefrom, have all the rights of a State air pollution control agency. This privilege is conditioned, however, upon the foreign country granting reciprocal rights to the United States.

Finally, the bill provides for the conduct and acceleration of research programs relating to means of controlling air pollution caused by motor vehicles in two respects: First, hydrocarbon emissions resulting from the evaporation of gasoline; and second, emissions of oxides of nitrogen and aldehydes. Such research is to be directed toward the development of improved low-cost techniques designed to reduce emissions of oxides of sulfur produced by the combustion of sulfur-containing fuels.

Mr. Speaker, I urge the adoption of House Resolution 587 in order that S. 306 may be considered.

Mr. Speaker, I yield 7 minutes to the gentlewoman from Missouri [Mrs. SULLIVAN].

(By unanimous consent, Mrs. SULLIVAN was given permission to speak out of order.)

UNITED STATES-PANAMA RELATIONS

Mrs. SULLIVAN. Mr. Speaker, up to now I have expressed my views on United States-Panama relations only in executive sessions, or in private talks with the Secretary of the Army, or with ranking officials of the Department of State.

But I now feel that some plain talking needs to be done about this relationship which too often gets out of proper prospective.

However, as chairman of the Subcommittee on Panama Canal of the House Committee on Merchant Marine and Fisheries, I have grave doubt that this kind of talking, necessary as it is, will get very far with the Department of State.

The aim seems always to be, let us not offend the sensibilities of others, regardless of how our own may be mistreated.

Now that the United States and Panama are engaged in negotiations for a new treaty—a revision of the old 1903 treaty—I believe that plain and unmistakably clear talk could have a salutary effort on the responsible leaders of Panama, and on our own.

I admit that during the 60-year-old relationship between Panama and the United States both countries have committed many errors which, perhaps, should never have occurred. But it is wicked of anyone to hold that the United States has deprived Panamanians of their birthright.

Because of Panama's association with the United States it enjoys greater prosperity than that experienced by any other country in this region of Latin America. Unfortunately the wealth generated by the Panama Canal and its appurtenant installations has not been shared by the leaders of that country with the Panamanian masses.

The upshot of it all is that our Government has been made the scapegoat for the lack of economic, educational, and social opportunities which, over the years, should have been made available to the people of Panama by their own ruling classes.

Contrary to what may be said or written, the big and powerful United States has neither exploited nor neglected its little and less developed neighbor. Even the average citizen of Panama would be surprised to learn of the benefits his country derives from the United States through the Panama Canal Company Canal Zone Government activities.

In this connection, I invite attention to the following facts:

Panama's present high level of gross national product is due largely to the increasing revenues from transactions in goods and services with the Canal Zone.

Panama's foreign trade deficit has been greatly aided by increased direct economic support received from the Canal Zone.

Panama has been able to avoid a heavy burden on its economic resources because it does not have to organize, maintain, and equip its own armed forces for national defense purposes. This is one advantage of the U.S. military presence in the Canal Zone. Presently, only the Guardia Nacional or national police force is maintained.

Various U.S. grants for development projects have also made a strong impact on the social and economic life of the country.

In ways too numerous to detail, the operation of civil and military installations in the Canal Zone furnishes job opportunities, a market for supplies and services, and other economic advantages of tremendous benefit to Panama. The Canal Zone is the principal source of external aid to Panama.

I stand for giving the utmost help to the people of Panama to bring them into the 20th century of living standards. Since 1953 when assigned to the subcommittee dealing with United States-Panama relations, I have fought for attaining these goals.

However, I am opposed to yielding fundamental American rights in any concessions or grants which the United States may consider for Panama.

In the U.S. Congress, I, and my colleagues, reject even the slightest trace of blackmail which may be employed by any politicians to force our Government into making certain concessions to their countries. As a matter of fact, this rejection holds good with all Americans, regardless of whether the politicians are from Panama or elsewhere.

The canal itself would never be able to provide all the people of Panama with a standard of living sufficient to meet their every need and desire. Responsible leaders in that country, then, have the obligation of making this fact clear so as to avoid building up false hopes on false premises.

I note the rising tide of opposition in Latin America and other underdeveloped areas to the concentration of power and wealth in the hands of a few at the expense of the masses.

Countries with leaders who have been heedful of the need for social reform and equality of opportunity for all of its citizens have been creating an environment of progress and stability which strengthen the democratic order.

On the other hand, where this type of leadership has been absent, violent upheavals and chaos have resulted, setting back the democratic causes while imposing tyrannical and authoritarian regimes.

Under the 1955 treaty many valuable properties and parcels of land were turned over to Panama, little of which has been put to any worthwhile use by that nation up to now.

Some properties were even abandoned after being sacked by vandals, while others are being misused and permitted to deteriorate.

Certain concessions obtained by Panama in the 1955 treaty resulted in thousands of our canal employees losing their jobs in the Canal Zone and since remaining jobless. Many of the Panamanian workers have been coming to this country to become readjusted.

Responsible leadership in Panama should concern itself that measures will be sought in the present treaty negotiations to stabilize the economy of the entire country and promote its industrial development. This would result in political peace.

I am for granting substantial technical aid and economic assistance that will enable Panama to assume a new order, not one in which the masses will continue to be exploited by a selfish minority; not one in which special families will continue to have all the social controls; but a new order in which the vital interests of the Panamanian nation and the people will be genuinely consulted and fully respected.

Top officials in Washington should call for an end to the monopolistic privileges accorded to certain families in Panama. They should also insist that poverty, disease, illiteracy, and despair be removed from the lives of the Panamanian masses, to the same extent that we are doing here in the United States.

This kind of straight, unequivocal talking is absolutely necessary if the United States is to secure for the struggling peoples of the Americas a more prosperous and decent welfare.

I fear that those in charge of negotiations for revision of the 1955 Treaty propose to share authority for the operation of the canal with the Republic of Panama. If I were convinced that this would in any way benefit the little people of Panama I would be one of the first to approve. However, the establishment of a joint authority for canal operation would only serve to satisfy the asperations of the few families who have controlled the Republic since its beginning. In fact, if we were to turn the canal over to the Republic of Panama, lock, stock and barrel, I am convinced that it would not benefit the masses, and it clearly would not be sufficient to meet the needs of the people of that Republic for more jobs and general improvement in its economy. Those can only be obtained by a better distribution of the help presently being rendered by the United States to the Republic, and a lessened dependence upon the canal as a source of unlimited money for the use of the few.

As I said previously—my arguments and my remarks on the Panama Canal situation have previously always been in executive session. I have not wanted to add fuel to the fire in our relations with Panama.

However, in the past 2 weeks detailed news items concerning the negotiations now going on between the United States and Panama have appeared in several newspapers and magazines. Therefore I feel I am violating no confidences by speaking out today. I can see no good either to the people of Panama or to the people of the United States, if we turn over or share authority of the operations of the present Panama Canal with the Panama Government and a handful of families who have controlled and stymied the progress of the people of Panama.

Mr. MADDEN. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Speaker, I thank the gentleman from Indiana for yielding me this time. I should like at this point to thank our colleague from Missouri [Mrs. SULLIVAN] for bringing this very important subject matter to our attention. It has been kept secret too long, Mr. Speaker.

As a member of the Committee on Foreign Affairs I should like to say at this time that I am deeply concerned over the renegotiations of the treaty between the United States and Panama. I feel that the national security of the United States is deeply involved. I feel that the security of the free world is involved and the guarantee that the United States must give shipping in this area is in jeopardy. The United States must continue to maintain its responsibility in the area by continuing the administration and control of the Panama Canal until we have built a new canal under complete U.S. control.

It is beyond comprehension that the administration give to Panama any control of the canal without a firm review and discussion of this entire issue in the House of Representatives as well as in the other body.

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

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

There was no objection.

Mr. CASEY. Mr. Speaker, the gentlewoman from Missouri is known by this House to be one of our reserved and levelheaded Members and certainly, not an alarmist.

I know the reluctance she had with regard to expressing her concern over the developments in Panama, as she has just done on the floor of the House. I wish to compliment her for making her views known and calling to the attention of the Members the developments now taking place on the renegotiation of the Panama treaty.

I have had the privilege of serving with her on the Panama Canal Subcommittee of the Merchant Marine and Fisheries Committee for approximately 7 years, and know the diligence with which she goes into the problems of Panama and her desire to better the conditions of the Panamanian people. So, it is not with any degree of misgivings that I wholeheartedly endorse the concern that she has expressed for, I, too, have observed the manner in which we are slowly but surely trading off the Panama Canal and not obtaining any benefits for the people of Panama, as a whole.

It is my hope that the President will find the time, with all of his other tremendous responsibilities and duties, to take a personal interest in the negotiations that are now going on and to review closely the proposals that are being offered, for I am sure that he, too, might determine what it should be with caution that we consider turning over the canal or sharing the responsibility of the canal at this time with the Panamanian Government.

I wish to commend our colleague, Mrs. SULLIVAN, on her diligence and devotion to the Subcommittee on the Panama Canal, as well as her devotion to the best interests of our country. It is indeed my pleasure to associate myself with her.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 587 provides an open rule with 2 hours of general debate for the consideration of the bill S. 306, to amend the Clean Air Act, and so forth.

Mr. FLOOD. Mr. Speaker, will the gentleman yield for just 1 minute to make an observation on the subject touched upon by the gentlewoman from Missouri [Mrs. SULLIVAN]?

Mr. SMITH of California. I am happy to yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Speaker, I do not intend to go into the details of this subject. I have spoken on it for many, many years, as many of the Members know. But if ever I heard a reason why there should be a constitutional amendment to permit the House of Representatives to

act with the other body on ratification of treaties, I just heard it from the gentlewoman from Missouri.

I thank the gentleman for yielding.

Mr. CRAMER. Mr. Speaker, will the gentleman yield to me?

Mr. SMITH of California. I am glad to yield to the gentleman from Florida.

Mr. CRAMER. Mr. Speaker, I will say to the gentlewoman from Missouri, to the gentlewoman from New York, and the gentleman from Pennsylvania that I consider these negotiations going on at the present time, having to do with giving up U.S. sovereignty over the Panama Canal as among the most serious matters facing this Nation and the free world today. It has become common knowledge, at least through the press, that these negotiations are going on, that there is consideration being given to giving up a good portion of U.S. sovereignty over the Panama Canal. This discussion and these remarks should alert all Americans, including all Members of this House, to the fact, in that we are responsible for the security of this hemisphere, the security of future shipping in this hemisphere in which the Panama Canal is an integral and major and important part, that this administration is wrongly considering seriously giving up U.S. sovereign control over the Panama Canal. I think the people of this Nation should be alerted to this fact. This matter should be thoroughly debated.

In my opinion the people of America would not approve, and would voice themselves overwhelmingly in opposition to any such proposal.

Further let me say that it is my opinion relating to the Panama Canal Commission established for the determination of a sea level canal route that there is a great risk that any such new canal constructed as proposed would negate U.S. sovereignty over that canal too. Certainly as evidenced by the President's negotiations underway relating to the present canal this is to be suspected. That new canal, too, could become subject to the sovereignty and jurisdiction of another nation. I believe spending American dollars on this is wrong. I am glad to see this matter out in the open now. I think it is time it did come out in the open. I am delighted that the matter is being debated on the floor of the House today and that these negotiations are publicly exposed today for all America to know.

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

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

There was no objection.

Mr. GROVER. Mr. Speaker, as ranking Republican on the Panama Canal Subcommittee of the Merchant Marine and Fisheries Committee, I wish to associate myself with the remarks of the gentlelady from Missouri.

I recognize the difficulties of negotiating a new treaty with Panama since their internal economy and their internal politics are intricately involved with our presence and control of the Canal under the present treaty. I do concur with the gentleman from Florida that the overwhelming consensus of American citizens would oppose our abdication of sovereignty and bilateral control of the Canal Zone and Canal with the Republic of Panama.

The matter is being resolved with undue haste to accommodate the political hierarchy of Panama, since its legislature will soon be in session.

I would hope that considerably more study will be given this problem and the negotiations, since most serious considerations of national defense and maritime convenience are involved.

Mr. SMITH of California. Mr. Speaker, two new titles are added to the Clean Air Act by S. 306. Title I covers the problem of auto exhaust caused by internal combustion engines. The Secretary of HEW is required to prescribe as soon as possible standards applicable to the emission of pollution from new automobiles which contribute to the endangering of the public health. He is also to set the date when such standards are to take effect. Automobile manufacturers are or will be prohibited from selling or importing for sale any new motor vehicles or engines which do not conform to the standards prescribed. Federal district courts will have jurisdiction of violations and may levy fines of up to $1,000 for each violation. Appropriations authorized are $470,000 for fiscal 1966, $845,000 for 1967, and $1,195,000 for 1968, and $1,470,000 for 1969 or approximately $4 million.

Mr. Speaker, I am in support of this particular title of the bill and, to be perfectly honest, I am not certain just what the legislation can do with regard to this problem, because it is primarily a problem in my area of Los Angeles, Calif., and vicinity. We passed laws in our State legislature there relating to this and we have been investigating this problem. We had a number of tests and examinations made. Cars will have to be provided with certain devices in the near future in order to be sold in California. In any event, I am happy to see the Government come into it if they can be of help. I say that because 2 years ago we had the Clean Air Act, which was first passed on the floor. The biggest problem with regard to this is in California. I supported that act and voted for it and presented the rule. A few days later a few of my conservative constituents said, "If you are going to spend money like this, I am no longer going to support you. Take me off your newsletter list." Politics are sometimes strange indeed.

Now, I am for title I, and I hope that it works out.

Title II is another question, because this provides for a national program of research and development of new and improved methods of waste disposal. The Secretary of Health, Education, and Welfare is authorized to conduct, encourage, and render financial assistance to Federal, State, interstate, and local authorities, private institutions, and individuals who are conducting research or related studies of the problem of disposal. Grants are authorized to such agencies. They may be up to two-thirds of the cost of construction of the facility.

Additionally, grants of up to one-half may be made to State and interstate agencies for surveys of practices and problems with regard to waste disposal. To qualify for such grants the agency must be the sole agency designated by the State or interstate group for the purpose of making such a study and have a program prepared under which the grant will be expended, and have fiscal controls and accounting procedures to assure proper disbursement.

Appropriations are authorized under this in the following amounts: $7 million for fiscal year 1966, $14 million for fiscal year 1967, $19.2 million for 1968, and $20 million for 1969. These are controlled by the Secretary of HEW. The Secretary of the Interior has the following authorizations: $3 million for 1966, $6 million for 1967, $10.8 million for 1968, and $12.5 million for 1969.

This new disposal program added to the clean air bill will cost around $96 million. There are minority views signed by seven Members. Their objection is to the solid waste disposal program as just mentioned in title II. They do not believe that the Federal Government should be involved in the financing of this program. It was not in the bill as passed by the other body but was added in the full committee after hearings were completed at the suggestion of the Department of HEW. Also the minority views object to the solid waste program being tied to a bill to control air pollution.

Mr. Speaker, I would like to support the first title of the bill, but I do not believe the second title should be in this particular bill.

Mr. Speaker, I have no request for time, but I do reserve the balance of my time.

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

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TO AMEND THE PUBLIC HEALTH SERVICE ACT TO ASSIST IN COMBATING HEART DISEASE, CANCER, STROKE, AND OTHER MAJOR DISEASES

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 586 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 586

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3140) to amend the Public Health Service Act to assist in combating heart disease, cancer, stroke, and other major diseases. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled

by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the substitute amendment recommended by the Committee on Interstate and Foreign Commerce now in the bill and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Members may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 3140, the Committee on Interstate and Foreign Commerce shall be discharged from the further consideration of the bill S. 596, and it shall then be in order in the House to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H.R. 3140 as passed.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from California [Mr. SMITH] and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 586 provides for consideration of H.R. 3140, a bill to amend the Public Health Service Act to assist in combating heart disease, cancer, stroke, and other major diseases. The resolution provides an open rule with 3 hours of general debate, making it in order to consider the committee substitute as an original bill for the purpose of amendment. After passage of H.R. 3140, the Committee on Interstate and Foreign Commerce shall be discharged from further consideration of S. 596, and it shall be in order to move to strike out all after the enacting clause of the Senate bill and insert in lieu thereof the House-passed language.

The principal purpose of H.R. 3140 is to provide for the establishment of programs of cooperation between medical schools, clinical research institutions and hospitals by means of which the latest advances in the care of patients suffering from heart disease, stroke, cancer, and related diseases may be afforded through locally administered programs of research, training, and continuing education and related demonstrations of patient care.

The program authorized would provide support for cooperative arrangements which would link medical schools and affiliated teaching hospitals, with their highly developed capabilities in diagnosis, training, and treatment, with clinical research centers, local community hospitals and practicing physicians.

These cooperative arrangements would be planned and established locally with the participation of existing institutions and medical practitioners. These cooperative arrangements would permit the interchange of personnel and patients and would provide for the more effective flow of information concerning the latest advances in diagnosis and treatment.

The bill authorizes appropriations of $50 million for the current fiscal year, $90 million for fiscal year 1967, and $200 million for fiscal year 1968.

Mr. Speaker, in his health message of January 7, 1965, President Johnson said:

In these years of the 1960's, we live as beneficiaries of this century's great—and continuing—revolution of medical knowledge and capabilities. Smallpox, malaria, yellow fever, and typhus are conquered in this country.

In our struggle against disease, great advances have been made but the battle is far from won. While that battle will not end in our lifetime—or any time to come—we have the high privilege and high promise of making longer strides forward now than any other generation of Americans.

Toward this purpose he called for a system of hospital insurance for the aged—which became Public Law 89–97 with his signature on July 30, 1965.

He also called for better health services for children and youth through the maternal and child health and crippled children's program and the public assistance medical program—which have also been realized as a part of Public Law 89–97—the Social Security Amendments of 1965.

He asked for improved community mental health services, and improved services for the mentally retarded, and the Community Mental Health Centers Staffing Act is now the law of the land.

He recommended grants to help cover basic operating costs of our health profession's schools so that they can significantly expand both their capacity and the quality of the educational programs, and this legislation has passed the House and the Senate has concluded hearings.

He called for an expansion of health research and research facilities, and this measure has been enacted.

And he recommended the establishment of multipurpose regional medical centers to master the three killers which alone account for 7 out of 10 deaths in the United States each year—heart disease, cancer, and stroke—the bill which is before us today.

Very briefly the bill provides grants for the planning and the establishment of programs of cooperation between medical schools, clinical research institutions, and hospitals by means of which the latest advances in the care of patients suffering from heart disease, stroke, cancer, and related diseases may be afforded, through locally administered programs of research, training, and continuing education and related demonstrations of patient care.

The bill authorizes appropriations of $50 million for the current fiscal year, $90 million for fiscal year 1967, and $200 million for fiscal year 1968.

Mr. Speaker, in this opportunity to round out the President's ambitious health program, I hope the House will permit me to reminisce a little for, as many of you know, good health legislation has long been my concern.

Sometimes, I realize, I have been a little intense about this subject but I would like people to know first of all that I never lived in towns where there were hospitals until I lived in the town where I went to college. In the capital of my State there was no real hospital until after World War II, when the Army moved out of an airbase and left a little hospital out there. Until that time there was only a little converted residence with, I think, 12 or 15 rooms in it, which was the hospital for the capital of my State. In my youth I saw the most pitiful conditions with rural people coming in with dead babies in their arms because they could not get anybody to administer medical care. This is one of the reasons I have devoted so much of my time in Congress to health legislation.

My first big opportunity came in a period when this country was deeply involved in World War II. On the basis of information that the draft statistics were revealing evidence of some serious problems as to the health status of our young men, I determined that we must first get better information about health needs and resources in this country, for it was sadly lacking. In July 1943, the Senate took cognizance of the Nation's health needs by passing Senate Joint Resolution 74, which I had the honor to introduce, empowering the formation of a Special Subcommittee on Wartime Health and Education, of the Committee on Education and Labor. The distinguished Senator from Utah, Elbert D. Thomas, then chairman of the committee, did me the honor of appointing me chairman of the subcommittee which was composed of a very able group of Senators. For 2½ years, with the brilliant assistance of a devoted and able staff, we studied the state of the Nation's health through hearings in the field and in Washington. We looked into health conditions in war industry and extra-cantonment areas, selective service data on rejections for physical and mental disabilities, medical research needs, hospital and health center requirements, the health needs of veterans, dental and mental health care and other subjects too numerous to mention and published reports as to the conditions we found.

On December 16, 1944, with findings embracing more than 2,300 pages, the so-called Pepper committee issued a report which not only pointed up critical shortages of physicians and medical services during the war but produced evidence that seemed to show widespread deficiencies in prewar medical care as well. The country learned that of the 22 million men of military age, 40 percent could not meet the requirements of general military service; and that from the time the United States entered the war to July 1944, the lowest monthly rejection rate reached 31.4 percent of registrants examined while the highest rate climbed to nearly 47 percent in December 1943.

A third interim report issued by the Pepper subcommittee used the evidence assembled as the basis for a series of recommended actions. It reported that:

The Nation has been deeply impressed by the fact that approximately 4½ million young men in the prime of life have been found unfit for military service because of physical and mental defects. In addition more than a million men have been discharged from service because of defects other than those sustained in battle.

While we recognize rejection did not necessarily mean that these men were unfit for participation in the civilian war effort, we pointed out that such defects often reduce initiative and working capacity and that they also meant that it was necessary to call into military service hundreds of thousands of men better fitted for essential civilian tasks—trained mechanics, skilled technicians, and teachers in scientific and technical schools.

This third interim report, then, asked not only "What do these figures mean?" but also "What must we do about it?" It recommended among other things, the expansion of public health services, increased attention for child health, especially among school children, stepped-up programs for mental health, aid for medical education to overcome the shortage of doctors, a program for the construction of hospitals and health facilities, a large expansion of medical research and, prophetically, I like to think of the bill we are now considering, the establishment of medical centers which would combine the preventive, diagnostic, and curative services of medicine in centers using "outpost clinics."

It may surprise some people to know that, as a result of these findings, I believe, I was invited to address the fourth regional conference of the Council on Medical Service and Public Relations of the American Medical Association which was held in Atlanta, Ga. on February 23, 1946. I described the work of the committee which then consisted of five Democrats (THOMAS, Tunnell, Murray, HILL and PEPPER) three Republicans (Smith of New Jersey, Taft and AIKEN) and one Progressive (La Follette). I told them how happy I was that Dr. Fishbein had been one of the first to write me a letter commending the report. I expressed my pride in the fact that the committee on Education and Labor, of which I was a member, would soon start hearings on the Hill-Burton bill for the construction of a national system of hospital facilities as a first step in improving the health of the American people. I said that when we got enough hospitals and doctors I thought we should consider a plan of health insurance. I added:

> When I started into this subject, some thought it was an effort on the part of PEPPER of Florida to inflict socialized medicine on the country. I reiterate that I have never favored socialized medicine. I live in the field of politics and am not angry with any of my doctor friends who misinterpreted my views. I have no desire to impair the integrity of the profession or the right of the patient to make a free choice of doctor, dentist or nurse or anything else we think of as Americanism. I think we are making real progress in this field.

I have always been particularly proud of the fact that, in his health message to the Congress in 1945, President Truman referred specifically to the findings of our subcommittee with respect to the health needs of the American people as revealed through our study of Selective Service data. Calling for a broad program of health care which incorporated most of our recommendations and included health insurance, the President stated:

> The people of the United States received a shock when the medical examinations conducted by the Selective Service System revealed the widespread physical and mental incapacity among the young people of our Nation. We had had prior warnings from eminent medical authorities and investigating committees. The statistics of the last war had shown the same condition. But the Selective Service System has brought it forcibly to our attention recently in terms which all of us can understand.

He repeated some of the findings and added:

> We should resolve now that the health of this Nation is a national concern; that financial barriers in the way of attaining health shall be removed; that the health of all its citizens deserves the help of all the Nation.

I was also honored when, in opening the hearings on the President's Health Insurance proposal S. 1606, in 1946 the Chairman of the Committee, Senator MURRAY, referred particularly to the work of our subcommittee:

> The hearings held by the subcommittee, and the reports prepared by Senator PEPPER and his able committee, will long continue to be invaluable sources of information and helpful guides for constructive health plans.

He continued with a broad program for improved health care, which, in brief, called for:

First. Assistance to increase the number and distribution of doctors and hospitals.

Second. Development of public health services and maternal and child care.

Third. Federal assistance for medical research and professional education.

Fourth. Assistance in meeting the high cost of individual medical care which could be met by a national health insurance program.

Fifth. A program to provide for loss of earnings when sickness or disability strikes.

The first segment to be enacted came in 1946 with the passage of the Hill-Burton Hospital Construction Act. The importance of this legislation is illustrated by statistics which show that from July 1, 1947, when the program first went into effect, through May 31, a total of 7,750 projects have been approved at a total cost of $7.3 billion, of which the Federal share was $2.3 billion.

Another segment, the disability insurance benefits plan, became law with the enactment of the 1956 Social Security Amendments, and we have just incorporated the principle of health insurance by the enactment of medicare for people 65 and over in connection with the Social Security Amendments of 1965.

I was, incidentally, happy to see that these amendments also approached my earlier hope for the broad expansions of the important maternal and child health programs. Back in 1945 I introduced a bill—S. 1318—calling for authorizations of $50 million to finance this program—at a time when the total authorization was only $5,820,000. The 1965 amendments call for an authorization of $50 million in 1967—but this amount is hardly in 1945 dollars.

I have been proud, through the years, to sponsor other legislation which has become—and with the legislation passed by this Congress—will become, the law of the land. On July 22, 1947, almost 10 years before it was enacted, I introduced a bill providing a disability benefit insurance system, and in the same year a bill to provide for a National Institute of Dental Research.

In 1949 I introduced a bill—S. 1453—to provide aid to schools of medicine—largely realized over 10 years later by the Health Professions Education Assistance Act of 1963. In the same year I introduced a bill—S. 2584—which called for a National Health Survey, a goal reached in 1956, so that we now have much more complete data on the state of American health than was the case when our subcommittee began its studies back in 1943.

I cite this somewhat personal experience, in connection with the legislation before us today to make the point that it, too, is part of this broad-scale attack on America's health problems, and I add that legislation directed at curing cancer and heart disease is as essential as the other segments of that attack which I have mentioned. For behind this legislation is a long history of aspiration and experimentation. Going back again to the Truman health message of 1946 we find these words:

> Cancer is among the leading causes of death. * * * Though we already have the National Cancer Institute of Public Health Service, we need still more coordinated research on the cause, prevention, and cure of this disease. We need more financial support for research and to establish special clinics and hospitals for diagnosis and treatment of the disease especially in its early stages.
>
> The money invested in research pays enormous dividends. If anyone doubts this let him think of penicillin, plasma, DDT powder, and new rehabilitation techniques.

It was my privilege for most of my years in the other body to participate in the establishment of and the expansion of appropriations for the National Cancer Institute, established in 1937, and the National Heart Institute which was established in 1948. One year earlier, in 1947, I had introduced a bill to authorize and request the President to undertake to mobilize at some convenient place or places in the United States an adequate number of the world's outstanding experts and to coordinate and utilize their services in a supreme endeavor to discover new means of treating, curing, and preventing diseases of the heart and arteries. And one of the most poignant memories in connection with these efforts came on May 5, 1947, when I rose on the floor of the Senate to protest a Senate cut of some $5 million in the amounts authorized for the expansion of the National Cancer Institute, with the able support of Senator Robert A. Taft, of Ohio. In concluding my remarks urging that this amount be restored, and it was, I said:

> Surely it would not hurt to follow the House in this matter and let those agencies have this additional $5 million, to remain available until it can be wisely expended; but with which they could plan a research program that might result in the saving of

the lives of Senators sitting this afternoon in this Chamber.

On July 31, 1953, as you all know, Senator Taft was the tragic victim of cancer.

Mr. Speaker, the bill before us today thus draws heavily on past aspirations and past experience, while it looks to the future in its method of attack on dread diseases we have not yet conquered. It grows out of the President's appeal to his Commission on Heart Disease, Cancer, and Stroke in late 1964 for boldness and imagination as well as realism. This blue-ribbon panel, headed by Dr. Michael E. DeBakey, called for an unprecedented merger of medical practice, research and education to combat what it calls the "tragic lag" in the application of new discoveries.

This concept recognizes that the newest and most effective diagnostic methods and the most recent and most promising methods often require very expensive or very scarce equipment—such as are required for open heart surgery as well as advanced disease detection methods. Multipurpose medical programs can meet these needs. They would, as the President pointed out in his health message, also "speed the application of research knowledge to patients care. so as to turn otherwise hollow laboratory triumphs into healthy victories."

The services provided under such programs would be of particular help in enabling the practicing physician to keep in touch with the latest medical knowledge, and make available to him the latest techniques, specialized knowledge, and the most efficient methods. In the words of the President's Commission:

> The proposed national network is based on the long-accepted fact that the best patient care is associated with research. It will, in effect, link every private doctor and every community to a national and, indeed, worldwide network, transmitting the newest and best in health service. At the same time, it will make each doctor, a contributor to the worldwide research effort, for his observations will add to the total knowledge accumulated by the stations, centers, and research institutes.

Dr. DeBakey, the Commission's Chairman, emphasizes that their findings do not call for a one-man show directed from Washington, but rather for a cooperative national effect involving health leaders, voluntary organizations, and State and local governments as well as health agencies. He also notes that the 27-member panel, which included Marion B. Folsom, former Secretary of the Department of Health, Education and Welfare, does not presume to say how medical care should be provided in the proposed centers. It also realizes that an undertaking as vast as it proposed must be developed in stages.

Mr. Speaker, we have an opportunity substantially to round out the broad and interrelated health program outlined by the President in his health message of January 7, 1965, by enacting this legislation promptly. And, as I have tried to show this afternoon, we shall also be drawing upon past experience and past goals—goals which go back to the dark days of World War II when, with the cooperation of the Army and other branches of the military, our subcommittee was able to draw upon the records and experiences of that war to get more precise data on the nature of our health problems than had been available for a decade—as a prelude to action. We have, simultaneously, of course, made much progress through the years. Smallpox, malaria, yellow fever, and typhus are conquered in this country. Infant deaths have been reduced by half every two decades. Poliomyelitis, which took 3,154 lives as recently as 1952, cost only 5 lives in 1964. Death rates for influenza have been reduced by 88 percent during the past 20 years, while over the same period death caused by tuberculosis has dropped by 87 percent and rheumatic fever by 90 percent.

Now the challenge facing our research facilities, as outlined by the President, arise because of the facts that—

Forty-eight million people now living will become victims of cancer.

Nearly 15 million people suffer from heart disease and this, together with strokes, accounts for more than half the deaths in the United States each year.

Twelve million people suffer arthritis and rheumatic disease and 10 million are burdened with neurological disorders.

Five and one-half million Americans are afflicted by mental retardation and the number increases by 126,000 new cases each year.

The President has said:

> The 88th Congress wrote a proud and significant record of accomplishments in the field of health legislation. I have every confidence that this Congress will write an even finer record that will be remembered with honor by generations of Americans to come.

It is a call to destiny. I am sure we cannot fail to respond to this high responsibility and great opportunity. I urge the enactment of this segment of health legislation with all the conviction at my command.

Mr. Speaker, I urge the adoption of House Resolution 586 in order that H.R. 3140 may be considered.

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

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

There was no objection.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, this will be the shortest response to a rule that I have ever made. I agree with every statement the gentleman from Florida has made, and concur in those statements, and urge adoption of the rule.

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

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDING THE CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 580, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

> *Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10232) to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to make or insure loans to public and quasi-public agencies and corporations not operated for profit with respect to water supply, water systems, and waste disposal systems serving rural areas and to make grants to aid in rural community development planning and in connection with the construction of such community facilities, to increase the annual aggregate of insured loans thereunder, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After passage of H.R. 10232, the Committee on Agriculture shall be discharged from the further consideration of the bill S. 1766, and it shall then be in order in the House to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H.R. 10232 as passed.

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

Mr. Speaker, House Resolution 580 provides for consideration of H.R. 10232, a bill to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to make or insure loans to public and quasi-public agencies and corporations not operated for profit with respect to water supply, water systems, and waste disposal systems serving rural areas and to make grants to aid in rural community development planning and in connection with the construction of such community facilities, to increase the annual aggregate of insured loans thereunder, and for other purposes. The resolution provides an open rule, waiving points of order, with 2 hours of general debate. After passage of H.R. 10232, the Committee on Agriculture shall be discharged from further consideration of S. 1766, and it shall be in order to move to strike out all after the enacting clause of the Senate bill and insert the House-passed language in lieu thereof.

The establishment of adequate water and waste disposal system is one of the crying needs of rural America. City

dwellers take these facilities for granted. If a rural resident wants these conveniences, he must provide them for himself—at great expense and often with the frustrating result of having systems which just do not quite work.

The purpose of H.R. 10232 is to establish for rural communities a program of Federal assistance in the construction of water and sanitation systems comparable to the Federal programs which are available under several statutes for urban communities.

The bill would implement this program by expanding the Farmers Home Administration insured loan authority and providing means of making such loans more attractive to investors through better yields and repurchase agreements.

Mr. Speaker, I urge the adoption of House Resolution 580 in order that H.R. 10232 may be considered.

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

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

Mr. COLLIER. Mr. Speaker, is there any particular reason that this rule provides for a waiver of all points of order?

Mr. SISK. It is my understanding that in the Farmers Home Administration you have a revolving fund, and I am assuming that is the reason for the waiving of points of order, because the revolving fund is involved.

The gentleman from Texas [Mr. POAGE] is here, and if the gentleman wishes to make a further comment on the reasons for waiving points of order, I yield to him for that purpose.

Mr. POAGE. We did not ask that points of order be waived. That was something that was just given to us without any request on our part. But I suppose the gentleman from California is probably correct that the Committee on Rules felt that when one of these revolving funds is involved, it would probably be better to waive points of order on the bill. I am sure that it is desirable, but we did not ask for that.

Mr. SISK. I might say to the gentleman, it is my understanding that this is the normal procedure in dealing with these revolving funds where they are involved in a grant and loan program and that there would be a question of points of order. As the gentleman indicates, it has been quite some time since this rule was granted. I do not really remember exactly what was said but as the gentleman has indicated, they probably did not ask for it but apparently we did feel it was to their advantage that points of order be waived.

Mr. COLLIER. May I say that merely because it has been normal procedure, it hardly seems quite a sufficient reason for having this waiver of points of order in the resolution.

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

Mr. SISK. I yield to the gentleman.

Mr. GROSS. I would like to ask the gentleman a question with regard to one of the rules which was just adopted here on one of these bills—which are not available at the desk and I do not know how we are supposed to proceed this afternoon on all these bills unless we get some bills and some reports here—but let me ask the gentleman on one of these rules whether it was not stated that there was a garbage disposal provision in the bill which was reported out of the Committee on Interstate and Foreign Commerce? I note that in this bill we are going to dispose of some more garbage and that is to be found on page 2 of the bill, the consideration of which would be made in order under the pending resolution. Is there any garbage left that has to be disposed of anywhere?

Mr. SISK. May I say to the gentleman that, of course, the bill he is referring to deals with an entirely different type of garbage. I think here we are concerned with the problems concerning sewer systems and other disposal systems in rural communities. The gentleman knows that there have been a number of pieces of legislation passed providing for certain types of loans and grants with reference to the need for constructing sewage disposal plants and so on. The bill which would be made in order by the adoption of this rule is to authorize the Farmers Home Administration to help rural communities, that is, those communities with under 5,500 population to carry out certain types of programs if they can be justified to the department and meet the criteria which will be established in the legislation and under the regulation of the Farmers Home Administration.

Mr. GROSS. I thank the gentleman, but I still do not have an answer to my question. Why should we need garbage disposal in two bills coming from two different committees?

Mr. SISK. Well there are different types of garbage involved, may I say to the gentleman.

Mr. GROSS. Along with the gentleman from Illinois [Mr. COLLIER], I do not understand why points of order are waived without some request on the part of the legislative committee. I am wondering, if this has become standard procedure for the Rules Committee to just waive points of order without any request on the part of the standing committee, where this pressure for this kind of business is coming from?

Mr. SISK. Normally the Committee on Rules does not waive points of order unless there is a specific request or specific reasons for doing so. I will say that generally on bills dealing with revolving funds, I think it has been the normal procedure to waive points of order. I want to say quite frankly here that that is the only justification I know of at the moment, and I am being quite frank in saying that this rule was granted some days ago and I will admit that my memory is not as good as it should be as to exactly what transpired during the actual granting of the rule. I note my friend, the gentleman from California [Mr. SMITH] is on his feet and I will be glad to yield to him if he wishes to comment on this matter.

Mr. SMITH of California. I appreciate the gentleman yielding to me, but if my recollection is correct, we originally heard this bill on September 1 and we deferred action at that time. On September 9, it was brought up and granted an open rule of 2 hours. Nothing was ever mentioned about waiving points of order and I did not vote for that in the committee. Having read the resolution here now this is the first time I have ever seen all points of order waived.

Mr. SISK. I may say to my friend, the gentleman from California, I certainly cannot recall at the moment the discussion on this matter as to what was included in the rule which, of course, was checked by the Parliamentarian and I suppose this action was taken simply on the basis of the revolving fund being involved.

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

Mr. SISK. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The reason is that there is a revolving fund, and they are using money out of these funds for administrative purposes. That is the only reason.

Mr. SISK. Mr. Speaker, I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may require.

I concur with the statements made by my friend from California [Mr. SISK], on the rule and also the statement made by my friend from California [Mr. SMITH]. Insofar as I remember, nothing was said about waiving points of order when the matter was before the Rules Committee. Frankly, I do not know of any objection to the rule as presented other than this matter of waiving points of order.

I believe it is in order to say a few more words about this bill, H.R. 10232, which seeks to amend the Consolidated Farmers Home Administration Act of 1961 in two important areas. First, it would inaugurate, as the gentleman from California [Mr. SISK] has pointed out, a program of Federal assistance to rural communities not over 5,500 in population for the construction of water, sewage, and sanitary systems comparable to those programs already in being for our urban areas.

The amount of any grant cannot exceed 50 percent of the development cost of the project. It cannot be made to any area where the population is likely to decline below that for which the facility is being designed.

The bill would authorize the Secretary to make grants aggregating not more than $50 million annually.

In view of the fact that the report itself reveals that these facilities have an average cost of approximately $120,000, $50 million per year will not begin to meet the needs of the 30,000 rural communities now in need of new water and sanitation systems, as revealed in the report itself.

I might say, in commenting upon this matter that has been raised by the gentleman from Iowa [Mr. GROSS], that I disagree with the inclusion in this bill of granting authority for collection, treatment, or disposal of waste in rural areas, and I would hope that when this

matter is considered under the amendment procedures, that provision will be stricken out.

The second section of the bill would increase the real estate and related loan authority of the Farmers Home Administration of $200 million per year to $450 million per year. It would repeal provisions prohibiting agreements by the Secretary to purchase such insured loans in less than 3 years from the date of the note. It would permit the Secretary to fix the insurance charge retained by him from the power payments, and would increase the amount of loans made from the insurance fund which the Secretary can hold at any one time for future sale from $25 to $50 million.

In passing, let me say that I was disappointed to learn during the hearings on the bill before the Rules Committee that the Farmers Home Administration had made approximately 160 recreational loans under this act. I do not hesitate to say that I cannot see how our farmers of the Nation have benefited by such loans as the loans for the construction of golf courses. I would hope that the administration would pay a little closer attention to the intent of Congress in making these loans in the future.

Mr. Speaker, I have no further requests for time.

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

Mr. LATTA. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. I do not like this rule waiving points of order. I hope the previous question will be voted down so that an amendment can be offered to the rule to take out the provision waiving points of order in the rule. I expect that there will be a vote on the rule.

Mr. LATTA. Mr. Speaker, I have no further requests for time. I yield back the remainder of my time.

The SPEAKER. The question is on the resolution.

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

The SPEAKER. The question is on ordering the previous question.

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

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

The SPEAKER. Evidently, a quorum is not present.

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

The question was taken; and there were—yeas 280, nays 70, not voting 82, as follows:

[Roll No. 321]

YEAS—280

Abernethy
Adams
Addabbo
Albert
Anderson, Tenn.
Andrews, Glenn
Andrews, N. Dak.
Annunzio
Ashley
Ashmore
Aspinall
Baldwin
Bandstra
Baring
Battin
Beckworth
Belcher
Bell
Bennett
Berry
Bingham
Blatnik
Boland
Bolling
Brademas
Brooks
Brown, Calif.
Broyhill, Va.
Burke
Burleson
Burton, Calif.
Byrne, Pa.
Cabell
Cahill
Callan
Cameron
Carter
Casey
Chelf
Clark
Cleveland
Clevenger
Cohelan
Conable
Conte
Conyers
Cooley
Craley
Culver
Cunningham
Curtin
Daddario
Daniels
Davis, Ga.
de la Garza
Delaney
Dent
Denton
Dingell
Donohue
Dorn
Dow
Dulski
Dyal
Edmondson
Evans, Colo.
Everett
Evins, Tenn.
Farbstein
Fascell
Feighan
Fisher
Flood
Flynt
Fogarty
Foley
Ford, William D.
Fountain
Fraser
Friedel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Gallagher
Garmatz
Gathings
Gettys
Giaimo
Gibbons
Gilbert
Gilligan
Gonzalez
Grabowski
Gray
Green, Oreg.
Green, Pa.
Greigg
Grider
Griffin
Griffiths
Hagan, Ga.
Hagen, Calif.
Haley
Halpern
Hamilton
Hanley
Hanna
Hansen, Iowa
Hansen, Wash.
Hardy
Harvey, Ind.
Hathaway
Hays
Hechler
Helstoski
Henderson
Horton
Howard
Hull
Hungate
Huot
Ichord
Irwin
Jacobs
Jarman
Jennings
Joelson
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kastenmeier
Kee
Kelly
King, Calif.
King, Utah
Kirwan
Kornegay
Krebs
Leggett
Lennon
Long, La.
Long, Md.
Love
McCarthy
McDade
McDowell
McFall
McGrath
McMillan
McVicker
Machen
Mackay
Mackie
Madden
Mahon
Marsh
Mathias
Matsunaga
Matthews
May
Meeds
Miller
Mills
Minish
Mink
Mize
Moorhead
Morgan
Morris
Morrison
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nedzi
O'Hara, Mich.
O'Konski
Olson, Minn.
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Passman
Patten
Pepper
Perkins
Philbin
Pickle
Pike
Pirnie
Poage
Pool
Powell
Price
Pucinski
Purcell
Quie
Race
Randall
Redlin
Reid, N.Y.
Reifel
Reuss
Rhodes, Pa.
Rivers, Alaska
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Ronan
Roncalio
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
Satterfield
St Germain
St. Onge
Saylor
Scheuer
Schisler
Schmidhauser
Schweiker
Secrest
Selden
Shipley
Shriver
Sickles
Sisk
Slack
Smith, Iowa
Smith, Va.
Stafford
Staggers
Stalbaum
Stephens
Stratton
Stubblefield
Sullivan
Sweeney
Taylor
Tenzer
Todd
Trimble
Tuck
Tunney
Tupper
Tuten
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Vivian
Waggonner
Walker, N. Mex.
Watts
Weltner
Whalley
White, Idaho
White, Tex.
Whitener
Whitten
Widnall
Williams
Willis
Wolff
Wright
Yates
Young
Zablocki

NAYS—70

Adair
Arends
Ashbrook
Bates
Betts
Bow
Bray
Broyhill, N.C.
Buchanan
Byrnes, Wis.
Carey
Cederberg
Chamberlain
Clancy
Collier
Cramer
Curtis
Dague
Davis, Wis.
Derwinski
Devine
Dickinson
Dole
Duncan, Tenn.
Dwyer
Edwards, Ala.
Erlenborn
Findley
Gross
Grover
Gurney
Hall
Hansen, Idaho
Harvey, Mich.
Hutchinson
Keith
King, N.Y.
Kunkel
Laird
Langen
Latta
Lipscomb
McClory
McCulloch
Macdonald
MacGregor
Martin, Ala.
Martin, Nebr.
Michel
Moore
Morse
Mosher
Nelsen
Pelly
Poff
Quillen
Reid, Ill.
Roudebush
Rumsfeld
Schneebeli
Skubitz
Smith, Calif.
Smith, N.Y.
Stanton
Talcott
Thomson, Wis.
Walker, Miss.
Watkins
Watson
Wydler

NOT VOTING—82

Abbitt
Anderson, Ill.
Andrews, George W.
Ayres
Barrett
Boggs
Bolton
Bonner
Brock
Broomfield
Burton, Utah
Callaway
Celler
Clausen, Don H.
Clawson, Del
Colmer
Corbett
Corman
Dawson
Diggs
Dowdy
Downing
Duncan, Oreg.
Edwards, Calif.
Ellsworth
Fallon
Farnsley
Farnum
Fino
Ford, Gerald R.
Frelinghuysen
Goodell
Gubser
Halleck
Harris
Harsha
Hawkins
Hébert
Herlong
Hicks
Holifield
Holland
Hosmer
Johnson, Okla.
Keogh
Kluczynski
Landrum
Lindsay
McEwen
Mailliard
Martin, Mass.
Minshall
Moeller
Monagan
Morton
Nix
O'Brien
O'Hara, Ill.
Olsen, Mont.
Patman
Reinecke
Resnick
Rhodes, Ariz.
Rivers, S.C.
Roberts
Roosevelt
Scott
Senner
Sikes
Springer
Steed
Teague, Calif.
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Toll
Utt
Wilson, Bob
Wilson, Charles H.
Wyatt
Younger

So the previous question was ordered.

Mr. CAREY changed his vote from "yea" to "nay."

Mr. MIZE changed his vote from "nay" to "yea."

Mr. CONABLE changed his vote from "nay" to "yea."

Mr. GRIFFIN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RURAL WATER AND SANITATION FACILITIES

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10232) to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to make or insure loans to public and quasi-public agencies and corporations not operated for profit with respect to water supply, water systems, and waste disposal systems serving rural areas and to make grants to aid in rural community development planning and in connection with the construction of such community facilities, to increase the annual aggregate of insured loans thereunder, and for other purposes.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10232), with Mr. DANIELS in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 1 hour and the gentleman from Indiana [Mr. HARVEY] will be recognized for 1 hour.

The Chair recognizes the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. POAGE] who is chairman of the subcommittee which handled and reported out the bill.

Mr. POAGE. Mr. Chairman, it will be my purpose, as soon as we get back in the House, to ask unanimous consent that all Members may extend their remarks at this point in the RECORD. I do that in the hope that we may expedite the consideration of this legislation because I know there are many Members who will want to speak in favor of it. We want them to do so, but we do not want to detain the House. Consequently, I am only going to review what we have to offer in this bill and how it came before us.

For a long time we have had a program of loans by the Farmers Home Administration to water facilities in rural areas. The program has not had very much money, and it has needed, from time to time, as usual, increased appropriations or authorizations for the Farmers Home Administration.

Last year the House passed a bill to increase the authority of the Farmers Home Administration to guarantee loans from $200 to $450 million. The other body did not do anything with that bill.

This year, on the 16th of March, the House passed a similar bill. The other body has not done anything with that bill.

There was introduced in the other body another bill which does what these House bills did and some more. Finally, the other body did pass a bill which included authority to guarantee additional loans, word for word as the House has passed it, and provided additional lending authority to the Farmers Home Administration to make grants for rural water facilities. There were several similar bills introduced in the House. Our colleague, Mr. BANDSTRA, of Iowa, introduced a very comprehensive bill.

The Senate bill came to our committee, and we decided to improve it. We enlarged the scope of the Senate bill and made it conform to the programs which are now in effect for our urban areas.

To do this we provided that the Farmers Home Administration may make loans or grants—grants up to 50 percent—for aid to nonprofit public organizations for both water and waste disposal systems. Exactly that authority exists now for the Housing and Home Finance Agency in regard to the larger cities of this country.

All we have done is to extend to the rural areas and to corporate areas of up to 5,500 this same authority. The reason we took the upper figure of 5,500 was because that is the lower limit at which the Housing and Home Finance Agency makes this type of loans and grants.

So we will have no gap from the most distant point up at the head of the creek to the top of the Empire State Building, we have tried to provide a program for the same kind of help to the country village which is available to the largest city. We believe this is fair, this is right, and this is treating all sections of America alike.

We hope the House will agree that we should extend to every citizen of the United States, regardless of where he lives, the same opportunity to borrow money and to receive grants under the same types of conditions and at the same rates. That is exactly what this bill will do. That is the extent of the bill.

I have no desire to trespass on the time of the House.

I, therefore, yield back the balance of my time.

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

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

Mr. GROSS. Wherein does this garbage provision differ from that in S. 306, on which we just adopted a rule?

Mr. POAGE. S. 306 relates to solid waste. This does not involve solid waste.

Mr. GROSS. What is the difference between some of the waste to be disposed of under this bill and the waste to be disposed of under the other? Is it because one involves interstate commerce?

Mr. POAGE. No. The difference is that under our bill we recognize that particularly in rural areas the water used is from shallow wells or surface reservoirs. Practically every bit of water for the rural systems comes from either one or the other of these sources. When there is not an adequate waste disposal system it jeopardizes the health of every customer of the water system. In order to try to protect the health of the American people we have provided that along with the water system we will attempt to provide a safe and sanitary waste disposal system.

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

Mr. POAGE. I yield to the gentleman from West Virginia.

Mr. HECHLER. Mr. Chairman, I strongly support H.R. 10232. I believe that the gentleman from Texas [Mr. POAGE] has advanced some convincing arguments in support of this legislation. I believe that this bill will unlock many new opportunities for rural America, and I certainly hope that the more liberal terms of the House bill may prevail as the bill moves along toward final passage. In fact, if more restrictive terms of the legislation should prevail, West Virginia would be deprived of benefits under the bill and I am certain that vast sections of the rural areas of the Nation would find themselves in the same predicament.

The 1960 census in the State of West Virginia reveals that 55.3 percent of our population is composed of nonfarm rural residents. These rural communities are now undernourished and need broader opportunities to solve their urgent community problems. I believe that the Farmers Home Administration can help provide these opportunities.

I think that the greatest problem hindering full community growth in West Virginia's rural communities is the lack of a good water supply. I would estimate that there are at least 700 rural communities in West Virginia that lack adequate water supplies, and there are many other small villages where their water systems need repairs and extensions.

The attempts which have been made to bring adequate and safe water supplies to our rural communities have proven complex and expensive. Many of our streams are polluted by chemicals, human and industrial wastes, and acid mine drainage. Frequently, it is impossible for a small community to pay for the sophisticated equipment necessary to develop pure water supplies.

Often it is not expedient to drill wells inland because the land has been so completely destroyed it is virtually impossible to find water of usable quality. But when a safe well is drilled, the water must be pumped from 300 to 500 feet up bluffs and over mountains. This is an expensive process. Not a week goes by without our receiving letters from villagers who seek to have water lines extended over the hill to their homes.

However, this cannot be done without a program of grants as provided in H.R. 10232 to supplement loans, because many people in our villages are too poor to pay the cost.

In West Virginia, we must find streams away from polluted areas. Somewhere along these streams we must build reservoirs along with treatment plants to remove dirt and pollution from the water. These water storage centers would sell water to nearby communities without water. Projects like this are held up because our communities cannot finance such systems.

In situations like this, grants would be well justified to help rural communities overcome the initial expense of developing a safe and reliable water supply. What single step could be more worthwhile to get a lagging rural community off dead center than to create a modern system and liberate that area from old, never-ending struggle for water?

West Virginia's problem is but typical of all rural America. Last fiscal year, the $200 million loan insurance authority of the Farmers Home Administration was not half enough. From coast to coast, some 30,000 smaller towns and rural neighborhoods are still without modern water systems. Already about 1,500 good and worthwhile applications are being held by that agency. Next year, ever-increasing hundreds of new applications will be added to this carryover.

Another program that would be enlarged by H.R. 10232 is the development of recreation areas to forestall disaster and rebuild prosperity in the great rural segment of our society. I can point to Mountain Top Vacationland in West Virginia and many other fine recreational complexes to show how the transfer of land to recreational use has proved a dynamic program to strengthen rural community life, increase the attractiveness of rural towns as sites for industrial development, and cast a new light on the rural hometown as a place for the young family to seek the good and prosperous life.

H.R. 10232 will bring these programs and the family farm ownership program up from the level of "half enough," more nearly to the point of sufficiency, by raising the overall insured lending authority to a more realistic ceiling of $450 million, the limit of a single loan to $4 million, the population of a rural area served to 5,500, and authorizing grants aggregating $50 million a year.

I wholeheartedly support and urge the passage of H.R. 10232 retaining these essential improvements.

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

Mr. POAGE. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I share the gentleman's concern that the rural people should be treated just like the others, and I want to support the bill. I do have this question, however, on the matter of duplication. In our Committee on Appropriations, the Subcommittee on the Department of Commerce, we are holding hearings on funds for the Economic Development Administration and the Regional Development Administration. The EDA takes over from the ARA. Will we get into a duplication here? If a community or county qualifies under either EDA or RDA, does it also qualify under this? Where will an individual township organization go to that needs a loan or a grant for water facilities? Can it come to this group if it qualifies under EDA or RDA? I am getting a little confused because we have so many of these organizations.

Mr. POAGE. I can only speak of those organizations over which our committee has jurisdiction. REA cannot make any loan of this kind.

Mr. CEDERBERG. Why not? RDA?

Mr. POAGE. You are not speaking of REA? The Rural Electrification Administration?

Mr. CEDERBERG. No. RDA.

Mr. POAGE. I beg your pardon. I am speaking of REA.

Mr. CEDERBERG. The Regional Development Administration.

Mr. POAGE. I would not want to suggest to the gentleman what any of these emergency or regional or special groups can do, because this does not involve one of those special groups but a regular agency of the U.S. Government. Farmers Home Administration does, under this bill, acquire jurisdiction up to and only up to the point at which the Housing and Home Finance Administration is making loans today; that is, we are told, $5,500. We only go up to that point, and there is no duplication there.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. HULL].

Mr. HULL. Mr. Chairman, I am in strong support of H.R. 10232.

Mr. Chairman, on the strength of a great record by the Farmers Home Administration in its service to my home State and district of Missouri, I have the fullest confidence in what will be done to put new strength into the farmlands and towns of rural America when we pass the new authorizations provided for in this bill (H.R. 10232).

The whole position of Missouri, the great agricultural region of northwest Missouri which I represent, might be drastically borne down with trouble if it were not for the resources we have been able to use and build upon, through farm ownership credit supplied or endorsed by the Farmers Home Administration.

Nearly 8,000 Missouri farms have been saved for family ownership through this one program of Farmers Home and its predecessor agencies.

These loans have totaled some $90 million.

As a measure of the soundness of doing business with rural Missourians, the balance sheet shows that about $62,000 has had to be written off, as against interest collections totaling more than $16½ million.

Presently our State leads the Nation in use of credit through the Farmers Home Administration for family farm ownership and new rural homes.

The great bulk of the loans made for farm ownership in Missouri not only are insured private loans, but they are made by Missouri banks, with which Farmers Home has established a fine working relationship.

These and other programs of the Farmers Home Administration resulted in loans in Missouri totaling over $35 million last fiscal year. Families served totaled more than 10,000. The present staff of the Farmers Home Administration has been able to double the number of families served in our State in the past 5 years.

And in spite of recent hardship from drought or flood in many parts of the State, collections of loan installments due by the close of the fiscal year were 99.7 percent on time.

By no distortion or stretch of imagination can anyone fault that record of what has been accomplished with the resources at hand.

But there is a need for the broader authority provided in this bill.

On July 31, nearly 900 Missouri farm families were waiting for action on farm ownership loans, and nearly 800 for action on their applications for rural housing loans. That backlog represented more farm ownership loans, and nearly as many housing loans, as were made in all the last fiscal year. It was a backlog built up due to insufficient authority to meet the need. Allocations for fiscal 1965 were exhausted in April.

Missouri also provides prime examples of the benefits arising from rural community improvements through Farmers Home Administration financing, and also the great need for acceleration of this program.

Twenty-nine community water system loans were approved in Missouri last year; but rural water development has been moving less than half as fast as it might. In fiscal 1965, applications sufficient to use up the entire fiscal year's authority of the Farmers Home Administration were on hand after 6 months.

At present 115 rural community water system projects are in process of formation throughout the State. Whether these additional communities can proceed when they are ready depends in large measure on the passage of this legislation.

Mr. Chairman, possibly the greatest single public concern at the State level in Missouri and all the States with large rural areas is to check the decline that has plagued so many of our rural towns and counties in recent decades.

We hardly need be told that safe and dependable water may mean the difference between prosperity and failure on the farm, or the difference between progress and decline in the rural town.

This will be demonstrated again in my own district when service begins in about 30 days from the new system of Public Water Supply District No. 3 in Platte County, Mo. This is one of the many rural water districts that have been organized under Missouri law, this one by 115 families who have never had central water service. Water will be piped house-to-house and farm-to-farm. The people on this rural system will have the same assurance of constant, pure water at the turn of a tap as the people in "St. Joe." And the families and businesses served along this new rural system will pay every dime of the cost, by retiring the loan from proceeds of their monthly water bills. The cost of service will be within the range that every family in the district can afford.

What this system means to the people who have built it—what the system either installed or contemplated in scores of other northwest Missouri communities will mean—is that these rural people have finally arrived at 20th-century standards in one of the vital utility services for homes, schools, churches, businesses, and industry.

Highways and electric lights were only part of the modernization long overdue in thousands of rural areas. Any community labors under a disadvantage which is indefensible in America if it cannot supply its people and offer new residents or new industry the basic facilities of clean and constant water, modern sewer facilities, and other fundamental advantages of the modern American community—including the self-supporting community recreation centers, converted from surplus cropland, further provided for in this bill.

Mr. Chairman, I commend the distinguished gentleman from Texas and his colleagues on this bill. It is one of the soundest and most constructive measures for progress in rural communities, farming areas that I have had the privilege to vote for in the Congress.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, the authority for additional funds for the Farmers Home Administration to make insured loans is long overdue. These funds are urgently needed. I voted against this legislation in the subcommittee and in the full committee for the reason that it had been amended over here to include waste sewage disposal systems. I talked with a Member from the other body who stated he had talked with the President and was advised that the bill would be vetoed if it is put on his desk as amended by the House to

include sewage disposal systems. So I opposed the legislation on that account. The legislation is badly needed for both water supply and waste disposal in rural America.

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

Mr. GATHINGS. I yield to the gentleman from Oklahoma, the majority leader.

Mr. ALBERT. It is my understanding, and I think I am correct in this understanding, that the administration, including the President, supports this bill.

Mr. GATHINGS. I thank the gentleman. I was under the impression that he would veto the legislation. So I opposed it both in the subcommittee and in the full committee. I am glad to get your assurance that the bill containing both water and sewage disposal systems would be approved by the President.

You want to know what you are doing here. This is the effect of it: you are providing an absolute grant up to 50 percent of the total cost of a waterworks system and sewage in towns under 5,500 in population and we are providing $50 million in authorization. That is all. I want to say to you that that $50 million is pretty skimpy and will not go very far.

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

Mr. GATHINGS. I yield to the chairman of our committee.

Mr. COOLEY. Have we not been doing just about the same thing in larger cities for many years? This is so as to help some of the small communities in this country.

The GATHINGS. Yes. I am in agreement that these rural communities have been denied those services in legislation previously passed by Congress. The $50 million ceiling is entirely inadequate.

Mr. COOLEY. I agree with the gentleman that it is probably inadequate, but that is only in one fiscal year. It is $50 million only in one fiscal year.

Mr. GATHINGS. That is true. It is for one fiscal year, but the applications will be pouring in and you will find probably in the State of North Carolina we will have applications for more than $50 million. The ceiling should be raised appreciably—I support the legislation and hope the House will approve the bill as brought to the floor from the Committee on Agriculture. I felt that if we were to include sewage and get a veto we had better take the Senate bill which would limit waterworks at least and bring in a bill for sewage when we were certain it could be enacted.

Mr. COOLEY. Mr. Chairman, I yield such time as he may require to the gentleman from Texas [Mr. CASEY].

Mr. CASEY. Mr. Chairman, as I understand, this bill will cover unincorporated areas or any incorporated areas or towns that do not exceed 5,500; is that correct?

Mr. COOLEY. That is correct.

Mr. CASEY. It will cover all the unincorporated areas?

Mr. COOLEY. Yes.

Mr. CASEY. I thank the gentleman.

Mr. HARVEY of Indiana. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, permit me to say first of all that I think it is rather unfortunate in the discussion on the rule on this bill that the impression was left with some of the Members that the House Committee on Agriculture had something to do with approving a waiver of points of order in the rule. As a matter of fact we did not. I want to make it plain to all the Members that so far as that waiver was concerned, it was not requested by the committee.

Mr. Chairman, I rise in support of H.R. 10232. The purpose of this bill is twofold.

First. It would establish a program for Federal assistance to rural communities of 5,500 persons or less for the development and construction of water and sewer facilities.

Second. It would reenact the provisions of H.R. 5075, a bill passed by the House earlier this year, increasing the Farmers Home Administration's insured loan fund from $200 million to $450 million and making several other changes in the FHA law. These changes are set forth at page 5 of the committee report.

HISTORY OF BILL

After the House passed H.R. 5075, the other body incorporated it into S. 1766, a bill introduced by the distinguished senior Senator from Vermont and cosponsored by some 92 other Members of the other body.

S. 1766, as it passed the Senate, also included provisions for the establishment of a program to assist local rural communities develop and maintain water facilities.

The bill was then referred to the Committee on Agriculture and to the Subcommittee on Conservation and Credit of which I serve as the ranking minority member. The subcommittee then conducted further hearings and after thorough consideration made several changes which are reflected in H.R. 10232.

These changes include the following:

The committee bill includes waste disposal systems. The Senate bill dealt only with water systems.

The committee bill increases the annual matching grant authority from $25 million to $50 million.

The committee bill defines rural communities as those with 5,500 persons or less. The other body had defined these communities as those with 5,000 or less. This change was made in order to bring this program into line with our various urban renewal programs.

Another change made by the committee bill is to allow loans or grants to certain nonprofit associations serving rural communities. S. 1766 had limited this authority to governmental units.

The committee bill also contains a provision which is designed to place the maximum emphasis on local cooperation and participation. We have all heard of many instances in the administration's poverty program where local units of government were bypassed by the poverty planners in Washington. A number of activities have been reported where local officials did not even know of the proposed poverty plans. H.R. 10232 seeks to avoid this situation by requiring the Secretary to give adequate notice to local officials and to permit them, within a specified time, to submit their views on a proposed water or sewerage project. This, together with the 50–50 matching requirement, should give local officials an influential voice in the management of their own local affairs.

Finally, the committee bill also requires that when there are competing requests for this Federal assistance from associations and local governmental units, the local governmental unit shall, in the absence of strong evidence to the contrary, receive preference. This, again, was done to maximize local governmental participation.

NEED FOR WATER

Let me point out, too, that this legislation is of immediate importance this very day to many small communities which are experiencing severe problems in the acquisition of sufficient water.

There can be no question that in the years ahead the efficient use of water will be of greater and greater importance. This bill represents an effective step toward using—and I might add—reusing our water resources.

There is not any more water around today than there was a million years ago, and there will never be any more created. We have a population that is growing rapidly, and we must learn how to better use and share this invaluable resource. H.R. 10232 establishes a system which will, in my opinion, help meet the pressing water problem.

NEED FOR BIPARTISAN SUPPORT

Yes, Mr. Chairman, this bill has been thoroughly and carefully considered. It has overwhelming bipartisan support, both in the House and in the other body. I would hope that in view of the fact that this legislation was born in an atmosphere of bipartisanship, it would mature and grow in that same environment.

There will, no doubt, be many requests from rural communities throughout the Nation for the benefits provided by this bill. Let us hope that in approving the several projects, the administration will consider each of them solely on their merits and not on the basis of the political affiliation of the incumbent Member of the House or the Senate.

In summary, Mr. Chairman, this is a good bill, it deserves the support of the House, and it deserves careful and fair administration by the Department of Agriculture.

The gentleman from Ohio asked me to yield for a question, and I am glad to yield to him at this time.

Mr. LATTA. I thank the gentleman for yielding. I should like to ask this question as a matter of legislative history. It is not the intent and purpose of this bill to include the collection of garbage under this bill; is that true?

Mr. HARVEY of Indiana. The intent of this bill has to do with sewage disposal. This deals, let me say, with provision for water supply in small rural communities. In many instances

from my own observation—and I am going to assume part of the responsibility for this provision in the bill—there are a great many rural communities where they have installed water supply systems but have made no provisions for sewage disposal of any kind. I think that is a mistake. For us, a division of the Federal Government, to encourage any community to put in a water supply system without at the same time making provision for disposal of this waste is a mistake.

Mr. LATTA. Mr. Chairman, what caused me to raise this question was the language on page 2, line 15 where it says: "treatment, or disposal of waste."

Mr. HARVEY of Indiana. I am very happy that the gentleman raised the question. As a matter of legislative history I think it is a splendid opportunity to correct that misapprehension.

Mr. LATTA. With that legislative history and the understanding that collection of garbage is not included, I could support the bill.

Mr. HARVEY of Indiana. I do not want to take too much time of the Committee this afternoon. I am going to revise and extend my remarks. The chairman of this subcommittee, the gentleman from Texas [Mr. POAGE], gave a very accurate and thorough discussion of the provisions of the bill. As he indicated, it is a twofold type of bill. It has a provision for increasing the loan authority of the Farmers Home Administration and then it has a provision for water supply systems for rural communities.

Let me say at this point, so far as I know, this bill could have no possible application in my community, in my district, and possibly not even in my State. I think it is important that we make this clear, Mr. Chairman, however. There are certain areas and communities, certain rural parts of this country where a person cannot economically establish an adequate water supply system, and neither can a small community.

But they can collectively do such a project and do it not only with success but in many cases many of our rural areas suffer loss of population and the drifting of the people from the rural communities into larger ones comes about because they do not have in these communities adequate facilities to make life there and a standard of living worthy of their residents there.

So, Mr. Chairman, I commend to the Members of the Committee this legislation. I believe it has a great deal of merit.

Mr. Chairman, the question has been raised that there is not much money proportionately in it. I say to the Members of the Committee that I do not know how widely used the facilities provided for under this bill may become and, certainly, being a very conservative individual, I do not want to get it off on too large a footing.

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

Mr. HARVEY of Indiana. I yield to the gentleman from Missouri.

Mr. HALL. Mr. Chairman, I appreciate the gentleman yielding, and I would like to associate myself with what the gentleman has said.

I rise in strong support of this bill because I think it fills a gap that we have long needed to be filled through an agency that is making a 100-percent commission on its loans in the State of Missouri.

Do I understand that there is a 50-percent limitation on any one sanitary or water system, as per line 17 on page 2 of the bill?

Mr. HARVEY of Indiana. Yes; that is correct.

Mr. HALL. Does this apply to individuals as well as to communities?

Mr. HARVEY of Indiana. Yes, it conceivably can, although it is very difficult for me to see how in any instance it could really apply to an individual.

Mr. HALL. If the gentleman will yield further, I was a little bit concerned about a remark which was made by the gentleman from Indiana, a distinguished member of the Agriculture Committee, when he said he could not conceive of it applying to anyone in his district.

I can think of many rural people who live in rural communities and who farm lands lying around there where they might have individual disposal systems that meet the requirements of the regulations hereunder as to sanitary disposal of waste and had a centralized urban community water system approved by the State health department in a community of less than 5,500 population.

Could the gentleman conceive of this, and each one pay his own way with the 50-percent subsidy?

Mr. HARVEY of Indiana. I believe it is conceivable, yes.

Mr. HALL. If the gentleman will yield further, is that the intent of the bill, I will ask the gentleman?

Mr. HARVEY of Indiana. Possibly I did not thoroughly understand the question. Would the gentleman restate his question please?

Mr. HALL. Let me try to summarize it and restate it: Could an individual participate in the waste disposal portion and get a 50-percent subsidy in a less than 5,500 community water system?

Mr. HARVEY of Indiana. I would think not; that is, it is my concept that at least in granting a water supply system the committee has made provision that no water supply system grant shall be made or loan shall be made that does not also include a provision for sewage disposal.

Mr. HALL. But if it met the requirements of the implementing legislation, the question is, Could the individual farmer participate and have the 50-percent matching fund or subsidy?

Mr. HARVEY of Indiana. Yes.

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

Mr. HARVEY of Indiana. I yield to the gentleman from Texas.

Mr. POAGE. There is no provision in this bill to lend them money or to make grants to individuals. There is authority to establish individual units if the governmental agency running the organization decides that that is the cheapest way of providing the facilities.

In other words, under the RDA at the present time there is authority to go out on some ranches and in some parts of the West—and it is done where the REA itself establishes a rural telephone system on a ranch and pays for it and charges that individual a monthly rate for the system that is on his own place, but puts it in as a part of the whole system—under this they can do the same thing. If they find an individual is too far away from the central system to make it practical to lay pipes to him, they can go out and drill a well for one house, two houses or three houses, for instance.

It is all a part of the system. The system will charge rates all over the whole system that will pay for all of them, and each individual will pay, and the repayment to the United States will not be by the individual but will be by a cooperative or governmental agency that gets the loan, and any grants made will be to the governmental agency or the cooperatives as a whole, and not to an individual.

Mr. HALL. I thank the gentleman.

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

Mr. HARVEY of Indiana. I yield to the gentleman from Kansas.

Mr. DOLE. I think it is well to point out one of the key provisions of this bill was taken care of earlier this year. It passed the House in March without a dissenting vote. In that bill we increased the lending authority from $200 million to $450 million. That went to the Senate, and the Senate tacked on the water provision. It came back to the House and that is when we get into a question of sewage facilities.

Mr. Chairman, I rise in support of H.R. 10232. This legislation could assist in opening up a new and better life for untold thousands of people in the State of Kansas and throughout America.

There is an old saying:

Men learn the price of water when the well runs dry.

Many in Kansas have found this statement to be true, and the price is mighty high. According to the testimony offered by USDA witnesses, there are still about 30,000 rural towns without central water systems.

Because this situation can be corrected with a broader base under the U.S. Department of Agriculture's water loan program, I support this legislation to increase the loan authority to $450 million for rural improvement facilities and farm ownership. I would remind my colleagues that a similar measure passed the House earlier this year, on March 16, without a dissenting vote.

As the provider of a fundamental resource—ample, clean water supplies—the loans, if prudently made, can stimulate local business and help raise the level of family living. There are many examples of how this program has helped turn the tide in Kansas, but the need can be multiplied a hundredfold when the total number of rural communities across the country is taken into consideration. There are a number of communities in my own district sorely in need of increasing their water supply and improving their water facilities.

One shortcoming of the credit service of the Department is that the waiting line of individual farmers and rural communities is too long. Another shortcoming is that the Department's authority to insure loans is limited to $200 million.

The situation is acute. Funds for these projects in the past year were exhausted when only a portion of the application had been filled.

In Kansas alone, an estimated $9 million would be needed this fiscal year to meet the demand and this estimate does not include the improvements in the rural community facility loans that would evolve from the passage of H.R. 10232.

It may be of interest to my colleagues to learn how extensively the present program is being utilized in western Kansas.

In a number of instances, the loans have been approved, the projects completed, and water is now being delivered. Some examples are:

Weskan District in Wallace County, serving 230 rural residents, and the loan was $57,000.

Antonino District in Ellis County, serving 200 rural residents, and the loan was $40,000.

District No. 2 in Ellis County, serving 75 rural residents, and the loan was $18,450.

District No. 1 in Reno County, serving a rural area adjacent to Hutchinson of 105 users, and the loan was $18,600.

Examples where loans have been tentatively approved are:

Stockton in Rooks County, serving farmers between Woodston and Stockton—about 250—and the loan application is $81,500.

Falun Rural District in Saline County, serving 155, and the loan application is $37,800.

Pilot Knob in Harper County, serving an area at the edge of the city of Harper and other rural residents, and the loan application is $52,000.

The present law also provides for association loans and, of course, one requisite for completing many of the applications now pending is additional funds. A few examples of Kansas applications now pending are:

Barber County Water Association in Barber County, and the application is $25,000.

Rural Water District Loba Creek in Mitchell County, and the application is $75,000.

Rooks County Water Association in Rooks County, and the application is $60,000.

To limit assistance for the development of water systems and waste disposal facilities to communities of 2,500 population or less—which is true of the program now administered by an agency of the Department of Agriculture—is to exclude many hundreds of larger communities, essentially rural in character, and in desperate need of these services. H.R. 10232 would enable loans to be made to rural communities having populations of 5,500 or less.

There is no denying the fact that our country has become predominantly urban in its character, but rural America should not be forgotten.

This bill will not provide all the answers, but the measures provided by H.R. 10232 would be a major step in the right direction.

I strongly urge favorable consideration of the proposed legislation.

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

Mr. HARVEY of Indiana. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I rise in support of H.R. 10232.

Last July I introduced a similar bill—a bill that would increase the loan authorization of the Farmers Home Administration from $200 to $450 million for the purpose of financing rural water systems. It also gave to the Secretary of Agriculture the authority to make grants up to $25 million to finance storage, treatment, and purification facilities.

The bill before us today has an added feature. It provides grants for the construction of sewage systems as well as water, and it raises the grant authorized from 40 to 50 percent in order to bring such grants in line with those made in urban areas.

Mr. Chairman, when I introduced my bill, I pointed out that some 30 years ago the Congress of the United States passed and the President signed a bill which created the Rural Electricification Administration. At that time 9 out of every 10 farmers in the Nation were without electricity to light their homes and to provide power to operate their equipment. Today 5,400,000 farmers have been provided electricity at a reasonable rate, thanks to the rural electrification program.

But more must be done if rural America is to survive, Federal assistance must be provided to provide adequate water facilities.

The need for this type of legislation is overwhelming. Rural water use, excluding irrigation, has more than doubled in the past 5 years. Thousands of small rural communities are withering on the vine because they lack water. Without a central water system, without a waste disposal system—no community can hope to attract industries or encourage others to settle in them.

Statistics show that 30,000 communities with populations of less than 5,000 do not have an adequate water supply. There are 600 such communities in the State of Kansas. In my own congressional district there are 125 towns that would be eligible for assistance should this measure be enacted into law.

In my lifetime I have seen at least a dozen small rural communities slowly wither and die largely because they lacked basic community facilities. But happily, I have seen other rural communities in my district—seemingly doomed to a slow death—suddenly revived by the installation of a community water system and then prosper and grow. In every instance, these little rural towns were saved by a loan from the Farmers Home Administration which made it possible to construct a water system.

Back in 1951, Tom Reagan, county FHA supervisor in my home county, and Ralph Johnson, State engineer for Farmers Home Administration, met with 76 farmers and residents from the little village of Chicopee, Kans. These two men explained how the community could get a loan to build their own water supply system. The group formed the nonprofit Chicopee Cooperative Water Corp.

A few skeptics said that since the town had no future, they predicted that the water system would fail because there would be less than 10 water users left in town within a decade. But the community got a $27,000 loan from Farmers Home Administration and installed the system. Today, 14 years later, there are 109 water users. New houses have been built, many others have been remodeled. Bathrooms and modern kitchens have been added. Houses and property values have tripled. Not one building lot is up for delinquent taxes.

And the community continues to grow. A church, public school and three business firms get water from the system. Natural gas came to town in 1962. A new country club has been built with an 18-hole golf course nearby also served by the water system.

My good friend, Francis Flynn, now president of the Chicopee Water Corporation Board of Directors, said:

> This water system, financed by the Farmers Home Administration, has saved our little town. Without it, we would have surely died. What's more, we will soon have our loan paid off—far ahead of schedule and then we can cut the water bills in half.

Mr. Chairman, what the Farmers Home Administration water system loan program has done for Chicopee can be done for every little rural community in America. And it should be done.

We are presently supplying funds for water and sewage facilities for our urban dwellers through the Community Facilities Administration. It seems only fair and equitable that the same opportunity be provided for our small rural areas. Many of our senior citizens who now live in such communities are forced to leave because of inadequate sewage and water facilities. They are forced to take up residence in larger communities where living costs and taxes are much higher. Most of them would sooner stay in the smaller towns because of their limited incomes. Attractive rural communities bring people back to them. Business will follow—new opportunities for our young people will be created.

I have letters in my file from Mulberry and Galena, Kans., once prosperous mining communities, and Helper, Kans., where Jess and I started our lives together—all asking me to assist them secure funds to develop water facilities.

Mr. Chairman, the health and welfare of these rural citizens is just as important to our national interest as the welfare of our city dwellers who cry for larger dams and bigger reservoirs to take care of their water requirements.

This is no rural welfare program. This is basically a loan program. It is the soundest investment we can make for that part of America where there is great

potential for new economic expansion if only these communities are given a chance to construct basic community facilities.

I hope Congress will give them this chance by passing this legislation.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, I appreciate this opportunity to speak in support of the measures contained in H.R. 10232, which is very similar to my bill, H.R. 8234, because North Dakota is united as never before in demanding substantially better farm income and improved opportunities for growth in our rural communities.

The rising cost of farm operations and the necessity for more efficient management makes it necessary for more adequate low-cost credit for family farmers.

The Farmers Home Administration's present authorization of $200 million under the insured loan program is completely inadequate. It already has caused too many small family farmers to leave the land. The small farmer who needs to enlarge his acreage to become more efficient or who needs to adjust his farming operation to take advantage of technological and marketing changes is doomed unless he can obtain sufficient credit. The young farmer who wants to get a start in agriculture is shut out because of lack of credit.

More and more family farmers in North Dakota are being driven into competition for jobs with the unemployed in cities and towns, just like their fellow tillers-of-the-soil across the country. There are fewer farms in North Dakota than at any time since the turn of the century, according to the Federal-State Crop Reporting Service. Families have been quitting farm ownership at a rate of more than 1,000 a year. Among the departures have been many casualties of hardship, defeat, and losses undeserved, suffered by honest and hard-working families simply unable to cope with forces beyond their control.

At least one factor working against this alarming exodus from the farm has been the farm ownership program of the Farmers Home Administration.

More than 4,600 farm families who might otherwise have been forced to leave their farms and seek employment in the cities made use of $84.5 million since the program started in 1937, to survive financial hardship, get a new start and stay in business.

It is significant to note the division of these loans between the categories "direct" and "insured." Since inception of the program, there have been 1,341 direct loans totaling $20 million. There have been 3,267 insured loans by private lenders totaling $64.5 million, since the insured loan program began in 1947.

This fiscal year there has been a need for $28 million in farm ownership loans through the Farmers Home Administration in North Dakota; but due to limitations on its insured lending authority, the agency has been able to meet only about one-third of that demand.

This trend is expected to continue, for with land market prices steadily increasing from pressures of absentee land investors, with prices of machinery, equipment and facilities rising year after year, the need for more farm credit becomes even greater.

I can see no turnabout at this time. The demand for farm ownership loans far exceed the present authorization all across the country. If the present rate of loan requests continues, the Farmers Home Administration will have more than $500 million in requests or more than 2½ times the present authorization of $200 million. This not only denies a well-deserved extension of credit to the farmer, but also curtails a legitimate field of operation by private lending institutions operating in rural communities.

Loss of family farmers from the countryside punches a profound dent into the economy of rural America. Farm ownership borrowers are good customers in our country's small towns. They spend $254 million a year for the same things that city people buy—food, clothing, drugs, furniture, appliances, and other products and services.

These borrowers spend $764,678,400 a year for goods and services to produce crops and livestock. Each year the borrower's debt payments and purchases include $254,892,800 in new farm tractors and other motor vehicles, machinery, and equipment.

Not only does rural America feel the impact of the loss of just a small amount of this business, but also our Nation's total economy is dealt a serious blow.

The provisions of H.R. 10232 to adjust the Farmers Home Administration's insured lending authority upward from $200 million to $450 million, is a reasonable and conservative response to the need for these loans as manifest by the great backlog of applications accumulated this fiscal year for farm ownership, rural community facilities, and other eminently worthy purposes.

Another reason for increasing the authority is that more and more communities are now prepared to carry through the type of self-help projects which can only be accomplished with the support of these insured loan funds.

Primarily, I am speaking about the development of community water systems. A community with good land, good potential, industrial sites and excellent recreational possibilities but without running water is doomed to further decline.

Public funds for public facilities should not stop at the boundary edge of cities but should be available to all rural areas. This is what H.R. 10232 does.

The bill would enable the Farmers Home Administration to advance credit and to share part of the cost when a community is unable to carry the whole burden.

With the new and necessary emphasis to revitalize rural America, to shift land to new uses, to make rural communities more attractive, to raise standards of living and to meet the growing urban demand for more recreation areas, the demand for the type of credit called for in H.R. 10232 is growing by leaps and bounds. I wholeheartedly support and urge the passage of H.R. 10232 as vital to the security of our beautiful countryside.

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

Mr. HARVEY of Indiana. I yield to the gentleman from Vermont.

Mr. STAFFORD. Mr. Chairman, I rise in strongest support of H.R. 10232.

The Northeast has experienced a crisis this year in shortage of water.

Even great cities have discovered they were not immune to drought.

They have undergone the discouragement known all too well to the farmer and small townsman who lives in a precarious dependence on shallow wells, streams and ponds that will fail him, if the weather turns dry for a very long time and denies him rain.

The highest councils of national and State leaders have been convened in an effort to determine how the metropolitan millions of the Northeast can avert another crisis in the next cycle of drought.

This is not an exaggerated show of concern.

Water is the most fundamental necessity. The difficulties this year have underscored how imperative it is that we insure a safe and abundant supply.

Today we are acting on a bill that represents fulfillment of that need in the rural Northeast, and indeed for all rural America.

Across the South and the Middle West, a substantial beginning has been made in the modernization of rural water supplies. This has been done through loans to towns, public water districts and nonprofit associations of rural people, these loans made or insured by the Farmers Home Administration.

Congress initiated this program and meant it to be nationwide. Over 800 rural water systems already have resulted from it.

Few, however, in the Northeast.

The reason my State and others with similar problems of rural water supply have yet to benefit from this program is not indifference, nor lack of need.

Rather, in our case, the reason is that present limitations of the Farmers Home lending authority have proved to be insufficient in a situation such as we have in Vermont.

The present authority limits any other rural system to the size and design that can be built for a maximum loan of $1 million.

These are not feasible limits in Vermont.

We have the difficult problem of striking large reservoirs of water in the limestone substrata that underlies the State.

We need to build larger than $1 million systems, so that several communities can tap each of the relatively few deep-well sources available.

We may need to move lake water considerable distances, especially in the dairying sections of Vermont.

These requirements can be met under the provisions of this bill, which will enlarge the Farmers Home Administration's insured lending authority and raise the limit on a single water system project loan to $4 million.

One of the virtues of the rural water program, as developed through the Farmers Home Administration, is that basically these systems are financed on a self-paying basis—loans repaid from earnings of the systems.

Another equally high virtue is that such fine efficiency has been achieved in design, construction, and operation of far-flung rural systems, the cost of service—the monthly water bill—is held within the range of low- and middle-income rural people.

No family should be shut out. Water is so vital a commodity to the health, safety, and economic progress of all our people as to constitute a public necessity.

Vast amounts of public funds have been used in this country to help provide such public facilities for the urban population.

In this bill, a modest and reasonable provision is made for assistance to the rural population—equally in the public interest.

To overcome unusually costly problems of laying pipe through difficult terrain—of building adequate water treatment plants, or reaching out to now sparsely settled areas where the need is great and future growth is possible—this bill provides for grants toward that portion of costs which exceed the norm for rural water system construction and loan financing.

This in no way dilutes the responsibility of the community to finance a project by the insured loan route to the best of its ability, to the fullest extent consistent with the public interest.

Mr. Chairman, this bill has evolved especially through the efforts and wisdom of two men in Congress who have infinite understanding of the character and problems of rural America.

For this service I salute the distinguished gentleman from Texas, BOB POAGE, of the House Agriculture Committee, and the great senior Senator from my own State of Vermont, GEORGE AIKEN, ranking minority member of the Senate Agriculture Committee, whose original concept inspired this bill.

It is unlikely that any bill we can pass in this Congress will contribute more to the relief of burdens now saddled on farm families and rural communities.

The larger part of the total new insured loan authority provided in this bill will be used to secure farm ownership for more families who are struggling against the odds in their efforts to succeed as independent farmers.

The rest of this new authority will support the enterprise and self-reliance of rural communities as they work to supply themselves with water, and other fundamental needs for adequate community standards of living based on soil and water resources.

Without water, without capital, without freedom, the farmer has a hard row to hoe no matter how good his land.

The rural community may be endowed with great traditions, good people, good potential sites for industry and commerce, excellent recreation possibilities; but without water, without credit resources that square with its ability to pay, that community nevertheless will find it hard to hold its people and retain its vitality in the future.

I will vote for this bill with confidence that it will be diligently carried out by the Farmers Home Administration. That agency has a record for sound and creative operation of public credit programs in cooperation with the lending institutions of private enterprise, as called for in this bill.

This is the right plan to fulfill one of the great needs of rural America and thereby strengthen all the Nation.

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

Mr. HARVEY of Indiana. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I favor the reasons that this bill is brought out, and the objectives desired to be attained. I have a serious question about the duplication of this type of activity that is carried on in other agencies of the Government. In the hearings we went specifically into the question of where these same projects could be financed by other agencies.

Mr. HARVEY of Indiana. Let me say to the gentleman we did not specifically cover that, but it would seem to me very difficult to imagine circumstances where all of the other agencies, with the exception possibly of Appalachia, are directed entirely at urban or semiurban areas. This is directed to rural areas. I cannot believe for that reason there would be duplication. I would likewise say to the gentleman I have no definite proof that could not happen.

Mr. CEDERBERG. The reason I bring this matter up is because we are holding hearings in our Subcommittee on Appropriations for the Department of Commerce request to fund the Economic Development Administration and the Regional Development Administration. In these hearings we have developed the fact that this very type of program is available to these areas. In addition, it is my understanding that under the new Housing and Farm Agency Administration they can do the same thing that is being done under this bill.

As a matter of fact, in our hearings we have requested that the agency let us know all of the other agencies that are involved in water and sewerage specifically. The gentleman from New York [Mr. ROONEY] mentioned that this is exactly what we have been discussing in our subcommittee. In order to get rid of this confusion, the Bureau of the Budget has even requested a coordinating Committee on Agriculture and Commerce, and the new Urban Affairs Committee, as to whether or not they are involved in the same kind of a program.

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

Mr. HARVEY of Indiana. I yield to the gentleman from New York.

Mr. ROONEY of New York. May I say to the distinguished gentleman from Michigan [Mr. CEDERBERG] that the duplication and the number of agencies engaged in this very same matter of assistance in sewerage construction is appalling. I suggest that the gentleman from Indiana read the Appropriations Committee hearings when they are printed and released.

Mr. HARVEY of Indiana. Mr. Chairman, I call particular attention to the report on this bill, page 2, near the bottom of the page, where it reads as follows:

> H.R. 10232 is comparable to but does not duplicate any of the authority of the various statutes and programs designed to provide modern water and santitation systems for urban areas. On the contrary, it is carefully designed to pick up where those statutes and programs leave off and provide comparable assistance to rural communities.

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

Mr. HARVEY of Indiana. I yield to the gentleman from North Carolina.

Mr. JONAS. I certainly join those who have expressed approval of what we are trying to do here. I think there is as much reason to assist rural communities in providing adequate water supplies and sewage disposal facilities as there is to help urban communities.

But on the question raised by the gentleman from Michigan and the comment made by the gentleman from New York and apropos the section of the report just read by the gentleman from Indiana, I would like to read the following section from the bill that became law on August 10, 1965, and ask the gentleman from Texas, the author of the present bill, to convince us that there is no duplication.

Here is what Section 702(a) of that bill says:

> SEC. 702. (a) The Housing and Home Finance Administrator (hereinafter in this title referred to as the "Administrator") is authorized to make grants to local public bodies and agencies to finance specific projects for basic public water facilities (including works for the storage, treatment, purification, and distribution of water), and for basic public sewer facilities (other than "treatment works" as defined in the Federal Water Pollution Control Act): *Provided*, That no grant shall be made under this section for any sewer facilities unless the Secretary of Health, Education, and Welfare certifies to the Administrator that any waste material carried by such facilities will be adequately treated before it is discharged into any public waterway so as to meet applicable Federal, State, interstate, or local water quality standards.

That section does not confine itself to urban communities. How is the authority granted here to the Housing and Home Finance Agency different than the authority that is proposed to be vested in the Farmers Home Administration.

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

Mr. HARVEY of Indiana. I yield to the gentleman.

Mr. POAGE. The testimony before the committee was that the Housing and Home Finance Agency although having the authority, as I carefully pointed out a few moments ago when I was in the well, although having the authority to make such loans, had a policy of not making the loans anywhere where there were less than 5,500 population. That was the reason and I explained it a while ago That is the reason we adopted the 5,500 population limitation because of the

practice of this agency not to go into communities of under 5,500 population.

Mr. JONAS. My point is this. Does the gentleman from Texas say that the Housing and Home Finance Agency does not have authority to make these loans and grants in rural communities?

Mr. POAGE. I said it twice before and I will say it now for the third time—the Housing and Home Finance Agency does have the authority but it has the practice, a self-imposed limitation, of 5,500 as being their lower limit, which is the upper limit in this bill.

Mr. JONAS. Under the second section and I will not read it because it is a long section, it makes the break off at 10,000. It provides for loans and grants to public bodies and agencies in communities "under 10,000 in population." They have not had time to ask for any money yet to implement that bill but the authority is conferred upon the Housing and Home Finance Agency—new authority which was just granted this year, to make the identical type of loans and grants that are proposed to be made under this bill. I am just wondering if we should not be very careful that we are not duplicating the authority here? We do not want to have every agency of Government involved in these loans and grants.

If so, we will have a bureaucracy that will absorb a great deal of the money in administrative costs.

Mr. HARVEY of Indiana. Mr. Chairman, I do not desire to prolong this debate. I appreciate the concern of the gentleman from North Carolina [Mr. JONAS], and his bringing the matter to the attention of the committee. It is my personal pledge to you that I shall make a definite effort, within my limitations, to make sure that if the bill is passed, there is no duplication.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. I believe the gentleman from Michigan and the gentleman from New York made a point that there is a duplication in this field. I think the thing that the House must realize is that despite the fact that we have all this duplication, none of it filters down to the small rural communities. The specific aim of this legislation is to give rural communities the break which the larger cities have in all the other bills which we have passed and which, in some cases, overlap. This bill will do just that and give our rural communities and their people the ability to share in these programs so long available only to the big cities.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I believe the point should be made that this other legislation is designed for depressed areas. Many areas which would be eligible under this bill would not be eligible under the ARA.

Mr. HARVEY of Indiana. Mr. Chairman, I have no further requests for time on this bill. I reserve the balance of my time.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. RANDALL].

Mr. RANDALL. Mr. Chairman, I shall not take but a part of the 3 minutes. I would like to point out that in our congressional district there is a perfect illustration, in relation to the discussion which has just taken place. In rural Jackson County which is in west central Missouri a public water supply district is nearing completion. The farmers in this area could not get a Housing and Home Finance loan from Community Facilities because the area was wholly an unincorporated area. They made application to Farmers Home Administration and were able to get an FHA loan. Today a rural water district, is now proceeding toward the final stages of construction, made possible under the old enactment. This bill today will expand the insured loan authority and provide the means to make loans more attractive to investors through better yields and repurchase agreements.

This is a worthwhile amendment. Beyond a doubt there are dozens of other places close to metropolitan areas which are situated in unincorporated areas and which house commuters who come back and forth, from work, but live on tracts of small acreage 25 to 35 miles from work. In this same general area there are people who have family farms of 100 to 150 acres who would not be covered by any other program.

It is a privilege to support H.R. 10232. Later I shall ask consent to include in the RECORD some communications that I have received on the subject.

Recently I received a letter which proved the value of Federal assistance in the construction of a water supply district in a rural area, which reads as follows:

SEPTEMBER 7, 1965.

Representative WILLIAM J. RANDALL,
House of Representatives,
Washington, D.C.

DEAR MR. RANDALL: We are enclosing herewith a copy of a letter addressed to Mr. Howard Bertsch, Administrator, Farmers Home Administration, which will be of interest to you. As you will note, we have attempted to express our appreciation to some of the people concerned in prosecuting this project.

We will remember for a long time the assistance we received from you and your office. In the beginning it was your office that helped us to get the area approved for the project, and later, you helped us in placing idle funds so that something like $4,500 was realized to add to our "kitty" which will be quite handy in tiding us over the first lean years.

It strikes us that this is one service rendered by our Government which results in handsome returns to everyone concerned, including the people who receive the water service, those who earned wages on the project, and "Uncle Sam" who will also receive reimbursement manifold not only in money but in the good will of the people affected.

Thank you again.

By order of the Board of Directors, Public Water Supply District No. 13 of Jackson County, Mo.

MAURICE HARTMAN,
H. J. HARTVIGSEN,
DON I. MONTGOMERY,
CECIL RANDALL,
JOHN W. JOHNSON.

The group of progressive, forward-looking farmers who banded together to form Public Water Supply District No. 13 were so grateful to the Farmers Home Administration for the excellent service rendered during the construction of water mains in the rural areas that they recently composed a letter and forwarded it to the Administrator at the Central Office here of Farmers Home Administration over at the Department of Agriculture, which reads as follows:

SEPTEMBER 7, 1965.

Mr. HOWARD BERTSCH,
Administrator, Department of Agriculture,
Farmers Home Administration,
Washington, D.C.

DEAR MR. BERTSCH: You will be pleased to know that the system of Public Water Supply District No. 13 of Jackson County, Mo., is substantially complete, and a number of patrons are now receiving water service. Due to the fact that we received a very favorable bid on the project, substantially below estimates, and due to the able assistance and cooperation of many people we accomplished much more than originally planned. In fact, we were able not only to reach every residence, farm, school, church or business in the 25-mile square area comprising the district, who wanted water service, but to increase the size of mains, build a loop tying them together, and to double the size of our elevated storage tank. All told we have slightly more than 43½ miles of mains and distribution lines reaching all but six homes (who did not want service) and a sizable reserve fund out of which to finance additions and to help carry us through the first year or two during which time we anticipate that about every one in the district will become a water user.

The purpose of this letter is to express our sincere appreciation in behalf of all of the residents of the area for the unstinting work done by the people attached to the Columbia and Liberty, Mo., office of the Farmers Home Administration. Mr. Jose was most helpful with overall advice and suggestions which not only enabled us to accomplish this project, but to do so expeditiously and at substantial savings. Messrs. Tise and Mussman gave us invaluable help with detailed engineering problems as well as financial matters, and at all times lent us every help we required of them.

We are especially indebted to Mr. Henry Smith of your Liberty, Mo., office who has been at our side during the many months the project has been developing, with every kind of help, including interpreting the rules and regulations, assisting with the minute details of which there are, of course, a multitude. He is, and has from the beginning made himself available at any time, day or night, to assist in the development and completion of the project. He has attended many meetings, speaking at general ones, at which the public was invited, explaining and interpreting the procedures to be followed, etc. In other words, explaining how to accomplish our purpose as expeditiously as possible. All of these meetings, including board meetings, of necessity, were held "after hours", but Mr. Smith is always available. Now we know that Mr. Smith has the responsibility of this duty, but we are sure he has done much more for us than could reasonably be expected even of a good public servant.

In conclusion, we wish to say that we are convinced that without the assistance available through the Farmers Home Administration, and its people, this project, so sorely needed, could not have been brought to a successful conclusion.

By order of the Board of Directors, Public Water Supply District No. 13, of Jackson County, Mo.

MAURICE HARTMAN,
H. J. HARTVIGSEN,
DON I. MONTGOMERY,
CECIL RANDALL,
JOHN W. JOHNSON.

In the words of the report which accompanied H.R. 10232 it is pointed out that the establishment of adequate water and waste disposal system is one of the crying needs of rural America. Our city dwellers turn a faucet or push down on a handle to flush a toilet. From the first, water appears and from the second, waste disappears. It is really almost like magic but either these city dwellers don't realize or else never stop to think that there is no such magic in most of the rural areas. A rural resident can try to build such a system at great expense to himself, but many times with frustrating results.

In many areas there is adequate water of some kind but not an ample supply of pure water because today not just any water will do. It must be pure and chemically acceptable if it is to be used in dairy areas and for truck gardening purposes.

It is estimated there are 30,000 rural communities in America today who need new water and sanitation system, and until some way is enacted that will permit these communities to install such systems they will be denied the water and sanitation facilities city residents take for granted.

H.R. 10232 does not duplicate any of the authority of the various statutes and programs designed to provide for urban areas. The bill specifically provides that a definition of rural areas shall not include any part of any area in a city or town which has a population in excess of 5,500 inhabitants.

It is difficult to envision the great good that can come from the enactment of a bill such as H.R. 10232. Only the passage of time will reveal the great development that will come about in both the closely settled and the sparsely settled rural areas of America. One does not need a crystal ball to predict that new rural water and sanitation facilities made possible under this enactment will be a boon and a blessing to rural citizens in terms of improved health and expanded economy in the years that lie ahead.

Mr. COOLEY. Mr. Chairman, I yield to the gentleman from North Dakota [Mr. REDLIN] 1 minute.

Mr. REDLIN. Mr. Chairman, most of my city colleagues very likely take it for granted that running water and modern sewage facilities are available in nearly all American homes. Such is not the case in many rural areas, such as those I represent in western North Dakota.

Comprehensive programs to encourage sanitary and healthful living conditions in urban areas have been in operation for several years. We badly need a program tailored to the specialized conditions of rural agricultural areas.

As a member of the Committee on Agriculture, I consider it a privilege to have participated in the decisions that resulted in the legislation before us, H.R. 10232. Because, Mr. POAGE, the able vice chairman of the Agriculture Committee, has made a fine presentation, I will not take up additional time detailing its provisions.

I will only say that, through loans and grants to local governments or groups of rural residents, it would take significant strides toward improving the overall living standards in our rural communities, utilizing to good advantage the experience, background and knowledge of the Farmers Home Administration.

I urge the support of my colleagues for H.R. 10232.

Mr. COOLEY. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, I first want to congratulate and commend our colleague the gentleman from Texas, BOB POAGE, the chairman of the Subcommittee on Conservation and Credit, and our colleague, the gentleman from Indiana, RALPH HARVEY, the ranking minority member of that subcommittee, and all of the other members of the subcommittee, upon all of the splendid work they have done on this bill. The subcommittee worked long and hard on the bill now before you. They considered all of the pertinent facts and circumstances involved, and my recollection is that the report of the subcommittee was unanimously accepted and approved by the full committee.

Mr. Chairman, I also want to commend the officers and directors of the Farmers Home Administration upon the splendid manner in which that agency of the Government has administered all programs which that agency has by law been directed to administer. The Farmers Home Administration has been remarkably free from criticism. Those in charge of this program have discharged the duties assigned to them in magnificent fashion. Perhaps the officials of this agency of the Government have not done all things right and perhaps they have not pleased all people, but certainly all of us know that they have at all times been prompted by the purest of motives and dealt with all problems frankly, fairly, forthrightly, and with great impartiality and integrity.

I urge the passage of this bill.

The bill deals with problems of great importance. More than 30,000 communities in this country need and want the relief which will be provided in this bill when it is enacted into law. The chairman of the subcommittee, who, as you know, is the vice chairman of the full committee, has presented the bill to the Members of the House in a very brief and comprehensive manner. I hope that the bill will be passed, that it will become law, and I know that the program will be beneficial to the rural areas of America. Certainly we must provide some relief for the citizens of our country who are living in the rural areas of the Nation just as we have provided relief for those citizens living in urban areas.

I yield 3 minutes to the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Chairman, I sincerely believe that the passage of H.R. 10232 is essential to assuring the economic survival of literally thousands of undeveloped rural areas. This is because it will help many farm and rural families and business firms obtain much needed water and sanitation facilities for the first time.

This legislation would establish for rural communities a Federal assistance program comparable in scope to programs which are available to urban communities under several statutes.

One section of H.R. 10232 authorizes the Department of Agriculture's Farmers Home Administration to make or insure loans to rural associations, including corporations not operated for profit and public and quasi-public agencies to provide for the installation or improvement of facilities for the use and control of water.

This includes the installation of improvement of waste disposal facilities. Such facilities must be primarily designed to serve farmers, ranchers, farm tenants, farm laborers and other rural residents. The agency would also be authorized to furnish financial assistance or other aid in planning projects for such purposes.

Another section of H.R. 10232 authorizes the Farmers Home Administration to make grants not to exceed a total of $50 million in any fiscal year to agencies and associations to assist in financing specific projects for the development, storage, treatment, purification or distribution of water or the collection, treatment or disposal of waste in rural areas. The amount of any such grant cannot exceed one-half of the project's development cost.

Mr. Chairman, another section of the bill would implement this program by expanding the Department of Agriculture agency's insured loan program authority and provide means of making loans more attractive to investors through better yields and more flexible repurchase agreements.

Members of this body should not overlook the fact that establishment of adequate water and waste disposal systems is presently one of rural America's most crying needs.

These facilities are ones that have been taken for granted during recent years by most city dwellers. During most of their lives they have simply turned on a faucet or opened a drain and a system provided by the community made water appear or wastes disappear.

Mr. Chairman, there are still some 30,000 U.S. rural communities that urgently need water and sanitation systems. And until this need is met, these communities cannot grow and make their contribution to this great Nation's overall economic growth. The sad part of this situation is that thousands upon thousands of rural residents are being denied ordinary, everyday water and sanitation facilities available to practically all urban area residents.

One need only to observe the Farmers Home Administration community water system program at work in rural areas to realize the important role such a program can play toward helping make a given rural community a better place to live.

I am gratified to report that four much needed community water systems have

been financed in my district since late 1962 by loans from this U.S. Department of Agriculture credit agency.

The loans—ranging in amount from $132,200 to $644,000—totaled close to $1.5 million and have or will soon make possible systems serving over 6,000 rural people with an adequate supply of safe water for the first time.

It should be remembered that these 6,000 rural folks are ones that have been obtaining water from ponds, creeks, cisterns, and even contaminated shallow wells.

The first of these loans—one for $132,200 made November 18, 1962, to the Fallston Water System, Inc., in the district's Cleveland County—brought about construction of a system that pumped new life into the community in which it is located.

Besides furnishing water to some 500 farm and rural residents, the system's presence attracted a new industry to the community soon after it was built. And now a consolidated district high school is being built at Fallston because running water is now a reality. The new industry employs over 50 Cleveland County residents on a full-time basis.

The four systems should also be credited with furnishing close to 16,000 man-days of employment to sections of the 10th district where water systems were or are now being constructed.

There is indeed an urgent need for this legislation to help the Farmers Home Administration to do the job that they are capable of doing with the help of authority and loan funds H.R. 10232 carries.

In North Carolina the funds available fall far short of meeting the need. This is true throughout the country.

Mr. Chairman, with the passage of H.R. 10232, water development, such as that cited in my district, will continue and so will our steady march toward the Great Society.

I want to emphasize that this is a vital bill. One, that if enacted, will bring about new opportunity and hope for thousands of rural Americans. It indeed offers to rural America a new dimension for expansion. I join with my colleagues in asking your approval and endorsement of this legislation.

Mr. CLEVELAND. Mr. Chairman, I strongly support passage of H.R. 10232, which would provide a program of grants and increased loans for water facilities in rural agricultural areas. I testified in favor of the bill during hearings before the Agriculture Committee at which time I made clear my prefrence for certain provisions of this bill over the S. 1766, a comparable bill approved by the Senate. The main reason is that the House bill provides somewhat broader population limits than the Senate's, the limit in H.R. 10232 being a population of 5,500 as opposed to the limit of 5,000 set by the Senate. While I would have preferred extending the limit slightly more—to 6,000—this is satisfactory. I would like to point out, in this connection, that, on the basis of information from the staff of the Committee and from Administration authorities who will be administering this legislation, the population figures are to be determined by using the findings of the 1960 Census. In addition I prefer the better definition of rural area contained in H.R. 10232.

The need for this legislation is imperative and has been intensified in my area by the drought afflicting the Northeast. This 4-year drought has been having a severe impact. We are all aware of the severity with which the drought has fallen on the large metropolitan areas such as New York but it is every bit as severe on rural areas. In some ways, the impact on small, rural communities is greater than on the cities because of their great dependence on farming and because they do not have the financial resources available to the big cities.

I commend the Committee for its prompt action on this legislation and for the completeness of its report. This legislation will provide invaluable assistance to many hard-pressed communities in my district and I can assure the House that the assistance will be used to the best possible effect, returning the investment many times over in farms, crops, and jobs that will be saved or improved. I urge the House to approve this legislation.

Mr. KEE. Mr. Chairman, I fully support the provisions of H.R. 10232, amending the consolidated Farmers Home Administration Act of 1961.

In this connection, Mr. Chairman, the members of the Committee on Agriculture of the U.S. House of Representatives under the able leadership of Chairman COOLEY are to be highly commended for this measure which will definitely benefit rural America.

It should be noted that the Housing and Home Finance Agency, which has done an excellent job, has centered its attention on, and its experience is limited to urban areas. The Farmers Home Administration, on the other hand, is oriented to the problems faced by rural America.

The enactment of H.R. 10232 will actually result in a saving to those residents of rural areas, that is, with a population of 5,500 or less, simply because these areas in need of an adequate water system as well as adequate sewerage systems can combine the construction of both essential facilities at the same time.

Therefore, Mr. Chairman, I respectfully recommend to the Members of the House that H.R. 10232 be passed.

Mr. PERKINS. Mr. Chairman, I rise in support of H.R. 10232, a bill to amend the Consolidated Farmer's Home Administration Act of 1961 which authorizes the Secretary of Agriculture to make or insure loans to public and quasi-public agencies and corporations not operated for profit with respect to water supply, water systems, and waste disposal systems serving rural areas. The bill likewise authorizes grants to aid in rural community development planning and for construction of both water systems and sanitation facilities. The bill further increases the annual aggregate of loans insured. Legislation of this type is long overdue, and to my way of thinking, the rural areas of many sections of the country and particularly eastern Kentucky have been overlooked. This legislation bridges the gap that is very much needed and it is a great pleasure for me to support such a worthy bill. By making these communities livable, we will be able to keep our good people at home in many sections where we now have too much outward migration. For many years I have urged the passage of legislation of this type. I now urge all Members to do likewise.

Mr. SCHMIDHAUSER. Mr. Speaker, I urge approval of the Rural Water and Sanitation Facilities Act of 1965. There is no measure of more vital importance to the orderly growth of rural communities than this measure. For far too many years, residents of rural America have found that it is increasingly difficult to get the adequate clean water supplies that they need and found it exceedingly costly to develop sanitation systems necessary for growth.

It is estimated that 30,000 rural communities need new water and sanitation facilities. I know that several of these are located in southeast Iowa. There are many people throughout my district who prefer to live in rural communities rather than move to cities, but find it difficult to do because they cannot find adequate water and sanitation facilities in many of the smaller communities. Communities like Morning Sun and Columbus Junction have indicated their need for more adequate sanitation facilities. Farsighted community leaders in St. Paul in Lee County have indicated they have a tremendous potential for growth but need help in establishing a sound water system. Examples such as this could be repeated in every community throughout the First District of Iowa.

In fairness to our rural residents, let us extend to them the same opportunities for adequate water and sanitation facilities that have been afforded in other legislation to our large cities. I urge passage of the Rural Water and Sanitation Facilities Act of 1965.

Mr. ALBERT. Mr. Chairman, I would like to speak in behalf of H.R. 10232.

I am here to urge the House to act favorably on this legislation because I am firmly convinced that it will bring many benefits to the rural areas of my great State of Oklahoma, to other States in the Southwest, and to rural areas across the Nation generally.

For some years now, the Farmers Home Administration—working as the credit arm of the U.S. Department of Agriculture—has been extending loans accompanied by technical assistance to rural families.

This credit program has helped to build family farms and strengthen rural communities.

However, the need for this unique type of service has been so great and the programs which the agency administers have been so popular, that there have never been enough funds to go all the way around. Consequently, farm families who may have otherwise succeeded have been forced off the farm and into the city, and communities which may have survived have been allowed to die.

H.R. 10232 takes a bold and imaginative step in remedying the unfortunate limitation on funds which has drastically

handicapped the Farmers Home Administration in carrying out its important work.

It would—among other things—increase from $200 million to $450 million the annual authorization for insured loans for farm ownership and association or community facility purposes, increase to $4 million the amount of financing available to a rural group to develop a rural community water or other community facility, authorize grants for certain community water systems up to 50 percent of the cost, and adopt 5,500 as the maximum population of a community designated as rural.

I am personally interested in and support all sections of this proposed legislation. However, I would especially like to direct some of my remarks at what this bill would do to strengthen rural communities.

A review of applications for Farmers Home Administration assistance from many communities in my district and throughout the State of Oklahoma clearly indicates that the current $1 million limitation on a loan to help finance a water system or other group facility is severely handicapping rural development.

I have had letters from smalltown mayors, ministers, businessmen, ranchers, and other leaders which point up the problems caused by this low loan ceiling.

My contacts with Secretary Freeman and with Howard Bertsch who administers the Farmers Home Administration programs reveal that the Department is continually receiving inquiries from communities in all sections of the country which must be turned away because of the low credit ceiling.

Since the Farmers Home Administration is the court of last resort for rural financing, some communities are simply forced to continue without making needed improvements. A feeling of despair and hopelessness sets in. They have nothing to offer industries and new businesses which are looking for a place to locate.

Young people who have grown up and were educated in these communities go elsewhere to earn their livelihood.

The communities, themselves, wither and die because they are boxed in economically. They are the victims of a combination of economic and social circumstances from which there is no escape.

Other communities are going ahead with development plans despite the low credit ceiling. But they are finding that if adequate funds were available they could build a far better and more efficient system for their area.

Raising the loan limit to $4 million would help solve this problem.

I strongly favor the provisions of H.R. 10232 which would provide grants when necessary to help finance community water systems.

Many rural communities in Oklahoma and in other States cannot afford to construct a system even under a long-term low interest loan program.

Such a water system is beyond the means of some communities because of the low income of potential water users.

In certain communities costs run higher because of the great distance between families, and grants are necessary to help get the monthly water bill down to a reasonable figure which the users can afford.

In still others communities are barred from a water system because of high costs where water treatment plants must be installed.

Oklahoma has about 175 upstream flood control watershed projects either built, planned or with applications pending. More than 1,000 dams have been constructed in these watersheds so far. Most of these dams back up water that could be used for domestic purposes. But it has to be adequately treated and filtered and plants for these purposes are expensive.

Some progress has been made in moving water from these reservoirs, when feasible, and piping it to farms, ranches, and rural towns, or creating rural water distribution systems from other sources of water.

Thirty-four such community projects have now been developed over the past couple of years, put under construction or approved for financing through the Farmers Home Administration. Twenty-one other projects have been tentatively approved. Sixty-one additional project applications are being considered; and hundreds of other small towns and nontown rural areas of Oklahoma have shown their interest in mobilizing local forces to duplicate what has been done in the projects already completed.

However, there still remains in these water-rich areas, communities which cannot afford the cost of developing surface water even when loans are available.

Some grant aid is necessary.

These communities are continuing without water. Yet studies show that many have great potential for growth.

The water situation in Oklahoma and the Southwest has been acute for some time. Despite this problem, our population has been increasing at a tremendous rate.

During the period 1950 to 1960, population increased in my State at the rate of 4.2 percent a year and a recent estimate by the Department of Census shows that in the last 4 years this rate has speeded up to a growth rate of 5.9 percent a year. The trend that concerns me, however, is that while our total population is increasing our rural population is decreasing.

People are ending up in the cities which have the means to support good water and other facilities.

During the 1950–60 10-year period, for example, when our total State population went up by 100,000 persons, our rural population in Oklahoma dropped some 300,000 persons.

An estimated 25,000 to 50,000 of this loss in rural areas was due to cities annexing surrounding fringe areas but the remainder of this loss can be charged to the migration into the cities by farm families and families from small towns.

I mentioned earlier in my statement that the Farmers Home Administration consistently lacks adequate funds to meet the demand for loans from family farmers and rural communities.

H.R. 10232 would remedy this problem by increasing the annual insurance authorization by $250 million.

In Oklahoma we have nearly 100,000 farms and ranches and account for an important quantity of the Nation's food production. My State ranks 4th in wheat, 10th in cattle.

Operators of these farms should not be cut off from sources of credit. However, I started receiving information early in December—less than one-half way through the 1965 fiscal year—that the Farmers Home Administration already had enough loans in advanced stages of processing throughout the Nation to utilize their annual insured loan authorization of $200 million. The program, so far as serving new applicants for water systems and family farms, was forced to a halt.

In March 31 of 1965, 3 months before the fiscal year was ended, the Farmers Home Administration had on hand 17,500 applications for farm ownership loans and 1,400 for water systems and other facilities.

The dockets that the Farmers Home Administration had on hand at that time, the applications on file, and the general trend of the insured loan program indicates a demand well in excess of $450 million a year which H.R. 10232 would authorize.

I hope that I have made clear my feelings on the necessity for this legislation.

Personally, I believe that passage of this bill would be one of the most valuable services which this session of Congress could provide to our rural people.

I strongly urge the committee's favorable consideration of H.R. 10232.

Thank you.

Mr. BANDSTRA. Mr. Chairman, of considerable importance to the rural sector of our economy is an adequate source of credit. First, of course, and I think we all agree, this credit should be furnished whenever possible through our private lending institutions.

However, there comes a time and there comes a place when because of mitigating circumstances of one kind or another, banks, insurance companies, and other investors are unable to fill the credit needs.

To fill this credit gap the Congress some years ago designed an insured loan program that would enable a USDA agency, the Farmers Home Administration, to take funds provided by private investors and make loans that conventional credit institutions were not in a position to handle.

This insured program has proved its worth but it is too limited in scope and a credit gap still exists.

H.R. 10232 proposes to alleviate the loan fund shortage by raising from $200 to $450 million the annual insurance authority of the Farmers Home Administration. This is the authority by which the agency can make loans to tenant families to buy farms of their own and to rural communities up to 5,500 population to install water systems and other needed facilities.

Farmers Home Administration loans are extremely important to farm families and communities in my district, and to Iowa and rural America in general.

I believe it pretty well known, at least among my rural colleagues in the Congress, that our farm population is growing older.

The average farmer today is 51 years of age, some 3 years older than his counterpart of a decade ago.

Many farmers are pushing retirement and are moving out of farming.

Their farms are coming on the market and the Farmers Home Administration is carrying out a vital role in helping younger farm families acquire them.

Farmers Home Administration is often the only credit source available to many young families. With a small down payment of their own plus a knowledge of farming, willingness to work, and a burning desire to own their own farm, they can obtain Farmers Home Administration credit to begin the road to farm ownership.

Within 8 to 10 years many of these families make such progress that they completely retire their loans or are able to refinance them through local banks, insurance companies, or other lenders.

These loans are important to Iowa if it is to remain a great agricultural State with family farms as far as the eye can see. Under the expert leadership of Gene Hoffman, FHA State director in Iowa and the help of his dedicated staff, farm ownership loans have been on the increase. My State now ranks second in the Nation, following closely behind first-place Missouri in volume of farm ownership loans.

Last year, Iowa farm families used some $11 million in FHA loans to buy farms of their own—a tremendous increase over previous years such as in 1960 when only $1 million in loans were made.

Even with this substantial loan volume, however, we are only seeing the beginning of the huge transfer of farms that is going to have to take place as the bulk of today's farmers move into retirement.

Mr. Chairman, also important to the future of our rural families in Iowa and to rural people across the Nation is an adequate water supply. Without the assurance of a good and dependable water system, no community can expect to develop its full potential.

If it lacks a modern water supply system, a community's chances of attracting new industry are slim indeed.

Unfortunately, this is a plight in which many rural communities now find themselves.

The Department of Agriculture estimated recently that more than 30,000 rural communities lack good water. People in these areas are forced to rely on shallow wells, rainwater cisterns, streams or ponds, and in some cases these water sources are badly polluted.

Four years ago, when the Congress enacted the Consolidated Farmers Home Administration Act of 1961, it greatly expanded the agency's authority to help rural families bring good water and other facilities to their communities.

This program has proven highly successful. Between January 1, 1961, and August 31, 1965, the FHA made or insured more than $161 million to finance work in 43 States. Nearly 46 percent of this money loaned to rural groups occurred during the past fiscal year.

Secretary Freeman estimates that—besides the critical demand for more farm ownership money—some $361 million in funds are needed for the current fiscal year to process association loans authorized for water systems and other community facilities.

The success of this loan program—based on the projects already in service or under construction together with the large number of applications on hand, clearly demonstrates its popularity and worth.

Much work remains to be done in providing the credit tools to rural communities so that they may secure good water.

H.R. 10232, in addition to expanding the existing loan program, would provide the FHA with the authority to make Federal grants to nonprofit groups for the development of water systems.

These grants would be an excellent investment. Water is a basic necessity to families in any community, but it is also essential for economic growth. Lacking a good water supply, many rural communities are without a sound financial base; and lacking a sound financial base, they are without the economic resources to obtain a good water supply system.

Grants are also needed in some communities to lower the water system's cost. Farmers Home Administration's loan is repaid from sale of the water. The monthly water bill must be within the reach of the family's pocketbook.

However, in many of our smaller rural towns there are a high percentage of older families, some relying almost entirely on social security retirement benefits.

Appanoose County in my district, for example, has a population, 20 percent of which is 65 years of age and older. Some of these families must try to exist on social security checks as small a $70 a month. They cannot pay rent, buy food and medical supplies and still afford a $10 to $12 monthly water bill. A program of Federal grants for rural water development is the most promising method of solving this dilemma.

With these considerations in mind, I respectfully urge passage of H.R. 10232, a bill with many of the features contained in H.R. 10052 which I earlier introduced in this session of Congress.

Mr. MARTIN of Nebraska. Mr. Chairman, I will be proud to have the record show my support for H.R. 10232.

We have few opportunities to vote for so constructive and sound a bill strengthening free enterprise and community initiative in the rural area. This is neither a partisan measure nor the implement of any special privilege.

Certain great regions of the United States still thrive on the tradition of the family ranch and family farm.

Central and western Nebraska is such an area.

Under the terms of this bill, farm families and towns making up three-fourths of the population of our district will qualify for these rural services of the Farmers Home Administration.

It suits Nebraskans that this bill extends to them no special advantage, no easy bonuses—simply a better opportunity to build on their own resources and pay their own way.

In Nebraska, the heaviest benefits of the bill may lie in the broader authority for the Farmers Home Administration to arrange and endorse the private lender's financing of family ownership of ranches and farms.

Independent family farm enterprise remains the staff of life in the great plains and hills of Nebraska; and the need for a larger volume of credit to support free agriculture in Nebraska is clear.

Of more than 1,100 applications for initial farm ownership loans received through Farmers Home Administration offices in the State during the past fiscal year, 664 were still on hand awaiting action at the end of the year, last June 30. Insured loan authority of the agency under present limitations, was used up by April.

This bill will double the authority of the Farmers Home Administration to insure private loans for family farm ownership.

No action introduced or suggested in this Congress could go further to secure the future of a prosperous rural economy, in which the farm family meets its problems and works its way to financial stability on the land.

At the same time, no measure introduced or suggested improves upon this bill as a way to accomplish that end without resort to public spending. This is a plan relying entirely on private capital, advanced on the endorsement of the Farmers Home Administration.

We have confidence in the success of this program because of its past good effect and good administration. On more than $1.6 billion of long-term family farm ownership loans extended through this agency the past 30 years, repayments of principal stand on schedule at more than $600 million, writeoffs at a mere $5 million, and interest collections $300 million.

Nebraska has long set an example for the participation of its private lending institutions in this program. Banks of our State and other private lenders have provided 60 percent of the $47 million in family farm ownership credit over the years, as against a 50-percent national average.

The resources made available through this bill will also speed the fulfillment of urgent needs in many of our rural towns, through community improvements carried out on a self-paying basis.

Expanding the broad field of opportunity for rural people represented by this bill will be one of the distinguished actions of this Congress.

Both in its special application to our needs, and in its overall contribution to strength and progress in the vast community of rural America, we wholeheartedly support this bill.

Mr. ROBISON. Mr. Chairman, I expect to vote for this bill—H.R. 10232—for it is designed to meet a very real need in a neglected problem field.

However, Mr. Chairman, I must point out that we have here a perfect example of the hazards of legislating in haste, at the end—we hope—of a long and tiring session when we are simply not able or willing to give our time and attention to insuring that our legislative products are the best we can make them.

There will—despite all the pro and con talk here a few minutes ago—most certainly be a duplication of Federal effort and programs in this field as a result of the passage of this bill. One can only hope that, somehow, through the appropriation process, perhaps, that duplication can be controlled until the legislative confusion we are creating can be corrected.

There is one other point that should also be mentioned. The Federal aid moneys, here, are evidently going to go directly from the Secretary of Agriculture to the public or private agency or corporation to be assisted. This means that, once again, we are bypassing the State governments and especially the State public health agencies that also ought to be consulted and asked to approve or disapprove of any particular water or sanitation project that might be built under this program.

One of the reasons that the existing antipollution program has worked as well as it has, is that the funds thereunder go through the State authority. I think they ought to do so here, but it is apparent the House is in no mood to consider any further amendments nor to longer discuss this bill, so I can only hope that we do not repent in leisure what we are doing here in unnecessary haste.

Mr. EDMONDSON. Mr. Chairman, I strongly support this bill, which is urgently needed in many of the Nation's smaller towns and communities—the very backbone of the country.

The loan and grant provisions of this bill will literally bring the 20th century into being for millions of Americans who live today in areas where good water and sewage disposal facilities are unavailable.

The Farmers Home Administration is admirably equipped to administer this program and FHA personnel are in a position to move it forward effectively in all of the States.

I hope and trust the bill will be overwhelmingly approved and swiftly signed into law by the President.

Mr. STRATTON. Mr. Chairman, I rise in strong support of this legislation, and have been proud to join in cosponsoring it. Few pieces of legislation considered by this Congress would go farther in meeting the urgent needs of the upstate New York district I have the honor to represent than this bill to provide funds for the construction of needed water and sanitation facilities in rural areas. Not only will this bill be responsive to a demand that has been building up rapidly in recent years as increased home construction and industrial development have been moving into suburban and rural areas. It will also prove to be one very helpful step in meeting the serious drought which New York and other Northeastern States have been suffering again this year.

During the 2 years in which the accelerated public works legislation was in operation I came to realize just how urgently hundreds of small communities in my area desperately need help in the construction of water and sewer facilities. Six of the eight counties in my district were eligible for accelerated public works help by virtue of their rate of unemployment. And in almost every case their eligibility under this act was used to apply for help in building water lines or sewer lines and disposal facilities. Nothing quite like it had ever been available to these communities before. Villages and towns that for years had spurned any thought of turning to the Federal Government for help and assistance suddenly flooded Washington with applications for accelerated public works help in building facilities in these two categories.

The Accelerated Public Works legislation was so effective, Mr. Chairman, that in my area all but 1 of these 6 eligible counties are no longer eligible for Accelerated Public Works help. Their unemployment problem has greatly improved. Yet their need for water and sewage facilities remains acute. And their inability to finance these projects is also acute, because it is really not related to any particular level of unemployment at all. The fact is that with limited taxing powers rural areas simply cannot raise the very substantial capital funds that are required to meet pressing water and waste disposal needs. The Accelerated Public Works bill helped them begin to catch up. But the Accelerated Public Works program ran out too rapidly. And in any case the needs of the rural communities continue regardless of the unemployment factor.

Consequently this legislation is a must. It will help these communities keep on catching up. It will provide this help in those areas which are least able to pay. We have recognized the desirability of help along these lines for urban communities for many years. But we have been slow to recognize a similar need in smaller communities. Just this year, for example, in the 1965 Housing Act, we increased the total amount which can be spent for sewage facilities under the bill for large metropolitan areas. Some of us feared that this increase in funds for the bigger cities might well mean that the portion of funds under the Housing bill that would be left for rural areas would be very limited indeed. Fortunately H.R. 10232 will now fill this gap, and we will be able to do as much for our smaller communities as we have been seeking to do for our large cities.

Mr. Chairman, there is no doubt but that interest in this rural water and sanitation facilities legislation was greatly heightened because this summer the northeastern part of the country went through the fourth consecutive summer of serious drought. The damage which this drought has done is so severe that the Federal Government must join with State and local governments to ease its impact. This bill is one step in that direction. It gives local communities a means of developing the new and expanded water facilities that the drought has demonstrated to them they need. But it will not by itself take care of all the problems created by the drought. We also need legislation that will allow farmers to add in the heavier costs of production resulting from the drought in computing the price they receive for their product under Federal marketing orders. We need facilities that will help the farmers get water to their crops more efficiently in periods of drought—some form of irrigation that is. If this drought persists for another year or more that is what I believe we may have to come to. We also need legislation to push research on the possibilities of encouraging rainfall artificially. Much of the emphasis on the effects of the drought has been placed on the serious water supply needs of our major cities, and these are indeed severe. But the drought has also created very heavy problems for our rural areas as well, problems of the type I have described.

This legislation before us today, recognizing the special needs of rural communities in connection with water supplies, as well as sewage facilities, will make it possible for us to focus more sharply on the problems of our rural communities, and I am hopeful that in months to come we can deal as forcefully and effectively with these other problems resulting from the drought as this bill deals with the particular problem to which it is addressed.

I am especially glad that the bill as drafted also protects the rights and interests of those who may need to depend on private water supply systems. We must protect our existing private water supply industry.

I am proud to support the legislation, and I urge its prompt enactment into law.

Mr. HANSEN of Iowa. Mr. Chairman, I rise in support of H.R. 10232 and wish to associate myself with the members of the committee in urging its passage.

There is a great need for the legislation that is included in H.R. 10232. This bill provides for water and sanitation facilities for rural areas. The provisions are quite similar to those which have been accorded to the city dweller in the recently passed housing and urban renewal bill. This bill establishes for rural communities a program of Federal assistance in the construction of water and sanitation systems comparable to the existing programs which have been available under several statutes for urban communities.

The establishment of adequate water and waste disposal systems is one of the crying needs of rural America. City dwellers have taken these facilities very much for granted. Throughout their lives, city dwellers have merely turned a handle and a system existed which made water appear or waste disappear. Most city dwellers have not realized the extent to which such magic was nonexistent in our rural areas. Historically, rural citizens have been forced to provide their own water supply and disposal systems, in some instances at very great personal expense. Often these systems

for waste disposal are completely inadequate.

The enactment of this legislation will further serve to help solve the serious problem of water pollution that is plaguing so many parts of our country. Water, as we all know, is one of our most precious resources. Without it, the production of fruits, fresh vegetables, and dairy products for a hungry market is exceedingly difficult. All of these depend on an ample supply of pure water and adequate sanitation facilities. Water must be pure to do its job correctly today.

The need for this type of new water and sanitation system is exceedingly great. There are perhaps 25,000 to 30,000 rural communities that lack the sanitary and health needs that are so elementary. This need must be met if these communities are to grow and make their overall contribution to the growth and welfare of the Nation. The development of adequate sanitation and water supply systems in our rural communities will assist in relieving the pressures of population in our urban centers by causing at least a partial reduction in the influx of people from rural areas into the urban communities. It is with a sense of fairness for our rural residents that we propose this measure so that they will no longer be denied the ordinary everyday facilities of water and sanitation which city dwellers have for so many years taken for granted.

Because of my deep concern, I introduced a bill similar to H.R. 10232 and have been pleased to work for the adoption of this measure.

Mr. MOORE. Mr. Chairman, I rise in support of H.R. 10232, which would establish for rural communities throughout our Nation a program of Federal assistance which has been desperately needed for too long a time. This legislation would establish a program of Federal assistance for the construction of water and sanitation systems comparable to other programs already available under Federal law for urban communities.

I firmly believe that this legislation is necessary in order to pick up where the other programs such as the Housing and Urban Development Act of 1965 and the Public Works and Economic Development Act leave off. In other words, now that we have approved legislation providing Federal assistance for water and sanitation facilities for those in the big cities, I believe that it is high time our rural citizens obtain the same assistance for they certainly have as great a need.

Many of our rural communities today simply cannot afford the cost of needed water supply and distribution facilities for many reasons. Low income of many of the prospective users or the high cost of providing distribution systems are indeed severe handicaps. And, of course, the same reasons apply as to why many rural communities could not afford the cost of needed waste disposal systems.

Of particular significance, I think, is the fact that this legislation authorizes the Secretary of Agriculture to make grants to assist in financing up to 50 percent of the cost of these specific projects, which include the development, storage, treatment, purification, or distribution of water or the collection, treatment or disposal of waste in rural areas. This is indeed a step in the right direction. Making this applicable to communities up to 5,500 population is indeed another step in that same direction.

The passage of this rural water and sanitation facilities bill will make it possible for thousands of our communities to have an ample supply of pure water and truly adequate sanitation facilities. Small communities which at present cannot possibly grow due to inadequate water and sanitation systems will have their well-deserved opportunity to make their contribution to the future growth of our Nation.

Mr. Chairman, there is a pressing need for the type of assistance offered by this bill. I know of many communities in my own congressional district of West Virginia which can and will make very good use of this assistance. I wholeheartedly urge the passage of this legislation.

Mr. CALLAN. Mr. Chairman, throughout my State of Nebraska, rural communities are working to the fullest extent of their resources to bring about a new era of recovery and growth.

We believe that such an era is now in sight. These hopes are alive because broader opportunities are now in the making for smaller towns and the farms surrounding to bring themselves fully up to 20th century standards in the equality of living facilities they can offer their people.

In times past, piped-in pure water, sanitary sewer systems, and varied outdoor recreation facilities may have been reserved as special embellishments of city life. But today they are recognized as minimum necessities for revitalizing any community that lacks them, rural or urban.

The opportunity to march ahead is clearly in prospect for thousands of communities as we look toward the passage of H.R. 10232. This bill would more than double the rate at which the Farmers Home Administration can support these improvements in enterprising and self-reliant rural communities.

Some already have succeeded in developing projects under the direct and insured lending authority available the past 5 years. But many more are ready and still waiting for their chance to proceed.

Under H.R. 10232 this great expansion will be carried out with private loans insured by Farmers Home and paid back by revenues of the projects. This is a way for community enterprise to work its will without burden on the Public Treasury.

As the House considers this bill today, its objectives and provisions are hardly in question. Support in the Congress has been overwhelmingly bipartisan.

Its best effects will vary from State to State according to the needs outstanding in each rural region. In Nebraska, one of the most salutary benefits may be to speed the development of rural community recreation facilities.

Certainly the business and civic leaders and other citizens who devote themselves to practical plans for advancement of our rural communities would scorn any depreciation of recreation centers as a vital factor in community growth.

In 2 counties of my district, 4 more in Nebraska and over 150 localities in numerous other States, projects already have been developed within the present authority of the Farmers Home Administration to help shift land not needed for farm production into recreation use.

Beemer, Nebr., offers an example. The Cuming County Recreation Center has come into use this summer—a 215-acre farm converted into what the Omaha World-Herald has pronounced "one of the finest recreational areas in the State." It offers the families of Cuming County an 18-hole golf course, swimming pool, tennis courts, skeet and archery range, picnic area, and lake. It was made possible by a $250,000 loan that will be paid back with interest entirely from membership and user fees.

The tricounty center near Leigh in Colfax County is the next such project under development in our district of Nebraska. Farther west, the community of Blue Hill in Webster County has celebrated the opening of its recreation center. Franklin, Merrick, and Sheridan Counties have also developed projects. Many other counties and communities are in the process of organizing recreation centers which they hope can be brought to reality, under the insured loan plan provided by the bill before us today.

The testimony of community leaders wherever such development has come about is that nothing does more than a modern recreation center to bring a town into the up-and-coming class.

Our projects in Nebraska are new, but we have every reason to believe they will profit our communities in the same way as rural recreation centers established earlier in other States through the support of Farmers Home Administration credit.

Looking to this eastern part of the country, we know the example of Duplin County, N.C. A large new textile industry plant has located there, and one of the three principal reasons given by the company for selecting that location is that living conditions there were more attractive than other possible sites, because the company's personnel and their families can enjoy a recreation center nearby.

The State of North Carolina thus far has developed 18 of these projects authorized for financing through the Farmers Home Administration plan. Its neighbor South Carolina has 14 to date; Virginia, 5; West Virginia, 6; upstate New York, 9.

In our western part of the country, Iowa already has organized and gained authorization of 18 projects; Colorado, 13; Minnesota, 10; South Dakota, 9.

The expanded financing of rural community recreation centers contemplated in H.R. 10232 will be accomplished en-

tirely through the use of private capital on an insured loan basis.

Mr. Chairman, these are self-supporting community enterprises which pay their own way, and they are truly a boon to rural community family life. The past summer at Beemer and at other rural recreation areas already in use, it could be seen that preteen and teenage young people of the community predominated in use of the swimming pools, golf facilities, lakes and target ranges, tennis courts, and ball fields.

Rural recreation development such as this is proving a dynamic program to strengthen rural community life, boom the attractiveness of rural towns for industry, and cast a new light on the rural hometown as a place for the young generation to seek the good and prosperous life.

Not only on the community scale, but on many private farms, the conversion of idle land to recreation use also is paying dividends as a way of improving rural family income. A Farmers Home Administration survey of 83 farmers who took out loans to develop recreation enterprises showed an average gain of approximately $1,500 in net income from the first full season of operation.

Many more benefits of profound importance to the families and communities of rural America will accrue from this bill which I am confident we will pass today. It will strengthen not only the future resources of our towns, but also the use of private credit insured by the Farmers Home Administration to secure the position of family farmers on their land.

It moves rural America another step toward parity of opportunity, to the immeasurable benefit of all interests in our Nation and State.

Mr. GREIGG. Mr. Speaker, I associate myself in support of this measure with my very distinguished subcommittee chairman, Congressman POAGE, of Texas, the author of this measure. Serving on the House Agriculture Committee, and specifically the Subcommittee of Conservation and Credit, I fully appreciate the importance of this measure and why it is so essential to my rural district in the State of Iowa. Having heard the testimony on this measure and coordinating various facts and statistics with the Department of Agriculture, I wish to call to the attention of my colleagues some pertinent information.

No doubt the establishing of water systems in such a goodly number of communities during the past 4 years approaches the intent of the 87th Congress which launched this program in 1961.

However, the fact remains that some 30,000 rural communities will lack dependable supplies of unpolluted water.

The passage of H.R. 10232 goes a long way toward bringing an adequate supply of safe water to the residents of rural America.

The bill raises the annual insurance authority of the Farmers Home Administration to the point where double the amount of funds would be available for water systems, has increased by four times the size of a loan available to any one community, eliminates the credit gap faced by some of the larger rural towns by making loans available to them for the first time, and provides grants to help defray unusually high costs of community water systems which the residents themselves could not hope to offset from water revenues alone.

That many rural communities have a critical need for water systems, there can be no doubt.

In Iowa, alone, U.S. Public Health Service figures show that some 290 rural towns of 100 to 1,200 population are without communitywide water systems.

Many larger towns above this population category have systems in dire need of new water mains, pumping stations, and other improvements.

And hundreds of crossroad communities dependent on shallow wells and beset with pollution problems could better meet their needs piping water to their few stores, churches, and surrounding farms from a central water system.

At the current time, some 15 communities in my State are in various stages of obtaining financing from the Farmers Home Administration for central water systems.

Some are plagued with nitrate fertilizers leaching into wells 150 to 200 feet in depth.

Some communities are troubled with wastes polluting shallow wells that one time provided only good clean water. Some communities can no longer find any water at a reasonable depth.

The cost of drilling a well ranging from several hundred to a few thousand feet is prohibitive for individual families. Their only alternative is to band together and develop a central water system.

The passage of H.R. 10232 helps provide financing for such a project.

The grant provision contained in this bill is important to certain Iowa communities populated by a high proportion of older people living out retirement.

Like many agriculturally based States, Iowa has witnessed a tragic loss of younger people from its farms and small towns. Whereas our total population increased by 5.2 percent during the period 1950–60, our rural population dropped by some 75,000 persons.

Iowa has the highest proportion of senior citizens—12.2 percent of our citizens are age 65 or over.

Nearly one-fifth of our people in some rural counties are senior citizens and rural towns in these counties have an even higher ratio.

The dilemma faced by these communities in obtaining a good water system may be characterized by a small town in the northern end of my district. With a population of slightly over 200 the town is now finding that its shallow wells are becoming polluted

In the process of searching for credit to finance a central water system, the community applied for an FHA loan. Subsequent planning however revealed that no money was available in the local community to determine if a good source of water was available. Besides lacking funds to explore a source of water, the town finds that it lacks an economic base to repay costs of an expensive system since many of its citizens are of retirement age receiving social security checks of $100 or less. Faced with these problems, its residents have no choice but to continue to use contaminated water. Some of the luckier few who can afford it haul in their drinking water from a large city system several miles away.

Frequently, some communities needing water are clustered together and located near a larger town which could well improve its present system if funds were available. One system involving a larger investment and serving the entire area could meet all their needs and be far more efficient than a number of individual smaller systems, each with its own well and water treatment, storage, and pipeline facilities.

H.R. 10232 wisely makes provision for such a situation by raising the ceiling of FHA loans from $1 million to $4 million.

Mr. Speaker, the Poage bill also contains additional loaning ability for more farmownership loans.

Currently, nearly 3,000 families in Iowa are buying their own farms through this good program. But for the $55 million in loans which they are now using from the Farmers Home Administration, many of these family farmers would still be tenants and chances are some would not even be engaged in farming.

A strong farmownership program, adequately funded, is an important bulwark against the onslaught of those who would see us arrive at a monopoly in agriculture by destroying all farmers but a few hundred thousand integrated corporations.

Mr. Speaker, I say in summary, that passage of this bill has answered some of the basic needs of rural America.

Mr. ROBERTS. Mr. Chairman, I am happy to support H.R. 10232, a bill to authorize the Secretary of Agriculture to make or insure loans to public and quasi-public agencies and corporations not operated for profit with respect to water supply, water systems, and waste disposal systems serving rural areas, and to make grants to aid in rural community development planning and in connection with the construction of such community facilities.

This bill is identical to one that I introduced, H.R. 10359, and I am proud that the Committee saw fit to consider it and to recommend this bill.

The purpose of the bill is obvious—to extend to rural communities the same kind of loans and/or grants that are now available to larger cities. The upper population limit of 5,500 contained in this bill is the lower limit at which the Housing and Home Finance Agency can make this same type loan or grant.

Today the establishment of adequate water and waste disposal systems is one of the pressing needs of rural America. Necessities that a city dweller takes for granted a rural resident many times must provide for himself at great cost.

Not only is the need for water and sanitation facilities for household consumption great, but dairy farmers as well as fruit and vegetable farmers are finding it increasingly necessary and increasingly more difficult to have an

ample supply of pure water and adequate sanitation facilities for the handling of their products.

Today there are at least 30,000 rural communities in need of water and sanitation facilities. This need must be met if these communities are to grow and make their continuing contribution to the Nation. This bill will go a long way toward facilitating the need and allowing the growth and contribution that rural America has made—and will continue to make.

I enthusiastically endorse this bill.

Mr. COOLEY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 306(a) of the Consolidated Farmers Home Administration Act is amended to read as follows:

"(1) The Secretary is also authorized to make or insure loans to associations, including corporations not operated for profit, and public and quasi-public agencies to provide for the application or establishment of soil conservation practices, shifts in land use, the conservation, development, use, and control of water, and the installation or improvement of drainage or waste disposal facilities, and recreational developments, all primarily serving farmers, ranchers, farm tenants, farm laborers, and other rural residents, and to furnish financial assistance or other aid in planning projects for such purposes.

"(2) The Secretary is authorized to make grants aggregating not to exceed $50,000,000 in any fiscal year to such associations to finance specific projects for works for the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. The amount of any grant made under the authority of this paragraph shall not exceed 50 per centum of the development cost of the project to serve the area which the association determines can be feasibly served by the facility and to adequately serve the reasonably foreseeable growth needs of the area.

"(3) No grant shall be made under paragraph 2 of this subsection in connection with any facility unless the Secretary determines that the project (i) will serve a rural area which is not likely to decline in population below that for which the facility was designed, (ii) is designed and constructed so that adequate capacity will be or can be made available to serve the present population of the area to the extent feasible and to serve the reasonably foreseeable growth needs of the area, or (iii) is necessary for orderly community development consistent with a comprehensive community water or sewer development plan of the rural area and not inconsistent with any planned development under State, county, or municipal plans approved as official plans by competent authority for the area in which the rural community is located. Until October 1, 1968, the Secretary may make grants prior to the completion of the comprehensive plan, if the preparation of such plan has been undertaken for the area.

"(4) a. The term 'development cost' means the cost of construction of a facility and the land, easements, and rights-of-way, and water rights necessary to the construction and operation of the facility.

"(b) The term 'project' shall include facilities providing central service or facilities serving individual properties, or both.

"(5) No loan or grant shall be made under this subsection which would cause the unpaid principal indebtedness of any association under this Act and under the Act of August 28, 1937, as amended, together with the amount of any assistance in the form of a grant to exceed $4,000,000 at any one time.

"(6) The Secretary may make grants aggregating not to exceed $5,000,000 in any fiscal year to public bodies or such other agencies as the Secretary may determine having authority to prepare official comprehensive plans for the development of water or sewer systems in rural areas which do not have funds available for immediate undertaking of the preparation of such plan.

"(7) Rural areas, for the purposes of water and waste disposal projects shall not include any area in any city or town which has a population in excess of 5,500 inhabitants."

SEC. 2. (a) Section 308 of the Consolidated Farmers Home Administration Act of 1961 is amended by—

(1) striking out "$200,0000,000" and inserting in lieu thereof "$450,000,000";

(2) in clause (a) striking out "except that no agreement shall provide for purchase by the Secretary at a date sooner than three years from the date of the note"; and

(3) striking out clause (b) and inserting in lieu thereof "(b) may retain out of payments by the borrower a charge at a rate specified in the insurance agreement applicable to the loan".

(b) Section 309(e) of such loan is amended by striking out "such portion of the charge collected in connection with the insurance of loans at least equal to a rate of one-half of 1 per centum per annum on the outstanding principal obligations and the remainder of such charge" and inserting in lieu thereof "all or a portion, not to exceed one-half of 1 per centum of the unpaid principal balance of the loan, of any charge collected in connection with the insurance of loans; and any remainder of any such charge".

(c) Section 309(f)(1) of such Act is amended by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, line 10, strike out the period and insert: "and the Secretary shall establish regulations requiring the submission of all applications for financial assistance under this Act to the county or municipal government in which the proposed project is to be located for review and comment by such agency within a designated period of time."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 4, following line 12, insert the following new paragraph:

"(8) In each instance where the Secretary receives two or more applications for financial assistance for projects that would serve substantially the same group of residents within a single rural area, and one such application is submitted by a city, town, county, or other unit of general local government, he shall, in the absence of substantial reasons to the contrary, provide such assistance to such city, town, county, or other unit of general local government."

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: On page 5, after line 3, add a new section (9) as follows: "*Provided further,* That no Federal funds shall be authorized for use unless it be certified by the appropriate State water pollution control agency that the water supply system authorized will not result in pollution of waters of the State in excess of standards established by that agency.

"In the case of sewers and waste disposal systems, no Federal funds shall be advanced hereunder unless the appropriate State water pollution control agency shall certify that the effluent therefrom shall conform with appropriate State and Federal water pollution control standards."

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

Mr. DINGELL. I am happy to yield to the distinguished chairman.

Mr. COOLEY. While I have not been authorized by the committee to accept the amendment, I say to the gentleman that I see no objection to it. So far as I am concerned, I am willing to accept it.

Mr. DINGELL. I thank the distinguished chairman.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I am happy to yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. This certainly complies with the spirit of what we had in mind. So far as I know, there would be no objection on the minority side.

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

Mr. DINGELL. I say to the gentleman that I got into a lot of trouble yielding yesterday, but I am happy to yield to the gentleman from Florida.

Mr. CRAMER. I do not want to get the gentleman in trouble, but I do not want the amendment to cause trouble, either.

The Water Pollution Control Act was passed by both bodies only the day before yesterday. I wonder if the gentleman appreciates the fact that the standards to which his amendment is directed have not yet been established and are not contemplated to be established until 1968 at the earliest.

The functioning of the agency to set up the establishment of such standards in each State will not even take place until that date.

The standards the gentleman is talking about and the requirement he will impose could not be met by these communities today, and it is not expected it could be met for some 2 or 3 years.

I question whether the gentleman is not crippling the program by not providing for compliance with such standards when and at such locations as they are provided in the future.

Mr. DINGELL. Since I yielded to the gentleman, I should like to tell him he is entirely mistaken in his understanding of the amendment.

The amendment is offered as a friend of the bill, not as an enemy.

I point out to the gentleman that the question of certification is to be left in the hands of the State agencies. If the State agencies certify there are no Federal or State standards which deal with the question of water pollution, they may so do.

It would be my interpretation, as the author of the amendment, that the

amendment simply would not enforce any certification as to standards.

Further, I point out to my good friend that many States do now have standards. There are many States which actually catalog their streams according to different types. The only thing this would require would be that for the States which do so catalog their streams or which do have standards—or after Federal standards go into effect, as a result of the bill referred to, passed yesterday—then the standards would apply. It would be expected that they would comply with whatever standards the States or the Federal Government would have in effect. If there were none, I point out to my friend, there would be no standards the State agency could say had to be complied with.

The amendment would not prevent the instrumentality, the State or local subdivision, from getting money under the bill.

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

Mr. DINGELL. No. I have yielded and tried to explain to the gentleman. I would now like to yield to the gentleman from Montana.

Mr. BATTIN. Mr. Chairman, may I ask the gentleman, does your amendment cover a situation where a State does not have a control agency?

Mr. DINGELL. Every State, I would say to my good friend, has a water pollution control agency. There is not a State that is not drawing money under Public Law 660 through some appropriate agency. Some of them call it a department of health and some of them call it a State water resources commission or something of that kind, but every State has an appropriate agency.

Mr. BATTIN. That is my point. The agency of the State that has the authority that the gentleman contemplated.

Mr. DINGELL. The gentleman is correct. There are State agencies which are now drawing Federal funds. There is no State, to my knowledge, that does not have a State agency in charge of this program.

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

Mr. Chairman, the reason I take this time is I realize the gentleman's amendment is friendly and my remarks are not intended to be unfriendly, I will say to the gentleman. I think I worked as hard as anyone else did, and so did other Members of the House in order to try to get an adequate water pollution control bill. I would hate to see it used now as a basis for crippling this program under this bill if we are going to enact it. As I read the amendment of the gentleman, it says, and I quote:

> In the case of sewers and waste disposal systems, no Federal funds shall be advanced hereunder unless the appropriate State water pollution control agency shall certify that the effluent therefrom shall conform with appropriate State and Federal water pollution control standards.

Federal standards will not be established for a number of years under the terms of the water pollution control bill, S. 4. Would the gentleman object to an amendment to his amendment to the effect that this condition shall come into play relating to standards "when and where established"? This will prevent the Dingell amendment from destroying the bill before us unnecessarily and in this hurried fashion.

Mr. DINGELL. I have no objection to it. I do not think it would be necessary particularly.

Mr. CRAMER. Mr. Chairman, I ask unanimous consent that the Dingell amendment be amended by adding at the end thereof the words "when and where established" by striking the period and adding those words to the amendment now at the desk and I send such an amendment to the amendment to the clerk's desk.

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

There was no objection.

The CHAIRMAN. The question is on the amendment of the gentleman from Michigan as amended.

The amendment as amended was agreed to.

PROGRAM FOR BALANCE OF THE WEEK

Mr. ARENDS. Mr. Chairman, I move to strike out the requisite number of words in order that I might ask the majority leader if he will kindly inform us as to the program for the balance of the week.

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

Mr. ARENDS. I yield to the gentleman.

Mr. ALBERT. This, of course, is the last legislative business for today. Tomorrow we have the conference report on H.R. 728 to extend exchange provisions with respect to vessels, which comes from the Committee on Merchant Marine and Fisheries, and S. 306, to amend the Clean Air Act, and H.R. 3140, the Heart, Cancer, and Stroke Amendments of 1965, the rules for which have both been adopted today. I might advise that if we finish this program tomorrow, it will be my intention to ask to go over until Monday.

Mr. ARENDS. I thank the gentleman.

Mr. ALBERT. We will probably take up the heart, cancer, and stroke bill first.

Mr. ARENDS. I thank the gentleman from Oklahoma.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. DANIELS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10232) to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to make or insure loans to public and quasi-public agencies and corporations not operated for profit with respect to water supply, water systems, and waste disposal systems serving rural areas and to make grants to aid in rural community development planning and in connection with the construction of such community facilities, to increase the annual aggregate of insured loans thereunder, and for other purposes, pursuant to House Resolution 580, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

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

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

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

The question was taken.

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 326, nays 10, not voting 96, as follows:

[Roll No. 322]

YEAS—326

Abernethy
Adair
Adams
Addabbo
Albert
Anderson, Tenn.
Andrews, Glenn
Andrews, N. Dak.
Annunzio
Arends
Ashbrook
Ashley
Ashmore
Aspinall
Ayres
Baldwin
Baring
Bates
Battin
Beckworth
Belcher
Bennett
Berry
Betts
Bingham
Blatnik
Boland
Bow
Brademas
Bray
Brooks
Brown, Calif.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke
Burleson
Burton, Calif.
Byrne, Pa.
Byrnes, Wis.
Cabell
Cahill
Callan
Carey
Carter
Casey
Cederberg
Chamberlain
Chelf
Clancy
Clark
Cleveland
Clevenger
Cohelan
Collier
Conable
Conte
Conyers
Cooley
Craley
Cramer
Culver
Cunningham
Curtin
Daddario
Dague
Daniels
Davis, Ga.
Davis, Wis.
de la Garza
Delaney
Dent
Denton
Devine
Dickinson
Dingell
Dole
Donohue
Dorn
Dow
Dulski
Duncan, Tenn.
Dwyer
Dyal
Edmondson
Edwards, Ala.
Erlenborn
Evans, Colo.
Everett
Farbstein
Fascell
Feighan
Fisher
Flood
Flynt
Fogarty
Foley
Ford, William D.
Fountain
Fraser
Friedel
Fulton, Pa.
Fuqua
Gallagher
Garmatz
Gathings
Gettys
Giaimo
Gibbons
Gilbert
Gilligan
Gonzalez
Grabowski
Gray
Green, Oreg.
Green, Pa.
Greigg
Grider
Griffin
Griffiths
Gross
Grover
Gurney
Hagan, Ga.
Hagen, Calif.
Haley
Hall
Halpern
Hamilton
Hanley
Hanna
Hansen, Idaho
Hansen, Iowa
Hansen, Wash.
Hardy
Harvey, Ind.
Harvey, Mich.
Hathaway
Hechler
Helstoski
Henderson
Horton
Howard
Hull
Hungate
Huot
Hutchinson
Ichord
Irwin
Jacobs
Jarman
Jennings
Joelson
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Mo.
Karsten
Kastenmeier
Kee
Keith
Kelly
King, Calif.
King, N.Y.
King, Utah
Kornegay
Krebs
Kunkel
Laird
Langen
Latta
Lennon
Lipscomb
Long, La.
Long, Md.
Love
McCarthy
McClory
McCulloch

McDade
McDowell
McFall
McGrath
McMillan
McVicker
MacGregor
Machen
Mackay
Mackie
Madden
Mahon
Marsh
Martin, Ala.
Martin, Nebr.
Mathias
Matsunaga
Matthews
May
Meeds
Michel
Miller
Mills
Minish
Mink
Mize
Moore
Moorhead
Morgan
Morris
Morrison
Mosher
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nelsen
O'Konski
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Passman
Patman
Patten
Pelly
Pepper
Perkins
Philbin
Pickle
Pike
Pirnie
Poage
Poff
Pool
Powell
Price
Pucinski
Purcell
Quie
Quillen
Race
Randall
Redlin
Reid, Ill.
Reid, N.Y.
Reifel
Reuss
Rhodes, Pa.
Rivers, Alaska
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Ronan
Roncalio
Rooney, Pa.
Rosenthal
Rostenkowski
Roudebush
Roush
Roybal
Rumsfeld
Ryan
Satterfield
St Germain
St. Onge
Scheuer
Schisler
Schmidhauser
Schneebeli
Schweiker
Secrest
Selden
Shipley
Sickles
Sisk
Skubitz
Slack
Smith, Iowa
Stafford
Staggers
Stalbaum
Stanton
Steed
Stephens
Stratton
Stubblefield
Sullivan
Sweeney
Talcott
Taylor
Teague, Tex.
Tenzer
Thomson, Wis.
Todd
Trimble
Tunney
Tupper
Tuten
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Vivian
Waggonner
Walker, Miss.
Walker, N. Mex.
Watkins
Watson
Watts
Weltner
Whalley
White, Idaho
White, Tex.
Whitener
Whitten
Widnall
Williams
Willis
Wilson, Charles H.
Wright
Young
Zablocki

NAYS—10

Bell
Cameron
Curtis
Derwinski
Macdonald
Nedzi
O'Hara, Mich.
Rooney, N.Y.
Smith, Calif.
Wydler

NOT VOTING—96

Abbitt
Anderson, Ill.
Andrews, George W.
Bandstra
Barrett
Boggs
Bolling
Bolton
Bonner
Brock
Broomfield
Burton, Utah
Callaway
Celler
Clausen, Don H.
Clawson, Del
Colmer
Corbett
Corman
Dawson
Diggs
Dowdy
Downing
Duncan, Oreg.
Edwards, Calif.
Ellsworth
Evins, Tenn.
Fallon
Farnsley
Farnum
Findley
Fino
Ford, Gerald R.
Frelinghuysen
Fulton, Tenn.
Goodell
Gubser
Halleck
Harris
Harsha
Hawkins
Hays
Hébert
Herlong
Hicks
Holifield
Holland
Hosmer
Johnson, Okla.
Jones, Ala.
Karth
Keogh
Kirwan
Kluczynski
Landrum
Leggett
Lindsay
McEwen
Mailliard
Martin, Mass.
Minshall
Moeller
Monagan
Morse
Morton
Nix
O'Brien
O'Hara, Ill.
Olsen, Mont.
Olson, Minn.
Reinecke
Resnick
Rhodes, Ariz.
Rivers, S.C.
Roberts
Roosevelt
Saylor
Scott
Senner
Shriver
Sikes
Smith, N.Y.
Smith, Va.
Springer
Teague, Calif.
Thomas
Thompson, N.J.
Thompson, Tex.
Toll
Tuck
Utt
Wilson, Bob
Wolff
Wyatt
Yates
Younger

So the bill was passed.

The Clerk announced the following pairs:

Mr. Keogh with Mr. Goodell.
Mr. Kirwan with Mr. Bob Wilson.
Mr. Hébert with Mr. Martin of Massachusetts.
Mr. Toll with Mr. Corbett.
Mr. George W. Andrews with Mr. Callaway.
Mr. Thomas with Mrs. Bolton.
Mr. O'Brien with Mr. Smith of New York.
Mr. Thompson of Texas with Mr. Brock.
Mr. Farnum with Mr. Del Clawson.
Mr. Celler with Mr. Gerald R. Ford.
Mr. Colmer with Mr. Anderson of Illinois.
Mr. Farnsley with Mr. Findley.
Mr. Scott with Mr. Utt.
Mr. Boggs with Mr. Halleck.
Mr. Moeller with Mr. Ellsworth.
Mr. Hicks with Mr. Morse of Massachusetts.
Mr. Roosevelt with Mr. Mailliard.
Mr. Senner with Mr. Don H. Clausen.
Mr. Olsen of Montana with Mr. Reinecke.
Mr. Wolff with Mr. Fino.
Mr. Bandstra with Mr. Broomfield.
Mr. Holifield with Mr. Hosmer.
Mr. Evins of Tennessee with Mr. Minshall.
Mr. Sikes with Mr. Burton of Utah.
Mr. Barrett with Mr. McEwen.
Mr. Nix with Mr. Lindsay.
Mr. Olson of Minnesota with Mr. Springer.
Mr. Rivers of South Carolina with Mr. Younger.
Mr. Downing with Mr. Rhodes of Arizona.
Mr. Roberts with Mr. Gubser.
Mr. Harris with Mr. Frelinghuysen.
Mr. Herlong with Mr. Teague of California.
Mr. Thompson of New Jersey with Mr. Harsha.
Mr. Smith of Virginia with Mr. Morton.
Mr. Monagan with Mr. Wyatt.
Mr. Tucks with Mr. Shriver.
Mr. Kluczynski with Mr. Diggs.
Mr. Fallon with Mr. Leggett.
Mr. Corman with Mr. Dawson.
Mr. Bonner with Mr. O'Hara of Illinois.
Mr. Hays with Mr. Resnick.
Mr. Yates with Mr. Karth.
Mr. Jones of Alabama with Mr. Edwards of California.
Mr. Landrum with Mr. Duncan of Oregon.
Mr. Fulton of Tennessee with Mr. Holland.
Mr. Abbitt with Mr. Dowdy.
Mr. Fulton of Tennessee with Mr. Johnson of Oklahoma.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 580, the Committee on Agriculture is discharged from further consideration of the bill (S. 1766).

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 306(a) of the Consolidated Farmers Home Administration Act is amended to read as follows:

"(1) The Secretary is also authorized to make or insure loans to associations, including corporations not operated for profit, and public and quasi-public agencies to provide for the application or establishment of soil conservation practices, shifts in land use, the conservation, development, use, and control of water, and the installation or improvement of drainage facilities, and recreational developments, all primarily serving farmers, ranchers, farm tenants, farm laborers, and other rural residents, and to furnish financial assistance or other aid in planning projects for such purposes.

"(2) The Secretary is authorized to make grants aggregating not to exceed $25,000,000 in any fiscal year to such associations to finance specific projects for works for the storage, treatment, purification, or distribution of water in rural areas. The amount of any grant made under the authority of this paragraph shall not exceed the lesser of (i) 50 per centum of the development cost of that portion of the facility necessary to enable the project to serve the area which can be feasibly served by the facility and to adequately serve the reasonable foreseeable growth needs of the area, or (ii) that portion of the development costs which are above the probable ability of the association to repay a loan for such purposes from income or assessments levied at a rate or charge for service within the ability of a majority of the users to accept and pay for such service and maintain a reasonable standard of living: *Provided, however*, That in determining the ability of a public body to repay, consideration shall be given to any applicable legal debt ceiling or tax or assessment limits and to any other improvements contemplated to be financed within those limits.

"(3) No grant shall be made under paragraph 2 of this subsection in connection with any facility unless the Secretary determines that the project (i) will serve a rural area which is not likely to decline in population below that for which the facility was designed, (ii) is designed and constructed so that adequate capacity will be or can be made available to serve the present population of the area to the extent feasible and to serve the reasonable foreseeable growth needs of the area, or (iii) is necessary for orderly community development consistent with a comprehensive community water development plan of the rural area and not inconsistent with any planned development under State, county, or municipal plans approved as official plans by competent authority for the area in which the rural community is located. Until October 1, 1968, the Secretary may make grants prior to the completion of the comprehensive plan, if the preparation of such plan has been undertaken for the area.

"(4) The term 'development cost' means the cost of construction of a facility and the land, easements, and rights-of-way, and water rights necessary to the construction and operation of the facility.

"(5) No loan or grant shall be made under this subsection which would cause the unpaid principal indebtedness of any association under this Act and under the Act of August 28, 1937, as amended, together with the amount of any assistance in the form of a grant to exceed $4,000,000 at any one time.

"(6) The Secretary may make grants aggregating not to exceed $5,000,000 in any fiscal year to public bodies or such other agencies as the Secretary may determine having authority to prepare official comprehensive plans for the development of water systems in rural areas which do not have funds available for immediate undertaking of the preparation of such plan.

"(7) Rural areas, for the purpose of water systems, shall include any area primarily engaged in or associated with agriculture and not having a population in excess of five thousand inhabitants."

SEC. 2. Section 308 of the Consolidated Farmers Home Administration Act of 1961 is amended by—

(1) striking out "$200,000,000" and inserting in lieu thereof "$450,000,000";

(2) in clause (a) striking out "except that no agreement shall provide for purchase by the Secretary at a date sooner than three years from the date of the note"; and

(3) striking out clause (b) and inserting in lieu thereof "(b) may retain out of payments by the borrower a charge at a rate specified in the insurance agreement applicable to the loan".

(b) Section 309(e) of such Act is amended by striking out "such portion of the charge collected in connection with the insurance of loans at least equal to a rate of one-half of 1 per centum per annum on the outstanding principal obligations and the remainder of such charge" and inserting in lieu thereof "all or a portion, not to exceed

one-half of 1 per centum of the unpaid principal balance of the loan, of any charge collected in connection with the insurance of loans; and any remainder of any such charge".

(c) Section 309(f)(1) of such Act is amended by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

AMENDMENT OFFERED BY MR. POAGE

Mr. POAGE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: Strike out all after the enacting clause and insert the following:

"That section 306(a) of the Consolidated Farmers Home Administration Act is amended to read as follows:

"'(1) The Secretary is also authorized to make or insure loans to associations, including corporations not operated for profit, and public and quasi-public agencies to provide for the application or establishment of soil conservation practices, shifts in land use, the conservation, development, use, and control of water, and the installation or improvement of drainage or waste disposal facilities, and recreational developments, all primarily serving farmers, ranchers, farm tenants, farm laborers, and other rural residents, and to furnish financial assistance or other aid in planning projects for such purposes.

"'(2) The Secretary is authorized to make grants aggregating not to exceed $50,000,000 in any fiscal year to such associations to finance specific projects for works for the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. The amount of any grant made under the authority of this paragraph shall not exceed 50 per centum of the development cost of the project to serve the area which the association determines can be feasibly served by the facility and to adequately serve the reasonably foreseeable growth needs of the area.

"'(3) No grant shall be made under paragraph 2 of this subsection in connection with any facility unless the Secretary determines that the project (i) will serve a rural area which is not likely to decline in population below that for which the facility was designed, (ii) is designed and constructed so that adequate capacity will be or can be made available to serve the present population of the area to the extent feasible and to serve the reasonably foreseeable growth needs of the area, or (iii) is necessary for orderly community development consistent with a comprehensive community water or sewer development plan of the rural area and not inconsistent with any planned development under State, county, or municipal plans approved as official plans by competent authority for the area in which the rural community is located and the Secretary shall establish regulations requiring the submission of all applications for financial assistance under this Act to the county or municipal government in which the proposed project is to be located for review and comment by such agency within a designated period of time. Until October 1, 1968, the Secretary may make grants prior to the completion of the comprehensive plan, if the preparation of such plan has been undertaken for the area.

"'(4) a. The term "development cost" means the cost of construction of a facility and the land, easements, and rights-of-way, and water rights necessary to the construction and operation of the facility.

"'(b) The term "project" shall include facilities providing central service or facilites serving individual properties, or both.

"'(5) No loan or grant shall be made under this subsection which would cause the unpaid principal indebtedness of any association under this Act and under the Act of August 28, 1937, as amended, together with the amount of any assistance in the form of a grant to exceed $4,000,000 at any one time.

"'(6) The Secretary may make grants aggregating not to exceed $5,000,000 in any fiscal year to public bodies or such other agencies as the Secretary may determine having authority to prepare official comprehensive plans for the development of water or sewer systems in rural areas which do not have funds available for immediate undertaking of the preparation of such plan.

"'(7) Rural areas, for the purposes of water and waste disposal projects shall not include any area in any city or town which has a population in excess of 5,500 inhabitants.'

"(8) In each instance where the Secretary receives two or more applications for financial assistance for projects that would serve substantially the same group of residents within a single rural area, and one such application is submitted by a city, town, county or other unit of general local government, he shall, in the absence of substantial reasons to the contrary, provide such assistance to such city, town, county, or other unit of general local government.

"(9) Provided further, That no Federal funds shall be authorized unless it be certified by the appropriate State water pollution control agency that the water supply system authorized will not result in pollution of waters of the State in excess of standards established by that agency.

"In the case of sewers and waste disposal systems, no Federal funds shall be advanced hereunder unless the appropriate State water pollution control agency shall certify that the effluent therefrom shall conform with appropriate State and Federal water pollution control standards, when and where established.

"SEC. 2. (a) Section 308 of the Consolidated Farmers Home Administration Act of 1961 is amended by—

"(1) striking out '$200,000,000' and inserting in lieu thereof '$450,000,000';

"(2) in clause (a) striking out 'except that no agreement shall provide for purchase by the Secretary at a date sooner than three years from the date of the note'; and

"(3) striking out clause (b) and inserting in lieu thereof '(b) may retain out of payments by the borrower a charge at a rate specified in the insurance agreement applicable to the loan'.

"(b) Section 309(e) of such loan is amended by striking out 'such portion of the charge collected in connection with the insurance of loans at least equal to a rate of one-half of 1 per centum per annum on the outstanding principal obligations and the remainder of such charge' and inserting in lieu thereof 'all or a portion, not to exceed one-half of 1 per centum of the unpaid principal balance of the loan, of any charge collected in connection with the insurance of loans; and any remainder of any such charge'.

"(c) Section 309(f)(1) of such Act is amended by striking out '$25,000,000' and inserting in lieu thereof '$50,000,000'.

"Amend the title so as to read: 'An Act to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to make or insure loans to public and quasi-public agencies and corporations not operated for profit with respect to water supply, water systems, and waste disposal systems serving rural areas and to make grants to aid in rural community development planning and in connection with the construction of such community facilities, to increase the annual aggregate of insured loans thereunder, and for other purposes.'"

The amendment was agreed to.

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

The title was amended so as to read: "An Act to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to make or insure loans to public and quasi-public agencies and corporations not operated for profit with respect to water supply, water systems, and waste disposal systems serving rural areas and to make grants to aid in rural community development planning and in connection with the construction of such community facilities, to increase the annual aggregate of insured loans thereunder, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject matter of H.R. 10232.

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

There was no objection.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

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

Mr. HALL. Mr. Speaker, reserving the right to object, I make the usual inquiry. Has this been cleared?

Mr. ALBERT. This was cleared with the gentleman from Illinois [Mr. ARENDS], the Republican whip.

Mr. HALL. Did I correctly understand the distinguished majority leader to say that we will consider H.R. 3140 first?

Mr. ALBERT. We will take up a conference report first and then the heart, cancer, and stroke bill.

Mr. HALL. After that, if we complete the now scheduled bills, the one on wheat having been put over——

Mr. ALBERT. It will not be called up this week.

Mr. HALL. Then we will or we will not have a meeting on Saturday?

Mr. ALBERT. If we finish the program tomorrow, we will not meet on Saturday.

Mr. HALL. Mr. Speaker, I withdraw my reservation.

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

There was no objection.

AUTOMOBILE AND BEAUTIFICATION FUND

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

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

There was no objection.

Mr. SAYLOR. Mr. Speaker, proposals to set up an automobile and beautification fund through retention of a portion of the present excise tax on new cars should be considered seriously by this Congress before the end of the present session. An accumulation of from 30 to 40 million old cars has produced thousands of unsightly junk piles around the country, and something has to be done about them and the 5 million other cars that are being assigned to auto graveyards each year.

Among the suggestions for disposing of old cars are those to dump them into lakes and oceans or bury them underground. While these ideas may have merit, I would question the advisability of disposing beyond recovery of a commodity whose manufacture required the use of irreplaceable natural resources. Rather, let us have science and research take a good look at the problem and find out whether it might not be possible to salvage the steel and whatever other parts might still have economic value.

I recognize that because of the use of richer raw materials in blast furnaces, scrap prices have dropped to a point where junk dealers find it unprofitable to dismantle the cars in order to get to the steel. Yet there may come a time when scrap will again be in great demand and, in fact, vital to the national security. When a country depends upon foreign sources for a substantial part of its iron ore supplies in a period of international crisis, it must be prepared for the cutoff that would come at a moment's notice. Regardless of how friendly we may be with those nations rich in iron ore, a general outbreak of hostilities could completely interrupt ocean traffic. I assume that the various departments and offices of Government charged with dealing in production and supply problems during emergencies are prepared to answer all questions relating to steel output, but what we need to establish is whether plans include the salvaging of old automobiles that are now available in just about the most accessible places next to our towns and highways.

This information should be developed at hearings on auto junkyard legislation. At the same time it would be possible to determine just how effective and economical are the various methods of reducing scrapped autos into compact cubes of steel that could be easily stored for emergency purposes. Congress will also be interested in hearing about the process that turns car bodies into steel shavings, as well as the "prolerization" of stripped cars into pellets that can be used in steel production. I am including as a part of my remarks an article from Consol News on this subject, entitled "Cash in Those Eyesores":

CASH IN THOSE EYESORES

There's gold in those automobile graveyards—potentially, at least. That's the word from the U.S. Bureau of Mines, which has a process under development that may be used to convert these national eyesores into assets. And there's certainly no scarcity of rusty automobile bodies. They litter America's roadsides from coast to coast.

The new process holds hope for a practical method of using metal from junked autos in treating a now useless type of iron ore to make it a suitable feed for blast furnaces. The ore is called nonmagnetic taconite. If the Bureau's process can be used to bring it into production, millions of tons of unsightly scrap cars will be consumed each year.

Nonmagnetic taconite isn't currently used by the iron industry because it doesn't respond to magnetic separation, the most widely accepted method of removing iron oxide from associated ore minerals. Norwood B. Melcher, research director of the Bureau's Metallurgy Research Center in Minneapolis, explained how the process would make the taconite magnetic through chemical reaction with scrap metal.

Mr. Melcher told the Institute of Scrap Iron and Steel at Miami, Fla., that Bureau metallurgists have capitalized on the tendency of scrap iron to assume an ugly coat of rust. When mixed with nonmagnetic taconite and heated, the scrap "rusts" rapidly. That is, it absorbs oxygen from the ore, causing the latter to change its molecular structure and become magnetic.

In addition, Mr. Melcher said, the rust itself can be removed magnetically when the treatment is over and sent to a blast furnace for ironmaking. The rust is chemically identical to the iron oxide portion of the ore. This "rust bonus" will increase the value of scrap sold for ore treatment purposes. He estimates that every ton of scrap used in the process would form 1.4 tons of valuable rust.

Our roadside clunkers have enemies in high places. No less a personage than President Johnson has publicly called for their elimination. He said that the First Lady is even more impatient than he about cleaning up our littered highways. And coal men have more than casual interest in getting rid of our abandoned automobiles. The scrapped car bodies are mixed with a coal product (coke), among other things, for feeding the blast furnaces. The fact that the process was developed by the U.S. Bureau of Mines is also significant.

Mr. Melcher estimates that one medium-sized plant using the Bureau of Mines process would produce 5 million tons of taconite ore concentrate per year and would consume about 600,000 tons of scrap annually. This is welcome news to scrap dealers because their markets have been reduced greatly since the peak years of the 1950s. Metal producers often find that it costs more now to sort scrap and remove alloy constituents than to start from scratch with ore.

As a result, scrap prices fall as supplies pile up. The piles of old cars are a double liability whose esthetic appeal is even lower than their market value. Public criticism of auto graveyards is increasing, and efforts are being made to find some way of eliminating them.

Development of a sizable market for these metal hulks will go a long way toward solving the problem. And Secretary of the Interior Stewart L. Udall said, "As a conservation dividend, the process also can be a valuable weapon in our war against ugliness and in the development of the beautiful America called for by President Johnson."

Mr. Speaker, I support the legislation to divert 1 percent of the excise tax on new car purchases for the establishment of a fund to get rid of auto junk piles, but I would recommend that as much as half of the $200 million raised by this method be used for research to determine whether these old cars have further economic value. We must do away with the auto graveyards, but we cannot afford to bury economic potential in the process.

THE KU KLUX KLAN, THE INVISIBLE EMPIRE

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

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

There was no objection.

Mr. WELTNER. Mr. Speaker, on September 21, millions of Americans watched the excellent television documentary produced by "CBS Reports" entitled "The Ku Klux Klan, the Invisible Empire." It was a revealing and sometimes shocking portrait of the secret terror society that has plagued the Nation over the last century.

"CBS Reports" has performed a valuable public service in producing and exhibiting this authoritative film, and I wish to commend Producer David Lowe, Executive Producer Palmer Williams, Associate Producer Noel Parmental, and Correspondent Charles Kuralt.

Anyone who saw that report saw the truth about the Ku Klux Klan. And the truth should destroy any illusion about the Klan's pretense of patriotism, democracy, Christianity, and devotion to law and order.

The Klan is as faithful to the ideals of America as the Communist Party, and as true to the democratic process as the John Birch Society. It displays as much Christian concern for mankind as the Black Muslims, and as much devotion to law and order as the American Nazi Party.

Early next month, the House Un-American Activities Committee will begin public hearings on the Ku Klux Klan. The Klan will then be bared for all to see.

Truth, amply imparted to the people, will be an effective remedy.

DISTRICT OF COLUMBIA HOME RULE

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

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

There was no objection.

Mr. PELLY. Mr. Speaker, before the necessary signatures were obtained to discharge the District of Columbia home rule bill, I announced to the House that, however much I would like to support home rule, unless the annual Federal payment to the District was subject to a congressional appropriation as provided by the Constitution, I would have to vote against the bill.

Since then frankly, I have been active in opposition to this provision in the bill.

The announcement yesterday that a bipartisan bill had been agreed to which would provide that the annual Federal payment to the District would be subject

to regular congressional scrutiny and appropriations, is good news indeed.

If this new language is substituted for the original bill when the matter comes up on Monday, my objection will have been overcome. In that case, consistent with the historic position and platform of the Republican Party, I will vote for the bill.

DEAN RUSK AND U.S. POLICY

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

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

There was no objection.

Mr. DICKINSON. Mr. Speaker, I am shocked that the Secretary of State has not apologized to the Congressman from San Diego, the Honorable BOB WILSON, for writing him a caustic letter denying that he, Dean Rusk, had likened the Red Chinese to the American patriots of 1776 in a Philadelphia speech during 1950.

Secretary Rusk apparently has taken the stand that the fact both competing papers—the Philadelphia Bulletin and the Inquirer—printed at the time that Mr. Rusk said just that does not make it true. The Secretary of State, in effect, takes the line that these newspapers do not report the truth.

So, Mr. Speaker, I want to note that Mr. Rusk's boss at the time, President Harry Truman, wrote in his memoirs—page 426, volume II, Signet edition—that Dean Rusk, then Assistant Secretary of State for Far Eastern Affairs, took the lead in preventing MacArthur's bombing of the Yalu River bridges over which the Red Chinese were pouring to kill and maim American boys. President Truman wrote:

> Dean Rusk pointed out that we had a commitment with the British not to take action which might involve attacks on the Manchurian side of the river without consultation with them.

Mr. Speaker, there is a deadly significance in how history repeats itself.

Dean Rusk presided over the Korean war stalemate which he helped create as Assistant Secretary of State and he stood against bombing the Yalu bridges. Today, that same Dean Rusk presides over the unending Vietnam war and we are not bombing the Red installations on the outskirts of, and in, Hanoi where the Red supply effort centers. Why? Because Dean Rusk thinks the Red Chinese are like our boys of '76?

Mr. Speaker, this is a deadly parallel because again American boys are dying and being maimed.

Mr. Speaker, in my one district I have, in the past 2 weeks, had the unhappy duty of writing the mother of one boy killed in action in Vietnam and to another whose son is completely paralyzed as a result of wounds.

May I note that in 8 years of the Eisenhower administration, we did not lose a single American by combat. We maintained peace with honor and even took one country, Austria, back from behind the Iron Curtain.

DISTINGUISHED CITIZENS OF WASHINGTON FAVOR THOUGHTFUL CONSIDERATION OF CHANGE IN SITE OF KENNEDY CENTER OF PERFORMING ARTS

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

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

There was no objection.

Mr. WIDNALL. Mr. Speaker, at many sessions of Congress I have expressed my concern over the inadequate site that is presently planned for the John F. Kennedy Center for the Performing Arts. Yesterday, the press and broadcast media reported the issuance of a remarkable petition addressed to the trustees of the Center and signed by 78 of Washington's most distinguished citizens. The signers include some of those who have worked vigorously and successfully to raise funds for the Cultural Center and those who have themselves given generously. The citizens who have signed this thoughtful petition are not the sort who ordinarily lend their names to controversies. Therefore, we can be sure that their motives are lofty and their purpose serious. Following my remarks I include the petition and explanatory press release.

I want to take a moment to comment on the significant presence of one name on this honor roll of public-spirited residents of the Washington area. I refer to Mrs. Marjorie Merriweather Post. It is well known that this very great American lady is the foremost individual benefactor of the performing arts in the United States today. In addition, she has been devoted to the welfare and beautification of the Nation's Capital, to whom she is giving her splendid home, Hillwood, through a bequest to the Smithsonian Institution.

Mrs. Post has given long and loyal service to the Nation's music lovers as vice president of the Washington National Symphony, and for 10 years she has made possible some 30 free National Symphony concerts, played each spring to high school students who visit their Capital.

Mrs. Post was appointed by President Eisenhower to the Advisory Committee of the National Cultural Center. In that capacity in recent years she presented a major proposal to the chairman of the Center. Recognizing the shortcomings of the Potomac riverfront site which had been hastily designated by Congress in 1958, Mrs. Post investigated alternate possibilities in the heart of the city and developed a plan for the conversion of the centrally located Union Station into a major component of a performing arts center. Apparently, this imaginative proposal was given short shrift by the Cultural Center officials. Now, I do not know, and possibly Mrs. Post does not either, what practical engineering and economic problems might be involved in such a move and such a conversion. But I do know that if the subject of the site of the Kennedy Center of the Performing Arts reopened for responsible hearings, that this and other proposals in the public interest could be explored before it is too late.

Of one thing I am sure: A site at Union Station would have a subway station that will be served by mass rapid transit forming our new system all the way to Boston under President Johnson's imaginative rail plan, but the present Kennedy Center site is not even on the route of the newly authorized local subway.

I think that we are very fortunate that a great lady who has devoted her entire life to the promotion of progress for human beings should be willing to lend her prestige, attention, and energy to the burning problem of helping the people of the United States and of Washington have an appropriate memorial to President Kennedy, situated where it can be enjoyed by the most people for all time.

The material referred to follows:

WASHINGTON, D.C.,
September 20, 1965.

Chairman and Members of the Board of Trustees of the John F. Kennedy Center for the Performing Arts, Washington, D.C.

DEAR SIRS: We, representing the persons listed thereon, request that you consider and respond to the enclosed petition.

Yours very truly,
E. FULTON BRYLAWSKI,
Mrs. W. JOHN KENNEY,
Rear Adm. NEILL PHILLIPS.

A PETITION RELATING TO THE LOCATION OF THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Whereas the location of the John F. Kennedy Center for the Performing Arts is of utmost importance to the future of the city and to its inhabitants and visitors, and

Whereas questions have been raised about the suitability of the river site as proposed,

We, whose names appear below, urge a 60-day moratorium on work toward the construction of the Center to enable a review committee, appointed for the purpose, to hear, study, and make recommendations concerning all questions relating to the location of the Center.

SIGNERS

Alice S. Acheson, Mr. and Mrs. Charles Arrott, Mrs. Christopher Bramwell, E. Fulton Brylawski, Mrs. Douglas Burden, B. Bernei Burgunder, Edward Burling, Jr., Mr. and Mrs. Albert B. Carter, Jr.

Aldus H. Chapin, David Sanders Clark, Mr. and Mrs. Jack Coopersmith, Andre de Limur, James A. Donohoe, Jr., Mr. and Mrs. Richard Dudman, Mr. and Mrs. Clive L. Duval II, Mr. and Mrs. Robert Eichholz, Mr. and Mrs. Edward Finkenstaedt, Jean Friendly, Mr. and Mrs. Gerhard A. Gessell, Mrs. John Timberlake Gibson, Charles C. Glover III, John R. Immer, Mr. and Mrs. Andrew Keck, Mrs. W. John Kenney, Katharine McCook Knox, Sidney Lansburgh, Mrs. Casanove Lee, Mrs. Newbold LeGendre, Miss Janet LeGendre, Mr. and Mrs. H. Gates Lloyd, Alice Longworth, Arthur T. Lyon, Mrs. Edward Macauley, Mrs. Atherton Macondray, Arthur K. Mason, Mr. and Mrs. Frank W. McCulloch, Constance Mellen, Rt. Rev. Paul Moore, Jr., Mr. and Mrs. Edward P. Morgan, Mr. and Mrs. Leroy Morgan.

Mr. and Mrs. James Newmeyer, Jr., Laughlin Phillips, Rear Adm. Neill Phillips, Mr. and

Mrs. John A. Pope, Mrs. Merriwether Post, Robert Rosenthal, Mr. and Mrs. David Rust, John H. Safer, Richardson Sinclair, Mr. and Mrs. Francis Spalding, Mr. and Mrs. Philip M. Stern, Mr. and Mrs. John Stillman, Mr. and Mrs. Carlton Swift, Jr., A. Lloyd Symington, Mrs. Cyrus Vance, Mr. and Mrs. DeForest Van Slyck, Morton H. Wilner.

PRESS RELEASE ON LOCATION OF JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

1. The subscribers to the petition are donors to and supporters of the Center, or representatives of organizations which have made donations.

2. Questions have been raised and opinions expressed about the suitability of the proposed location, and about the desirability of a downtown location. These questions and opinions are of sufficient import to justify careful consideration by a review body before any construction is begun at the proposed site. The request for such a review is the basis for the petition signed by Center supporters and the subject of three bills introduced in the House (Representatives WIDNALL, CURTIS, and MATHIAS) and one in the Senate (Senator MUNDT), with the probability of more forthcoming.

(a) Critics have raised the following objections to the proposed location:

(1) Physical site: Now that the roadway system and the large Watergate complex are partially completed, it is apparent that the Center structure (which could house two Dulles terminals with room to spare) would crowd its site, and create a wall between the city and the river. The building and its access roads would destroy the park-like setting. The Center site would be little more than a "traffic island."

(2) Road system: Access and egress to and from the Center present "tricky problems of design." New Hampshire Avenue—the only apparent access to the Center—will be choked with traffic before and after performances. Though it appears that the approach from Virginia is direct, in fact, it too must funnel into New Hampshire Avenue. New Hampshire Avenue, an important boulevard, terminates as a garage ramp. To accommodate the Center, the existing parkway must be relocated and rebuilt. The Los Angeles Cultural Center approach system is so inadequate that it takes as much as 1½ hours to get to it, and as much to leave. Washington should avoid a similar mistake.

(3) Parking: According to congressional testimony, the 1600 underground parking spaces will be inadequate to serve its full capacity of 7,000 patrons. No relief parking is available on the surrounding streets. The garage, located in a relatively isolated area, would serve only the Center. There is no pedestrian approach.

(4) Rapid transit: No subway stop in the recently approved rapid transit plan will serve the Center. The nearest stop is one-half mile away at 23d and H Streets.

(5) Air traffic: Because the Center is in the path of planes serving National Airport, excessive measures must be taken to insulate the Center against this noise.

(b) Downtown location: Several persuasive arguments have been advanced for a downtown location for the Center. It would be more central to the city and therefore more convenient to reach from most areas. It would greatly reinforce current efforts to revitalize the central city area, drawing people downtown, particularly at night. It would be easily accessible to all, would be served by the new proposed subway system.

3. Late hour criticism: It is believed that there are several compelling considerations which fully justify the raising of these 11th-hour questions. When the site was selected, the physical reality of the highway complex and the Watergate development were not yet apparent. The Pennsylvania Avenue plan, opening up site possibilities, had not come into being. Assistance for downtown construction under urban renewal was not then available, as it now is. Finally, the mass transit plan, which provides for no stop at the river site, was not in existence.

4. Location: While the petitioners feel that a specific site should not be chosen without careful review of all factors by the review committee, the best arguments so far presented support a downtown location. With the current intensive interest in the Cultural Center, the time loss should be minimal. Primarily, the petitioners urge that expediency and hurried decisions not be allowed to squander this unique opportunity for a great experiment. Because of the overwhelming criticism of the Kennedy Center as now planned, a final review of its merits and liabilities in the light of the developments mentioned above is imperative.

The petitioners will welcome additional support from all who are interested in insuring that the Kennedy Cultural Center, when built, will be the great national institution it should be.

THE 18TH ANNIVERSARY OF THE ASSASSINATION OF NIKOLA PETKOV

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

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

There was no objection.

Mr. DERWINSKI. Mr. Speaker, we observe today, September 23, the 18th anniversary of the assassination of Nikola Petkov, a leader of the Bulgarian patriots who fought the Communist takeover of their country, by Soviet-directed Communists in Bulgaria.

Petkov remains an inspiration to Bulgarians today who maintain their dedication to the restoration of an independent, free government in that captive land. We in the free world must never forget that peaceful-appearing moves by the Communists cannot obscure the violent nature of Communist takeovers of free countries and the cruel oppression exercised over them.

The Johnson administration policies of accommodation and appeasement of communism are arousing great fear among the peoples subjected to this oppressive system that it will become a permanent plague. We must never accept Communist regimes and Soviet control of once free nations as an enduring fact and we must never forget that the Soviet Union is the greatest colonial power in the world today.

I am hopeful that the Bulgarian people and the Bulgarian leaders in exile will continue their efforts toward and their faith in the eventual victory of justice over tyranny and the reestablishment of a free, independent government in Bulgaria.

I am pleased to point out to the House that the Bulgarian spokesmen in exile are effectively maintaining the aspirations of their people for this goal. They recognize that the Communist tyranny that enslaves their homeland is a threat to the peace and freedom of the entire world. They draw strength from the support which they rightfully received in these just aspirations.

ASIAN PEOPLES ANTI-COMMUNIST LEAGUE CONFERENCE

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

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

There was no objection.

Mr. ASHBROOK. Mr. Speaker, on September 7–12, the 11th Annual Conference of the Asian Peoples Anti-Communist League was held in Manila. I was privileged to attend and head one of the American observer units which participated in this meeting, the Committee of 1 Million Against the Admission of Red China to the U.N. I was struck by the dedication of these people in resisting Communist military encroachments as well as political subversion on their continent. In fact, it was very apparent to me that they are far more alert to the threat of the world Communist conspiracy than their American friends.

One of the fine speakers of the conference was the former chairman of APACL, Hon. Ku Cheng-kang of the Republic of China. I thought his message was particularly incisive and I am including it with these remarks. A fine conference in every respect, this was indeed a wonderful opportunity for me to meet with these leaders, young and old, and to learn of their particular problems as they face up to the Communist challenge.

ADDRESS BY MR. KU CHENG-KANG

Mr. Chairman, distinguished guests, delegates, observers, ladies and gentlemen, it is of epochal importance that we here gathered in the Philippines, a democracy firmly dedicated against the evils of communism, for the 11th Conference of the League in a very critical period of time for Asia, working for the preservation of freedom and world peace. We are here to pool our wisdom and experiences, to formulate policies, and to adopt action against communism. First of all, in my capacity as former chairman of the league council, I want to express on behalf of all the delegates and observers from all areas of the world, our highest respects and sincere appreciation to the Philippine people and their great leader, President Macapagal, who are contributing immensely to our common struggle for freedom and peace.

Since the 10th conference, drastic developments have taken place on account of a number of factors: the fact that the Chinese Communists furthering their objective to eventually subjugate all Asia, have actively pursued their line of revolutionary wars in directing an expansion of aggressive activities through the Communist regime in North Vietnam, instigated the aggravation of conflict between India and Pakistan over Kashmir, and continued nuclear testing in their designs for political blackmail; the fact that the United States has taken a stronger policy in Vietnam, showing her firm and just determination to safeguard the independence and freedom of Vietnam, thereby winning the support of the Asian peoples and strengthening their will to fight communism; and the fact that the people in Asia have increased their vigilance toward

Communist aggression and strengthened their desire to help themsives through helping one another. We peoples of Asia are now aware: freedom and peace in Asia hinge on our own solidarity and endeavor.

The center of gravity of the fight against communism has shifted to the Orient. The core of disturbance is in Asia. The key to world stability is also in Asia. In the prolonged struggle in Asia between the forces of freedom and the forces of communism, especially in Vietnam, a few salient features have emerged before all eyes. Firstly, freedom cannot coexist with slavery. Secondly, appeasement cannot remove the threat of communism. Thirdly, containment cannot stop Communist aggression. Fourthly, negotiations are Communists means and tactics to win at the conference table what they fail to get on the battlefield. Fifthly, without a unified effort the free nations will evenually suffer defeat in detail. So it is apparent that the Communist regime on China mainland endangers no only security in Asia but also world peace.

The recent development of events has shown that the problem of peace in Vietnam can no longer be solved in Vietnam, either in the southern or northern half of it. We see also clearly that the will and strength of the nations and peoples in Asia will be among the deciding factors for victory in Vietnam. Thus I advocate:

1. That the free countries of Asia support the firm policy and courageous action of President Lyndon B. Johnson toward Vietnam, and fight side by side with the Western democracies for victory in Vietnam to insure that country's independence and freedom, through the active development of the will and strength of the Asian countries.

2. That the United States, as leader of the free world, dealing with trouble at its source, support actively the Republic of China in the recovery of the China mainland, the Republics of Vietnam and Korea in opening new fronts in the Red-subjugated northern parts of these countries, so as to free all the enslaved peoples for a lasting peace in Asia.

The destruction of the Iron Curtain in Asia has been the consistent object of the League, and the thorough means for eradicating the Red plague in Asia. There are, however, those who are worried. Some worry over the ability of the forces of the Republics of China, Korea, and Vietnam to tackle the Chinese Communists who control over 600 million people and 3 million troops. Others worry over Soviet Russia's entry into the scene following Republic of China's counteroffensive against the mainland or military action in Communist-controlled areas on the part of the Republic of Vietnam or the Republic of Korea, thus leading to a worldwide nuclear war.

To the first group of worriers we want to say that the people on China mainland suffering intensely from privations and political oppression have demonstrated their strong desire for freedom and the strength to resist. Since the failure of the communes enforced in 1958, and the cessation of Russian aid in 1961, resistance and rebellion have been widespread and great masses have fled to free countries. Even recently there have been large-scaled armed revolts in Sinkiang Province and in Tibet. Furthermore, the Communist armed forces of antiquated equipment and low morale as the result of the withdrawal of Russian aid and economic difficulties, are scattered in deployment. There are simply too many fronts to watch: the Taiwan Straits, Vietnam, Korea, India, Sinkiang, and the ubiquitous front of the people's widespread revolts. The majority of the 600 million people and 3 million troops, upon the Republic of China's counteroffensive, instead of serving as the support force of the Chinese Communist regime, will rise to overwhelm it.

To the second group of worriers we want to give our reasons for stating so solemnly that Soviet Russia will not enter into the arena:

1. Soviet Russia has no desire to strengthen the Chinese Communists as its arch rival for leadership in world communism, and the Chinese Communists will decline Russian help for fear of infiltration and subversion.

2. Hard pressed by the forces of liberation in Eastern Europe and the collective strength of the NATO countries, Soviet Russia is not in a position to open a second front in Asia.

3. Fully aware of the destructive nature of a nuclear war, she will not start one while the United States still possesses the nuclear advantage.

We Asians must realize that now is the hour for the free Nations in Asia to accept our responsibility of saving ourselves through unity. Now is the hour for the free Nations of Asia through the determination of the people, to safeguard freedom in Asia with the combined strength of all our countries. We, the nations and peoples of Asia, must rally together to go to the aid of Vietnam and to pull down the Iron Curtain in Asia. It is high time for the countries most directly under Communist aggression and threat, for the Republic of China, Republic of Korea, Republic of the Philippines, Thailand, and the Republic of Vietnam to establish an Asian Anti-Communist Alliance, for closer military, political, and economic cooperation.

We firmly believe this alliance will be able to contain Chinese Communist aggression and expansion, and will lead to the destruction of the Iron Curtain in Asia. We shall look forward to the United States to give timely support to the free Nations in Asia in our historic endeavor for self-help through unity.

THE DOMINICAN SITUATION: SEPARATING MYTHS FROM REALITIES

The SPEAKER. Under previous order of the House, the gentleman from Alabama [Mr. SELDEN] is recognized for 60 minutes.

Mr. SELDEN. Mr. Speaker, I deeply regret the necessity for requesting this hour today to discuss certain aspects of the Dominican situation. But the current debate in the Senate has convinced me that it is imperative to set the record straight—to separate fact from fiction, myth from reality.

In July, the Senate Foreign Relations Committee published a document entitled "Background Information Relating to the Dominican Republic." Part A purports to be a chronology, 25 pages of which are devoted to events beginning with the April 24 uprising. This so-called chronology is crammed with grossly biased quotes, overwhelmingly gleaned from the New York Times, the New York Herald Tribune, and the Washington Post. A footnote on the first page states that the chronology was compiled primarily on the basis of "Deadline Data on World Affairs."

"Deadline Data" is a service for quick reference on world events. It is a brief digest, on cards, of a handful of newspapers, and makes no pretense of having checked for accuracy the reports which it quotes.

Mr. Speaker, the Senate document—bearing the imprimatur of the Committee on Foreign Relations—goes out to schools, universities, and private citizens throughout the country. The fact that a footnote attributes the quotations used to "Deadline Data," which in turn attributes the quotations to the original sources, by no means exonerates the Committee on Foreign Relations from responsibility for the accuracy of the material selected. In fact, although official statements are inserted, the almost unanimous selection of quotations from articles critical of the administration's intervention in the Dominican Republic creates the impression that all the press of the Nation was critical.

In effect, the so-called chronology reads: "Official U. S. spokesmen said; but intrepid journalists, on the other hand, gave the lie to the official position."

Nowhere in the so-called chronology is there is a quote from the eloquent phrases of Eric Sevareid, from Marguerite Higgins, from Hal Hendrix, Jules Dubois, Jerry O'Leary, or others whose views differed from those of the Washington Post, the New York Times, and the Herald Tribune.

Nowhere in the so-called chronology is there mention of the report of the five-member OAS Special Committee which conducted an investigation on the scene, and on May 8 released the full text of their 4-hour testimony before the OAS Council.

Nowhere in the so-called chronology is there mention of the findings of former Ambassador John Bartlow Martin, friend and sympathizer of former President Juan Bosch.

One wonders why all reports which corroborated the administration's evaluation of the Dominican situation were excluded from the committee print.

When I first saw the grotesquely distorted "chronology" in August, I considered having the Subcommittee on Inter-American Affairs compile a point-by-point refutation. By that time, however, negotiations for a provisional government were well underway in the Dominican Republic. Bernard Collier of the New York Herald Tribune, Tad Szulc of the New York Times, and Dan Kurzman of the Washington Post were no longer covering the story. The reporting out of Santo Domingo had become less emotionally involved. The truth seemed to be catching up with the fictions which had emanated from the Dominican Republic. Hence, it seemed to me no longer necessary to have to take this action.

The reopening of debate in the Senate, resurrecting arguments corresponding to the highly colored reporting in the earlier stages of the Dominican Republic, substantially changes the picture. I noted in Monday's debate on House Resolution 560, that several Members alluded to the remarks of the distinguished chairman of the Senate Foreign Relations Committee. His remarks do indeed carry weight, since it is assumed that he is privy to information not generally available. As chairman of the Subcommittee on Inter-American Affairs, I can assure you that I too have had access to all the documentation. For that reason, I feel an obligation to clarify some of the points which have been raised.

Throughout the tragic turmoil in the Dominican Republic, I was frequently asked by worried colleagues about our policy in the Dominican Republic. Their concern invariably stemmed from something they had read in the newspaper that morning or had seen on television. This was evident because their remarks were usually prefaced with something like "The New York Times says," or "according to the Washington Post," or "the Trib reporter wrote."

The fact that three major morning newspapers, as well as several networks, all took the same critical position regarding U.S. policy in the Dominican situation lent credibility to their views.

In brief, the argument ran:

First, that there was doubt that American lives, or those of other foreigners, were ever in real danger;

Second, the United States intervened in the Dominican Republic only on a pretext of saving American lives, but really to block the return to power of former President Juan Bosch;

Third, the U.S. Embassy grossly exaggerated the danger of a Communist takeover and panicked;

Fourth, the United States collaborated with the corrupt Dominican military and the most retrograde elements in Dominican society, and against the legitimate aspirations of a long oppressed people for political freedom and social justice;

Fifth, the United States turned belatedly to the Organization of American States to provide a cover for its intervention;

Sixth, the intervention engendered widespread indignation and anti-Americanism in Latin America, and could wreck the OAS.

The quality of some of the reporting suffered from inexperience on the part of the reporters, some of whom knew little of the complex background of the situation unfolding around them. In justifying their speculations, they complained that they could not check with Embassy officials. The lack of contact between reporters and U.S. officials was, indeed, a drawback. But the beleaguered Embassy and military staffs could hardly have been expected to cope with the almost 200 foreign journalists who descended upon little Santo Domingo in the midst of anarchy. During the chaotic period when Dominicans fled in and out of asylum, when fortunes changed hourly, when thousands of troops were being deployed, and when delicate negotiations to end the turmoil were being conducted, is it not reasonable to assume that U.S. officials were too engaged in vital matters to keep several hundred reporters informed?

But not all the slanted reporting can be chalked up to inexperience or to the inability to clarify impressions and rumors. Bernard Collier stated categorically in the New York Herald Tribune that no diplomats in other missions in Santo Domingo agreed with the U.S. evaluation of the Dominican situation. From that statement, it must be assumed that Mr. Collier did indeed interview a goodly number of Western diplomats on the scene. Presumably, Mr. Collier's inexperience in Latin American affairs would not be a limitation on his ability to report so clear-cut a matter which needs no interpretation.

Mr. REID of New York. Mr. Speaker, will the gentleman yield?

Mr. SELDEN. I would prefer to complete my statement before yielding.

Mr. REID of New York. I ask the gentleman just one question before he proceeds. I have noticed a series of remarks impugning the integrity of the press, the accuracy of the reporting, and the quality of the reporting.

Is the gentleman trying to raise a series of questions as to the integrity of the New York Times, the Washington Post, and the Herald Tribune?

Mr. SELDEN. I stand on my statement. May I continue? I am in the middle of a quote, if the gentleman will allow me to continue.

Mr. REID of New York. Mr. Speaker, will the gentleman yield? The House should not have to sit here and listen to both the Times and the Herald Tribune being castigated in this way.

Mr. SELDEN. I might say to the gentleman he will have to listen unless I yield to him. I will be happy to yield to him, however.

Mr. REID of New York. Does the gentleman make a distinction between the straight news reports and the editorial page?

Mr. SELDEN. If the gentleman will let me finish my statement, I will be glad to attempt to answer his questions.

Yet, curiously, State Department records are replete with applause for the intervention from the diplomatic corps in Santo Domingo. Unfortunately, since it would be a breach of confidence and protocol to disclose names, I can only assure you that practically all of the heads of mission in Santo Domingo have expressed their belief that the intervention was timely and necessary. For instance, one Western European diplomat stated that presence of U.S. marines was "certainly the only solution to a serious situation." Another stated that he considered local events to be following the classic Communist pattern. Another believed Caamaño to be completely dominated by hard-core rebels. Another applauded the presence of U.S. marines as the only solution to a serious situation.

Peter Chew, writing in the May 17, 1965, edition of the National Observer, told of his conversation with a "high-ranking Western diplomat," as follows:

> Many of the rebels, he said, sought visas from him in the past in order to make their way to Cuba and Iron Curtain countries, and he had refused to grant them. They had managed to get out anyway.
>
> The Western diplomat, who fought as a high-ranking officer in the Second World War, said many of the street fighters of the rebel side had shown evidence of the most sophisticated urban guerrilla warfare training. It's not the sort of training that the ragtag Dominican armed forces, whence many of the rebels came, ever receive.

Now, it is possible to doubt the evaluation of the entire diplomatic corps in Santo Domingo as well as the same evaluation by the U.S. team. But to say, as Mr. Collier did, that no foreign diplomats agreed with the U.S. appraisal goes even beyond distortion of the truth.

The New York Times correspondent, Tad Szulc, makes no mention whatsoever of the opinions of the Western European and Latin American diplomatic corps regarding our intervention in the Dominican Republic. I find it hard to believe that so seasoned a reporter, with his own European background and his experience in Latin America, would not query the other ambassadors. Meanwhile, the New York Times castigated the United States for its action, leaving the impression that we stood alone in Santo Domingo on our evaluation of the situation. One wonders whether Szulc simply neglected to report views which ran counter to his own, or whether the editorial policy in New York was to censor such views.

Similarly, Dan Kurzman in the Washington Post—while ridiculing U.S. evidence of Communist influence in the rebel movement—left a vast silence with regard to the position of the diplomatic community on the degree of Communist infiltration.

All three—Collier, Szulc, and Kurzman—were also vociferous in their claims that the United States was helping the Imbert junta defeat the rebels in the northern sector. Said Collier in the Herald Tribune on May 20:

> U.S. marines and paratroopers gave both direct and indirect help to Gen. Antonio Imbert Barreras' junta forces yesterday as Imbert troops nearly completed a cleanup of "constituionalist" rebels in northern Santo Domingo.

Said Szulc in the New York Times on May 21:

> The U.S. policy was reported on high authority to be one of allowing the Imbert forces to complete the cleanup of the northern area, but to halt them at the security corridor.

At the time of the battle in the northern sector, both the Times and the Herald Tribune resorted to distorted editorializing by pictures. The New York Times printed a picture of two armed marines marching a file of seven or eight Dominicans with their hands folded behind their heads, with a caption which read: "U.S. Troops Arrest Dominicans Suspected of Insurgent Activity in Santo Domingo. Washington Spokesmen Have Denied Aiding Forces of the Junta." Under the picture, in small print, I noticed that the photo credit listed the U.S. Air Force. So I called to find out where the picture was taken, when, and what the Dominicans were arrested for. I learned—by now, not to my amazement—that the picture had been taken 8 days before, in the international security zone which had been established by the OAS, and that the Dominicans had been picked up for sniping. You will recall that the marines had an OAS mandate at that time to defend the international zone.

Clearly, the intent of the Times, in printing that picture with that caption, was to leave the impression that the arrests were connected with the then current battle in the northern sector, in which Timesman Szulc charged we were helping the junta forces.

The Tribune ran a photo with a similarly slanted caption. It showed a marine sitting on a fence firing his rifle.

The caption to this one read: "On the Fence in Santo Domingo, an American Marine, Under Orders To Stay Neutral, Fires at a Sniper." The fact that the marines were permitted to shoot back when shot at from outside the international zone somehow escaped the Tribune. The implication that the marines, by firing in self-defense and to maintain the international zone secure, were not being neutral, is obviously an intentional distortion.

The impression that the United States was aiding the Imbert forces in the battle in the northern sector was also fostered by a CBS news special, on May 31, entitled "Santo Domingo—Why Are We There?" Perhaps you recall seeing it. Films were shown purporting to show junta reinforcements moving through U.S. roadblocks in the security zone. They were followed on the program by a press conference with Deputy Secretary of Defense Cyrus R. Vance and General Palmer, who both stated that to the best of their knowledge, there had been no deliberate U.S. violations of neutrality.

The viewer, having just seen the film clip of Dominican troops waved past the roadblocks by U.S. forces, naturally was skeptical of the statements by Secretary Vance and General Palmer. Next, CBS Correspondent Charles Kuralt said:

> The very next day we watched dozens of trucks loaded with armed junta troops and policemen, both of them in battle against the rebels, roll through American checkpoints without even slowing down.

The viewer was shown pictures of this event.

The impression left upon the viewer was one of U.S. duplicity. Again, I checked to find out what really happened. I am informed that a full-scale investigation by the Department of Defense established that the first film clip dated from May 5, when the Imbert junta was not even in power, and not May 15 as charged, when the battle in the northern sector was taking place. The next pictures were not of Dominican Army troops, but of police who, according to the OAS's cease-fire agreement, had the right to move freely in and out of the security zone.

Clearly, the duplicity did not originate with U.S. officials.

I could go on for hours enumerating the incredible misrepresentations foisted upon the American people by certain sectors of the news media. Rather than trying to shoot down the many detailed distortions, I would prefer to establish for the record certain general truths regarding our involvement in the Dominican imbroglio.

Myth No. 1: American lives were never really endangered. That was only an excuse to land troops to head off the return to power of former President Juan Bosch or an alleged Communist takeover.

Reality: On April 26, 2 days after the outbreak of the revolt, Americans began to ask for evacuation. Standby plans were put into operation. Both sides in the fighting gave the Embassy assurances that they would agree to a cease-fire to permit our evacuation program to be carried out.

At first, evacuees were gathered at the Hotel Embajador in Santo Domingo, taken by truck to the Haina port, and there boarded American Navy craft.

On April 27 armed rebel mobs, many of them teenagers, roamed the streets. Radio Santo Domingo was inciting the people to take reprisals against specific individuals. The radio announced that a well-known antirebel was at the Hotel Embajador. So were 1,000 Americans, who had collected there to await evacuation. A mob of rebels arrived and fired shots inside the hotel. That day, despite the terrifying incident at the hotel, the evacuation from Haina was completed.

By the night of April 27, various rebel leaders of the pro-Bosch faction—including Molina Urena, the "provisional president"—took asylum in foreign embassies.

At this point, the Embassy believed that the evacuation could still be effected. Gen. Wessin y Wessin, of the antirebel military forces, held overwhelming military force and it was believed that he could put an end to the anarchy in Santo Domingo.

On April 28, the police chief in Santo Domingo reported that law and order had broken down completely and he could no longer offer protection to foreigners. At the same time, the armed forces under command of Gen. Wessin y Wessin did not move. Colonel Benoit, head of the three-man military junta established at San Isidro that day, also informed our Embassy on the morning of April 28 that he believed American lives to be in danger in Santo Domingo, and that junta forces were unable to extend any protection. Meanwhile, many Americans began to gather at the Hotel Embajador for evacuation at Haina scheduled for 3 in the afternoon. But around 10 a.m. the Embassy was notified that the road to Haina was being fired upon by snipers.

The fact that the Haina road was closed, that the Dominican authorities could no longer safeguard foreigners in Santo Domingo, and that the Dominican Army was sitting out at San Isidro base doing nothing, finally convinced the Embassy that the time had come to protect our nationals. At that time, there were about 1,000 people waiting for evacuation, many of them women and children.

The Ambassador requested helicopter service from the aircraft carrier, *Boxer*, to evacuate the Americans at the Hotel Embajador and a small force to protect the chancery. Some 450 marines were landed to establish a safety perimeter around the hotel where the evacuees were boarded on helicopters. At the time the marines landed, Embassy guards and other Americans were under fire at the Hotel Embajador and the Embassy grounds. Eventually, more than 5,000 persons, Americans and citizens of 45 other different nationalities, were evacuated.

In the rapidly disintegrating situation in Santo Domingo on April 28, the U.S. Ambassador would have been derelict not to have requested protection for U.S. citizens and anybody else asking for it. The argument that has been raised that no Americans were killed in Santo Domingo, hence no protection was needed, is specious. None was killed because of the swift decision to protect them. I cannot understand the reasoning that would have had us wait until some Americans were killed to prove that protection was necessary. How many deaths should we have waited for? Ten? Fifty? One hundred?

Expressions of thanks by people of other nationalities for evacuating them from the lawless, chaotic situation have been profuse. At the conclusion of my remarks, I shall put in the RECORD testimony to this effect.

The initial marine landings were intended solely to provide protection for U.S. citizens and others who requested it.

Myth No. 2: We intervened in support of the military, halting a social revolution. The danger of a Communist takeover was grossly exaggerated.

Reality: The fact that the President ordered the marines to land solely to protect innocent lives does not exclude the additional fact that we were aware of the growing Communist strength and influence on the rebel side.

Before proceeding, Mr. Speaker, it is essential to understand the background and nature of the Dominican revolt. After more than 30 years of one of the most brutal tyrannies in the hemisphere, the Dominican Republic is a country rent by suspicions and hatreds.

The triumvirate Government, ultimately headed by Reid Cabral, had come to power after a coup d'etat and was very narrowly based. Although efforts were made against graft and corruption in the military establishment, the military budget was cut in 1965, and a considerable number of the more unsavory military officers were removed from the scene, the armed forces continued to exercise an oppressive weight on the country and was a source of popular discontent. The same considerations applied to the police force.

Economically, the country had been much buffeted. The price of sugar had fallen from over 11 cents to around 2 cents a pound, a disastrous blow to a country more than 50 percent of whose foreign exchange earnings come from sugar. Cacao prices also were low, and there was overproduction of coffee. A severe drought affected other products. The U.S. shipping strike in January and February heavily depressed the Government's income through the lack of receipt of customs duties for imports and the lack of ships to carry away exports of sugar and other products. Payment of Government accounts was behind schedule, and laborers on public works and road projects were in many cases months behind in receiving their wages.

These developments intensified the strains on the fragile Dominican institutions. By late fall of 1964, it was apparent that the situation was declining. Broadcasts over the many Dominican radio stations grew more and more violent. The Embassy began to report plotted coups and intrigues.

Meanwhile, known Communists began to return, often secretly, from training in Iron Curtain countries and Cuba.

The April 24 revolt began with a variety of participants for a variety of motives. On that day, Reid sent his military chief of staff and a deputy to the 27th of February military camp outside Santo Domingo to cancel the commissions of four officers for plotting against the Government. Elements of the army, led by disaffected middle grade and junior officers, seized control of the 27th of February camp and made prisoners of General Rivera and his deputy. That sparked the revolt.

Word of these actions quickly spread to Santo Domingo and was broadcast over two radio stations. Shortly thereafter, a group of civilians seized the two radio stations and announced the overthrow of the Reid government.

While sentiment ran high against the Reid regime, there was no consensus of what or who should take its place. Some army officers supported Juan Bosch and wanted his return. They were joined by Bosch's PRD and by three Communist parties: the MPD—Peiping oriented; the PSP—Moscow oriented; and the 14th of June Movement—APJC—which had been taken over by Castro-Communist-trained leadership.

Some military officers favored the return of former President Balaguer. Still others were against Reid because of his efforts to reform the armed forces, but they were also opposed to Bosch. Others were merely opportunists looking for personal gain. Others wanted a military junta in order to oust some of the senior officers who blocked their promotions.

The struggle for power began. The following day truckloads of arms were sent into Santo Domingo from the 27th of February camp and distributed, largely by Communist leaders, among civilians. Armed mobs, urged on by the anti-Reid broadcasts, seized the national palace. Throughout the day, armed marauding bands of looters roamed the city, shooting at police and private citizens. MPD leaders were particularly active distributing bottles and gasoline to be used in making molotov cocktails.

With the distribution of machineguns and rifles to civilians, what had begun as an essentially military uprising changed to anarchic disorder. The superior organization and training of the Communists shortly found them in key positions among the rebels.

At the height of the rebel strength, early in the course of the revolt, there were no more than 1,000 officers and enlisted men. At that time, there were also between 2,500 and 5,500 armed civilians. Of these armed civilians, as many as 1,500 at the outset of the revolt were members of the three Dominican Communist-dominated parties under direct command of Communist leaders. From the very beginning of the revolt, then, armed Communist-led elements were greater in number than the organized military on the rebel side. There were, in addition, several thousand more armed civilians who were not Communists, ranging from patriotic Dominicans who sincerely believed in what they were doing, to kids—some only 12 years old—who were in the fight for a thrill, to thugs who were out to kill policemen and to loot. Although many of these non-Communist civilians probably never came under Communist control and discipline, they were dependent in varying degrees upon the Communists for leadership and for arms and ammunition.

Mr. Speaker, at the conclusion of my remarks, I shall append the names and backgrounds of the principal Communist leaders in the Dominican revolt.

As John Bartlow Martin reminded us in his article in the May 28, 1965, issue of Life magazine, "Communists no longer make revolutions, they take them over." That is what happened in the Dominican Republic. The fact that the organized, trained Communist agents were few in number compared with the total Dominican population is no measure of their capability. It is not only the strength of the Communists that counts, but the weakness of those with whom they have allied. Where there is a weak non-Communist component and a strong Communist component, the Communists can seize the apparatus. In the Dominican revolt, the non-Communist rebels were in disarray. The Communist leadership, on the other hand, acted with purpose and calculation.

Here, the naivete of some journalists merits mention. With the emergence of Caamaño Deno as rebel figurehead, some reporters leaped to paint him as the symbol of "constitutionalism," much as the New York Times had been instrumental in creating the image of Fidel Castro as the Robin Hood of the Sierra Maestra. Caamaño became leader of "the good guys," anybody who opposed him—and what loomed behind him—was automatically "a bad guy."

What, exactly, were Caamaño Deno's "constitutional" qualifications? His father had been a much-feared Trujillista; Caamaño had been bounced out of several branches of the armed services and the police. Several months before the revolt, he had become involved in an intrigue against a general and had been removed from his post by President Reid. He hated Reid. When the revolt began, Caamaño—now in the air force—joined it. But Caamaño's respect for the niceties of constitutional procedure had never been evident in the past. He made no objection to the overthrow of Bosch, in whose name he later rose to defend "constitutionalism."

Maybe Caamaño got religion, but the pretense that he was a "constitutional" descendant from the Bosch regime is a travesty. The constitution which Caamaño claimed as the source of his legitimacy does provide a line of command in case the President, Vice President, and so forth, are unable to exercise authority. The constitution provides that the Congress shall elect a provisional president from the ranks of the party of the absent President. The constitution also provides, however, that no military man can belong to a political party. Hence Caamaño—whom the Times, Tribune, and Post wanted us to accept as the "constitutional President" of the Dominican Republic—having been a military officer his entire adult life, was disqualified.

In brief, the disorganization and contrary motives of the non-Communist rebels facilitated the rise of hard-core Communists to key positions in the rebel forces. Some people now say that, had we thrown our support behind Molina Urena, Bosch's deputy, we would have struck a blow for freedom and democracy. But, how do they know what the Dominican people wanted, beyond an end to the state of affairs existing under Donald Reid Cabral? I would remind Members that there was not even a murmur from the Dominican people when Bosch was overthrown. Despite our protests, our break in relations and cutoff of aid, the Dominican people showed little regret at the loss of President Bosch. This is not to say that the overthrow of the first constitutionally elected President in the Dominican Republic after three decades of tyranny was not a tragic event for the establishment of democratic institutions in that troubled land. But it does indicate that in April 1965 we had no way of knowing whether the Dominican people wanted Bosch reimposed, with U.S. assistance, or Balaguer, or some other Dominican figure.

One thing is certain, however. When Molina Urena became "provisional president" on April 25, the rebel movement immediately broke into two camps. Many moderate political leaders and military officers resisted Bosch's return. The military officers, who had been reluctant to use their forces in support of Reid, immediately mobilized to prevent Bosch's return.

It is clear that Bosch could not have been brought back to power without violent civil strife. U.S. diplomatic efforts could hardly have overcome this opposition. Use of U.S. military force to reimpose Bosch would have meant U.S. marines fighting Dominicans. In sum, putting Humpty Dumpty together again would not have been a viable policy.

I shall comment later on the legal basis of the U.S. action. I want to note here, however, that some critics of U.S. action have not been notably consistent. On the one hand, the United States is criticized for not intervening in behalf of Juan Bosch; on the other hand, it is criticized for intervening to give the Dominican people a chance to elect their own leaders. I do not think we can be on both sides of the fence at once.

U.S. intervention not only prevented a Communist takeover, but there is every reason to believe it also will provide the Dominican people another chance to let their wills be known at the ballot box.

Myth No. 3: The United States collaborated with the corrupt Dominican military and the most retrograde elements in Dominican society and against the legitimate aspirations of a long oppressed people for political freedom and social justice.

Reality: From the voluminous documentation at the Department of State, it is clear that the United States never wavered from a single goal: the establishment of some form of viable authority to prevent the complete breakdown

of public order which in turn would create conditions conducive to a Communist takeover. The Embassy was bombarded with appeals to take one side or the other. Throughout, Ambassador Bennett urged a negotiated settlement. As stated above, to have intervened to impose Molina Urena would have been untenable. To have intervened to wipe out the Communist stronghold would have meant killing thousands of innocent Dominicans.

Contrary to rebel propaganda—echoed by a sector of the press—the United States did remain neutral throughout. The following paragraph from John Bartlow Martin's article in Life states:

> If, as the rebels charged, our intention had been to defeat them, we would not have pressed for the cease-fire. For the cease-fire left the rebels in control of the city's center, the telephone company and the main radio station. Nor did we completely seal off the rebel stronghold in Ciudad Nueva—we permitted noncombatants to cross the corridor and, far from starving them out, we fed the rebels and gave them medicines and water. In short, the cease-fire benefited the rebels. We had promoted it to save lives.

Myth No. 4: The number of U.S. troops far exceeded the amount necessary for the declared purpose of protecting American lives. This is another variation of myth No. 2, that the danger to American lives was only a pretext for the intervention. The buildup of forces came later, with the recognition that a restoration of peace and order could halt a Communist takeover.

Reality: On May 4 there were some 20,000 U.S. troops in the Dominican Republic, deployed as follows: 2,013 guarding the Hotel Embajador area, 3,888 guarding the remainder of the safety zone, 4,416 securing the communications corridor, 4,416 guarding the road to San Isidro airfield and the approaches to the Duarte Bridge, and 4,416 stationed at the San Isidro airfield.

The number of troops was a military decision. It was by no means out of proportion to the necessity. On a normal day in Santo Domingo, a police force numbering over 6,000 men preserves the peace. Those were not "normal" days in Santo Domingo. Furthermore, it must be remembered that U.S. troops had several missions to perform; the 20,000 men were not all lined up, as the critics would have us believe, bayonets ready to charge the poor rebels. Troops in the safety zone protected that area from continual attacks and, at the same time, conducted the evacuation of some 5,000 people. Troops stationed in the communications corridor were charged with maintaining a safe route for evacuation and with distributing food and medical supplies to Dominicans of both factions. Moreover, these troops acted as a de facto buffer zone subject to frequent sniper fire and direct attack.

Myth No. 5: The United States turned belatedly to the Organization of American States to provide a cover for its illegal intervention.

Reality: At 5:14 p.m., April 28, 1965, when Ambassador Bennett called for Marines to protect American lives, there was no time for hesitation or debate. Of course, those who cling to myths Nos. 1 and 2—that there never was any real danger to American lives but that this was used solely as a pretext—must perforce follow their theory of diabolic machinations to its logical conclusions: to wit, that the whole exercise was pulled off intentionally behind the back of the OAS.

This is sheer nonsense. The initial intervention, as I have shown, was indeed humanitarian. The President of the United States knew the risks of intervening unilaterally in a Latin American Republic—knew the memories this would stir, and the propaganda advantage it would give the Communists. Nevertheless, in the swiftly disintegrating situation in the Dominican Republic, President Johnson could not wait for the OAS to intervene, to debate, and to await instructions from 18 different capitals.

As the depth of Communist penetration became apparent, the OAS was kept fully advised of the matter. Continued presence of U.S. troops in Santo Domingo was intended to permit the OAS to function in the manner intended by its charter.

Much has been made of articles 15 and 17 of the OAS Charter, which stress the obligation of member states not to intervene in the internal affairs of other member states. In conjunction with those two articles, standing alone out of context, it is essential to remember that the purpose for which the American Republics established the OAS, as set forth in article I of the charter is "to achieve an order of peace and justice, to promote their solidarity, to strengthen their collaboration, and to defend their sovereignty, their territorial integrity and their independence." U.S. troops were fulfilling this role until such time as the OAS could assume responsibility.

I find it curious indeed that the very commentators who deplore our initially unilateral intervention in the Dominican Republic as a breach of OAS agreements are the very same ones who studiously ignore the existence of the report to the OAS 10th Meeting of Consultation by its own five-member Special Committee. Interestingly, every one of the five Ambassadors had previously expressed—in speeches and comments in the OAS—doubts concerning the wisdom of U.S. intervention in the Dominican Republic. When the obviously shaken ambassadors returned from their on-the-spot investigation, they demonstrated understanding of the necessity of U.S. intervention, both to save lives and to prevent an extremist takeover.

The reaction of the members of the five-man Special Committee is recorded in the text of the minutes of the Fourth Plenary Session of the 10th Meeting of Consultation of the Organization of American States, which I am including in the RECORD at the conclusion of my remarks.

The critics cannot have it both ways. On the one hand, they decry U.S. unilateral intervention; on the other hand, they choose to disregard an official OAS committee sent to the Dominican Republic to ascertain the situation. As far as I have been able to ascertain, neither the Washington Post, the New York Times, the Herald Tribune, nor Senate critics have ever acknowledged the existence of the Special Committee's enlightening report. I venture to state that had the Special Committee come back from Santo Domingo damning U.S. intervention, the Post, the Times, and the Tribune would have headlined the news.

Myth No. 6: The intervention has caused widespread disaffection for the United States in Latin America.

Reality: Initially, as might be expected, editorial criticism in Latin America was widespread. But, as the facts began to filter out, a degree of understanding developed. Many acknowledged that this intervention was unrelated to the old-time protection of U.S. property interests; that, in fact, it was a tragic necessity in defense of the entire hemisphere.

Had all the major news media in the United States been telling the truth, it is likely that the message would have spread faster and further.

Myth No. 7: That our intervention in the Dominican Republic marks a turn of the goals of the Alliance for Progress toward a policy of military force to stem communism.

Reality: Support for reformist governments in Latin America continues unabated. We only wish there were more of them, backed by institutional structures sufficiently strong to undertake thoroughgoing reforms. But as the Subcommittee on Inter-American Affairs noted in its report in April 1964 on Communist subversion in the Western Hemisphere:

> Success of the Alliance for Progress and hemispheric plans for economic and social developments of Latin America will be endangered by continuing Castro Communist efforts to increase the political tensions and dangers of the region. Hence, long-range economic and political plans must be complemented by immediate steps to meet the threat of subversive aggression.

Mr. Speaker, I have spoken today in an effort to clarify the obfuscations in the Dominican situation brought about by the irresponsible reporting of some segments of the press and echoed by highly placed foreign policy spokesmen. I am not primarily interested in the motivation or reason behind the bias shown in connection with the Dominican situation by some of our news media—although that in itself should be of interest. But what I am interested in is that such misrepresentation of our Nation's foreign policy role be understood for what it is—not the responsible report of a free press, but the irresponsible propaganda of some who, under the protective cloak of journalistic rights, have sought to undercut and reshape our national policy to suit their own preconceived views of the story they have been assigned to cover.

Especially dangerous, however, is the practice by those in high positions of Government—highly placed foreign policy spokesmen—of embracing as the basis of their statements, the incredibly slanted reports of some journalists. It is time that the pretensions of these spokesmen be recognized for what they are and what they are not.

To dissent out of what one believes to be the Nation's interests is an act of courage, but to dissent on the basis of grossly biased information undermines our Government's extremely difficult task of combating our Nation's enemies.

At the outset, I stated that my purpose today was to separate fact from fiction, myth from reality, regarding the events which occurred during the recent crisis in the Dominican Republic. In the past, some spokesmen have talked in terms of old myths and new realities regarding our Nation's foreign policy. I would recommend that some time be given by these spokesmen—and by the news media with whom they collaborate in criticism of U.S. policy—to reexamine some of their own precious myths, in the light of the violent realities of the world in which we live today.

APPENDIX 1

MAY 12, 1965.

PERSONAL INTERVIEWS WITH EVACUEES FROM THE DOMINICAN REPUBLIC

(NOTE.—Following are excerpts from personal interviews made with some of the evacuees by VOA staffers.)

Argentine engineer Lorenzo Dotta, interviewed in Buenos Aires on May 8, 1965, said: "The reception (in San Juan) was unforgettable. Every possible facility was offered to the refugees. They helped us establish communication with our countries of origin and medical attention was given those who needed it." Senor Dotta also said that those who criticize the action of the United States undoubtedly were ignorant of what was happening in the Dominican Republic. "There, there is no respect for the life of any human being," he declared, "and only the presence of the marines was a guarantee of security, a cause for tranquility for the foreigners."

In an interview at the Red Cross Center in San Juan (date not available), Argentine citizen Enrique Rodriguez voiced his gratitude to U.S. Marines "for having saved my family." He described the rescuing helicopters as being punctured with bullets from ground fire. "The U.S. participation has been marvelous. Some countries critized the North Americans for their intervention, but it is more than intervention; it is a help. The U.S. forces are not concerned in being occupying forces, but only interested in saving lives." Senor Rodriguez left the Dominican Republic with his wife and two children. He had been a resident in Santo Domingo for 3 years.

A Peruvian university professor, Rafael Reategui, interviewed in San Juan (date not available), declared: "I do not have words to express how grateful we are to the North American authorities for having evacuated us. The evacuation could not have been more opportune, and thanks to that measure, we are here safe and sound. Really, one could not have asked for more, because from the moment we boarded the transport ship *Wood County* to leave Santo Domingo, we have received nothing but kindness."

A Haitian citizen who was evacuated from the Dominican Republic was interviewed in Puerto Rico on May 4. He requested that his name not be used for personal reasons. He said, "From the moment that I was under the protection of the U.S. flag I felt secure, not only for my life but in every way."

Thomas Paniagua, a Dominican refugee, was interviewed in Puerto Rico on May 8. He said the North Americans "with their skill and compassion * * * were helping the Dominican people [and] were providing a water filter [system] * * *. We are grateful to the American people."

Brazilian Professor Joa Soares Veiga, director of the Institute of Zootechnics of Peracununca in the state of Sao Paulo, and Brazilian delegate to the meeting in Santo Domingo of the Inter-American Society of Agricultural and Livestock Development, was interviewed in Sao Paulo on May 9, 1965. "The presence of the North American forces produced tranquility among the residents and foreign visitors, many of whom felt threatened, if not by the rebel forces themselves by elements foreign to the revolution who possessed arms. The treatment received by those who wanted to leave, before embarking and during their stay on the North American ship and arrival in San Juan, was of indescribable kindness, from the commander of the *Boxer* down to the last sailor. The desire to help the refugees, especially the women and children, was notable."

In an interview at the Red Cross Center in San Juan, Senora Maria Rosa Pinero de Barrera, an Argentine citizen whose husband had a photographic studio in Santo Domingo, declared that U.S. forces "very much saved lives, especially mine and those of my family." Senora de Barrera left the Dominican Republic with five members of her family. (Date of interview not available.)

In an interview on May 6 Alfredo Ballestas, a Colombian airplane mechanic, declared that "the arrival of U.S. forces was the salvation of all foreigners" in Santo Domingo. He noted that the evacuees were "royally" treated on the U.S.S. *Boxer* where the Marines treated the evacuees as their "guests." Medical treatment was provided children on the *Boxer*. "U.S. forces did not take sides in the conflict, their only role was to save lives."

Giovanni Constantino, an Italian musician who has been with the symphony orchestra of Santo Domingo for some years, was interviewed at Fort Buchanan, Puerto Rico on May 9. He recounted his desperate attempts to bring his family from the dangerous center of the city to the neutral zone. After arriving in the zone they were evacuated in the last American ship leaving Santo Domingo (from then on the evacuation has been carried out by air.) Mr. Constantino praised the work of the North American soldiers and recounted how from the first moment of their arrival in Santo Domingo they had started to distribute medicine and food regardless of which side the recipients were on. At the same time the soldiers were fulfilling the task of evacuation and protection of foreign residents. He ended by saying, "I am convinced that without the presence of the Marines the situation would have degenerated into irreparable chaos."

A young Italian singer, Antonio Sciortino, resident in Caracas but fulfilling a singing engagement in Santo Domingo, was caught by the revolution in the most dangerous part of the city. Finally, he persuaded one of the rebels to guide him to the refugee zone from which he was evacuated by the American forces. He said on May 10, "all of us who were evacuated feel grateful to the United States—in the first place for the protection which they gave us in the midst of the danger, and afterward for their treatment of us from the moment that we placed ourselves in their hands."

Mrs. Maria de Badelt, born in the Argentine but resident for some years in Santo Domingo where she was professor of Spanish at the university, was one of the first group of refugees to be evacuated from Santo Domingo. She is now in Puerto Rico serving as a volunteer with the Red Cross. She commented particularly on one of the Marine barbers. "I do not remember his name, but I shall never forget the untiring dedication that he showed in preparing hundreds of baby bottles when we were on board the *Boxer*." She added, "There is not enough money to pay those pilots of the helicopters. Once on board we were overwhelmed with attention * * * from the officers down to the least of the sailors." Mrs. Badelt said that the thing that probably impressed the refugees most was to see the officers on board give up their staterooms to the women and children.

Guiseppe Bonasera of Sicily, who had been in Santo Domingo on business, was interviewed in San Juan on May 3. He said, "Because of the North Americans I am safe here in Puerto Rico."

In an interview in Miami on May 7, Roberto Garcia Serra, a Cuban, declared that, "If the U.S. officials had not exercised the proper authority, lives lost (in the Embajador Hotel) would have run into the thousands." Mr. Garcia had resided in the Dominican Republic for a year and a half and was employed in the public relations field.

In an interview in Miami on May 8, Juan Gonzalez Clemente, a Cuban journalist in exile and a resident of the Dominican Republic, declared that, "If President Johnson had not ordered the landing of the Marines it would have been disastrous to the Dominican people." In addition, Gonzalez noted the Communist danger. "If the Marines had not intervened I believe that within 3 or 4 days (of the beginning of the coup), Fidel Castro would have been speaking in the Parque de Independencia in Santo Domingo."

On May 5, a Dominican lady who had been evacuated from her country was interviewed in San Juan. She asked that her name not be mentioned. She said of the situation there when she left, "It was somewhat calmer due to the assistance which the North Americans were giving us. If it had not been for the aid which arrived from the United States the Dominican people already would have been taken over by communism." She said that "the evacuation was conducted very well and we received very great help from the American consul and others, and were treated well." She concluded that "without the food and medicines distributed by the Americans many Dominicans would have perished."

In an interview in Miami on May 6, Carlos Manuel Gutierrez, a Cuban exile businessman, observed that during the conflict "I saw much food and supplies being landed by U.S. vessels and helicopters. In addition I saw many medical aid men being landed."

Cuban Alfredo Rubio, general manager of the Hotel Embajador in Santo Domingo, interviewed on May 6 in Miami said: "For the Americans we were not foreigners, we were all Americans. We were treated as if—we were helped to evacuate in a manner as effective as if—we had been born on North American territory. In this evacuation all of us—all in general from Latin America, Europe, Canada, England, from wherever, who arrived at the Embassy office established in the Hotel Embajador—were immediately provided with the papers necessary for evacuation. I want to thank the United States for this in the name of all the persons who were evacuated. They have treated all of us as if we were sons of North America."

Mexican Performing Artist Fernando Baladez, was interviewed in Miami on May 6. "I am very grateful to the U.S. Government because I owe it my life. As soon as I get to Mexico I am going to publicize what happened—not what I was told, but what I saw, what I suffered, what I lived. I will be grateful for the rest of my life."

OTHER EXPRESSIONS OF APPRECIATION

(The following comes from a letter to the editor appearing in the Daily Gleaner of May 4): "I should very much appreciate it if, through the medium of your paper you would allow me to express my appreciation to the Government of the United States of America for my recent evacuation from Santo Domingo. I was with my husband and three other Jamaicans on a business trip to the Dominican Republic when the revolution started at Saturday noon. Although the Embajador Hotel was not in the heart of the city where the fighting was concentrated,

we were able to see the frequent aerial bombing of the town, army barracks, ammunition dumps, and also to hear regular bursts of machinegun fire nearby. The most welcome sight after 4 days of confinement was two ships of the U.S. Navy steaming in to take us to safety. Once aboard, every facility of the ship was ours. Sleeping quarters were turned over to us while the sailors and marines slept on deck. The comfort of the chaplain or the assistance of the doctor were ours for the asking. We were given a very sumptuous dinner and entertained by movies, but the greatest gift of all was the knowledge that we were out of danger. On arrival at the U.S. base in San Juan, we were offered accommodations, transport, medical attention, and money. Nothing had been forgotten for our care and comfort. I am sure I express thoughts of all the evacuees when I say thanks to God, America, and the gallant marines and sailors who, with confidence and speed, efficiently landed to rescue us from our plight.

"GLORIA KELLEY,

"KINGSTON, JAMAICA."

In an interview in Miami on May 7, Luis Roberto Flores, Salvadorean Ambassador to the Dominican Republic, expressed his "most sincere gratitude to the U.S. Government and people for having saved all the elements of the Salvadorean colony in the Dominican Republic."

In spite of her 102 years, Dona Victorina de la Cruz, director and moving spirit of the Santo Domingo orphanage Blessed Joseph of Cadiz, spent the first days of the revolution with all her 120 orphans isolated within the orphanage. After a few days the food supply was exhausted and Dona Victorina despaired of help. However, the news of her situation reached the U.S. soldiers of company 42 from Fort Gordon, Ga. They immediately delivered 300 pounds of rice to the orphanage and promised to continue supplying food. Dona Victorina said, "It was like manna from heaven * * *. These are my heroes."

Mr. Edgar Arias Chinchilla, a Costa Rican citizen, was interviewed by a reporter from the Costa Rican newspaper La Nacion on May 8. Mr. Arias had been in Santo Domingo on problems related to rural youth. He and others were taken from the dangerous center of Santo Domingo in trucks to the Hotel Embajador and from there by helicopter to the aircraft carrier *Boxer*. "What organization," he said. "We received marvelous, unbelievable attention. There were specialists in the care of children and even help for the women who were pregnant." When they reached San Juan, after being transferred to another ship, everything was ready to receive them, he said. "There were some who had no money, no passport, nothing. They were taken to the Red Cross for special attention to resolve their problem." He added that among the refugees of numerous nationalities their comment was unanimous: "How wonderful are these North Americans, and how many lives they have saved in Santo Domingo."

El Tiempo of Bogota published a front-page interview with Mr. Jaime Pradilla on May 5 entitled, "A Colombian in Santo Domingo." Mr. Pradilla said that "I and thousands more owe our lives to the North Americans." We were saved, he said, "by the opportune and necessary intervention of the American forces * * *. The rebels lost control of the situation and it degenerated into a massacre in which no one knew why he was fighting or killing." Mr. Pradilla escaped to the Colombian Embassy which at that time had neither electricity nor water. He added, "When the North Americans landed they commenced immediately the rescue operation. Thousands of persons of all nationalities were evacuated without delay * * *. If the North Americans had not arrived in time and put an end to the killing, I believe that I would not have been alive today nor would many of those who were with me."

APPENDIX 2

COMMUNISTS PARTICIPATING IN THE DOMINICAN REBELLION

1. Abel Hasbun, Amin: Member of the executive committee of the APCJ and a leader of the Communist-controlled student union at the University of Santo Domingo. Attended the second meeting of the (Communist-front) International Union of Students in Hungary in 1964. Was active in organizing Communist activities in the Dominican revolt on April 24, 1965. He was seen at the National Palace on April 25.

2. Abreu, Fritz Antonio: APCJ member. In September 1963, left the Dominican Republic for Cuba, later going to the Soviet Union. He returned to the Dominican Republic in October 1964. Active Communist from the outset of the Dominican revolt on April 24, 1965. As of May 2, there was at his home a radio station which broadcast exhortations to shoot Americans on sight. Arms and ammunition were stored in his house.

3. Bernard Vasquez, Maximo: Former high-level member of the APCJ; was an APCJ liaison man with a subversive faction of the Dominican military in connection with the APCJ guerrilla uprising in December 1963. Early in 1965 plates and negatives for PSPD propaganda were made in his printshop. On April 25, 1965, was active in the distribution of arms to APCJ and PSPD members in the Dominican revolt. On April 26, was observed at a Communist strongpoint and garrison. As of May 3, was active in propaganda work.

4. Blanco Genao, Moises Augustin: APCJ member; observed with other Communists attending meetings at the National Palace on April 25.

5. Botello Fernandez, Norge Williams: APCJ member; in September 1963, went to Cuba where he received guerrilla training. Active among Communists from the beginning of the April 24, 1965 Dominican revolt. Was among those at one of the principal APCJ strongpoints and headquarters with Juan Miguel Roman Diaz.

6. Bujosa Mieses, Benjamin: PSPD member; identified on April 30, 1965, as active in the street fighting in the Dominican revolt.

7. Calventi Gavino, Jose Vinicio: APCJ member. In August 1961 he visited the Soviet Union with his brother, later visiting East Germany and Czechoslovakia. In August 1963 he left the Dominican Republic for Cuba. He took part in the seizure of the Prensa Libre plant on April 25, 1965.

8. Conde Sturla, Alfredo: PSPD member who received special training in Cuba during 1962. Identified as among Communists active in the Dominican revolt as of April 30, 1965.

9. Conde Sturla, Amadeo: APCJ member; active in subversive activities at the University of Santo Domingo. Among leaders of armed civilian group which seized Prensa Libre, anti-Communist newspaper, on April 25, 1965. He was one of the more active terrorists in the first days of the rebellion.

10. Conde Sturla, Pedro: PSPD member, active in Communist-front student group at the University of Santo Domingo. As of April 30, 1965, identified among Communists active in the Dominican revolt.

11. Cuello Hernandez, Jose Israel: PSPD member; student and editor of Communist-controlled newspaper at University of Santo Domingo. He was seen with other Communists who attended meetings at the National Palace on April 25, 1965. On April 27, armed with automatic weapon, was part of group which seized Listin Diario newspaper and prepared to publish Communist propaganda. He was also seen distributing Communist flysheets.

12. De la pena Santos, Julio: APCJ member. Was second in command of a rebel post early in Dominican revolt.

13. Deschamps Erickson, Miguel Angel: MPD member; traveled to Cuba and bloc countries in 1962–63 on a false passport. Received guerrilla training in Cuba. Among Communists active since outbreak of Dominican revolt on April 24, 1965; was captured by loyalist forces.

14. Despradel Roque, Fidelio: A founding member of the APCJ; adheres to Chinese Communist line. Received guerrilla training in Cuba in 1963. A leader of abortive APCJ uprising in late 1963. Was captured and deported to Europe in May 1964. Returned illegally to Dominican Republic in October 1964. Received large sum of money from Chinese Communists. Participated in April 25, 1965, distribution of arms to civilians in Dominican revolt. Commanded an APCJ post of armed Communists set up on April 26. One of top rebel leaders as of May 3.

15. Dominiguez Guerrero, Asdrubal Ulises: PSPD propaganda chief and active student leader. Has received money from Castro regime. Received bloc training in 1962. Active in revolt from outset, and, as of April 25, 1965, led an armed group which seized offices of Listin Diario newspaper on April 27. As of May 3, one of top leaders of rebel movement.

16. Dore Cabral, Carlos: PSPD member and official of the pro-Communist student federation, FED. On April 26, 1965, was among those Communists in charge of the production of Molotov cocktails; was seen during the rebellion at a Communist-controlled strongpoint.

17. Ducoudray Mansfield, Juan: He and his family figure prominently in the top leadership of the PSPD. In 1962, was in Cuba working on the preparation of scripts for broadcasts by radio Havana beamed to the Dominican Republic. His foreign travel since 1957 includes the U.S.S.R., Communist China, Poland, and Cuba.

He has had contact with the Soviet Embassy in Havana. On April 25, 1965, was among those active in the distribution of arms to PSPD and APCJ members. As of May 3, was among the top leadership group of the rebel movement.

18. Ducoudray Mansfield, Felix Servio, Jr.: One of the directors of the PSPD; has lived in the Soviet Union; in Argentina in 1959, had close contact with leaders of Argentina Communist Party. In 1960 he was in Cuba where he was employed by the New China News Agency, and in October 1960, went to China, traveling under a Cuban passport. In April 1963 he returned to the Dominican Republic from Cuba. On April 25, 1965, participated in distribution of weapons to civilians in Dominican revolt. As of May 3, was identified as one of the top leadership group of the rebel movement.

19. Duran Hernando, Jamie: Important leader of the APCJ; in 1964 received guerrilla warfare training in Cuba; later went to Soviet Union with other trainees. He was arrested in Santo Domingo on April 24, the first day of the Dominican revolt, but was released on April 26. Immediately took over command of an armed Communist post.

20. Erickson Alvarez, Tomas Parmenio: Member of the MPD Central Committee who was secretary for rural affairs in 1963. He has gone to Cuba on at least three occasions in 1961, 1962, and 1964. On the last visit, he received guerrilla training. Identified as of April 30, 1965, as among the Communists active in the Dominican revolt.

21. Escobar Alfonseca, Manuel: Prominent PSPD member; received bloc training in 1963; was in Czechoslovakia in 1963. In the first days of the Dominican revolt, was active in distributing weapons to civilians, and in moving arms into strongpoints in

Ciudad Nueva. Associate of Manuel Gonzalez Gonzalez in directing military activities of the Communists.

22. Estevez Weber, Gerardo Rafael: PSPD member, on the party's Central Committee. On April 25, 1965, was among those distributing arms to PSPD and APCJ members in the Dominican revolt. On April 26, was observed at Communist (PSPD) strongpoint. The PSPD Central Committee met in his home the night of April 27. As of May 3, was active in Communist propaganda work.

23. Evangelista Alejo, Rafael: PSPD member. Attended meetings at the National Palace on April 25, 1965, with other Communists.

24. Felix Rodriguez, Manuel Demostenes: APCJ member; fought in the guerrilla uprising in late 1963. He was deported to France and from France went to Mexico; later returned clandestinely to the Dominican Republic. Identified with the rebel forces in Ciudad Nueva during the Dominican revolt.

25. Franco Pichardo, Franklin Jose de Jesus: PSPD member; in 1963 he attended the 26th of July celebrations in Havana. In December 1964, was in the Soviet Union, and in January 1965 was in Czechoslovakia. On February 1, 1965, returned to the Dominican Republic. Identified among Communists active in the current fighting in Santo Domingo.

26. Garcia, Porfirio "Rabeche": PSPD member; on April 25, 1965, was among those Communists directing the production of Molotov cocktails.

27. Garcia Castillo, Edmundo: PSPD member. On April 25, 1965, was seen distributing Communist propaganda. On May 2, made an anti-American speech to a crowd of people in Parque Independencia.

28. Genao Espaillat, Luis Bernardo: APCJ leader; was in Cuba in 1962; participated in guerrilla uprisings in late 1963 and was subsequently arrested and deported. From 1963 to early 1965, sent books to Dominican Republic from Paris for use in APCJ training courses. Identified among Communists in current fighting in Santo Domingo. On May 3, he departed Santo Domingo for Santiago, and was later captured by loyalist forces.

29. Giro Alacantara, Luis Felipe Valentin: MPD leader: was in Cuba from September 1963 to March 1964. Identified on April 29, 1965, as among Communists active in current Dominican rebellion. On April 29, participated in the attack on Ozama Fortress.

30. Gomez, Facundo: PSPD member; part owner of the *Scarlet Woman*, a fishing boat which landed three MPD leaders, with arms and ammunition from Cuba, in the Dominican Republic during the 1963 guerrilla movement. On April 25, 1965, conferred with top leaders of the Dominican revolt at the National Palace.

31. Gomez, Perez Luis: Member of PSPD Central Committee and formerly a member of the APCJ; studied in the U.S.S.R. on a scholarship; known to have traveled to Cuba and in 1963 he received training in Czechoslovakia. Among those Communists attending meetings in the National Palace on April 25, 1965.

33. Gonzalez Gonzalez, Manuel: Member of PSPD Central Committee: Spanish national who participated in the Spanish Civil War; also reported to be a Cuban intelligence agent. A military leader of the Communist forces under PSPD control in the Dominican revolt. On April 25, was seen bearing arms at a PSPD gathering at Parque Independencia; later that day set up a Communist commando group. On April 26, was in charge of an arms depot, where he was issuing arms to civilians and instructing them in using these weapons. Was among those attending the PSPD Central Committee meeting the night of April 27.

33. Guerra Nouel, Jose Bienvenido: APCJ member, active in Communist-controlled cultural group at the University of Santo Domingo. Was in Cuba in 1963 where he received guerrilla training. Identified as among prominent APCJ fighters in the current Santo Domingo revolt. On May 3, he set up a Communist command post in the Ciudad Neuva area.

34. Hernandez Vargas, Hector Homero: APCJ member; recently returned to the Dominican Republic secretly from Paris where he had been in exile since his deportation in May 1964 for participation in the guerrilla movement of late 1963. He received guerrilla training in Cuba in late 1964; a leader of the APCJ travel committee arranging for clandestine return of APCJ exiles to the Dominican Republic. In late March 1965 was one of group preparing propaganda for a possible armed uprising. Among active APCJ leaders in the present revolt in Santo Domingo. On April 29, participated in the attack on Ozama Fortress.

35. Houellemont Roques, Eduardo "Piti": APCJ member; student agitator in 1961, organizing disorders at University of Santo Domingo. Known as pro-Castro; was treasurer of the FED Student Federation. Was in Cuba in 1963. On April 25, 1965, was among the Communists participating in the distribution of arms to civilians in Dominican revolt. Was among armed mob which seized offices of anti-Communist newspaper Prensa Libre on April 25.

36. Isa Conde, Antonio Emilio Jose: PSPD member; pro-Castro student leader and agitator. He attended the 26th of July celebrations in Havana in 1963 and received guerrilla warfare training in Cuba the same year. He received financial assistance from the Czechs in Prague later in 1963. Was among PSPD group attending meetings at National Palace on April 25, 1965. Member of the PSPD–APCJ group that seized control of the plant of the anti-Communist newspaper Prensa Libre on April 25. Seen distributing Communist Party flysheets calling on the people of Santo Domingo to arm themselves and fight for "workers' rights". As of May 3, was identified as one of the top leadership group of the rebel movement.

37. Isa Conde Narciso: Brother of Antonio. PSPD leader, central committee member. Among those Communists active on April 24, 1965; part of armed PSPD group at Parque Independencia on April 25, and later that day was among prominent Communists attending meetings at the National Palace. On April 26, was identified as one of armed PSPD members on the streets; one of the leaders of the armed group that seized the plant of the newspaper Prensa Libre. Was active on May 1, distributing propaganda.

38. Johnson Pimentel, Buenaventura: PSPD leader and a member of the party's central committee; also reported to be a member of the APCJ. On April 25, 1965, was active in the distribution of weapons to PSPD and APCJ members in Dominican revolt. Johnson's truck was used to distribute arms to civilians in the Ciudad Nueva area. His house on Espaillat Street in Santo Domingo used as a rebel garrison in the present rebellion. Molotov cocktails stored there and machineguns mounted on roof. On May 1, 50 members (probably a high command group) of all three Communist parties—the PSPD, APCJ, and MPD—met at his house.

39. Lajara Gonzalez, Alejandro: APCJ member, named deputy director of investigation during 2-day regime of Molina Urena. Arranged for the supply of additional arms to the Communists during the morning of April 27.

40. Licairac Diaz, Alexis: Member of APCJ youth section and a student at the University of Santo Domingo. He was a delegate to the Communist-dominated Latin American Youth Congress held in Santiago, Chile, in March 1964. Active in fighting in Cindad Nueva during the Dominican revolt and, on May 3, 1965, was stationed at a Communist command post in that area.

41. Lora Iglesias, Josefina: APCJ member, active in pro-Castro student group at the University of Santo Domingo. She participated in guerrilla activities in the Dominican Republic in late 1963 and was subsequently deported to Europe.

In October 1964 she was in Cuba, where she received political training. She returned to the Dominican Republic in March 1965. Among the Communists active in the April 24, 1965 rebellion in Santo Domingo and in rebel radio broadcasts.

42. Lora Vicente, Silvano: PSPD member; received guerrilla warfare training in Cuba from late 1963 to early 1964. Lora visited Moscow in late 1964. On April 25, 1965, was one of the leaders of an armed Communist group at the National Palace. Later that same day attended meetings between Communists and rebel leaders at National Palace. On May 3, was identified among rebel forces and was observed leading a group of PSPD members to collect ammunition for distribution among the armed mobs.

43. Macarrulla Reyes, Lisandro Antonio: PSPD and APCJ member; one of the organizers of the APCJ Communist cells in the Ozama section of Santo Domingo. Took a course in Marxism-Leninism in Havana in June 1962. On April 26, 1965, was observed armed with machinegun at PSPD strongpoint and garrison.

44. Maldonado Belkis: PSPD member. Identified as of May 3, among active Communists taking part in the Dominican revolt.

45. Martinez Howley, Orlando: PSPD member and student leader; active in organizing street agitation and stirring up anti-U.S. sentiment.

46. Matos Rivera, Juan Jose: APCJ member who attended the 26th of July celebration in Havana in 1963. He participated in the APCJ guerrilla uprising in late 1963. He was deported to Europe and returned secretly to the Dominican Republic in January 1965. On May 3, 1965, he was active among Communists fighting in the Ciudad Nueva area.

47. Mejia Gomez, Juan Bautista: Leading APCJ member who served in 1964 on APCJ Central Committee; formerly in charge of legal matters for Agrupacion Patriotica 20 de Octobre, an APCJ front group.

Identified as an active Communist, participant in the Dominican revolt from the outset. On May 2, a telephone interview with him on the APCJ's role in the revolt appeared in the Havana newspaper Hoy.

48. Mejia Lluberes, Rafael de la Altagracia ("Baby"): APCJ member; secretary of youth affairs of the party; received political indoctrination and guerrilla warfare training in Cuba in 1963. Returned clandestinely to the Dominican Republic in January 1964. On April 30, 1965, was among Communists working closely with rebel officers in the Dominican revolt. On May 2, he was active in the Ciudad Nueva area, and was at one of the principal APCJ command posts with Juan Miguel Roman Diaz.

49. Mella Pena, Francisco Xavier ("Pichi"): APCJ member and a known Cuban intelligence agent in Santo Domingo. He received training in Cuba as a "frogman" for an unknown mission in the Dominican Republic. Active rebel fighter since the outbreak of the Dominican revolt and observed at APCJ commando headquarters and at an APCJ supply center.

50. Mercedes Batista, Diomedes: PSPD member who traveled to Cuba in July 1963; attended the Communist-dominated Second Latin American Youth Congress in Chile in March 1964. Active from outset of revolt on April 24. Was seen haranguing civilian crowd at Parque Independencia on April 25, and later that day was operating a sound truck urging the people to revolt. On April 25, was also among Communists attending meetings at National Palace. Was also identified at a PSPD stronghold leading an armed PSPD unit.

51. Mir Valentine, Pedro Julio: PSPD Central Committee member; close personal friend of Fidel Castro. A frequent traveler to Cuba (1961 through 1963). Traveled to Moscow in 1959. In 1961 he was sponsoring a daily radio program originating in Cuba, beamed to the Dominican Republic.

Mir brought large amounts of money to the Dominican Republic in 1963. Identified on April 30, 1965, as among the Communists actively participating in the Dominican revolt.

52. Montas Gonzalez, Luis Adolfo: Member of the APCJ Central Committee and political committee. He was a delegate to the Communist-dominated Latin American Youth Congress held in Santiago, Chile, in March 1964. Identified as among Communists active in the Dominican revolt.

53. del Orbe, Henry Wilson: PSPD member who received guerrilla warfare training in Cuba in 1963. He had previously lived 13 years in Cuba, and has traveled to the U.S.S.R. On April 30, 1965, was identified among the Communists participating in the Dominican revolt.

54. Ortiz Desangeles, Manuel: PSPD member and pro-Castro student agitator; has conducted indoctrination courses for University of Santo Domingo students, seen on April 26, 1965, directing the production of molotov cocktails. Later captured by loyalist forces and held prisoner.

55. Ozuna Hernandez, Daniel: Prominent APCJ leader, who figured prominently in the 1963 APCJ guerrilla fighting; has given weapons familiarization instructions to APCJ members. On April 25, 1965, was among those distributing arms to civilians in Dominican revolt, and attended meetings with rebel leaders at National Palace later that day. Was captured by loyalist forces on May 2, and held prisoner.

56. Perez Mencia, Ignacio: PSPD member. On April 26, 1965, was observed directing the production of molotov cocktails. Later identified at a Communist stronghold during the fighting.

57. Perez Perez, Milvio: PSPD member; owns a bookstore specializing in Communist literature in Santo Domingo and has done photographic work for the PSPD. On April 25, 1965, was among a group of armed Communists at the National Palace. He has been observed distributing arms and molotov cocktails to civilians. As of May 5, was engaged in preparing false identity cards for Communist leaders.

58. Pichardo Vicioso, Nicolas: PSPD member; an officer of the Movimiento Cultural Universitario (a Communist front group). He was a member of the group which seized anti-Communist newspaper Prensa Libre on April 25, 1965, preparing immediately to publish propaganda leaflets. Was engaged in the production of molotov cocktails on April 26, and was observed taking weapons to a PSPD center on Calle Espaillat. On April 29, participated in the attack on Ozama Fortress.

59. Pinedo Mejia, Ramon Agustin: MPD leader who traveled from Czechoslovakia to Cuba in 1962. He was involved in APCJ guerrilla activities in the Dominican Republic in late 1963. During the Dominican revolt was MPD representative at a meeting with the APCJ on April 25, 1965, and later stationed at an MPD command post.

60. Pumarol Peguero, Catalina: APCJ member and student at the University of Santo Domingo; close friend of Ema Tavarez Justo. She has been active in organizing street agitation and stirring up anti-U.S. sentiment.

61. Ramos Alvarez, Benjamin: High-level member of the APCJ, and head of the District Committee for Santo Domingo. All three Communist Party leadership groups met with him on April 29, 1965, to discuss future tactics.

62. Restituyo Apolinar: PSPD member and student agitator; active in organizing street agitation.

63. Ricart Ricart, Gustavo Federico: MPD Central Committee member, and the most prominent MPD leader in the Dominican Republic at the outbreak of the Dominican revolt. Was in Cuba 1962–63 and brought back approximately $50,000 to fund MPD activities. Commanded a rebel stronghold as early as April 26, 1965.

64. Rodriguez Acosta, Jose Francisco: Member of PSPD Central Committee. Was trained in Cuba in 1962. Known to have been in Prague prior to February 1963; has also been in the Soviet Union. He was active in the party's military buildup early in the rebellion. One of the leaders of a PSPD armed group at a Communist strongpoint on April 25, 1965.

65. Rodriguez del Prado, Carlos: PSPD member and cousin of Cayetano Rodriguez del Prado, one of the principal leaders of the MPD. On April 25, 1965, he met at his house with other armed Communists active in the Dominican revolt.

66. Rodriguez del Prado, Cayetano: Member of the MPD Central Committee and secretary of propaganda. Participated in Cuban attempt to cache arms and ammunition, as well as infiltrate three top level MPD members into the Dominican Republic during the APCJ guerrilla uprisings. Deported from the Dominican Republic in May 1964 and traveled to Communist China. Wrote a pamphlet outlining methods by which MPD could use Dominican students in the Chinese manner to carry out a successful revolution. Was in police custody when Dominican revolt broke out, but was released on April 25. Was known to be in contact with PSPD and other Communists during the course of the revolt, but did not participate in active fighting because of ill health.

67. Rodriguez Fernandez, Orlando: APCJ member; active among Communists in the Dominican revolt; working energetically to organize anti-U.S. sentiment.

68. Roman Diaz, Juan Miguel: Member of APCJ Central Committee; participated in guerrilla activities in the Dominican Republic in late 1963. Deported in May 1964 to Lisbon; returned clandestinely to the Dominican Republic in January 1965. One of the top rebel Communists from the outset of the revolt, and leading military figure of the APCJ. Commanded one of the largest rebel strongholds which served as a command post, arsenal, and prison. (Note: killed in rebel assault on National Palace on May 19, 1965.)

69. de la Rosa Cano, Jesus: PSPD member; former ensign in the Dominican Navy. On April 25, 1965, was inciting crowds to burn and destroy property.

70. Sanchez Cordoba, Luis Rene: MPD member; in 1964 was interim secretary general of MPD. Identified as among Communists actively participating in the Dominican revolt; was captured by loyalists on May 3.

71. Santamaria Demorizi, Miguel Angel: Communist agitator; involved in Dominican subversive activities since at least 1961. In 1963, was in charge of making hand grenades for Communist groups. Was deported from both the Dominican Republic and France; returned to the Dominican Republic in late 1963 from Venezuela. Identified among Communists active in the Dominican revolt. He was at the National Palace on April 25, with other Communists.

72. Sosa Valerio, Ariosto: PSPD member. On April 25, 1965, was with the armed Communist group at the National Palace, and later in the day attended meetings there.

73. Tavarez Justo, Ema: APCJ member and student agitator; she is the sister of Manuel Tavarez Justo who was killed while leading the APCJ guerrilla movement in late 1963. She was among the Communists at the National Palace on April 25, 1965, and was active in Communist propaganda activities from the outset of the revolt.

74. Tavaras Rosario, Rafael Francisco "Fafa": Member of Central Executive Committee of APCJ; received guerrilla warfare training in Cuba in late 1963 and early 1964. Returned to the Dominican Republic from Cuba in December 1964 using a false passport. As of April 30, 1965, was identified among those Communists working closely with rebel military leadership. On May 2, was at one of the main Communist command posts.

75. Tolentino Dipp, Hugo: PSPD member; chief of a Dominican guerrilla unit trained in Cuba. Was deported in February 1962 and received training in Soviet bloc countries. Returned clandestinely to Dominican Republic. Participated in distribution of arms to civilians in Dominican revolt on April 25, 1965. As of May 3, was one of the top leadership group of the rebel government.

76. Valdez Conde, Nicolas Quirico: PSPD member; in 1959 was member of the executive body of the PSPD. Employed in Cuba as Russian interpreter for Fidel Castro in June 1963. Lived in Moscow for 3 years. Identified among Communists active in the Dominican revolt.

77. Vicioso Gonzalez, Abelardo Sergio: PSPD member who has been active in student affairs. Was in Cuba in 1960, and again in 1962 and 1963; attended a student congress in Cuba in August 1961, and then went to Czechoslovakia and the U.S.S.R. While in Cuba in 1962 was training for subversive activity in the Dominican Republic. Identified as of April 30, 1965, among Communists active in the Dominican revolt.

APPENDIX 3

MINUTES OF THE FOURTH PLENARY SESSION (CLOSED)

(Document 46 (Provisional) May 7–8, 1965)

Chairman: His Excellency Ambassador Guillermo Sevilla Sacasa, special delegate from Nicaragua.

Secretary general of the meeting: Dr. William Sanders.

Present: Their Excellencies Alfredo Vázquez Carrizosa (Colombia), Roque J. Yó dice (Paraquay), Alejandro Magnet (Chile), Ramón de Clairmont Dueñas (El Salvador), Rodrigo Jácome M. (Ecuador), Juan Bautista de Lavalle (Peru), Ricardo A. Midence (Honduras), Enrique Tejera Paris (Venezuela), José Antonio Bonilla Atiles (Dominican Republic), Humberto Calamari G. (Panama), Raúl Diez de Medina (Bolivia), Ricardo M. Colombo (Argentina), Carlos García Bauer (Guatemala), Rafael de la Colina (Mexico), Gonzalo J. Facio (Costa Rica), Emilio N. Oribe (Uruguay), Ellsworth Bunker (United States), Fern D. Baguidy (Haiti), Ilmar Penna Marinho (Brazil).

Also present at the meeting was Mr. Santiago Ortiz, assistant secretary general of the meeting of consultation.

Recording secretary: José F. Martinez.

REPORT OF THE COMMITTEE

The PRESIDENT. Your Excellencies, I have the honor of opening the 4th plenary session of the 10th meeting of consultation of ministers of foreign affairs, which has been called for the principal purpose of receiving a confidential report from His Excellency, Ambassador Ricardo M. Colombo, Representative of Argentina and Chairman of the Special Committee that went to the Dominican Republic, which has prepared a confidential report. Ambassador Colombo addressed the following note to me today:

"Your Excellency, I have the honor of transmitting to you the first report of the Special Committee of the 10th meeting of consultation of ministers of foreign affairs of the member states of the Organization. I

respectfully request you to direct that this report be distributed to the Special Delegates to this Meeting of Consultation. Accept, Sir, the assurances of my highest consideration. Ricardo M. Colombo, Ambassador of Argentina, Chairman of the Special Committee."

First of all, I wish to express to His Excellency Ambasador Ricardo M. Colombo and to his distinguished colleagues on the Committee, Their Excellencies Ambassador Ilmar Penna Marinho, of Brazil, Ambassador Alfredo Vázquez Carrizosa, of Colombia, Ambassador Carlos García Bauer, of Guatemala, and Ambassador Frank Morrice, of Panama, the deep appreciation of the meeting, and especially of all of their colleagues, for the magnificent and efficient work they have done in carrying out the delicate mission entrusted to them by the Meeting. We have followed their work with a great deal of attention and interest, and feel proud of having appointed them; and we are sure that the Americas, our people and our governments, applaud that work, and this Meeting expresses its appreciation and praise for it. In accordance with the Regulations, plenary sessions are public. When I spoke this morning with our colleague Chairman of the Committee, it seemed to me appropriate that this meeting be closed, precisely because the report to be presented by Ambassador Colombo, in behalf of the Commission of which he is Chairman, is, precisely, of a confidential nature. This decision by the Chair, that this meeting be closed, I am sure will not be objected to by the Representatives. I am happy that everyone agrees that this meeting should be closed. This will be recorded in the minutes. I recognize the Ambassador of Argentina, His Excellency Ricardo Colombo, Chairman of the Special Committee, so that he may be good enough to present the report referred to in the note I had the honor of receiving this morning. The Ambassador has the floor.

Mr. COLOMBO (the Special Delegate of Argentina). Thank you very much, Mr. President. I should like to make clear, before beginning to read the report, that it begins by referring to the very time of our arrival, or rather, to our departure from Washington, for which reason we do not record here the fact, which we do wish to point out, that at the time of our arrival, and in compliance with a resolution of the Council of the OAS, the Secretary-General of the Organization of American States, Dr. Mora, was already there carrying out his duties, regarding which he will give his own report.

[Reads the first report of the Special Committee.][1]

Mr. COLOMBO. May the meeting consider the report to have been presented in behalf of the Committee duly appointed. Thank you very much, Mr. President; thank you very much, gentlemen.

The PRESIDENT. I take note of what Ambassador Colombo has just said, and, clearly, we have been most pleased with the report. Your Excellencies will have noticed its fine quality.

Mr. GARCÍA BAUER (the Special Delegate of Guatemala). If the President will allow me, I should like to recommend to all the Delegates that they take the following note with respect to the documents that contains the report of the committee that has just been read, and has also just been distributed, pardon me. On page 9 there are certain errors that were made in transferring the text to the stencil. In the last line on that page, where it says "guardia de policia militar," the word "mixta" should be added, so that it will say "una guardia de policia militar mixta." On page 12, in the next to the last line from the bottom, where it says "y de que éstra mantendria," it should say "y de que mantendria los contactos." On page 13, at the end of the second paragraph, it is necessary to add "En la ultima parte de la entrevista estuvo presente el General Wessin y Wessin a solicitud de la Comisión" at the end of the paragraph. And on page 26, second paragraph, where it says "la resolución del 30 de abril" it should be "resolución del 1.° de mayo." [These corrections were taken into account before the English text of the document was issued.]

The PRESIDENT. The Chairman asks the distinguished members of the Committee whether they accept and consider incorporated in the text of their valuable report the observations made by His Excellency the Ambassador of Guatemala. The Chairman of the Committee.

The CHAIRMAN OF THE COMMITTEE. I fully accept them, Mr. President.

The PRESIDENT. Undoubtedly we shall receive a second edition of this report containing precisely the amendments already accepted by the Chairman of the Committee.

Mr. GARCÍA BAUER. Mr. President, they are not things to accept, but rather the question is that in the report of the Committee these points were omitted.

The PRESIDENT. That is just what I was referring to, that the Chairman of the Committee has precisely accepted the incorporation of the omitted matter, the clarifying of the points. He has accepted, as Chairman of the Committee, in behalf of all its members, that the observations should be taken into account in the new edition that is to be made of the report. In other words, they are corrections of form.

Mr. GARCÍA BAUER. No, Mr. President, those are not corrections of form, they are omissions made in copying the report of the Committee.

The PRESIDENT. Precisely, the Chair was mistaken, they are omissions of form, precisely. Gentlemen of the Special Committee, the report, which has just been read by your distinguished Chairman, Ambassador Ricardo M. Colombo, of Argentina, reveals a job done that the Chair would describe as extraordinary, very worthy of the sense of responsibility and the personal capabilities of the distinguished Ambassadors who make up this historic Committee in the inter-American system. Being extraordinary, it is a job worthy of our appreciation, of the appreciation of this Meeting of Consultation and of those of us who are honored to call ourselves colleagues of the Ambassadors who make up the Special Committee. In saying this, I am honored to confirm to you what I said to His Excellency Ambassador Ricardo Colombo in the message that I had the honor to address to him today, which reads:

"The Honorable Ricardo M. Colombo, Chairman of the Committee of the Tenth Meeting of Consultation of Ministers of Foreign Affairs: I am pleased to express to you and to your colleagues on the Committee of the Organization of American States established by the 10th Meeting of Consultation of Ministers of Foreign Affairs the appreciation of the Meeting for the prompt and interesting information furnished in your two messages received on May 3 and 4. The Meeting has taken note of the messages and hopes that the important tasks being undertaken with such dedication and efficiency may soon be completed with full success. Accept, Sir, the renewed assurances of my highest consideration. Sevilla-Sacasa, President of the 10th meeting."

I have the satisfaction of informing you regarding a communication the Chair has received from His Excellency Emanual Clarizio, Papal Nunzio, dean of the diplomatic corps accredited to the Government of the Dominican Republic. It reads:

"Guillermo Sevilla-Sacasa, President of the Tenth meeting of Consultation of Ministers of Foreign Affairs"—this communication is dated May 5—"I thank you with deep emotion for message Your Excellency sent me on behalf of Tenth Meeting of Consultation of Ministers of Foreign Affairs. I have sincere hopes that providential assistance by Organization of American States quickly begun in Santo Domingo by Secretary General Mora and happily assumed by Special Committee of worthy members headed by Ambassador Colombo will soon achieve for the beloved Dominican nation the humanitarian ideals of peace and well-being that inspire that high and noble institution." It is signed by Emmanual Clarizio, Papal Nunzio of His Holiness.

I said at the beginning that naturally this meeting is of a closed nature, which indicates that, at the proper time, a public plenary session should be held, in order publicly to take cognizance once again of the text of the report and the opinions expressed regarding it. It seems logical for the first step to be to obtain the second edition, as I call it, of this report, in which the omitted matter so correctly mentioned by our colleague from Guatemala will appear: in order that the General Committee of the Meeting of Consultation may take cognizance of the report and then submit its decision on it to the plenary. This is what the Chair has to report on the matter for the present, but naturally, we would like in this closed meeting, in the private atmosphere in which we are now, to hear some expression by some distinguished Representative on the text of the report that was read by the distinguished Chairman of the General Committee. The representative of Mexico, Ambassador de la Colina, has asked for the floor, and I recognize him.

Mr. DE LA COLINA (the Special Delegate of Mexico). First of all I wish to express, or rather, join in the comments that you, Mr. Chairman, have made in appreciation and deep recognition of the distinguished members of the Committee we took the liberty to appoint, in recognition of not only this wonderful report they have presented us, but also the efforts they doubtlessly have made under most difficult conditions and with great efficiency and dignity. Now I would like to know, Mr. Chairman, whether it would be possible to ask some questions, especially since we are meeting in executive session, for clearly our governments surely are going to want to know the very learned opinion of our distinguished representatives regarding some aspects touched on only incidentally in this most interesting report, with the reservation, naturally, that perhaps in a later session, also secret, we could elaborate on some other aspects that, for the moment, escape us. Would that be possible, Mr. President?

The PRESIDENT. I believe the question is very important. The President attaches great importance to the question put by the Ambassador of the Republic of Mexico regarding our taking advantage of this executive session to ask the distinguished Committee some questions.

Mr. COLOMBO. I ask for the floor, Mr. President.

The PRESIDENT. You have the floor, Mr. Ambassador.

Mr. COLOMBO. The Committee is ready to answer, insofar as it can, any questions the representatives of the sister republics of the Americas wish to ask its members.

The PRESIDENT. Very well. Is the Ambassador of Mexico satisfied? You have the floor.

Mr. DE LA COLINA. Thank you, Mr. Chairman. For the time being I would like to know whether it is possible, after having listened closely to everything our distin-

[1] The first report of the Special Committee with the corrections indicated below by the Special Delegate of Guatemala and accepted by the other members of the Committee, has been published as Document 47 of the meeting.

guished colleague, the Representative of Argentina, has told us. I have the perhaps mistaken impression from the technique as well as from the quick reading I was giving this document we just corrected, that there seems to have been a certain consensus between the opposing sides as to the possible elimination of the generals. Perhaps I am mistaken, but it seems to follow from that reading and from this idea that on both sides the colonels were more or less disposed to create, let us say, a high command, other than the one that has remained thus far. I wonder whether it would be possible for you gentlemen to elaborate on this, or whether you simply have no idea on the matter.

The PRESIDENT. Would the Chairman of the Committee like to respond to the concern of the Representative of Mexico?

Mr. COLOMBO. With great pleasure. As the report states, Mr. President, the request to exclude the seven military men, whose names I have read in the Committee's report, was a complaint by the junta led by Colonel Caamaño and transmitted by the Committee to the military junta led by Colonel Benoit. The Act of Santo Domingo, furthermore, is clearly written, and the stamped signatures of the parties ratifying it are affixed. I believe I have responded to the concern of the Ambassador of Mexico.

Mr. DE LA COLINA. Another point now, if I may.

The PRESIDENT. With pleasure.

Mr. DE LA COLINA. I would like to know, if this is also possible, whether the distinguished representatives could give us their impressions regarding the degree of Communist infiltration in the rebel or constitutional forces, or whatever you want to call them. For example, there was the reference to this Frenchman * * * who came from Indochina, and who trains frog men * * * etc.; perhaps there is some thought that this person might have close ties, for example, with other Communists; or do they have the impression at least that, in the high command of that group, the rebel group, there is now definite and significant Communist leadership. Thank you, Mr. President.

Mr. COLOMBO. As for myself, I, as a member of the Committee, not as Chairman, have no objection to answering the question by the Ambassador of Mexico, but as a matter of procedure for answers, I wish to provide an opportunity for the Chairman to speak in general terms in order not to deny the distinguished members of the Committee their legitimate right to answer as members of the Committee, which we all are; that is, I would not want to be monopolizing the answers because, without prejudice to a given answer, we can give another of the members of the Committee an opportunity to give the reply that, in his judgment, should be given. Thus, in order to respect fair treatment and not find myself in the middle of the violent and inelegant position of monopolizing the answers—and I ask the members of the Committee whether some of them want to answer, then I ask you to give the floor first to Ambassador Vázquez Carrizosa, of Colombia.

The PRESIDENT. The Ambassador of Colombia, members of the Special Committee, will answer the question by the Ambassador of Mexico.

Mr. CARRIZOSA (the Special Delegate of Colombia). Mr. President, the Representative of Mexico asks what the opinion is.

I will state mine, because I am not going to answer on behalf of the Committee, as to the degree of Communist infiltration on both sides. Of course, the question must refer to the command or sector led by Colonel Francisco Caamaño, because I do not think it refers to any Communist leanings by General Wessin y Wessin, Colonel Saladin or any of his colleagues. With regard to the sector led by Colonel Francisco Caamaño, many diplomats accredited in the Dominican Republic, and I can include my country's diplomatic representative, feel that, if not Col. Francisco Caamaño, whom I do not know to be personally a Communist, there are indeed numerous persons on his side that, if they are not members of the Communist Party, are actively in favor of Fidel Castro's system of government or political purposes. There is such a tendency in the opinion of many diplomats I spoke to, and I do not mention other countries in order not to commit countries represented here. They are firmly convinced that on that side there are many persons, I do not say members registered in an officially organized Communist Party, but persons who do have leanings toward a well-known trend is prevalent in Cuba.

Mr. DE LA COLINA. Thank you, Mr. Ambassador.

The PRESIDENT. Does any member of the Committee wish to add to the answer requested by the Representative of Mexico? Is the Representative of Mexico now satisfied with the information given to him? The Ambassador of Guatemala.

Mr. COLOMBO. If the President will allow me, I do not know what system the President may have to gage the kind of questions.

The PRESIDENT. Well, your Excellency said that he wanted his colleagues to participate in the answers in their, let us say, personal status, in order to distribute the task of answering, and, naturally, the President took note of the fact that your Excellency had invited his colleague from Colombia to answer the question put by the Ambassador of Mexico. I, by way of courtesy, am asking your Excellency whether any other colleagues would like to express their opinions on the same question the Ambassador of Mexico asked. I request your Excellency to tell me whether any other of his colleagues would like to ask any questions.

Mr. COLOMBO. I am going to add very little, of course, to what the Ambassador of Colombia, with his accustomed brilliance, has just said, by saying that this report, affirmed by a large number of representatives of the Diplomatic Corps, is public and well known to anyone who cares to make inquiry. But despite the respect that I owe to the opinion of the Diplomatic Corps, in order to establish this in precise terms—for I was concerned as much as was the Ambassador with being able to verify this question—I wanted to go to the source; and we spoke with the different men who were in this rebel grouping and, a notable thing, from the head of the revolution, Colonel Caamaño, to some one known as Minister of the Presidency, they recognized that they were their great problem, they explained to a certain extent briefly the process of the history of the Dominican Republic, they confessed to us how gradually a number of elements were being incorporated with them whom they called Communists, and that their problem was to avoid infiltration for the purpose of springing a surprise and seizing control. They said this clearly, and even at one point—I in the sometimes difficult task of dividing this formal nomination of the chairmanship in which there is no merit greater than that of anyone else, because perhaps in the other four members there is much talent for doing what the Chairman did—I spoke with Colonel Caamaño and asked him in a friendly way whether he honestly believed that such infiltration existed. He confirmed this to me, but he gave me the impression that he had the courage to face it. He said to me: "They are not going to grab the movement, and my concern is that in their losing the possibility of control they have stayed behind the snipers, today there are those that do not wish a solution for the Dominican Republic," and already he put the political label on a good part of the snipers on both sides. It should be said, Mr. Ambassador, that you will understand the extent of responsibility of the answers and the depth of the questions, and I would like to satisfy your own concern; but I have fulfilled with loyalty by reporting the conversation to you objectively, telling you that I believe that those who have the answer to this question is to be found among the actors, the protagonists of this hour who are living in the Dominican Republic. This is what I wanted to say now, Mr. Chairman.

The PRESIDENT. Very well, Mr. Ambassador.

Mr. DE LA COLINA. Mr. Ambassador of Colombia, I greatly value this reply; I wanted both, but naturally with reference to the reply whereby you explain one more aspect. Many thanks, Mr. Ambassador.

The PRESIDENT. Would the Ambassador of Guatemala like to say something on the question put by the Ambassador of Mexico?

Mr. GARCÍA BAUER (the special delegate of Guatemala). Mr. Chairman, for the moment, no; certainly this point was discussed in the Committee; the Committee also had a series of things, and since there is not yet any criterion of the Committee, I do not for the moment wish to present any viewpoint.

The PRESIDENT. The Ambassador of Brazil.

Mr. PENNA MARINHO (the Special Delegate of Brazil). Mr. President, I should like to corroborate the statements made by my colleagues from the Colombia and Argentina, and add one more aspect that I believe could help to clarify the approach that could be given to the problem. I should like to add, gentlemen, that with the complete collapse of public authority—since neither the forces of the Government Junta of Benoit, Santana, and Saladin nor those of Colonel Caamaño were in control of the situation—the Dominican state practically disappeared as a juridical-political entity, and the country became a sort of no man's land. The arsenal had been given to the people and an entire disoriented population of adolescents and fanatics was taking up modern automatic arms, in a state of excitation that was further excerbated by constant radio broadcasts of a clearly subversive character. Neither do I believe that I am, nor does any of the members of this Committee believe that he is, in a position to state with assurance that the movement of Colonel Caamaño, inspired by the truly popular figure of former President Bosch, is a clearly Communist movement. But one fact is certain: in view of the real anarchy in which the country has been engulfed for several days, especially the capital city, where bands of snipers have been sacking and killing and obeying no one, any organized group that landed on the island could dominate the situation. For that reason, and our understanding coincides with that of a majority of the depositions of the chiefs of diplomatic missions accredited there, all of the members of the Committee agree in admitting that the Caamaño movement, fortunately truly democratic in its origins, since none of us sincerely believes that Caamaño is a Communist, could be rapidly converted into a Communist insurrection; above all it is seen to be heading toward becoming a government of that kind, susceptible of obtaining the support and the assistance of the great Marxist-Leninist powers. Therefore, Mr. President, we do not believe that Colonel Caamaño and his closest advisers are Communists. Meanwhile, as the entire Caamaño movement rests upon a truly popular basis, by certain areas escaping from the control of that democratic group of leaders it would be quite possible for that movement to be diverted from its real origins and to follow the oblique plan of popular-based movements, which can be easily controlled by clever agents and experts in the art of transforming democratic popular movements into Marxist-Leninist revolutions. Thank you, Mr. President.

The PRESIDENT. The Representative of Ecuador, Ambassador Jácome, has requested the floor.

Mr. JÁCOME (the Special Delegate of Ecuador). I wish to adhere with all sincerity and warmth of the words of the Representative of Mexico, praising the selflessness and the arduous work as well as the spirit of sacrifice with which the Committee performed its functions, and for having succeeded, by the time of its departure, in leaving a somewhat more favorable situation than the one it found upon arrival. Now that we are asking for the opinions of the distinguished colleagues on the Committee, I would like to know if they have any impression as to a formula, or if there is any desire on the part of the two factions to bring about peace by transforming the cease-fire, the truce, into a peace that will permit the political organization of the Dominican Republic and the natural process that should be followed in order to have a constitutionally stable system? It has been gratifying to hear this opinion, at least on one side, that the so-called constitutional government of Colonel Caamaño is certain that it can at a given moment control and capture the infiltrators that are determined to block peace, and, in order to take advantage of that situation, to continue the chaos that has prevailed in Santo Domingo up to now. But if that command hopes to keep and is confident that it can keep control it is natural that whatever the command thinks with regard to the possibility of a formula for stable peace through an understanding with the others—the present enemies—would be very useful and constructive to know because we would then, with a little tenacity, through friendly, fraternal mediation, have a favorable prospect of arriving, within a reasonably short time, at an understanding between the two combatants. This would be the best guarantee that the Americas, as well as the Dominican Republic, could have that those infiltrators and those elements that wish the chaos to continue, would be eliminated and hence definitely neutralized.

I would like to know what opinion the Committee formed, after it succeeded in talking with the parties in conflict, what impression does it have of the opinion or of the formulas or of the hopes they have regarding a final agreement that may return the situation to normal?

The PRESIDENT. Would the Committee like to answer the question raised by the Representative of Ecuador? One of the colleagues on the Committee; the Chairman, Ambassador Gorcia Bauer, Ambassador Vázquez Carrizosa, Ambassador Penna Marinho, the Chairman of the Committee, Ambassador Colombo, in his capacity as Representative of Argentina?

Mr. COLOMBO. Perhaps this is the question that I shall answer with the greatest Americanist feeling, Mr. Chairman. I cannot deny, Mr. Ambassador, gentlemen, that I also, like the Ambassador of Mexico, have confessed to him that I shared and still share the concern expressed in his question and that, perhaps, it was the question that caused me the greatest concern. The most urgent problem when we left was not to find ideological banners distinguishing the parties, but to put an end to the conflict that was already becoming bloody and that could become a blood bath in the Americas. We talked with the two parties and believe me, Mr. Chairman, I at first had the feeling that law was dead; it was chaos in the Dominican Republic. We all shared it—all members of the Committee, the military advisers, the General Secretariat, our civilian advisers—and when we arrived we found chaos, such as we had never seen or even imagined. I felt that law did not exist, and we all thought there was little hope that they wanted to find a solution that would be feasible, despite the moral authority that we represented. We were only a very few, as men, as individuals, but we bore the weight of the historic tradition of the system whose 75th anniversary we celebrated, and this inspired all the members of the Committee. From the first man of the rebel band with whom we spoke, Colonel Caamaño, to the first man with whom we spoke from the Command of the Military Junta, Colonel Benoit, we found that they were both weary of the conflict that darkened the Americas. We found in both of them a desire to achieve peace that was equal to ours.

It would be untrue, Mr. President, if I were to say that I found the wish to continue the fight at this stage of the tragedy in the Dominican Republic. There was a longing for peace and we were caught in the enthusiasm to achieve it. But we were completely surprised, Mr. Ambassador, by something more important than this objective which is essentially what we all desire; the two parties said that the solution lay in the inter-American system. Nobody assumed the right to impose peace because—and let there be no misunderstanding—the side that wishes to triumph in Santo Domingo is stabbing the sister Republic. Both factions understood the intensity of the tragedy that was unfolding in Santo Domingo; both placed their faith in the inter-American system.

During the course of conversations, when all members of the Committee asked them if they would be faithful to remaining within the system, they answered yes; with all their faith. But it was more than that, Mr. Ambassador; it was what Colonel Caamaño said, voluntarily. A newsman asked him, "If your cause was denounced in the United Nations, what would you do?" and he confessed to us that he answered that he would in no way accept that channel because he was within the system and the answer had to be found within the system. For that reason he was happy to see the Committee sent by the OAS. He placed his faith in the Organization of American States to find the solution. And when we spoke with Colonel Benoit he gave us the same affirmation; his faith is in the system.

I believe that in the midst of the agony of the Dominican Republic, this system that among ourselves we have talked so much of strengthening was more alive than ever and in an hour of testing, in the midst of a struggle more fierce than any I remember within the system, I could see that both sides felt this to be the only possible solution that could maintain peace in the Americas. Both took into account the possibility that it was being compromised: they knew that the peace of the hemisphere might be endangered if the conflict wasn't soon stopped. This, Mr. Ambassador, is what I can tell you, with great satisfaction, and I look to the system for the solution just as all of us are going to look, and you will see that the system will find that solution.

The PRESIDENT. The Representative of Guatemala will contribute to the answer that the Representative of Ecuador has requested.

Mr. GARCÍA BAUER. Mr. President, I wish to add a few words to what the Ambassador of Argentina has said, in reply to the question asked by the Ambassador of Ecuador. I, as a member of the Committee and as Ambassador of Guatemala, confirm the statements made by the Ambassador of Argentina, as to the faith that the inter-American system can help in solving the problem that, so unfortunately, is faced in the Dominican Republic today. Obviously, that country is weary of struggle and would like to arrive at some solution. I, at least, found that there certainly is a basic desire to reach an understanding between the parties and overcome present difficulties. We were surprised, for example, when we began conversations with the Rebel Commander, that a colonel was present who was a liaison officer between the Military Junta of San Isidro and the Papal Nuncio. And the manner in which he was treated, by Colonel Caamaño as well as the other members of the Rebel Command, surprised us because he was in a group completely opposed to the one he represented. We did not see the hatred that might have been expected in such circumstances. We can bear witness, therefore, to that deference, to the treatment that was shown. Also the Rebel Commander offered to the Committee itself to deliver about 500 prisoners so that it might take charge of them; that is, acts such as these indicate how they wish to end this situation that is dividing the people of the Dominican Republic; from these acts, and from others that we have seen, I have reached the conclusion that at bottom there is a desire, a keen desire to reach an understanding. The question is to find the formula for making this understanding a reality.

The PRESIDENT. Other representatives have asked to speak. I ask the members of the Committee if any of them wishes to join in the reply to the question raised by the Representative of Ecuador. The Representative of Ecuador.

Mr. JÁCOME. Yes, thank you, Mr. Chairman. I am infinitely grateful for this reply which is truly promising because it has confirmed the suspicion that every human being has who knows the tragedy of a civil war; that those persons who have stained their country with blood and caused so many deaths, who have seen so much suffering and caused so much suffering, would now have reached the moment of longing for peace and perhaps each of them feeling remorse for the sufferings and the misfortunes they have caused. This is an eminently human reaction that we all know. But I am equally satisfied to hear that both parties rest their faith in the inter-American system, but I have now seen a report, a report concerning the statements made by Colonel Caamaño to the effect that he will not accept the Inter-American Force established by the last resolution of this Meeting of Consultation. We have already seen that it also seems that Colonel Caamaño and his partisans have not accepted the present state of affairs, the presence of foreign troops in Santo Domingo. Hence, would not perhaps Colonel Caamaño, and in the end all Dominicans, whatever their ideologies and whatever the barricade on which they have stood, prefer a mission of peace to a mission of guns? We might think of a permanent peace mission of the Organization of American States, which would receive the same impressions but which would be seeking a concrete formula to bring those parties together who wish to reach an understanding and give them the opportunity of not feeling pressured by arms or not having the inward suspicion that those arms are playing the game of their adversaries. I should like and I venture to put this question to the members of the committee, and I beg your pardon, as tired and fatigued as you all must be, for still abusing your time with these question. Thank you very much.

Mr. COLOMBO. I said something, a little circumstantially, in replying to the question posed by the Ambassador of Mexico, regarding this concern that troubles the Ambassador of Ecuador. Here is the most important instance for telling the whole truth, not part of it. And I am going to tell how I saw it. The effort—I said—is mutual and so is the desire to attain peace, Mr. Ambassador, but it is not that I suspect but that I am certain that the two sides in the struggle are not controlling their movement, because the cease-fire was accepted by the fighting groups; but an uncontrollable ingredient conspired against the carrying out of the act of Santo Domingo, an element that history shows does not find a solution

by peaceful means and that grows larger whenever attempts at reaching peace are made, because what will happen, to a great extent, is what happened to us, in parleying for peace, with an absolute cease-fire by the commands so as to talk with the peace mission, but we had to parley for 2½ hours under incessant machinegun and rifle fire. Who did that? Colonel Caamaño? I think not, categorically, no.

It is the sniper ingredient, because in a town where arms are handed out to civilians, there can be only two forms of control: either when the civilians lay down their arms and surrender them willingly, or when this is achieved by a force superior to the civilian force. Let all of you ponder the difficult task of imagining a peace attempt, in which we again have the signatures of the two parties, we have the security zone, and the incident is being provoked as a factor breaking out into a tremendous catastrophe. I honestly confess that until now I could not explain how something much worse did not occur. The provocation of the snipers is constant. There are among them, no doubt, the two classes of snipers that there are in such events: those who grab a gun and continue using it with a resentment that no reasoning will lead them to lay it down, and those who continue using it with the resentment of one who cannot control the revolt. That is, these are factors that cannot be controlled by a mission no matter what flag of peace it carries.

The Government of Santo Domingo will not achieve peace until it can be imposed in a climate where conditions in a peaceful Santo Domingo exist for the recovery of institutional normality in the country. Sincerely, Mr. Ambassador, in the choice that you have given me I sacrifice my wish—which is equal to yours—to a realistic concept that one can only appreciate, unfortunately, by having been there. We wished, and we five Ambassadors who were on the mission mentioned it many times to one another, that all of you could have been there, that not one had been missing, Mr. President. That you could have been at the scene of events to see what we were seeing. In the tremendous confusion, in which it is difficult to find the thread that would open the knot we were trying to untie, where there is political and military confusion, economic disaster, confused people, general anguish, no one can find the ingredient for guidance. I believe, Mr. Ambassador, that it is urgent to seek peace in the Dominican Republic and to tarry as little as possible in discussion, because every hour of discussion is an hour you give to someone who, with good or evil intentions, could still pull the trigger that would prevent the Act of Santo Domingo from being fulfilled. This is my personal impression.

The PRESIDENT. The Representative of Ecuador has nothing more that he wants to say? I recognize the Representative of Uruguay, Ambassador Emilio Oribe.

Mr. ORIBE (the Special Delegate of Uruguay). Mr. President, first of all, I want to adopt the words of the distinguished Ambassadors who have spoken before me in congratulating the Committee on its work and expressing the admiration of my delegation for the way in which they have performed this first part of their task. And so, our warmest congratulations to all of them. Since it is late, Mr. President, I would like to confine myself to some very specific questions. The first of the questions is as follows: for this Meeting of Consultation to be competent to take measures to bring peace and to carry forward the work begun, it is necessary, above all, in the opinion of my Delegation, to ascertain whether the situation in the Dominican Republic is a situation that can endanger the peace and security of the hemisphere. This is the requirement of Article 19 of the Charter for carrying out collective action in matters that normally are within the domestic jurisdiction of the states. As is known, Article 19 states: "Measures adopted for the maintenance of peace and security in accordance with existing treaties do not constitute a violation of the principles set forth in Articles 15 and 17," which are those that refer to nonintervention. Hence my Delegation believes that a pronouncement must be made by this Meeting of Consultation to the effect that the events in the Dominican Republic constitute a situation that endangers the peace and security of the hemisphere. Departing from that basis, I should like to ask the Committee if it is of the opinion that this is the case, that is to say, that the situation in the Dominican Republic constitutes a threat to the peace and security of the hemisphere. That is the first question.

The second question is as follows, Mr. President: the first part of the task with which the Committee was entrusted has been carried out, and we all congratulate them. We have received a very complete report, which will be studied by the delegations and the foreign ministries. There remains, then the second part of the Committee's task, under the letter b, which reads as follows: "to carry out an investigation of all aspects of the situation in the Dominican Republic that led to the convocation of this Meeting." Naturally, my Delegation understands very well that this cannot be done in one afternoon or one day. However, I should like to ask simply if the Committee believes that there is sufficient evidence to issue a report on this point within a reasonable period of time. Thank you very much, Mr. Chairman.

The PRESIDENT. One of the distinguished members of the Committee would like to refer to the first question put by the Representative of Uruguay. Ambassador Vásquez Carrizosa, Representative of Colombia.

Mr. VÁSQUEZ CARRIZOSA (the Special Delegate of Colombia). Thank you, Mr. Chairman. The first question is this: Is the situation such that it can endanger peace and security? My reply is yes. Yes, there is a situation that endangers the peace and security. The reasons are very clear. A disturbance or even a guerrilla action in a member state where the elements of order and constituted authorities exist is not the same as in a state where the absence of the state is noted, evaluated, and recorded. What is to be done, Mr. Delegate, in the absence of the state? What does the system do when the state does not exist? What happens when blood is running in the streets? What happens, Mr. Delegate, when an American country—and I am going to speak quite frankly so that you may think about this with all the perspicacity we know you to have—is, under these conditions, in the neighborhood of Cuba? Do we sit on the balcony to watch the end of the tragedy?

Do we all sit down as if we were at a bullfight waiting for the crew to come? What are we to do, Mr. Delegate? We are in a struggle against international communism; and we are in a world, Mr. Delegate, in which America is not even separated from the other continents even by the ocean. We form part of the world, and we form part of the conditions existing in the world. The Dominican Republic, like any other country in the Americas, is a part of the system, and it is the system that will suffer from the lack of a head of state in any of its members. The matter and the problem cannot be expressed in juridical terms, in hermeneutics, needed to fit an act into a lawyer's criterion. The problem is one of deep political meaning, of profound significance, of hemisphere importance much more serious than any of the other American revolutions could be.

There have been many revolutions in America. There have been revolutions in my country; there have been some, I believe, in yours, and I do not believe that a revolution in itself justifies the intervention of the inter-American system. That has not been my theory; that has not been the theory of my country. However, the acephalous condition of the state constitutes a problem that has occurred on very few occasions. What are we to do, Mr. Delegate, when, as the report states, the president of a junta says: "I cannot maintain order with respect to the diplomatic missions"? And what are we to do, Mr. Delegate, when the Chief presents a note in which he requests the assistance of another country and confesses with the sincerity that we have heard: "Gentlemen of the Special Committee, have the diplomatic representatives asked me for protection and I did not have the elements with which to protect them?" That is the answer to his first question. Now we have the second question: What is happening to the investigation? It is very clear, Mr. Delegate. The complex political events, the multitudinous situations are very difficult to investigate. All of us who have had contact with problems of criminology know about mob psychology; everything that is studied in the classroom, which is very simple, an investigation of a local event, an individual event, let us say.

However, when there are mobs, when they are in the midst of great movements an investigation can be conducted, investigations must be carried out. But they are obviously difficult investigations. I would spare no effort to support any machinery, agency, or committee that would carry forward that investigation. It would be very desirable. But, of course, such investigations of complex events are not very easy, because many things have happened. Actually, two or three revolutions have taken place. There was the first revolt of colonels. Then there was a revolt of a party; and after that, a revolution of a whole series of guerrilla groups, so that each one may have a different impression of the same event.

I think that, rather than an investigation of the past, what is of interest to the Meeting of Consultation and what is of interest to America is not the investigation of the past, but the investigation of the future. It is the investigation of the future that interests us. The problem is not to stop to fix responsibility, to ascertain who began to shoot first, who entered the National Palace first, who opened the windows, who got out the machinegun, who saw, who heard; all that would be an interminable process that would fill many pages and many records of proceedings. The important thing is not to look backward, but to look ahead.

The PRESIDENT. The Representative of Uruguay.

Mr. ORIBE. I thank Ambassador Vázquez Carrizosa for his remarks. He has told me just what I wanted to know.

The PRESIDENT. The Ambassador of Brazil.

Mr. PENNA MARINHO (the Special Representative of Brazil). Yes, Mr. President. And I also want to say to the Delegates that my reply is also yes. There are two governments, but each one is weaker than the other, completely incapable and powerless to control the situation that prevails in the country. Peace was made on uncertain terms. The Act of Santo Domingo is not a definitive peace; it is a difficult truce, a temporary armistice that may dissolve at any moment. Therefore, the Committee suggests, among the measures that in its judgment might be adopted immediately by the Tenth Meeting of Consultation, the appointment of a technical military group in the city of Santo Domingo to supervise the cease-fire, as well as other measures agreed to by the parties to the Act of Santo Domingo. We must keep watch over that peace and create conditions to prevent the struggle from breaking out again—because it could start again, Mr. President, at any moment. Thank you.

The PRESIDENT. Does any other member of the Committee wish to speak on this question? The Chairman of the Committee, Ambassador Colombo.

Mr. COLOMBO. The truth is, Mr. Chairman, that after the words of my distinguished colleagues, the Ambassadors of Brazil and Colombia, there is very little that I might be able to add; but the responsibility involved and the importance of the question, so ably phrased by the Ambassador of Uruguay, compel all of us to make clear our position on this question. When, among the powers and duties, the duty of investigating was decided upon, I cannot conceal the fact that I felt the same as I always feel whenever an investigating committee is named. Generally it investigates nothing; few, indeed, are the investigating or factfinding committees which, in the parliamentary life of all of our countries, show any fruitful jurisprudence in their results. But this Investigating Committee did have the possibility of good results. And that was because it was aimed at two fundamental objectives that were governing events in the Dominican Republic.

I understood, first, that the investigation was to determine the scope of the danger resulting from the events, which are a matter of concern to the Ambassador of Uruguay. If this was a situation that did not threaten the peace, we would verify that immediately. If the situation was under the control of groups intent on stirring up tension in the Americas, in a struggle in the history of America, which is full of struggle between brothers, in this incorrigible vocation that is periodically written into the history of our countries, that delays the advance of law and democracy, then we would verify it immediately; and we have verified it.

This could be the beginning of a struggle confined to the two well-defined groups. But the presence of those uncontrollable factors, which I urge the Ambassadors to analyze in detail, in the evaluation of facts in order to reach conclusions, they are going to be impressed, as we ourselves were impressed, without seeing them; they have become more dangerous than the groups themselves put together. To my mind, they have become the element that will determine the fate of what is going to be done. If those groups did not exist, and if those responsible for the struggling movements had not confessed that they cannot control them, in view of the existence of a security zone, freely agreed upon by both parties, with a U.S. military force that is engaged basically in the process of keeping custody over the diplomatic zone, I would also believe, Mr. President, that perhaps we might be able to delimit the process and trust that the peace would not be so obviously jeopardized as it is in this process; because in all revolutions, even a small local one, there is the possibility that there may be the spark of a process that will affect the peace of the Americas.

But the dimensions of this situation, with elements of disturbance on both sides, who are constantly lashing out against the protection offered by the security zone, and in which, Mr. President—and this struck my attention—there is still control to prevent confrontation in a struggle that could technically be called a military struggle; or in other words, there is no military confrontation between the defenders of the zone and the contending groups of the civil struggle. And that struggle is capable of being unloosed, because of the constant harassment by those who are seeking a way to unloose it. Hence, Mr. Ambassador, this matter urgently demands that all of us succeed in finding the way to resolve this situation; that we find the way to dispel the undeniable danger that threatens the peace in this hemisphere, which is the purpose of our organization. Because all of these things are important; economic development, social tranquillity, justice, the progress of the countries; but all of them are built on peace; without peace there is no possibility for the triumph of the inter-American system. There cannot be the slightest doubt, Mr. President, that the peace of the hemisphere is in grave peril.

But with respect to the second part of the investigation, which is also a matter of anxiety, we have contributed something in the time we had to make our investigation; more than the investigation is the word of the leaders themselves. This act is a confession, and a partisan confession without proof, Mr. Ambassador. It is not a matter of our characterizing the ideology, nobody goes about trying to do that when, actually, it has already been characterized by the leaders of the governments themselves. If necessary, that should be left to the last. I have said at previous sessions: my delegation is willing to make and is going to make an exhaustive investigation of the facts, in order to determine the blame according to the action. We shall do nothing to cover up a sharing of responsibility. But in the matter of priorities, investigation has been well placed by the Ambassador of Uruguay. The first thing to be investigated was the projection of the episode, the possibility of its affecting the peace of the hemisphere, the need for urgent action in case it is proved. We five members of the committee shared that opinion when we were there, and we reaffirm it now. The peace of the hemisphere is in such danger, Mr. President, that if the system does not respond to the call of both parties to the struggle, I believe that the peace of the Americas would not be in danger, that peace will be broken. This urgency is shown by the way we have tried to answer the concerns of the Ambassador of Uruguay.

The PRESIDENT. I ask His Excellency the Ambassador of Guatemala if he would like to speak on this point.

Mr. GARCÍA BAUER. Mr. President, I would like to add my voice and my opinion to those of my distinguished colleagues on the Committee. I shall also reply, rather emphatically, as was done by the Ambassador of Colombia, that the peace and security are in danger. As was already said, we in the Committee often asked ourselves and commented on the advisability of having all of the members of this meeting visit the Dominican Republic in order to see, on the scene itself of the events, the situation prevailing in that country: in a state of war, when we arrived, without water, without lights, without telephones, without public services. The lobby of the very hotel where we stayed was a scene of war—children and women sleeping in the lobby itself. The Diplomatic Corps, which met with us, also told us of the serious situation which they had gone through and were going through; anarchy ruled; the attacks that the diplomatic missions themselves had suffered; the wounded, including the diplomatic missions that had given asylum to wounded persons; and this was something that went on hour after hour.

Undoubtedly, peace and security are seriously affected when there is no authority that is respected, for although there are those who proclaim that they represent authority in each sector, it may be seen later that they do not possess it to such a degree that peace prevails; and although they sign documents, such as the cease-fire that was arranged before we arrived, or the Act of Santo Domingo, which we signed; nevertheless, it can be seen that they have no absolute control over the situation when the spectacle of wounded and dead persons is seen. We asked how many had died, how many had been wounded; and I believe that I can say, as an opinion gathered from persons of whom it can be said, insofar as this is possible, that they are better informed on the matter, that at least 1,500 persons have died in Santo Domingo. And how are the forces distributed? How is the country? Fighting has taken place so far only in the city of Santo Domingo itself, but who can assure us that it will not spread throughout the country?

The rebel command states that they have maintained peace there, because they have not wished to arouse feelings in the rest of the country, and the military junta in San Isidro states that they control the rest of the country. What is the real situation? The Committee did not have time to travel through all of the Dominican Republic; but it is evident that chaos exists, that the situation is deteriorating; it changes from one hour to the next; that is clear. The day after we had an interview under the fire of snipers, as has been said here—with the constitutionalist military command, the next day, I repeat, the chief of that command was proclaimed President of the Republic, Constitutional President; and the military junta of San Isidro, which we had talked with and which signed the act of Santo Domingo, does not now exist, according to reports arriving today through the news agencies. The teletype has just brought for example, a cable reading: "Domingo Imbert, president of the new five-member junta, quickly convened a press conference and called for a peace-making effort to rebuild the country and restore national unity without discrimination on account of political affiliation." He described Colonel Caamaño as a good personal friend.

The other members of the new junta are: Julo Postigo, 61 years old, a lawyer whom some people consider a militant in the Revolutionary Party of Juan Bosch; Carlos Crisella Polomey, 51 years old, governor of one of the provinces under the deposed regime of Donald Reid Cabral; Alejandro Seber Copo, 41 years old, an engineer; and Colonel Benoit, a member of the previous military junta of three. Imbert did not explain how or why the earlier junta resigned, or how the new one was formed. Although Caamaño could not be found to give us a statement, the leader of the Revolutionary Party, José Francisco Peña Gómez, stated over the rebel radio that the new group represented an underhanded maneuver against the interests of the Dominican people. In the Dominican Republic we constantly heard rumors, stories that got to us, to the effect that they were inciting to arms over the radio, even during the cease-fire.

The circumstances prevailing in Santo Domingo are most difficult, tremendously difficult; it would be a good thing if the representatives were to go and see how things are developing there and how, in the report we have submitted, we cannot give an exact picture of the prevailing situation, which has disturbed us deeply. The situation undoubtedly endangers peace and security, and not of the Dominican Republic alone. The representative of Uruguay also referred to the missions of investigation; and indeed, among the duties entrusted to the Committee was the duty of making an investigation of all aspects of the situation existing in the Dominican Republic that led to the calling of the Meeting. But the kind of investigation that was asked is not one that can be made in a few hours. The Committee had to give priority to what demanded priority, and the first thing was to try to restore peace and conditions of safety, to restore things as much as possible to normal, under prevailing conditions, in order that it could carry out an investigation such as we believed the Meeting of Consultation had requested.

We are in agreement that this investigation should be carried as far as it is desired; but in the short space of time we were there, and with all the tasks we had; and although we sought opinions and points of view on various sides; although we asked all members of the diplomatic corps to give us their

views in writing; that is, their views on the situation as they saw it; although we asked the disputing groups also to explain to the Committee and to the Meeting what they considered the truth about the Dominician Republic, and also asked the Governors of the Provinces whom we interviewed to do the same, and did likewise with everyone with whom we had an opportunity to talk and question; although we sought all of the evidence that might serve as a basis for this investigation and to enable the Committee to offer its conclusions to this Meeting of Consultation; despite all this, the time was very short and we cannot give conclusions in the report we have just submitted, not even if we were to be able to change them a little later.

Points of view have been given and information collected, sometimes in personal conversations, as mentioned by the Ambassador of Argentina with respect to his conversation with Colonel Caamaño, or in conversations the members of the Committee had with various persons on the scene; but we should also listen to all parties concerned, to all who want to say something; and such an investigation takes some time. This is the reply we must give to the Ambassador of Uruguay. With respect to this second point, we have done all that we could within the short time available, in an attempt to make the cease-fire effective for the protection of refugees and those who had taken asylum, and so that food distribution could be undertaken, to bring in food, medicines, etc., that can be distributed with the necessary safety. We did a vast amount of work in a very short time, but in regard to investigation, we can say that we have scarcely begun. And despite the little that was seen, the Committee has been able to contribute something in reply to the questions that have been asked here.

The PRESIDENT. I understand that the representative of Uruguay is very well satisfied with the thorough manner in which the interesting questions put to the members of the Committee have been answered.

Mr. ORBIE. Of course, Mr. President, I would like to express my appreciation once again, and I believe that what has now been said here is fundamental; because the conviction of the members of the Committee will surely allow us, through consultation, to take appropriate measures without getting into the problem of intervention.

The PRESIDENT. I recognize the special delegate of Paraguay, Ambassador Yódice.

Mr. YÓDICE. Thank you, Mr. President. First, I wish to join in the words of appreciation that have been spoken here to the ambassadors who composed our special committee that traveled to Santo Domingo and completed the great task of which we are so proud. I am very happy that from the first time the floor was requested until now we have had a series of statements from the distinguished ambassadors on the Committee, and their statements make my congratulations even warmer. As the Chairman of the Committee, the illustrious Ambassador of Argentina, Dr. Ricardo Colombo, has said, this is the moment of truth and the delegation of Paraguay is quite pleased with the action of the members of the Committee.

The delegation of Paraguay, Mr. President, is proud of this Committee because it has, in the first place, effectively carried out the peacemaking aspect of its mission as fully as is possible; it is proud of this Committee because it has justified the confidence of the Paraguayan delegation placed in it, inasmuch as the distinguished ambassadors who composed it, whose ability and inter-American spirit all of us know, as was said when the Committee's membership was approved, would determine whether or not international communism had a part in the bloody events in the Dominican Republic. If the distinguished representative of Mexico had not raised the question he did on the matter, I would have done so. I might, however, have put it differently, since I would not have confined myself to inquiring as to the possibility of Communist intervention in a specific group, but would have extended the inquiry to all aspects of the serious conflict that the Dominican people are undergoing today.

The Government of Paraguay, as I stated clearly when approval was given to the establishment of the collective inter-American force, believed from the beginning that continental security was at stake. The replies by the Ambassadors composing the Committee reporting today on certain questions regarding these delicate aspects of the Dominican situation have been categorical. My government was right. Continental security is threatened. The danger existed, and still exists, that chaos and anarchy will permit international communism to transform the Dominican Republic into another Cuba. With his customary clarity, courage, and energy, the Ambassador of Colombia, Mr. Alferdo Vázquez Carrizosa, has categorically mentioned the highly political nature of the problem we are facing. In reply to a question of the Ambassador of Uruguay, he has rightly said that the peace of America is threatened, that the security of the hemisphere is threatened, and that there is a possibility that another Cuba, another Communist government in the hemisphere will arise out of the chaos and anarchy in the Dominician Republic.

We are proud of the action of our Committee, because, as the Ambassador of Uruguay said, it is helping to clarify the problem we are facing. Paraguay had no doubts when it voted on the resolution for the establishment of the inter-American force. As I said: "The Government of Paraguay approves the sending of U.S. forces to the Dominican Republic, considering that this does not imply armed intervention prejudicial to the right of self-determination of the Dominican people, but, on the contrary, that it is a measure of hemispheric defense against the intervention of Castro-Communist forces. The Government of Paraguay is aware that U.S. armed intervention has been necessary in view of the urgency of preventing extracontinental and Cuban forces and funds from annulling the Dominican people's right of self-determination, since it was evident that it would be difficult for the inter-American system to act rapidly and energetically. The Government of Paraguay reaffirms its support of the proposed establishment of a hemispheric force and will participate in it if a substantial majority of the governments of the member states do likewise."

Mr. President if there is anything to regret it is that, for the time being, this valuable, clear explanation of the seriousness of the Dominican problem furnished to us by our committee is known only to the delegates of this Meeting of Consultation.

Obviously we are going to come to a moment when the enlightened judgment of the President and of the Delegates, in my opinion, will decide that these vital conclusions reached by our Committee should be known by all of the Americas, by all of the people of the hemisphere. Because for my Delegation, Mr. President, these conclusions which appear in the written report and in the replies to the questions posed here, should not be known only by the Delegates; they should be known by all the people. I emphasize this point because I am proud that my Delegation, from the very beginning, has been concerned and has established a position with regard to the seriousness of the conflict, in view of the intervention of international communism in the Dominican events.

Once more, I congratulate the members of our Committee; I am confident that the conclusions they now bring to us from their trip to Santo Domingo and that they will continue to bring will greatly help this Meeting of Consultation. The inter-American system must find the permanent solution referred to by the distinguished Ambassador of Ecuador in order to bring about a return of constitutionality in the sister Dominican Republic, a return of the reign of representative democracy and of human rights, and of all those inalienable principles of sovereign peoples that motivate the resolutions of this Meeting of Consultation in dealing with the Dominican problem. I believe, Mr. President, that with the clarity of the conclusions of the Committee we shall be walking on firmer ground. The basic conclusion that I want drawn from this statement I am now making is that we should act on the basis of these important conclusions furnished to us by the Committee; not only the conclusions appearing in the report that has been distributed, but also those verbally expressed tonight by the members of the Committee. I repeat my congratulations to the ambassadors and my confidence that these highly important conclusions will shortly be brought to the attention of all the Americas. Many thanks, Mr. President.

Mr. TEJERA PARIS (the Special Delegate of Venezuela). Mr. President, I wish to make a motion.

The PRESIDENT. What is the motion of the Ambassador of Venezuela?

Mr. TEJERA PARIS. Mr. President, 2 days ago when it was desired to undertake a thorough analysis of the problem, I asked this distinguished meeting to await the return of the Committee, so that we might question it and hear what proved to be an excellent and highly important report. On behalf of my government, I wish to express appreciation for the work that has been done and the sacrifices that have been made. I now wish to call attention to the following point: perhaps this session should devote itself exclusively to questions and answers, so that by speeding things up we can obtain the information as precisely as possible, leaving basic statements and studies of possible solutions until tomorrow's plenary; otherwise, we shall have to repeat many of the things already said here. This is my motion, Mr. President.

The PRESIDENT. Mr. Ambassador, the Chair entirely agrees with you. It would really be interesting to devote ourselves to questioning the honorable Committee and its distinguished members, and the answers that they give us will be very edifying.

Time goes on, and we must take advantage of the privacy of this meeting precisely to present this type of questions and, in this same confidential setting, to obtain the answers of the distinguished Committee members. Naturally, the occasion will come for us to make detailed statements on behalf of our governments on the text of the important report presented by our colleagues on the Committee. I offer the floor to the Representative of Chile.

Mr. MAGNET (the Special Delegate of Chile). Thank you, Mr. President. The opinion that the President has just expressed so wisely is in complete accord with what I am about to say now. Although, for reasons clearly explained at the time, the Delegation of Chile abstained from voting for the establishment of the committee that has now returned to our midst, I can do no less than corroborate, briefly but sincerely, the expressions of praise that the committee has earned. Moreover, the position taken by my country does not inhibit me, for everyone's benefit, from asking some questions that are of interest to my country, and, as I understand, to the others as well. In the Act of Santo Domingo, referred to by the President in his statement, mention is made of a security zone in that city, whose limits would be indicated in a

plan appended to this document. Mr. President, I believe that this security zone is a highly important factor in the cease-fire that has been obtained and that a clear delineation of this zone and knowledge of it, not just by the parties involved but by everyone, will be very helpful in forming an idea of what might happen if, as may be feared, this security zone were violated. If acceptable to the Committee, I would request, Mr. President, that this plan not only be incorporated into the Act, but also circulated by the secretariat as soon as possible.

The PRESIDENT. I ask; I imagine that the Chairman of the Committee wishes to reply to Ambassador Magnet's question.

Mr. COLOMBO. The Committee, through me, reports that the map is now being distributed, and I apologize to the Ambassador of Chile because it was not attached to the report when this was distributed. The explanation may lie in the undeserved expression of appreciation for the Committee's work, on the part of the Ambassador. Material difficulties prevented distribution, but I now present the map to the Chair so that, as the Ambassador of Chile has wisely requested, it may be distributed as soon as possible, since it is necessary for the proper information of the Ambassadors.

The PRESIDENT. The Chair will proceed accordingly, Mr. Chairman, Ambassador Colombo.

Mr. MAGNET. I wish to explain that my words did not imply the slightest criticism or reproach of the Committee.

Mr. COLOMBO. I wish to make quite clear that I have not even remotely suspected such an attitude from one whom I know to be a gentleman and distinguished ambassador who honors the inter-American system.

The PRESIDENT. Your second question, Mr. Ambassador.

Mr. MAGNET. It is more than a question, Mr. President, to try to achieve some kind of friendship. I think it is quite clear both from the text and the context of the report we have just had the pleasure of hearing, especially the act of Santo Domingo—with which we were already acquainted and which is contained in the report signed on May 5—that there is not, nor was there on that date a constituted government in the Dominican Republic able to represent the country, but two parties or conflicting factions. The committee, with the knowledge it gained through its on-the-spot activity, and with its spirit of impartiality, deemed it necessary to hear the two parties or factions in order to reach some useful result. I would like to ask the Chairman of the Committee, through you, Mr. President, if the evidence that has been gathered corresponds to the truth.

The PRESIDENT. Shall I refer the question to the Chairman or to the distinguished members of the Committee?

Mr. COLOMBO. I think that, in substance, we have already answered the Ambassador's question. That is, all of us Committee members have confirmed the impression of chaos that we found in the Dominican Republic, the complete lack of authority, the existence of two groups that appeared to be standard-bearers in the conflict and with whom we felt impelled to establish immediate contact. I do not know if this will satisfy the Ambassador, and I wish he would let me know if he has any doubts that I can clear up.

The PRESIDENT. What does the Ambassador to Chile have to say?

Mr. MAGNET. It seems to me that what the Ambassador has said confirms what I——

Mr. COLOMBO. I think it is the same thing, Mr. Ambassador.

The PRESIDENT. Is there any other question? Mr. Ambassador.

Mr. MAGNET. If it is not an imposition on you or on the meeting, Mr. President, I wonder if it would be too much to ask the Committee to tell us how many asylees or refugees still remain in the embassies in Santo Domingo, if it has been able to obtain this information.

Mr. COLOMBO. The truth is that at this time, Mr. Ambassador, it is impossible to answer your question because, fortunately, the evacuation of asylees has already started. I have information regarding the asylees at my embassy: there were 14 who have already been able to leave. That is, this changes according to the help received, food and other, because the asylees take advantages of arriving planes in order to arrange their transportation; therefore, at this moment it would be practically impossible—because of the time that has elapsed since our arrival—to say how many asylees have been able to leave the country. Fourteen have left my embassy.

The PRESIDENT. Is the Ambassador satisfied?

Mr. MAGNET. I hope I am not being too insistent, Mr. President, but perhaps with the testimony of the other members of the Committee we might obtain an approximate figure, at least.

The SPECIAL DELEGATE OF BRAZIL. Mr. Ambassador of Chile, I wish to inform you that in the Embassy of Brazil there was 38 asylees, of which only 6 wished to leave the Dominican Republic. The other 32 told us that they would prefer to await the return of normal conditions in their country. Therefore, only six asylees in our embassy left the Dominican Republic.

The PRESIDENT. Does Ambassador Vásquez Carrizosa wish to contribute anything?

Mr. VASQUEZ CARRIZOSA (the Special Delegate of Colombia). There were about 30 asylees in the Embassy of Colombia in Santo Domingo, some of whom did not wish to leave Dominican territory. Many of them, especially women and children, left on May 5 on the plane that brought in food, medicine and medical equipment.

The PRESIDENT. The Ambassador of Guatemala.

Mr. GARCÍA BAUER. There were 28 asylees at the Embassy of Guatemala, of whom 9 left. There are now 19 asylees at present who will be evacuated as soon as possible on the plane arriving from Guatemala with food and medicine. The Secretariat has already been informed of this.

Mr. MAGNET. Mr. President, I wish to leave on record my gratification and to pay public tribute to the patriotism of the Dominicans, since so many of them have chosen not to abandon their country, in spite of the prevailing chaos.

The PRESIDENT. We give the floor to the Representative of El Salvador, Ambassador Clairmont Dueñas.

Mr. CLAIRMONT DUEÑAS (the Special Delegate of El Salvador). Thank you Mr. President. I am going to ask a question, but I wish at this time to express my government's appreciation for the excellent work of the Committee in the face of the tragic events in the Dominican Republic. Our thanks, gentlemen. The question is as follows, and I wish to refer to the distribution of weapons to the civilian population. I wish to ask the members of the Committee whether they then had sufficient time to investigate how this distribution was made, what was the source, if it is known, whether distribution was made indiscriminately or to persons of any special tendencies, and who were the originators of this distribution. Thank you very much.

The PRESIDENT. I refer the question to the members of the Committee. The Ambassador of Brazil, if you please.

Mr. PENNA MARINHO. Mr. President, I wish to reply to the question posed by the Ambassador of El Salvador, and I do this on precarious bases, because the information we received was precarious, and, above all, contradictory. There was, however, a common consensus in these replies, that the arsenal of weapons had been opened, access to it was given to the population, and that the civilian population, a part of which was controlled by Colonel Caamaño, was armed with automatic weapons considered by several authorities we interviewed as the best and most modern existing in the Dominican Republic. And we were able to ascertain, when we opened negotiations with the group led by the Commander of the Revolutionary Government, Colonel Caamaño, we were able to see various persons, teenagers, women, all armed with machineguns, forming small groups in the streets of the neighborhoods of Santo Domingo that were under the control of the rebels. And so there was a distribution made of all the weapons that were stored in the arsenal of the Dominican Republic to the civilian population that supported Colonel Caamaño's group. This is the information we were able to gather by means of the contacts we had with the various authorities of the Dominican Republic.

The PRESIDENT. Ambassador Vázquez Carrizosa, Special Delegate of Colombia.

Mr. VÁZQUEZ CARRIZOSA. I cannot, of course, give an opinion on the way in which the weapons were distributed, but the truth is that in the sector of the city where Colonel Caamaño's command was located, the presence of weapons, of machineguns, was visible and clear; of all citizens in the streets and of all who were around us, each citizen carried a machinegun, so that weapons were as numerous as the persons who were around us. Thank you.

The PRESIDENT. Does the Ambassador of Guatemala wish to give any opinion in this respect?

Mr. GARCIA BAUER. Yes, of course it could be seen in the city, as far as we could see, that automatic and other weapons were in the hands of many young civilians, and even of women. Now, according to information I received early Sunday morning, April 25, many young civilians were armed with automatic weapons from the 16 de Agosto Camp.

The PRESIDENT. The Representative of El Salvador, Mr. Clairmont Dueñas.

Mr. CLAIRMONT DUEÑAS. Thank you, fellow delegates. I have a second question, if the President will permit me. I wish to ask the members of the Committee if they have seen, foreseen, or gathered, according to how we use the term, the possibility that the sector controlled by Colonel Caamaño is receiving weapons supplied by another country, not the Dominican Republic—from another country, let us say, Cuba—or is it using the weapons that they have there at this time.

The PRESIDENT. The Representative of Colombia, Ambassador Vázquez Carrizosa.

Mr. VÁQUEZ CARRIZOSA. There is such a profusion of machineguns in the sector of the city that we visited that in reality the importation of this item is unnecessary.

The PRESIDENT. The representatives who may wish to add something to the reply. The Representative of Venezuela, Ambassador Tejera París, has the floor.

Mr. TEJERA PARÍS. Mr. President, I should like to ask the Committee two questions, the first precisely about arms. Did the Committee learn of the existence, or was it able to verify that there is some system of distribution or some inventory whereby, in the forthcoming peacemaking activities, it could check what part of the arms has been returned? My experience in such matters has been that it is possible to have a very large part of the arms given to civilians returned, and then, by a supplementary house-to-house search they can be controlled. In general, the military are very good bureaucrats; they generally make inventories, and so the question I ask is not absurd.

The PRESIDENT. I refer the question to Ambassador Colombo, Chairman of the Committee.

Mr. COLOMBO. Mr. President, the question asked by the distinguished Ambassador of Venezuela I have also asked the various bands or groups in Santo Domingo. All of them were very sorry that they could not provide me with accurate pieces of evidence, which would have been very valuable. When we were about to leave, in connection with the activities reported on in our dispatch, our report, the only part on which we obtained a reply that would help allay the Ambassador's fears was given by the United States, when the Ambassador of the United States in Santo Domingo told me that many of those who are arriving in the security zone bring arms with them and turn them in. I tried to go further into this question to ascertain the number of arms. The reply was not definite. I was told merely that this was a report that he had received from General Palmer, who had told the Ambassador of the United States that they had a certain amount of arms that were being turned in by people who were arriving in the zone for diverse reasons, many of whom were coming in search of food or medical care and who were voluntarily turning in their weapons. This is the only thing I can say, but I believe that I have contributed something to allay your fears, Mr. Ambassador, nothing more.

Mr. TEJERA PARÍS. Thank you very much, Mr. President. The other question would be this: I was very favorably impressed and feel optimistic at the fact that the Committee noted among both the Constitutionalists and the rebels a fervent desire to have the OAS intervene to seek a solution; and that even, according to what I think I heard the Chairman of the Committee say, Colonel Caamaño himself said that he rejected the Security Council solution and preferred an OAS solution, because it belongs to the system. Now I should like to ask you this: Did the Committee explore the possibility, or did it hear of any methodology of any special system, for example, the presence of a high commission of eminent persons or a high commission of good offices that could assist in returning the country to constitutional normalcy now? Does the Committee believe that there would be some possibility that such a solution would be acceptable to all the bands in conflict? I understand that now there is another change in the country.

The PRESIDENT. I refer the questions to the Committee members. Mr. Vázquez Carrizosa, please.

Mr. VÁZQUEZ CARRIZOSA. It is still premature to go into that. Of course, we can find evidence of contact, points of common reference, but within an atmosphere of tension and anxiety such as surrounded us, it is difficult right now to think of formulas for a government that might unite the two parts. I do not exclude it as a possibility for the future, but apart from a similar reference to the Organization of American States, I think it is impossible for the Committee (although my colleagues may believe otherwise) to answer that question more precisely. No system came into view. The thing is it was not our job to investigate political conditions of a new government. Our mission, which was precisely set forth by the resolution of May 1, was to obtain a cease-fire, guarantees for the departure of refugees, and safe conditions for the embassies, and also to organize humanitarian aid. Moreover, the terms of the resolution of May 1 did not authorize us to enter into discussions of matters that are the concern of the Dominican people, and personally, my theory is that our mission was essentially to bring about peace—not to prejudge the will of the Dominicans regarding their own future; at least, that is my reasoning.

The PRESIDENT. The floor goes to the Representative of Guatemala, member of the Committee, to reply to certain aspects of the question raised by Mr. Tejera Paris.

Mr. GARCÍA BAUER. There is no better way to answer the question raised by the Ambassador of Venezuela than to refer him to the terms of reference of the May 1 resolution of this meeting. The work mentioned by the Representative of Venezuela is not found in the terms of reference, and consequently, the Committee was prohibited from entering into that area. Undoubtedly, and this we have already said, there is a desire for understanding; there is an evident wish for peace, since a number of relationships are involved; there are people, friends of one side and of the other. The dean of the Diplomatic Corps told us of how, through him, splendid acts of humanitarianism had been performed. People asked him about their friends rumored to be wounded or dead, and he was able to give them explanation and set their minds at rest. In other words, that atmosphere has existed, and if the Ambassador of Venezuela, for example, remembers the cable that I read earlier, it mentioned one of the members of this new junta who described Caamaño as a personal friend, and also mentioned a lawyer, whom some think to be a militant partisan of the revolutionary party of Juan Bosch. In other words, it shows that there is a desire for understanding, that that desire is evident, and, of course, that there is faith in the inter-American system. How is that desire to be channeled? How can the OAS help to solve that problem that essentially must be solved by the Dominicans themselves? That is something that must be considered at the opportune time by the system, by the organs of the system. I yield the floor to Ambassador Tejera Paris.

The PRESIDENT. The Special Delegate of Venezuela has the floor.

Mr. TÉJERA PARÍS. I first want to explain that my question was not intended as criticism of the Committee, nor did I think that it could have wished to go beyond its terms of reference. I was only referring—perhaps I did not explain myself clearly—to the idea proposed informally by the Delegation of Costa Rica—I don't know if all of you know about this—for setting up a delegated committee, a committee that, by delegation of this conference, would go to the Dominican Republic for the purpose of carrying out the second part of the task of reestablishing peace—that is, the administration of the mechanics of reestablishing peace and a return to institutional normality, not the formation of a government and other such matters. Then I asked myself if such an idea had already occurred to other countries in some form or other, since such ideas are normal. That was my question. Now, I have a third one.

The PRESIDENT. The Chairman of the Committee, Ambassador Colombo, will be so kind as to answer these questions.

Mr. COLOMBO. I want to say a couple of words regarding this concern of the distinguished Ambassador of Venezuela. I share the opinion just expressed by Ambassador García Bauer that our immediate job was to obtain a prompt peace. Also, we were obsessed with the fact—as undoubtedly everyone else was, without exception—that the solution to the Dominican Republic's political problem should be in complete keeping with the principle of self-determination of peoples, and that in the last analysis it was the Dominicans who must determine the direction of their institutional life. For us, it has been enough to know that they respect the jurisdiction and authority of the system and that the system assures the solution. But, Mr. President, with all respect to the Ambassador of Venezuela, neither do I think that this is the time to start discussing these matters, since precisely for the reasons given by the Ambassador earlier, we should concentrate on the report and on the questions and answers from the Ambassadors and the Committee members respectively.

The PRESIDENT. The Special Delegate of Venezuela has the floor.

Mr. TEJERA PARÍS. I just want some personal information, as all of us do. And another thing. From my own country's experience, especially during the dictatorship of Pérez Jiménez, Communist infiltration is generally chaotic everywhere and tries to produce chaos in the various factions. Experience shows us that it is much easier and more common for Communists to ally themselves with elements of the extreme right than with liberal ones. And so I ask whether the Committee noted or inquired as to the presence of agents and provocateurs on the side of Benoit, Wessin y Wessin, and company, or whether they investigated the presence of Communists from the other side, because some of their actions seem—give the impression of being—provocations rather than judicious acts.

The PRESIDENT. Would the Chairman of the Committee like to say something in this regard?

Mr. COLOMBO. Thank you, yes. That also is a very pertinent question, and I think that we answered it to a certain extent when we acknowledged the existence of snipers on both sides. That is, there are snipers everywhere; they are a general disturbing element throughout the country, although we cannot attribute to them the particular ideology mentioned by the Ambassador. But it is apparent that anyone who plays the part of a sniper and has escaped the normal command of either of two groups is following his own ideology. That is all, Mr. President.

The PRESIDENT. Would Ambassador Penna Marinho like to comment on the question presented by Ambassador Tejera Paris? Ambassador Vásquez Carrizosa? Ambassador Bauer? Would you like to, Mr. Ambassador?

Mr. VÁSQUEZ CARRIZOSA. Well I just have this thought: if there are snipers in both parties, why can't they be snipers of the Wessin Communists, or snipers of the Caamaño rightists, or simply nationalists?

The PRESIDENT. Is there any comment on these last statements, Mr. Chairman?

Mr. COLOMBO. I should not like to continue this dialog because that would lead us into a maze of conjectures, Mr. Ambassador, but I believe, and I will say, that there is a fundamental difference: Colonel Caamaño's commands recognized the existence of Communist elements that were seeking to infiltrate and to gain control of his movement—an affirmation that I did not hear, nor do I believe that any of the members heard it, from Colonel Benoit.

Mr. TEJERA PARÍS. Maybe they are not so politically sensitive.

The PRESIDENT. Well, reportedly so, according to some opinions.

Mr. TEJERA PARÍS. I thought as much, but I just wanted to make sure. Thank you very much, Mr. Ambassador.

The PRESIDENT. Our thanks to you, Mr. Ambassador. We shall now hear from the Ambassador of the United States, Mr. Bunker.

Mr. BUNKER. I would like to express on behalf of my delegation, and indeed on behalf of my Government, appreciation and praise to all of the members of the Committee of the Meeting, individually and collectively, who, under the brilliant leadership of my friend and colleague, Ambassador Colombo, have accomplished so much in so brief a period, and under, as they have described to us, the most difficult and trying circumstances. We have heard the report of the committee this evening, and I am confident that this meeting will agree with me, that the act of Santo Domingo marks an outstanding achievement in what has been our priority objective under the terms of the resolution, an agreement on an effective cease-fire in the Dominican Republic. As Ambassador Colombo has reported, the Secretary of State has communicated to the

committee that the United States supports its work in Santo Domingo, and pledges to cooperate fully in the observance of the provisions of the act of Santo Domingo.

Mr. COLOMBO. Mr. President, something has gone wrong with the interpreting equipment because I heard the English spoken by the Ambassador much more loudly than the Spanish interpreter to whom I was listening.

The PRESIDENT. Is the Ambassador's speaker turned too high?

Mr. BUNKER. Shall I proceed? Well, it seems to me, Mr. Chairman, that the questions which have been put by my distinguished colleague to the Committee, and the answers of the members, have shed further light and have made a very great contribution toward a greater understanding of the situation existing in the Dominican Republic; a contribution so valuable that I think it should become public knowledge, Mr. Chairman. I believe that it was agreed at our previous meeting that the proceedings of the private meetings and the records would become public. I trust that that will be so in this case, because I think the record is extremely valuable to provide a much wider public knowledge of the actual conditions in the Dominican Republic.

The Committee has succeeded in taking this first step of major importance. It seems to me that this meeting can now move to a second major stage of the task, for I think we can all agree that much remains to be done before conditions return to normal in that tragic and torn country. It is quite obvious, from what the Committee has said, that there is today no effective national government in the Dominican Republic. There are contending forces, each in control or perhaps quasi-control in separate areas, but no political grouping or faction can lay a well-founded claim to being the government of the country. I say quasi-control because we had word from our Embassy in Santo Domingo today that the palace inside the rebel zone, in which 400 people, I believe, have taken refuge, had been attacked three times during the day. This may be indeed a violation to the cease-fire.

But it remains, Mr. Chairman, for the Dominican people, with the help of the OAS to which I understand they are looking, from the words of the Committee, to organize a government and to provide for future constitutional arrangements of their own choosing. It seems to me that it is of the greatest importance that the OAS should endeavor to assist patriotic and outstanding citizens of the Dominican Republic, and I am sure they can be found, to establish a provisional government of national unity, which could eventually lead to a permanent representative regime through democratic processes.

Mr. Chairman, we must now seek to find paths of peace and to build on the base which has been established by this act of Santo Domingo. I want again to express the appreciation of my government for the splendid work of this Committee because they have established, through what they have done here, really the first and essential base for any further progress. Thank you, Mr. Chairman.

The PRESIDENT. I recognize the Representative of Uruguay, Ambassador Oribe.

Mr. ORIBE. Mr. President, I would like to second what the Ambassador of the United States has said with regard to making the minutes of this session public. I do this with the understanding, naturally, that they will be published as is usual; that is, that they will be complete, verbatim minutes. Thank you, Mr. President.

The PRESIDENT. It is so agreed. Ambassador Facio, Special Delegate of Costa Rica.

Mr. FACIO. First, I would like to join in the congratulations given the distinguished members of the Special Committee for their splendid work. Second, the question I am going to ask is to clarify a concern I have with repsect to the possibility of securing an effective peace in the Dominican Republic. I wish to ask the members of the Committee if they interviewed Colonel Caamaño or any members of his group after that band was established as what they allege to be the Constitutional Government of the Dominican Republic?

Mr. COLOMBO. The value of the Act of Santo Domingo is precisely that it was signed after the establishment of Colonel Caamaño's group as the titular Constitutional Government, nothing more.

Mr. FACIO. Then, you had the opportunity to discuss with them their claim to be the only constitutional government of the Dominican Republic, because whether or not this claim can be maintained in either relative or absolute terms depends on there being peace through mediation between the two groups.

The PRESIDENT. The Chair again recognizes the Ambassador of Argentina.

Mr. COLOMBO. Mr. President, replying to the important question asked by the Ambassador of Costa Rica, I am pleased to tell him that the Committee delivered the Act previously to Colonel Caamaño for consideration, in order that he would have the opportunity of going into the intricacies of its legal implications, because what we wished to achieve was the first step that would lead all of us to achieve peace in the Dominican Republic, and if you read the beginning of the Act of Santo Domingo, it sets forth what Colonel Caamaño and Colonel Guerra thought of the Act and the opinion of the parties. I recall simply that it reads: "The Parties signing below who declare that they represent, in the capacities mentioned," that is, in the act of signing they declared their capacity and as we had no authority to pass judgment on the titles, which would have implied a dangerous incursion into a territory that was forbidden to us, we limited ourselves to record the capacity of each one of the groups and with all loyalty to say so frankly and without any legal doubt at the beginning of that Act which would, undoubtedly, be the road to begin working seriously to bring definitive peace to Santo Domingo.

The PRESIDENT. Ambassador Facio wishes to ask another question.

Mr. FACIO. Many thanks. No, I am satisfied and, of course, the question did not imply any criticism whatsoever or any desire that they depart from the norm.

The PRESIDENT. Ambassador Vázquez Carrizosa, the Special Delegate of Colombia.

Mr. VÁZQUEZ CARRIZOSA. The Ambassador of Costa Rica asks whether the constitutional government invokes the qualification of government for the whole country and whether it authorizes the presence of another government.

Mr. FACIO. No. Naturally it is evident that each one of the parties which proclaims that it is the government aspires to this, but did you, specifically from this contract, reach the conclusion that Colonel Caamaño was in an irreducible position; not to yield. And I ask this question because after the signing of the Act of Santo Domingo, Caamaño has insisted that he does not accept the participation of an inter-American force and that the solution is that he is the President, and that he be recognized as Constitutional President, and that he represents legality.

Mr. COLOMBO. First of all, Mr. Ambassador, I would like to know whether this statement by Colonel Caamaño has been officially communicated.

Mr. FACIO. No, it is a publication.

Mr. COLOMBO. That is why I was very surprised that Colonel Caamaño transmitted that note.

Mr. FACIO. No, no, Doctor, it is a statement made in a newspaper.

Mr. COLOMBO. If we follow the newspapers in this process, Mr. Ambassador.

The PRESIDENT. The Representative of Colombia.

Mr. VÁZQUES CARRIZOSA. What the newspapers say is one thing and what really happened is another, but it should be noted that many news items that are published should be investigated or it should be known to what extent they correspond to what was said or to what is done. I can only say the following: the demarcation of the zone and the existence of a corridor communicating the San Isidro zone with the center of the city were discussed personally with Colonel Caamaño. There was even a doubt regarding the conditions of the guard in the corridor. An incident had occurred the day before—many incidents occur—regarding some patrol that had entered farther than the two blocks that on one side and the other were authorized by the regulations in order to safeguard this public road; and Doctor Héctor Aristides maintained that it was intolerable that United States patrols should go beyond the limits. The military adviser who accompanied us—he was the military adviser of the Ambassador of Guatemala—who had had the occasion to read the regulations and the truth regarding the incident, explained in perfectly fair terms the truth of the fact, rectifying Doctor Aristides' understanding, but as Doctor Aristides insisted, Colonel Caamaño intervened, with some vigor, to say "no, this is something between the military and we understand one another. I believe that what the military adviser says is true; I believe that it is acceptable; I have no objection." I am stating this fact in case it clears up your doubts.

The PRESIDENT. The Special Delegate of Guatemala, Mr. García Bauer.

Mr. GARCÍA BAUER. I only wish to mention, with regard to something that has been discussed before, especially by the Ambassador of Costa Rica and also with respect to a question that was asked before, that in Document 17 Add. 3, in which the fourth radio-telephone message of the Secretary General of the OAS, Dr. José A. Mora, reports—you all have the document before you—that the Military Junta has already traveled to Santo Domingo and is installed in the National Congress, it states, Center of the Heroes, then——

The PRESIDENT. Of the Military Junta that traveled to Santo Domingo? The fifth or the——

Mr. GARCÍA BAUER. Yes, the Military Junta that was in San Isidro. It doesn't say here whether it was the five-man Junta or the three-man Junta, because I don't know if it was done before the five-man one was established, and then, in today's May 7 document, it says: "as to what is happening here, the situation continues to be very delicate, since the cease-fire agreement is being enforced with great difficulty. It is particularly affected by radio broadcasts that confuse and excite the population. Every effort is being made to stop the Santo Domingo station from issuing messages that excite the people. If this is achieved it would prevent a state of violence. The same is true with respect to the San Isidro Radio. Yesterday I went to the two broadcasting stations and transmitted a message intended to calm feelings and calling upon the Dominican people to comply with the agreements in the Act of Santo Domingo. Nevertheless, Radio Santo Domingo and Radio San Isidro continue sending messages that aid in inflaming spirits and maintaining the situation of violence." And this same document mentions the asylees who have left and gives up-to-the-minute information regarding them. This is important in relation to the questions that we were asked previously.

The PRESIDENT. Thank you very much. Is Ambassador Facio satisfied?

Mr. FACIO. Thank you very much.

The PRESIDENT. The Representative of Honduras, Ambassador Midence.

Mr. MIDENCE. My delegation wishes to join in the congratulations extended to the Committee for its magnificent work under such difficult circumstances. My Delegation feels sure that the report that has been presented today will be of immense value to this Tenth Meeting of Consultation of Ministers of Foreign Affairs. Thank you very much.

The PRESIDENT. Ambassador Bonilla Atiles, Special Delegate of the Dominican Republic.

Mr. BONILLA ATILES. Mr. President, Delegates: I think that of all the delegates present here none can feel the pain that I have at what I have heard tonight. Words were too few to express my appreciation to the members of the Committee. I have just had a long-distance telephone conversation, from Santo Domingo, with Mr. Antonio Imbert, and he told me that in a search for possible solutions the Military Junta had turned its power over to a civilian-military junta composed of: Antonio Imbert, president; Julio Ortigo, Alejandro Seller, Carlos Grisolia Paloné, and Colonel Pedro Benoit. This junta will try to cooperate with the mission from the Organization of American States to find solutions, which are still premature to discuss. He also informed me that the Junta has discussed with Dr. Mora the problem of the radio broadcasts, and it has been proved that Radio San Isidro has not made any inflammatory broadcasts. As to the last attack on the National Palace, of which Ambassador Bunker spoke, he confirmed to me that there are civilian refugees there.

I am not mentioning this as accusation but as fact. What interests me most at the moment, since it involves my own responsibility and that of the government, whichever it may be, and that of the Dominican people, is that out of this meeting shall come the necessary and imperative declaration that what is happening in Santo Domingo threatens the peace of the hemisphere. After knowing the facts, this is the only justification this body has for having taken the steps that it has. I do not propose that this problem be dealt with or discussed tonight because it seems to me that we are all sufficiently tired, morally and physically, so as to be unable to face this problem immediately; but I do urge the Tenth Meeting of Consultation as soon as possible to make emphatically this decision, so that the fire will not be extinguished, not only in the Western Hemisphere but in all political quarters of the world. I have nothing more to say.

Mr. PENNA MARINHO. Mr. President, before ending this session and to a certain extent supplementing the report of the special committee, which has just been submitted by its chairman, Ambassador Ricardo Colombo, allow me to mention one point that ought to be brought to the attention of this Meeting of Consultation. I wish to refer to the magnificent activities of Monsignor Emmanuel Clarizio, the Papal Nuncio in Santo Domingo. He is an exceptional figure, a veritable Don Camilo on a grand scale, with free entrée into all political areas of Santo Domingo. With astonishing ease, he leaves the headquarters of Colonel Caamaño to go to the Government Junta and from there to the American Embassy. He is a respected friend of Caamaño, as he is of Benoit and of Ambassador Bennett. They all like him and they all have the same high regard for him. It is due to his thorough understanding of things, to his moving spirit of human solidarity, and to his profound love for the Dominican people, that the drama in that country did not assume more terrible proportions. I know that the Meeting of Consultation has already paid just tribute to Monsignor Emmanuel Clarizio, but it never will be too much to point out, for the eternal gratitude of America, the admirable labor of this extraordinary prelate in behalf of peace and tranquility in the troubled Dominican Republic. The Delegation of Brazil, expressing sentiments that I know are those of all of the Special Committee of the Tenth Meeting of Consultation, manifests its deep appreciation and above all its admiration for the continuous and tireless collaboration rendered by Monsignor Emmanuel Clarizio, Papal Nuncio in Santo Domingo, to the Special Committee of the Tenth Meeting of Consultation during its stay in the Dominican Republic. Thank you very much.

The PRESIDENT. Ambassador Ricardo Colombo has the floor.

Mr. COLOMBO. Mr. President, with deep feeling the Delegation of Argentina wishes to add to the words of the Ambassador of Brazil concerning the outstanding work of the Dean of the Diplomatic Corps, that messenger of peace in the Dominican Republic. The only tribute—because everything has already been said—that I can pay under the circumstances, is to repeat here, Mr. Chairman, before the entire meeting, his final words of goodby to us: Take—he said to me—my blessing to the Meeting of Foreign Ministers that they may achieve the high objectives of peace; the peace that, at all costs, must be preserved in this Republic where I hold this apostleship. Nothing more, Mr. President.

The PRESIDENT. Ambassador Vázquez Carrizosa, Special Delegate of Colombia, has the floor.

Mr. VÁZQUEZ CARRIZOSA. Mr. President, it is only right to say a few words, as my colleagues from Brazil and Argentina have already done, to emphasize the merits of the Dean of the Diplomatic Corps, the Papal Nuncio, in the face of such a difficult situation. There is more; none of our action would have been possible without the advice, without the help of that eminent diplomatic representative. And still more, for the future—for it would be very difficult to think about the future of the Dominican Republic without speaking of him who so perfectly represents the ideal of Pope John XXIII concerning the coexistence of men of good will. But I have asked for the floor to speak on a point which may not be appropriate at this time but would be at another. Our report ends with several recommendations, which I do not propose to discuss at this session, but I do want to point them out to the Chair so that at the time and in the way provided for in the regulations or when it is considered opportune, they may be submitted to the Tenth Meeting of Consultation for discussion, because they do not deal with political questions, such as those we have discussed intensely, but specific points on the future organization of activities in the Dominican Republic. They are specific points of the greatest urgency, such as supervision of the cease-fire, the appointment of a group qualified to organize the relief measures for the Dominican people and evaluate their needs, the study and planning of an Inter-American Force and the coordination of all its services. Detailed, careful, and immediate consideration of these points seems to me absolutely necessary. Thank you very much.

The PRESIDENT. The Special Delegate of Guatemala, member of the Committee, has the floor.

Mr. GARCÍA BAUER. At this time I only wish to refer to the tribute that my colleagues, the members of the Committee, have already paid to the Papal Nuncio and Dean of the Diplomatic Corps in Santo Domingo, Monsignor Emmanuel Clarizio, for the great work that he has performed since this grave conflict began in the Dominican Republic. The Papal Nuncio was exceptionally kind to the Committee, offering it every facility within his power, and it was through his great services that the Committee was able to accomplish what it did. He was present, tirelessly, at our interviews with Colonel Caamaño's command and with the Military Junta and, because the confidence both parties have in him, the act of Santo Domingo was signed. He always used persuasion to the effect that the purposes for which the Organization of American States was in Dominican territory should be borne in mind. As the Ambassador of Brazil has said, the Papal Nuncio was respected in every area, regardless of which authority was in power. He is a person who has the confidence of the different parties and through his good offices, because of the great collaboration he rendered, the Committee was able to accomplish its task. Hence the Committee was moved and felt that its own wishes were fulfilled when, at the Papal Nunciate in Santo Domingo, we delivered to the Dean of the Diplomatic Corps the message from the President of the 10th meeting, Mr. Sevilla Sacasa, notifying him of the action of this meeting some days ago concerning Monsignor Clarizio's work.

The PRESIDENT. Ambassador Colombo, Special Delegate of Argentina has the floor.

Mr. COLOMBO. I only wish to add one remark that seems to be strictly justifiable. In order to be able to act with the urgency that the case requires, the five-member Committee had to move up its return so that the 10th meeting could be as thoroughly informed as possible with all available data, but we were deeply concerned that before our departure the fundamental problem of the faith in the system as stated by the two sides in the struggle would not have been resolved, and the Committee was the link, at the scene of action, during the emergency, remaining in order to be able to carry out the powers accepted by both parties. It was for this reason that the Delegate of Panama, in an act that honors him, and which I cannot ignore, remained at the center of action, representing our mission. In this way, according to the conversations we held with the parties, it would be as though the Committee were present and together with military advisers and the civilian personnel he could undertake to solve whatever it might be possible to solve, to the extent that we are able—to solve the difficulties arising from the events that have taken place and that are taking place in the Dominican Republic. I want this generous act of the Delegate of Panama, from a country that has so many reasons for counting on the tradition of brotherliness in solving basic problems, to be recognized at this session. Panama is with us on the Committee, represented by its distinguished Delegate. Ambassador Calamari also wanted to be here physically with the Committee but was not able to do so. I want to stress this act of the Delegate of Panama because it is eminently fair to do so—to take note of one who has firmly carried the banner of the inter-American system into the midst of the fight. Nothing more.

The PRESIDENT. We are sure that our colleague, Ambassador Calamari, must be gratified by the eulogy given by his compatriot and our dear colleague, Ambassador Frank Morrice. [Sic]

Ambassador Diez de Medina, Special Delegate of Bolivia, has asked for the floor; and then Ambassador Tejera Paris, Special Delegate of Venezuela.

Mr. DIEZ DE MEDINA. Mr. Chairman, I have not asked for the floor to pose any question: I have no questions to ask. I have only words of praise—of warm praise and congratulations—for the distinguished members of the Special Committee of the Tenth Meeting of Consultation, for the intelligent and devoted manner in which they carried out the delicate mission entrusted to the Committee. I only wish, Mr. President, to add my wish that the minutes of this plenary session should also include words of congratulation and appreciation for the task being so successfully performed in the Dominican Republic by Dr. José Antonio Mora,

Secretary General of the Organization of American States. Thank you very much.

The PRESIDENT. Very well, we shall do so. Ambassador Colombo, the Special Delegate of Argentina has the floor.

Mr. COLOMBO. The Ambassador of Bolivia is quite right in proposing formal recognition of the fact that the Committee was able to fulfill its mission because of the brilliant efforts that were begun by Dr. José A. Mora before our arrival in the Dominican Republic. Appreciation should also be expressed to the Secretariat, which, although few in number, gave much in efforts and efficiently contributed to the success of our actions. Therefore, I second the Ambassador of Bolivia's proposal but would like to point out that we had intended to submit this matter during the session.

The PRESIDENT. The Ambassador of Bolivia and the Committee have interpreted the feelings and thoughts of the Chair and of all our colleagues very well. Ambassador Tejera Paris, Special Delegate of Venezuela has the floor.

Mr. TEJERA PARÍS. The Delegate of Bolivia anticipated what I was thinking and what is certainly the thought of all of us here. My intention was, I now confirm it, to ask the Chair to ask this Tenth Meeting of Consultation to give to the Committee, to the Secretary General, and to the members of the General Secretariat a vote of applause for the work they have done. The test that the Committee has passed has been hard both there and here, and I believe that since this is a problem that affects the whole security of the hemisphere, these colleagues deserve not only our thanks but the thanks of our governments and of their peoples, and, at this moment, enthusiastic applause which I am sure the President will be the first to begin. [Applause.]

The PRESIDENT. All of us join in the praise and tribute the Special Committee has given to the prelate Emmanuel Clarizio, Papal Nuncio in the Dominican Republic and Dean of the Diplomatic Corps in Santo Domingo. We share in this with real appreciation, with affection, as our common duty. His services for the peace of the Americas, his vows and his blessings we applaud with emotion; with emotion, I say, which corresponds to the emotion that he experienced when he received our expression of deep gratitude for his magnificent labor for the peace of the Americas and for that people that we all love so well: the Dominican Republic. This closed plenary session has been highly important. We have heard the interesting report of the Special Committee. We have posed broad questions; we have obtained splendid and very clear replies, from which we can appreciate even more the extraordinary task accomplished by the Committee. Our repeated applause and eulogy for it and its members, all of whom we are honored to call our colleagues and friends. Unless you think otherwise a plenary session of the Tenth Meeting of Consultation should be indicated to consider the report in the aspects noted by the Committee, so that the meeting may act on that report. We have asked questions and have obtained answers; now comes the job of considering the report and analyzing the action to be taken by the Tenth Meeting of Consultation on the recommendations proposed by the Special Committee and the conclusions that it reached.

I ask you only whether tomorrow's plenary session should be open—I understand that it should be. It should be open so that the public will know everything that we have said, both with respect to the work of the Committee and to the contents of its interesting report. I would call another closed meeting, if the Committee so wishes, but the meeting I am going to convoke for a little later today, should be public and its purpose will be to consider the report of the Special Committee, discuss it and propose decisions concerning the recommendations it makes. The delegates have already seen and have in your briefcases for later reading the fourth radio-telephone message from our Secretary General, Dr. Mora.[2] It is not necessary to have the Secretary read it, since I am sure all of you have read it. With respect to the minutes of this plenary session, I ask you to take note that you have 24 hours in which to give the Secretariat your corrections of style. I ask you to take note of that time period so that the Secretariat can speed up the final edition of the minutes of the plenary session.

Mr. COLOMBO. Mr. President, I should like you to repeat the last part as to the time and place, according to the Chair's plan, as was suggested. Please do me the great favor of repeating it.

The PRESIDENT. Yes, sir. We are going to adjourn the session and meet again in a few hours, let's say, perhaps this afternoon. It will be a plenary session of the Tenth Meeting, public, for the purpose of considering the report of the Special Committee. To consider it, analyze it, discuss it, and decide on the recommendations and conclusions reached by the Committee. It is assumed that this session should be public. The next plenary session will not be closed like this one; it will be public, so that public opinion of the hemisphere will be informed, but not just of what is in the report of the Special Committee, because I am hereby suggesting that the report should be made public, unless for some reason the members of the Committee indicate to the Chair that it should not be made public but that we ought to wait until tomorrow's session.

Mr. COLOMBO. Absolutely, Mr. President.

The PRESIDENT. Therefore, gentlemen, as of now the report of the Special Committee is public. Consequently, it can be turned over to the press and sent to anyone wishing it. Naturally, if at tomorrow's meeting we reach conclusions on the suggestions made by the Committee, we shall feel highly gratified. In any case I think that the time has come for the Meeting of Consultation to make concrete statements on the chaotic situation that seems to grow worse every hour. Therefore, within 5 or 6 hours, possibly for 4 or 5 o'clock this afternoon, I am going to convoke the fifth plenary session of the Tenth Meeting of Consultation to meet in this same place and take up the report of the Committee.

The Representative of Venezuela.

Mr. TEJERA PARÍS. Mr. President, only to ask if you would be good enough to include in the order of business two specific points that I believe are relevant to the announcement you have just made: first would be consideration of whether or not the present situation in the Dominican Republic affects the security of the hemisphere; second, establishment and implementation of measures to help the Dominican people return to full constitutional democracy.

The PRESIDENT. Very well; it seems to me there is no objection to discussing these two points in the public session we shall hold shortly—the one suggested by the distinguished Representative of Uruguay and supported by the Representative of Venezuela, and the other just mentioned by the distinguished Ambassador Tejera Paris. I recognize the Representative of the Dominican Republic.

Mr. BONILLA ATILES. Mr. President, I shall wait until tomorrow to formally present a draft resolution on my proposal that the Organ of Consultation declare the situation in the Dominican Republic to be a threat to the peace of the hemisphere.

[2] The complete text of the fourth message of the Secretary General is published as Document 17 add. 3.

The PRESIDENT. Very well. The Representative of Paraguay has requested the floor.

Mr. YÓDICE. I only wish to ask two questions, Mr. President. I understand, or rather, I actually heard you mention a decision on the request of the Delegate of the United States that the minutes of today's session be made public. This request was seconded by the distinguished Representative of Uruguay. From this I assume, that is, I hope, because the suggestion is also mine, that it will be agreed to make public the minutes of this session.

The PRESIDENT. The Chair has so resolved.

Mr. YÓDICE. I beg your pardon. Thank you.

The PRESIDENT. That's quite all right.

Mr. YÓDICE. Now, I have another question to ask of the distinguished Representative of Costa Rica, arising from an earlier statement by the Ambassador of Venezuela, because it refers to the matter of considering measures to bring democratic normality to the Dominican Republic, and during this 10th meeting of consultation, I don't recall having heard any informal proposal by the distinguished Ambassador Facio regarding the establishment, as the distinguished Ambassador of Guatemala said, of a committee of statesmen, or something similar. Therefore, I would like to ask if Ambassador Facio did or did not make such an informal proposal, because I would not want to fail to inform my foreign ministry of something that had been proposed here. Thank you.

The PRESIDENT. Thank you. The Delegate of Costa Rica.

Mr. FACIO. Mr. Representative of Paraguay, I have not yet made any proposal of this sort. Perhaps it can be clarified in this way: there has been some discussion of a proposal, but not one of mine, to put some of the recommendations of the Committee into effect. I shall be very happy to give you a copy at the end of this session. But the proposal was not made by Costa Rica; it has been discussed among several delegations but is nothing specific.

Mr. YÓDICE. I understand. Thank you. I wanted to know if it was proposed here.

The PRESIDENT. Ambassador Tejera Paris.

Mr. TEJERA PARÍS. I would like to ask the Committee on Credentials if it would be possible to have a meeting early tomorrow to reexamine all our credentials, because it appears there are certain doubts that should be clarified in the light of the information transmitted in the cable that the Ambassador of the Dominican Republic reported on a short time ago.

The PRESIDENT. Ambassador Jácome, the Representative of Ecuador.

Mr. JÁCOME. As Chairman of the Committee on Credentials I can report that I have called a meeting of the Committee for tomorrow at 3:30 p.m. Any representative who has any doubt as to himself or to his colleagues may present his complaints to the Committee.

The PRESIDENT. Gentlemen, we have taken note of the announcement just made by our colleague, the Chairman of the Committee on Credentials, and it is now the time to adjourn the session and to announce that the 5th plenary session of the 10th meeting of consultation will be held here this afternoon at 4 p.m. The session is adjourned.

Mr. REID of New York. Mr. Speaker, will the gentleman yield?

Mr. SELDEN. I yield to the gentleman.

Mr. REID of New York. As I listened to the gentleman further comment and to his characterization of the intent of the New York Times, he subsequently said, if I understood him correctly, it was similarly slanted with regard to a caption I believe in the Herald Tribune.

Might I ask the gentleman by what special competence he is in a position to judge the integrity of a great newspaper such as the New York Times with regard to the full and fair reporting of the news. Does he have any basis for the allegations that he made of the intent of the New York Times?

Mr. SELDEN. I think it was obvious from the statement I made as to what I believed was the intent of the New York Times in this instance.

Mr. REID of New York. How do you know what the intent of the New York Times was. The New York Times is one of the great papers of America and indeed of the entire free world. If the gentleman is familiar with newspapers at all, he knows that the decisions on the placement of news stories and reporting and the accuracy thereof are matters of the highest concern to any newspaper. Their overall concern is very simply with the integrity of the news and I know of no major newspaper or any newspaper in these United States that ever deliberately and knowingly tries to slant the news.

Mr. SELDEN. I do not agree with the gentleman, I have made these charges and if these particular newspapers would like to answer them, I would be interested in hearing their answer.

Mr. REID of New York. Will the gentleman answer my first question—by what special information or competence does he feel he is able to characterize what he calls, and I quote him: "the intent of the New York Times."

Mr. SELDEN. I am an average newspaper reader, and I feel sure that others have gotten from its reporting the same impression as I.

Mr. REID of New York. I thank the gentleman for his clarification because he now says it is his impression and therefore I take it he retracts his earlier charge with regard to the intent of the New York Times.

Mr. SELDEN. I do not retract anything I have said. I stand on the statement I have made.

Mr. REID of New York. As I understand the gentleman, he stands by the clarification that this was his impression?

Mr. SELDEN. I stand by the statement I have made, I will say to the gentleman from New York.

Mr. REID of New York. Mr. Speaker, will the gentleman yield for a question?

Mr. SELDEN. I yield to the gentleman.

Mr. REID of New York. With respect to the OAS matter, I ask the gentleman whether the administration informed the OAS of the United States intention to land troops prior to the actual landing of our forces?

Mr. SELDEN. I understand that the individual members of the OAS were informed immediately following the order to land troops.

Mr. REID of New York. The question I have asked the gentleman——

Mr. SELDEN. I answered your question. You asked me whether the administration informed the OAS members before the landing of troops and I said it is my understanding that they were informed immediately thereafter.

Mr. REID of New York. But not before?

Mr. SELDEN. That is correct.

Mr. REID of New York. Might I ask the gentleman a second question?

Mr. SELDEN. I might add that in connection with our intervention in the Cuban missile crisis that troops had been deployed as well as naval and air force units prior to our notification of the OAS members.

Mr. REID of New York. That is not my understanding in talking with Senator KENNEDY, but let me ask a second question of the gentleman. Was there any attempt by the administration to request that observers accompany our forces and particularly that observers accompany our forces pending any dispatch of an OAS peacekeeping force?

Mr. SELDEN. As I pointed out in my statement, this was done in a matter of hours, and there was no time to send an OAS force since no OAS force was in existence.

Mr. REID of New York. The question I was asking the gentleman is whether the administration has considered a request to have a few observers—not an OAS force, but a few observers—accompanying our forces, pending a possible dispatch of OAS forces?

Mr. SELDEN. I am not aware that such a request was made. Is the gentleman telling me that such a request was made and not granted?

Mr. REID of New York. It is my understanding that there was no attempt, as I understand the facts, either to inform the OAS prior to the decision and consult with them prior to the decision, or was there any attempt to have observers accompany our forces. This in my judgment was in contravention of the OAS charter. It might also have been, and in my judgment it was, a matter that was deeply resented by many of the Latin American states—not that we acted and not that we acted promptly which I think all Americans supported, but we did not take the extra time to inform the OAS to request observers.

Does the gentleman feel that it was so impossible that a telephone could not be picked up?

Mr. SELDEN. I understand that immediately after the landing all Latin American Ambassadors were called. The order to deploy troops was given immediately, however, when it looked as though the lives of Americans in Santo Domingo were in danger.

Mrs. KELLY. Mr. Speaker, will the gentleman yield?

Mr. SELDEN. I yield to the gentlewoman from New York.

Mrs. KELLY. I would like to make this very brief observation at this point. I believe it is very clear that the time was too important at this point to do anything other than what our Government did. I believe that and I am sure that an endeavor was made to notify the members of the OAS, but perhaps they did object at that time. I am not sure of that, but I know this for a fact, that now they are very glad that we did move as we did.

I refer to the countries of Latin America, for the reason that they now realize we had information as to what was taking place and took place, and we were defending not only their people but our people, and the free world.

Mr. Speaker, I want to take this time to compliment my colleague for his statement on the U.S. action in the Dominican Republic. There has been a lack of actual reporting concerning U.S. activities in many parts of the world. That was portrayed, and very unfavorably, including pictures, of what our desire is. I think we should realize at this moment that we are doing these things for the protection of all people, for the protection of our civilization, for the protection of our way of life.

I think there is a point that the media, including all newspapers, should consider at this moment. They have a grave responsibility not only to us, but to the free world. I realize the tremendous coverage they have around the world, and they should endeavor to give an impression of that which we seek and that which they know by seeing the media in this country, and that whatever wrong impression is created by the media can be harmful.

I ask the gentleman if it is not true the reason he is taking this time today is to emphasize to a large degree what we think is factual reporting, as I hope all newspapers and media endeavor to do, that the impressions conveyed by a picture or any other means can be detrimental.

I want to give one illustration. A serviceman was seen lighting a match to a hut in Vietnam. That appeared in many papers. That picture portrayed a picture that the United States was inhuman; but they did not portray the fact that under that hut was secured, and down in the ground, many weapons of war for the destruction of our side. That is why I say the importance of today's impressions created by media or newspapers, or anything, is so vast that I urge them to consider more carefully their responsibility.

Am I right in endeavoring to seek factual reporting?

Mr. SELDEN. I think the gentlewoman from New York is correct, and I thank her for her contribution.

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

Mr. SELDEN. I yield to the gentleman from Massachusetts the distinguished Speaker of the House of Representatives.

Mr. McCORMACK. It so happens that I was at a meeting with the President when this question was discussed. It was a very important meeting. I was also present at the Cuban meeting, and I have been to many others. It is very easy to be a critic when one does not have the responsibility—and this observation is not made with anyone in mind—but I ask myself many times, what would you do if you had the responsibility? I was faced with that situation for a number of months, and I thank God it never came about. But being a human being, I did ask myself,

"Well what would you do, JOHN McCORMACK, if you were in a certain position where you had the responsibility of making a decision and had to do it—would you have the courage to do what you had to do?"

I might say that in Santo Domingo in the Dominican Republic, there were at least 5,000 American nationals and nationals of other countries there. If I were President of the United States at such a time when a decision had to be made, I would say that I had a primary obligation to protect the lives of the citizens of my country and that I also had another obligation to protect the lives of the nationals of other countries.

We must keep in mind the situation that existed there at that time—with mobs roaming the streets of Santo Domingo. We all know what can happen as a result of mob psychology particularly when trained minds are directing the mob and influencing it. We know the dreadful results that can follow therefrom.

I think it is only fair to say that if the President of the United States had stated even 1 hour before the marines and our forces landed that they were going into the Dominican Republic, there could have been hundreds of Americans and other nationals killed and wounded. There would have been bloodshed there that would be too terrible to picture.

It is very easy to look back and say—well, nothing happened—but the decision had to be made, looking to the future as to what could happen. President Johnson was faced with that decision and the others who were at the meeting that I referred to had our responsibility at that time. I think the President made the right decision. The question of notifying the other countries could not be resolved as it was in the case of Cuba. In Cuba we were faced with the fact that there were military installations there and possibly inter-continental ballistic missiles. At that time if Khrushchev had not backed down, it would have taken us 10 days or 2 weeks to be prepared. We would have had to bring our troops to certain parts of the United States. We would have had to bring our Air Force. We had to bring other necessary equipment—tanks and so forth—in order to be prepared. But more than that we had to make arrangements for at least 100 ships to do the transporting. So at that time there was a period of 10 days to 2 weeks at least where we had to prepare in case the situation arose where we had to do so.

So without entering into any controversy with anyone, all that I say is that this should be considered, having in mind the situation that confronted the President of the United States when he had to make the decision. In other words, it is a question of making a decision on what might be termed before the fact. We should view it that way and not from the perspective that pertains after the fact and with knowledge of the masterful job that was done by our Armed Forces where not one single civilian was killed or injured as a result of the action that was taken in connection with the Dominican Republic.

As I said, I was one of those at that meeting. I know of no dissenting voices at that meeting and we all supported the President. I think subsequent events have completely justified the decision that was made on that occasion.

Mr. SELDEN. I thank the distinguished Speaker of the House and certainly agree with his assessment of this situation.

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

Mr. SELDEN. I yield to the distinguished gentleman from Florida.

Mr. FASCELL. Mr. Speaker, I want to associate myself with everything that the great Speaker of this House of Representatives, the gentleman from Massachusetts [Mr. McCORMACK] has just said.

I think he has demonstrated once again that his vision, his long years of experience and knowledge are of such immeasurable value not only to this legislative body but to our country. His words spoken here tonight should be considered very carefully and seriously by everyone.

Mr. Speaker, the gentleman from Alabama [Mr. SELDEN] is a conscientious, hard-working, dedicated and serious-minded Member of this body. As chairman of the Inter-American Subcommittee he has labored long and hard to know and understand the complex foreign policy problems of the Americas. His approach has always been cautious. In all the years that I have worked with him he has been very thorough and has shown deep understanding of the public responsibility which he bears. The reports of his subcommittee have always received strong bipartisan support and have always been overwhelmingly well received by this House.

As a member of the Committee on Foreign Affairs, I too sat earnestly many, many hours listening to and trying to get to the facts to make a decision during those hectic and fast-moving events that took place in the Dominican Republic.

We listened most carefully to the presentation of all our Government officials.

But none of us accepted everything that was said at face value. We questioned and we questioned deeply and very penetratingly, as anyone would in our position. We also had reflected many differing viewpoints on the committee. As I say, we spent a long time.

Mr. Speaker, in tranquil times, it is difficult enough to get all the facts in any given situation in order to form an objective judgment; but it is particularly difficult to get the facts to make the judgments in times of stress and fast-moving events, such as took place in the Dominican Republic.

Based upon all the information I could get, as with the gentleman from Alabama, it was my judgment that President Johnson did the right thing, and the only thing, at that time. I fully support everything that he did in order to protect Americans and other nationals and in order to prevent a takeover in the Dominican Republic by a group not representative of the Dominican people.

Therefore, in conclusion, I should like to say that the gentleman from Alabama, in bringing this report to the House, is performing his public trust as he sees it in the highest sense of service to his country. I commend him for it.

Mr. SELDEN. I thank the distinguished gentleman from Florida [Mr. FASCELL] for his remarks and I am grateful to him for his contribution.

Mr. Speaker, I yield to my colleague from Alabama.

Mr. MARTIN of Alabama. Mr. Speaker, my distinguished colleague, the gentleman from Alabama, has presented tonight a factual case, and I thank him for it. I would also like to thank him for setting the record straight. It is vital that men who have this knowledge and determination to set the record straight should do so.

I am also aware that the gentleman has dealt with the facts and the twisting and the slanting of the press. As an Alabaman who read the Washington Post during the trying months that have passed, I have witnessed the distortion of the press. I have watched the slanting of news. I have seen the vicious cartoons that depicted lies in this country and that twisted and distorted the events. I commend my colleague for setting the record straight.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SELDEN. Mr. Speaker, I ask unanimous consent for 5 additional minutes, and I thank my colleague from Alabama [Mr. MARTIN] for his remarks.

The SPEAKER pro tempore. Is there objection? The Chair hears none and it is so ordered.

Mr. SELDEN. I yield to the distinguished gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Speaker, I rise to commend my chairman on the statement he has made, and to emphasize what the gentleman from Florida [Mr. FASCELL] has just mentioned. Our chairman always proceeds in a cautious sincere, and conscientious manner, and he undertakes to be sound in that which he does.

Certainly I applaud our illustrious Speaker on what he has said this evening. I know he has done his best at all times to keep the facts straight. His is a great contribution here this evening.

Mr. SELDEN. I thank the distinguished gentleman from Texas.

Mr. Speaker, I yield to the gentleman from New York.

Mr. REID of New York. Mr. Speaker, I thank the gentleman for yielding.

I should like to address a question, if I may, to the distinguished gentleman from Massachusetts.

First, I am very responsive to the seriousness with which the gentleman has discussed the subject in the meetings which he has held and the distinguished service which he has rendered this body and the country over the years.

The point I was trying to make was not the need to act promptly. I think that was clear. It was not to do anything but to support the President's steps

that he thought essential in our national security to protect nationals in the area and for other purposes.

But there is one point I would raise; it is this: I address this to the gentleman in equal seriousness. I am not persuaded, that it was not possible to take 5 minutes, 15 minutes, a half-hour, or even an hour to have consulted with the OAS, and at least to have informed them at the highest level of our thinking and to consult with them with regard to the decision that we are planning to take. To say that we did not have the time is to suggest that there was an immediacy that was instantaneous. To suggest further that had we informed them of our intention to act, it might have resulted in the loss of the lives of Americans does not particularly do credit to the OAS, which I am sure would treat a communication of that kind with the importance and the security which it deserves.

My question is simply this: Diplomacy, starting back with Franklin Roosevelt, and for many years since, and for every American President since then, has been concerned with consultations. It has been concerned with upholding our treaty rights. It has been trying to convince our sister republics in Latin America that we would consult and that we would work together.

Do you not believe, Mr. Speaker, we could have found at least 5 minutes to have tried to consult before we made the final decision? I believe this would have meant a great deal in Latin America It would have been wholly within the spirit of our treaty rights.

As someone somewhat interested in diplomacy, it is my conviction it would have made a signal and significant difference to the reception of the actual decision by some of these governments.

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

Mr. SELDEN. I yield to the distinguished Speaker of the House.

Mr. McCORMACK. Let me ask the gentleman from New York a question. Assuming you were President of the United States, and assuming you were faced with the decision which confronted the President of the United States—with 5,000 Americans and other nationals faced with possible death; with the knowledge of what the slightest publicity would do, if it became known among tens of thousands of emotionally moved people, many of whom had weapons; and with trained minds there to exploit, to engineer and to direct emotionalism—the gentleman knows what I have in mind—with those 5,000 lives in peril, what would you have done under the circumstances?

Mr. REID of New York. In response to the distinguished Speaker, it is my understanding that there was a period of time—at least an hour; certainly 30 minutes—and it is my conviction that during that period of 30 minutes it would have been possible to have informed the OAS of our intention.

I took the liberty of asking the White House that question, and I was informed that they could have done it, that it would have been possible within the span to have informed the OAS.

Mr. McCORMACK. What would be the conscience of the gentleman today? We will assume there was no information conveyed, although the representatives of all the countries are very thankful for what was done. We will assume that there was no information conveyed. What would be the gentleman's conscience, if he were President of the United States and as a result of advance information given, which had to be only for a short time, hundreds of Americans were killed or wounded? What would the conscience of the gentleman speak to him under those circumstances?

Mr. REID of New York. I believe there are two responses to that question.

First, if the President was convinced that action had to be immediate——

Mr. McCORMACK. You would agree with that, would you not?

Mr. REID of New York. If I may be permitted, I should like to finish the sentence.

Mr. McCORMACK. We want to see where we have an area of agreement.

Mr. REID of New York. If the President was convinced that action had to be immediate—that is to say, instantaneous—to protect a significant number of American lives and nationals, then I believe the President, in all the seriousness of his office, should act promptly. If, however, the President had been advised that he had a period of a few minutes at least, that the marines could not land for a certain number of minutes and that he had time to inform without any danger of loss of life——

Mr. McCORMACK. Ah, that is the question—without any danger of loss of life. How would you know it? It is a big question. There is the big factor and the gap; and the gentleman, with his usual honesty, has stated it. However, I do not want my remarks to the gentleman from New York to be misinterpreted as to his motive or intent.

In this colloquy I want the record to show that I have profound respect for my friend from New York. I believe he is a great American.

The SPEAKER pro tempore. The time of the gentleman from Alabama has again expired.

(By unanimous consent, Mr. SELDEN was allowed to proceed for 5 additional minutes.)

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

Mr. SELDEN. I yield to the distinguished gentleman from Colorado.

Mr. McVICKER. I echo the sentiments which have been placed on record here, and properly so, by the chairman of the Inter-American Subcommittee, on which I have the honor to serve. During the hearings on this matter, the gentleman from Alabama has shown deep concern for giving fair treatment not only to the witnesses and to the members of the committee but also to bringing the facts properly and fully to light.

I would say, if I may, to the gentleman from New York that the main question arising from our investigation and from the criticism which arose—and criticism is always healthy whether it is against the press or from the press against us—the question which we focused upon was this: Should there have been an American declaration of its position and its possible action prior to the President's decision? I take it that the gentleman from New York feels that under the circumstances, as the President saw these circumstances, that this is really not the question; instead that the question is: Should there have been a phone call from the President immediately after his decision was made to responsible Latin officials or to the OAS? My own very strong impression, gained sitting on the subcommittee and asking similar questions to those which the gentleman from New York is propounding here this evening, is that the President of the United States did, at the earliest possible moment, when the action phase of his decision was no longer pressing upon him and absorbing all his attention and his being, immediately contacted the leaders, not only of the OAS, of our own diplomatic service in the Latin countries, but of the major Latin countries, to advise them of his action and to consult with them as to the necessity for his action and for the followup action which he hoped would be undertaken by ourselves and by our allies and friends in the Latin countries.

A question of which split second should the President have called the OAS or the Latin leaders is merely one of splitting hairs, of begging the question. The real issue is what was in the President's mind and did he, in good faith and concordant with his responsibilities, act as he should have acted. I believe the answer to this question is as clear as a bell. The President did so act faithfully and responsibly. The principle upon which our policy with regard to the Americas has been founded is still the policy of this country—namely, that ourselves with our equals who are our friends and allies in the Latin countries, acted in concert to bring into being a police force to secure to the Latin countries, to all of the countries of these two continents security from internal chaos and aggression. When chaos and killing threatened, the immediate use of our forces was justified and, in fact, became the basis for the present existence of an OAS force in the Dominican Republic. This fact is proof of the rightness of our policy.

Mr. SELDEN. Mr. Speaker, I might say to the gentleman also I think it might be quite difficult to call and contact and locate 18 ambassadors within a period of an hour let alone 30 minutes or 5 minutes. It would be extremely difficult to contact all of them in that period of time.

Mr. REID of New York. Mr. Speaker, will the gentleman yield?

Mr. SELDEN. I yield to the gentleman from New York.

Mr. REID of New York. The point I was trying to make was not one of splitting a hair but of our sovereign obligations under the treaty. Here, wherever we can do it, it seems to me we should practice consultation and not just talk about it. I was not trying to talk about the question of timing solely but of what

has been built into our diplomacy and our relations in Latin America.

I would say to the gentleman that the information I have been given by the White House very simply was and is—and I may say also by the Department of State—that we could have informed the OAS prior to the action we took. I think it might have taken only one telephone call to the Secretary General of the OAS.

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

Mr. SELDEN. I yield to the gentleman from Colorado.

Mr. McVICKER. If the gentleman will yield further, if I may respond to the point that the gentleman from New York just made, again these questions were very closely delved into in the hearings which were held under the chairmanship of the distinguished gentleman from Alabama. There should be no question of an impression being left from this colloquy or from the debate that has been taking place in either of the two Houses, that the leaders or the people of any country in the Latin Americas were not aware of the developing situation in the Dominican Republican, or were not in close contact with the administration of this country.

The SPEAKER pro tempore. The time of the gentleman from Alabama [Mr. SELDEN] has again expired.

Mr. SELDEN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

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

Mr. ANNUNZIO. Mr. Speaker, reserving the right to object, I do not want to object, but I would like to ask the gentleman from Alabama a question. I, too, have a special order. The gentleman has had 10 extra minutes. Is this going to be the last 5 minutes' request?

Mr. SELDEN. I do not plan to request additional time.

Mr. ANNUNZIO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. The gentleman from Alabama is recognized for an additional 5 minutes.

Mr. McVICKER. Mr. Speaker, will the gentleman yield further?

Mr. SELDEN. I yield.

Mr. McVICKER. Mr. Speaker, in answer further to the gentleman from New York, this country was in consultation with the major leaders of the Latin American countries and with the OAS as to the events which were unfolding during the few days prior to the decision made by the President. I think that the criticism that has been leveled at the President by certain individuals is not justified if it leaves the impression that all of a sudden, out of the blue, the President made a decision and said, "Friends and allies, I will now tell you what I did." That is not the truth. That is not a statement of the facts. A statement of the facts would report that the President of our country in the days preceding his decision, kept in close contact with the Latin American leaders and with the OAS, discussing the situation as it was unfolding.

So far as I am personally aware—and that is as far as I can speak—he did not discuss specifically the action that he took or the time that he was going to take it, because I am positive that he did not know specifically that he was going to have to take such action. He did not know the specific time. But the possibility of certain actions including use of our forces to guarantee the safety was discussed with the leaders of the Latin American countries.

Mr. Speaker, my own impression, gained from the hearings conducted by the Inter-American Committee, is that this country tried in every possible way to act in good faith with its allies in the OAS and in the Latin American countries.

Mr. SELDEN. Mr. Speaker, I might add that from the evidence presented to the subcommittee, no one indicated that a phone call in 5 minutes would have been sufficient to notify all the members of the Organization of American States. Am I correct in that statement?

Mr. McVICKER. I certainly think so.

Mr. REID of New York. Mr. Speaker, will the gentleman yield for one question?

Mr. SELDEN. Mr. Speaker, before I do so, I ask unanimous consent that all Members who have participated in this debate may have permission to revise and extend their remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SELDEN. Mr. Speaker, I yield to the gentleman from South Carolina, who has been waiting, and then I shall be glad to yield to the gentleman from New York.

Mr. DORN. Mr. Speaker, I want to congratulate and commend my distinguished colleague from Alabama [Mr. SELDEN] for his timely presentation of these facts about the Dominican crisis to the House. It has been my privilege over the years to consult with the distinguished gentleman from Alabama in reference to Latin American affairs. I cannot recall a single instance when the gentleman's advice was not only official but was pertinent to the situation at that time and proved to be correct. I remember the advice that he gave me on Venezuela and the Panama Canal and the Cuban crisis.

So, Mr. Speaker, I want to commend the gentleman as strongly as I know how for the splendid job he has done as chairman of this great subcommittee. Also I would like to say that at the time of the Dominican crisis I was in the company of the distinguished chairman of the committee on Armed Services of this House, touring bases in the Southeastern part of the United States. I shall never forget how gratified, how proud civilian and military people were, for the first time in quite some time, over the action which was taken, over the decision made with allacrity by the President of the United States to preserve not only the integrity and freedom and independence of this country from any subversive movement through the soft underbelly of this hemisphere, but to protect the Western Hemisphere and all states that believed in freedom and those principles and ideas that made the Western Hemisphere what it is.

Mr. Speaker, I commend the President; I commend him for his action in Vietnam. And I say, Mr. Speaker, that we are fortunate in this country, the American people are fortunate in having a distinguished Speaker with his experience, who served in this House with the President of the United States, and who is in touch with the Members of this great body; and how fortunate we are to have a man of his experience and ability to sit with the President of the United States when making these momentous decisions affecting the lives of millions of people on this globe.

So, again, I want to congratulate and commend my distinguished friend from Alabama [Mr. SELDEN] for his great service to this country as chairman of this subcommittee.

Mr. SELDEN. I thank my friend, the distinguished gentleman from South Carolina, for his kind remarks.

Mr. REID of New York. Mr. Speaker, would the gentleman agree to yield for 1 minute?

Mr. SELDEN. I yield to my colleague, the gentleman from New York.

Mr. REID of New York. I just want to ask the gentleman from Alabama—and I am troubled by a part of the earlier colloquy, as he may know, and I feel the gentleman has every right to question the accuracy of any news story, but I do not feel that the gentleman would want to leave the impression that he would question the integrity of the reporters themselves or of the newspapers themselves, because I think the press and the newspapers in this country are very interested in and concerned with presenting the news as straight and fairly as possible.

I believe the gentleman might want to make a distinction as to the act of news reporting and the integrity of the news reporters themselves.

Mr. SELDEN. As I pointed out earlier, I am not primarily interested in the motivation or the reason behind the bias shown in connection with the Dominican situation by some of our news media, although that in itself should be of interest. But what I am interested in is that such misrepresentation of our Nation's foreign policy role be understood for what it is—not the responsible report of a free press, but the irresponsible propaganda of some who, under the protective cloak of journalistic rights, have sought to undercut and reshape our foreign policy to suit their own preconceived views of the story they have been assigned to cover. Perhaps I am wrong, but certainly some newspaper reports that I have seen indicate to me that such was the case in some instances in the Dominican Republic.

The SPEAKER pro tempore (Mr. ROONEY of New York). The time of the gentleman from Alabama has again expired.

AMERICAN FOREIGN POLICY IN THE DOMINICAN REPUBLIC

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, in a rare and refreshing insight into American foreign policy, questions were raised by the distinguished Senator from Arkansas [Mr. FULBRIGHT] on the floor of the Senate last week. He felt compelled to raise these questions following 2 months of closed door sessions of the Senate Foreign Relations Committee in which the administration presented testimony on this Government's role in the Dominican crisis. The ultimate questions raised about American foreign policy in light of our policy in Latin America was an attempt to forestall another Santo Domingo—an attempt to explore the long-term implication of Dominican action in terms of our future foreign policy.

I call to the attention of my colleagues editorials in recent days which point up the necessity for legitimate debate.

These editorials come not only from the highly respected New York Times and Washington Post but also from such distinguished newspapers as the Christian Science Monitor, the Louisville Courier-Journal, the San Francisco Chronicle, and the Benington Banner.

[From the Christian Science Monitor, Sept. 18, 1965]

THE FULBRIGHT SPEECH

It will be a great pity if Senator FULBRIGHT's Senate speech on the handling of the Dominican crisis leads simply to a fierce public argument about the past. As he himself says, analysis of the past is useful only if it helps to avoid mistakes in the future.

There is validity in Senator FULBRIGHT's charges of initial "overtimidity" and subsequent "overreaction." But he is careful to say that his assessments are made with the advantage of hindsight. Yet even if one concedes that there were mistakes during those early weeks of the upheaval, we believe that the U.S. Government has since done a good job in trying to pick up the pieces which it perhaps helped to shatter—albeit involuntarily.

Only the first wobbly steps have been made toward normalcy in Santo Domingo. But Ambassador Ellsworth Bunker, tireless and resourceful, would never have been able to encourage those steps if he had not had Washington's backing. It has been a little bit like Macmillan furiously repairing the damage done by Eden at Suez, protesting all the time that no damage had been done. But over the Dominican Republic, the Macmillan and Eden roles are combined in one man—and he wears a Texas hat.

As we have already said, however, we think that what is important now is to eschew the same kind of mistake in the future. Senator FULBRIGHT uttered a few home truths, among them:

"The movement of the future in Latin America is social revolution and the choice which the Latin Americans make will depend in part on how the United States uses its great influence."

"Since just about every revolutionary movement is likely to attract Communist support, at least in the beginning, the approach followed in the Dominican Republic, if consistently pursued, must inevitably make us the enemy of all revolutions and therefore the ally of all the unpopular and corrupt oligarchies of the hemisphere."

"It should be very clear that the choice is not between social revolution and conservative oligarchy; but whether, by supporting reform, we bolster the popular non-Communist left or whether, by supporting unpopular oligarchies, we drive the rising generation of educated and patriotic young Latin Americans to an embittered and hostile form of communism like that of Fidel Castro."

Admittedly all this is easier to preach than to practice. To begin with, effective communication has to be established with that rising generation—and their confidence won. Their language will differ from ours in many ways. But most of them want for themselves what we have won and want—and the overwhelming majority of them would still prefer not to turn outside the American hemisphere or to alien tyrannies to try to get it.

[From the Washington (D.C.) Post, Sept. 16, 1965]

STEMWINDER

Those who admire the analytical powers of Senator FULBRIGHT have come to expect penetrating truths from the chairman of the Senate Foreign Relations Committee that cut through the veneers of cant and illusion. He has done it again with his incisive speech about the American military intervention in the Dominican Republic. What he says about initial overtimidity, later overreaction, and lack of candor throughout is sure to lacerate a lot of feelings. But essentially his point is that with the information available to him President Johnson could have taken no other course.

The pertinent question, of course, is why the advice to the President was so bad. Beyond this the Senator asks several ancillary questions: Why, for example, did the United States veer so far from its general support for Juan Bosch, the elected President ousted by a military coup in 1963, as to oppose his return? Was this part of a more ominous shift against reform movements in Latin America out of fear that the Communists would dominate them? Do we lack confidence in our own ability to influence the course of revolution?

For social revolution, Mr. FULBRIGHT contends, is the course of the future in Latin America, and by seeming to oppose it blindly we only drive those who are dissatisfied with the oligarchical status quo into the arms of the Communists. His characterization of this country's role is acid:

"We are not, as we like to claim in Fourth of July speeches, the most truly revolutionary nation on earth; we are, on the contrary, much closer to being the most unrevolutionary nation on earth. We are sober and satisfied and comfortable and rich."

In another reproach Mr. FULBRIGHT contends that the administration broke international law and damaged its own reputation in not seeking a collective decision by the Organization of American States before its own unilateral action. His point is well taken, but he might well have addressed himself further to the fundamental need for improved machinery in view of the utter inability of the OAS to reach a decision quickly in emergency.

Happily, the situation in the Dominican Republic now seems to be turning out better than might have been expected from the sorry beginning, and for this recovery the administration deserves a share of credit. In any effort to derive lessons from the experience, however, Mr. FULBRIGHT's questions deserve some frank answers, not merely anguished screams from wounded policymakers.

[From the New York (N.Y.) Post, Sept. 16, 1965]

FULBRIGHT'S HISTORY LESSON

Senator FULBRIGHT's review of U.S. policy in the Dominican crisis deserves study by responsible Americans. It is as certain as anything in the area of foreign affairs can be certain that last April's revolution in Santo Domingo is not the last of such upheavals in Latin America. Unless there is careful, courageous analysis of where our policy failed, such as Mr. FULBRIGHT presented to the Senate yesterday, the mistakes will be repeated.

FULBRIGHT, perhaps too generously, absolved President Johnson. U.S. failures in Santo Domingo were principally the result of the faulty advice given the President by U.S. representatives on the spot, FULBRIGHT said. But Ambassador Tapley Bennett, Jr., it should be noted, is still at his post in Santo Domingo.

The danger to American lives was "more a pretext," FULBRIGHT concluded on the basis of his committee's inquiry, than a reason for our intervention. It was the threat of communism rather than the danger to American lives that produced the massive landings, he asserted.

"In their panic lest the Dominican Republic become another Cuba," continued FULBRIGHT in the most significant part of his commentary, "some of our officials seem to have forgotten that virtually all reform movements attract some Communist support, that there is an important difference between Communist support and Communist control of a political movement, that it is quite possible to compete with the Communists for influence in a reform movement rather than abandon it to them, and, most important of all, that economic development and social justice are themselves the primary and most reliable security against Communist subversion."

The Fulbright formula lacks the simplicity and he-man quality of landing the marines. But it is based on a more accurate reading of Latin American realities. It is sound counsel for the explosive future.

[From the Bennington (Vt.) Banner, Sept. 20, 1965]

SENATOR FULBRIGHT'S UNPLEASANT TRUTHS

It will be surprising if Senator FULBRIGHT's blockbusting statement of last week on U.S. policy in the Dominican Republic doesn't produce a profound chill in his relations with the White House.

Senator FULBRIGHT, to be sure, was careful to blame what he considers gross mishandling of the Dominican crisis on the President's advisers. Yet it is hardly flattering to President Johnson to say that he was pushed by his subordinates into an unjustified military adventure, and into misrepresenting the facts to the American people.

The burden of the Senate foreign policy chairman's argument is that the marines were sent into Santo Domingo last April not, as the President claimed to save American lives put to prevent "a return to power of Juan Bosch or of a government controlled by Bosch's party, the Dominican Revolutionary Party."

He contends further that estimates of Communist influence in the revolutionary movement were grossly exaggerated and that evidence doesn't verify the administration's assertion that the revolution was in danger of being taken over by Communist elements when we intervened.

Senator FULBRIGHT also raised other important questions that our Latin American policymakers would do well to ponder before they advise the President to intervene in another revolution. Most important, Senator FULBRIGHT asks whether the administration's reaction to the Dominican crisis is part of a broader shift in its attitudes toward Latin American countries.

He makes it clear that social revolution is inevitable in Latin America, and that the United States can use its power to influence the choice the Latin Americans make. This choice, more often than not, will be between

corrupt military dictatorships and social revolutionary parties.

"Since just about every revolutionary movement is likely to attract Communist support, at least in the beginning," the Senator declared, "the approach followed in the Dominican Republic, if consistently pursued, must inevitably make us the enemy of all revolutions and therefore the ally of all the unpopular and corrupt oligarchies of the hemisphere."

The United States must decide, he suggested, "whether, by supporting reform, we bolster the popular non-Communist left, or whether, by supporting unpopular oligarchies we drive the rising generation of educated and patriotic young Latin Americans to an embittered and hostile form of communism like that of Fidel Castro."

Predictably, the words had hardly left Senator FUBRIGHT's mouth before he was accused of being soft on communism, but these charges in no way detract from the importance of the issues he has raised. Intervention in the affairs of another nation, as the United States often loudly proclaims, is an extreme and not easily justified course of action. The lessons learned in the Dominican Republic should make us think twice before trying it again.

Under normal circumstances, one might perhaps question the propriety of such a frontal attack by the Democratic chairman of the Foreign Relations Committee on the policies of a Democratic President. But the circumstances in this case are not normal, first, because the Republican leadership in Congress is too illiberal to make the point that FULBRIGHT has made, and second, because the issue raised by our Dominican adventure is far too important to be stifled by a senseless consensus.

It can be argued, perhaps, that the Senator does not make sufficient allowances for the political dilemma which the Johnson administration faced in the Dominican crisis. Obviously the President and his advisers were strongly motivated by a morbid fear of what would happen to the Democrats' political fortunes if they permitted the establishment of "another Cuba." No doubt they reasoned that even in a 1-in-20 chance of a Communist takeover was a risk to be avoided at any cost.

But this is a pretty poor excuse for a decision that alined us with the enemies of reform, violated our solemn treaty obligations, and rendered our Latin American aims deeply suspect among liberals everywhere. FULBRIGHT is right when he says the Johnson administration should have had the sense and the courage to take the minimal risk entailed in casting our lot with the forces of social justice.

[From the San Francisco (Calif.) Chronicle, Sept. 17, 1965]

A DEVASTATING POLICY BLAST

After having conducted a 2-month inquest into the Dominican Republic affair, Senator J. W. FULBRIGHT has delivered in the Senate a devastating arraignment of the Johnson administration's course of action.

It is a highly effective example of the duty of a Senator to criticize and lay bare the follies of Government policy when he profoundly disagrees with it.

We sent troops into Santo Domingo last April, he said, from "overtimidity and overreaction" which is not yet ended; the administration acted with a "lack of candor."

The intervention a decision that the revolution launched by the Dominican rebel movement "should not be allowed to succeed."

It rested on exaggerated estimates of Communist influence on the rebels and it failed to perceive that if we automatically oppose any reform movement the Communists adhere to, we shall end up opposing every reform movement, "making ourselves the prisoners of reactionaries."

Senator FULBRIGHT let the President down easy by saying he had beeen given faulty advice which exaggerated the Communist danger. That is true, for the President does have to base decisions on advice, yet it remains a fact—though FULBRIGHT politely refrained from saying so—that basing foreign policy too much on the advice of CIA and FBI agents, as the President did, can be fatal to the proper ends of that policy.

As the chairman of the Senate Foreign Relations Committee, FULBRIGHT has not only struck a very hard blow at the President's excuses for "forcibly and illegally" invading Santo Domingo, but he has also raised the ultimate question about American policy toward Latin America. His words were:

"The direction of the Alliance for Progress is toward social revolution in Latin America; the direction of our Dominican intervention is toward the suppression of revolutionary movements which are supported by Communists or suspected of being influenced by Communists. * * *

"We simply cannot have it both ways; we must choose between the Alliance for Progress and a foredoomed effort to sustain the status quo in Latin America."

This needed to be said. As Senator FULBRIGHT remarked after dropping his bomb: "I think maybe they'll stop and think a bit before rushing into more military interventions."

[From the Louisville (Ky.) Courier-Journal, Sept. 17, 1965]

WISE COUNSEL AND PLAIN TALK AGAIN FROM SENATOR FULBRIGHT

It is possible that if there were no Senator FULBRIGHT in the Senate he might have to be invented. Time and again he expresses the opinions of moderation—of what he likes to call "flexibility"—against all the zigs and zags of a foreign policy that seems to him to respond too much to mood and not enough to reason.

Senator FULBRIGHT's observations on our intervention in the Dominican Republic could hardly be expected to bring the open approval of President Johnson. But if the President is willing to listen to counsels of moderation, and recent events indicate this willingness in increasing proportion, he must acknowledge the wisdom and justice of the Senator's criticism.

Mr. FULBRIGHT attributes what he calls the "failure" of our Dominican intervention to faulty advice given the President. And in particular he warned against the tendency in this country to overreact against any suspicion of communism in Latin American efforts for social change. This attitude, he feels, makes impossible any effective cooperation from this country in the social revolutions so necessary in nations to the south of us.

Mr. FULBRIGHT, as he freely acknowledged, spoke from hindsight. But it was informed hindsight, gathered after 13 hearings of the Senate Committee on Foreign Relations held in the past 2 months. If it can help rechart our policies, not only in Latin America but toward the Western World, the Senator's warning will have great value. What he is trying to tell us, after all, is that the word "Communist" no longer sums up one monolithic evil to which we must react by instinct. The currents and divergences of communism are as great in their way as the differences between democracies. All of them are not potentially deadly to us and many of the people who have been labeled Communist in struggling Latin American republics are homegrown revolutionaries struggling to right their own homegrown injustices.

If we are to intervene in every such situation because people the CIA calls Communists are in the forefront of rebel movements, we have already lost touch with the needs and the desperation which are pushing all Latin America toward change.

Senator FULBRIGHT is an effective example of the duty of a member of a representative government to open doors for this legitimate discussion. I am reminded of the words of Senator Vandenberg that "free debate is indispensable to ultimate unity. Every foreign policy must be totally debated—and the loyal opposition is under special obligation to see that this occurs." We cannot avoid public discussion.

Senator FULBRIGHT counsels a return to consistency in our relations with our neighbors in Latin America.

Senator FULBRIGHT counsels American involvement on the side of the people instead of on the side of oligarchy.

He counsels well and wisely.

DOES THE DEPARTMENT OF DEFENSE REALLY CARE?

The SPEAKER pro tempore. Under previous order of the House the gentleman from Illinois [Mr. ANNUNZIO] is recognized.

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

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

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that my distinguished colleague, the gentleman from Wisconsin [Mr. KASTENMEIER] be permitted to extend his remarks immediately following my own remarks.

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

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, recently, this body voted to increase the pay of members of our Armed Forces. However, by paying the serviceman higher wages, we solved only one portion of the problem of debt management, which is growing more acute among our Armed Forces.

It is not enough to give the serviceman more money in his monthly paycheck, if, at the same time, we stand by and allow loan sharks, sharp-practice finance companies, and other such operators to gouge the serviceman with assorted illegal and unethical tactics.

For far too long the serviceman has been a second, if not a third-class citizen in the area of consumer finance. The proof of this statement is in the type of establishments that habitually thrive at the entrances to military bases in this country and to a large part overseas. There is usually a pawnshop, finance company or small loan operation, insurance offices, and an assortment of used car lots. These operations offer credit, merchandise, or cash with little redtape and a minimum of waiting time. To compensate for their so-called advantages, the front-gate operators charge servicemen enormous interest rates, pad the contract with unneces-

sary extras, and move with unusual quickness at repossessing any goods purchased on an installment basis if the borrower falls behind in his payments.

HIGH BRASS USED AS FRONT

Not all of the operations which are predicated on the premise of getting as much from the serviceman as quickly as possible, are lodged at entrances to military installations. Many function in respectable business districts or hide behind the guise of fancy facades such as prominent figures on the board of directors. It is particularly fashionable for military finance companies to install retired high-ranking officers on the board.

The existence of these operations is of great concern to me. But of greater concern is the reluctance of the Department of Defense to take action to protect the servicemen. This has been brought home clearly during the hearings conducted by the Domestic Finance Subcommittee, of which I am a member, into the operations of Federal Services Finance Corporation, a worldwide lending institution which deals primarily in personal and automobile loans to the members of our Armed Forces.

Of the 12-member board of directors of Federal Services, eight are retired admirals or generals, many of whom held high military posts, such as Arleigh A. Burke and Gen. Frederic H. Smith, Jr. Most of the company's top operating personnel are also former or retired military officers. It would appear that such a company with its predominately military orientation would go out of its way to protect the interests of the servicemen. However, the subcommittee was shocked to learn the number of ways that Federal Services had abused the serviceman's trust and confidence.

A STUDY IN UNETHICAL PRACTICES

I would like to briefly list some of the practices that Federal Services has engaged in in dealing with servicemen:

Charged interest rates that amounted to 100 percent of a 2-year loan.

Charged military customers for automobile insurance and did not notify the serviceman that the insurance had been purchased.

In some cases the serviceman was charged for insurance but no insurance was placed on his automobile. In other cases the serviceman had already purchased insurance on his automobile and thus was forced to pay not only for his own policy, but for a policy supposedly purchased by Federal Services. In other cases Federal Services would not supply the serviceman with copies of the policy that the company purchased on the automobile.

A $30 charge was levied against cars purchased overseas for what the company termed marine insurance. This is insurance which covers a vehicle being shipped back to the United States. A number of witnesses told the subcommittee that Federal Services did not notify the serviceman that he was being charged with this marine insurance. It is interesting to note that automobiles shipped at Government expense are fully insured by the Government, thus negating the need for additional marine insurance. The subcommittee has not learned of a single instance where a serviceman has been shown a copy of the marine insurance policy.

Servicemen attempting to obtain the payoff prices on their automobiles were quoted one price by Federal Services and when they made payment in that amount were later informed that the serviceman still owed additional funds in many cases amounting to several hundred dollars. These extra charges were never fully explained nor documented to the serviceman.

AUTO REPOSSESSIONS MOST SHOCKING

But, perhaps, the most shocking abuse is in the area of repossessions. In order to increase its profit, Federal Services established several years ago its own used car lot in Fort Walton Beach, Fla., and since then has added other outlets in Alabama. Many of the top-grade used cars that Federal Services repossessed were shipped to these wholly owned outlets for resale. In order to insure that Federal Services used car lots were able to purchase the automobile, the company used phony bids so that it would appear to the serviceman that the company had obtained three bids on his automobile and that the Federal Services outlet was the high bidder. A former Federal Services employee testified before our subcommittee that the Columbus, Ga., Federal Services office wrote dummy bids on repossessed cars, that is, bids that were concocted by the office personnel. A Columbus automobile dealer added in testimony that he gave Federal Services signed blank bids on numerous occasions so that the company could fill in its own amount and place this in the serviceman's file. Prior to submitting these signed blank bids, the dealer told the committee, he had bid on a number of repossessed cars held by Federal Services but was unable to purchase any of them even though on occasion he bid well above the market price of the automobile. When he questioned company officials as to the reason why he had not submitted the winning bid, he was told that no matter what bid he submitted he could not buy the car, since it was already ticketed for Federal Services' own used car lot.

Another former Federal Services employee told a subcommittee investigator that when he first went to work for the company he was given a large folder and instructed to make dummy bids on each repossessed car contract in the folder. When he left for lunch he asked his secretary to continue the task of writing phony bids. The secretary asked what names she should place in the folder as submitting bids.

"Use any out-of-town motor company you can think of," her boss replied. When he returned from lunch he found that the secretary had listed as the bidding company, "Out-of-Town Motors, Inc."

DEFICIENCY BALANCES ADD PROFIT

An employee of an overseas affiliate of Federal Services recently sent the subcommittee a letter further outlining the repossession operations of Federal Services, with particular emphasis on the deficiency balance aspect of these transactions. The deficiency balance is the difference in the amount owed on the car by the serviceman and the price that Federal Services obtains from selling the vehicle. In cases where the car is sold to Federal Services used car lots which deal under the tradename, Wheels, Inc., the serviceman is not given credit for the retail price of the vehicle when it is sold off the Wheels lot, but is only credited for the artificially low sale price that Wheels pays to the parent company.

I would like to read a case history on a repossession that was submitted by the overseas employee of Federal Services. I am omitting the name of the individual involved in this transaction so as to avoid him embarrassment:

On January 8, 1964, Sp4 ——— purchased a 1964 Porsche S–75 from the Porsche distributor at ———, Germany, for the reduced military rate of $3,889. Sp4 ——— deposited $925 as downpayment and the balance was to be financed by Federal Services. After the usual charges, which are exhorbitant to say the least, an application of marine insurance, the customer was faced with the total note of $4,462.68, payable in 36 monthly installments of $123.13.

Admittedly, the serviceman fell in arrears with the payments shortly after the inception of the contract. Therefore, on June 8, the vehicle which was in immaculate condition was repossessed and appraised by the DAT officials, a state-operated German appraisal office. The DAT appraisal sheet revealed a current market value of $3,050. However, this does not necessarily mean that the vehicle is not worth more, since the DAT values are usually approximately 10 to 15 percent below the market value. Nevertheless, the firm of ——— or one of its employees offered to purchase said vehicle for $3,050, if not for more. Our office, however, was under strict orders to ship the vehicle to Wheels for purchase.

Wheels did in fact purchase the Porsche, however, not for the high bid amount of $3,050, but rather for the ridiculous low price of $2,400.

It is unknown for what amount the automobile was sold by Wheels but it can safely be assumed that the vehicle brought at least $4,000, inasmuch as the automobile was merely a few months old and especially since such a unit costs approximately $5,500 new, f.o.b. east coast. As previously mentioned, the vehicle was in excellent condition and only had been driven approximately 4,000 miles.

The sales proceeds of $2,400 was applied to Sp4 ———'s account and the customer was then faced with a deficiency balance of $914, which, according to the contract, he was liable to liquidate. At this point the thought comes to mind: why was the automobile not sold for the high bid of $3,050 in Germany, which would have saved shipping costs to the United States, and so forth. Had the vehicle been sold for the high bid as it is called for in the contract, then it would have reduced the customer's deficiency balance from $914 to $264, a sizable reduction to say the least.

As previously stated, it is unknown for what amount Wheels sold the vehicle but $4,000 would be a safe assumption. Provided that the $4,000 figure is correct it can clearly be seen that Federal Services could have made a profit of $627 over the amount which was actually due them on the original note.

The overseas employee adds as a footnote, "The above is only one example of many similar cases."

AN $880 CHARGE FOR PHANTOM REPAIRS

Mr. Speaker, the subcommittee has received numerous letters outlining abuses charged against Federal Services, and subcommittee investigators have seen more than 1,000 complaints that servicemen have lodged against this company. Typical of the complaining letters is one received by the subcommittee from a sergeant in which he describes his dealings with the company. The language in the letter is not grammatically perfect, but I am certain that the sincerity in the letter is genuine. In part the letter reads:

I bought a 1956 Plymouth and was financed by this corporation, for some financial problems I was advised by my commanding officer to turn the car back to the corporation at their offices in Frankfurt, Germany which I did. The condition of the car at that time was excellent and with four new tires, requirement in Europe by the vehicle inspections. Eleven months after the car was turn in I receive a letter that I was owing them a bill of approximately $880 worth of repairs in order they can sell the car. I went to their office in Frankfurt, Germany, and tried to find out where the car was and to whom was sold, and they denied all this information to me. I keep trying to locate the car and finally I locate it in Stuttgart, Germany, talked to the person who bought the car and none of the repairs were done. In other words, they took advantage of the contract and send me a big jacked up repairs bill. I am still paying this bill at the rate of $3 a month. I would appreciate if this committee extend this investigation, especially overseas agencies.

Not only do the unscrupulous activities of Federal Services cause hardship on the individual serviceman and his family and also affect military morale, but they also cause additional problems throughout the military services. This can best be described by another letter received by the subcommittee concerning a sergeant first class whose commanding officer had been sent numerous letters by Federal Services concerning alleged late payments by the soldier on his account. The soldier satisfactorily proved to his commanding officer that he was not in arrears on any payments, but still the letters poured in from Federal Services. In explaining the effect of these letters on the performance of his military duty the sergeant wrote:

Each time I received a letter from the Federal Services, I had to spend 1 whole day away from my military duties, as we were stationed about 50 miles from the office of the staff judge advocate, and waste 1 hour of his time and then 1 hour with the stenographer typing the letter, etc. Having received over 50 letters from Federal Services of which 20 are enclosed, you can see that the Army lost many hours of my services plus many hours of the staff judge advocate's time and that of the stenographer and multiply that by 600 to 800 and only one command; that is a tremendous loss of time. If the services can declare houses of ill repute off limits to military personnel in cities in vicinity of military installations, why cannot they investigate companies like this that we are forced to deal with in order to have our cars with us overseas and declare them off limits?

Mr. Speaker, the sergeant and I both have the same question. Why cannot, or perhaps I should say, why will not the Department of Defense declare Federal Services off limits? Surely, they do not condone the actions of this company.

Since 1956, the activities of Federal Services have been questioned by various members of the legal assistance offices of our military services. However, no action has been taken to protect the serviceman. A former legal officer in the Army told investigators from the subcommittee that in August 1963, he made a special trip to the Pentagon to request that they contact Federal Services concerning the abuses that he had uncovered on his military post. He was assured that the Army would investigate the charges. After returning to his post, he made several phone calls to the Pentagon and was informed that Federal Services officials had been contacted about the abuses. However, nothing further was heard about an investigation.

NO PLAN FOR OFF-LIMITS DESIGNATION

Mr. Speaker, at this time, I do not want to go into the other areas where the services have been neglected in dealing with Federal Services. It is clear to me that the Department does not intend to place Federal Services off limits to military personnel, even though such action has been recommended by former legal assistance officers of the Army, present legal assistance officers in the Army, as well as enlisted men in the various branches of the military services.

This lack of action by the Department of Defense unfortunately adds to my feeling that the Department is, perhaps, more worried about pressure and lobbying tactics of the finance industry than the welfare of the serviceman.

Any action by the Department of Defense against Federal Services at this late date would be moot, since it is apparent that Federal Services plans to merge with a Kansas City, Mo., corporation called Interstate Securities. I am not certain of the reasons for this merger, but if one of the reasons is to avoid further investigation by the Domestic Finance Subcommittee, I would merely state that you cannot remove the smell from a garbage dump by calling it a rose garden.

We have seen the position that the Department of Defense has taken in dealing with Federal Services. However, we should also look at the Department's attitude toward the finance industry in general. Recently the Department published a directive endorsing credit unions for military establishments in the United States and pledged cooperation in the operations of these fine institutions. I have also been informed that the Department is planning other actions to combat loan shark and sharp practice finance companies. These are admirable steps forward, but they are only the beginning, particularly when we look at the overall inroads that some profit-above-all operators have made in the field of military finance.

A publication of a finance company trade association, in discussing lending to military personnel, reports:

During 1964 there were 28,399 letters received in the office of the Adjutant General of the Army, Washington, D.C., dealing with credit problems of military personnel. Nearly 50 percent of these letters were from lending institutions.

Similar experiences were reported among the other branches of the military services, although because of their smaller number of personnel, there were not as many letters. The same publication reports that Army legal assistance officers counseled more than 81,000 individuals on personal financial problems in the fiscal year 1964, and the other services reported similar experiences.

In other words—

The pamphlet adds—

the handling of credit problems is becoming a big operation in the military—so big that the services want and intend to do something about it.

A CALL FOR WOLVES TO GUARD THE SHEEP

What has the military done to correct this problem? The finance company trade association booklet tells us on later pages, of posts where finance companies have been contacted by the military to counsel the serviceman on debt problems, as well as to present troop information programs on the use of credit. Chairman WRIGHT PATMAN of our committee, in describing the use of finance companies as credit counselors, said in a recent speech.

They are the same companies who preach the sound use of credit one day and the very next day try to grab as much of the serviceman's pay check as possible.

It does not make sense to me that if the Department realizes there is a credit problem, it uses the very people who create the problem to try to solve it. It would make more sense to me to have the credit counseling performed by a disinterested party, such as the post legal affairs officer or credit union officials.

Another service which the military has performed to protect servicemen from loan sharks and sharp-practice finance companies was undertaken in the South Texas Armed Forces Disciplinary Control Board, which is centered around San Antonio. In order to prevent the continued abuses of the servicemen, the control board, with the help of finance companies in the area, adopted a policy on personal loans, and drafted it in the form of a directive. The finance companies are proud of their part in drafting this document, and well they might be, since a close study of the document reveals that the military is actually endorsing the practice of loansharking in the south Texas area. I will quote a few example to back up this charge.

On automobile loans, the board adopted the following maximum rates: New cars $7.50 per hundred per annum; 1-model-year-old car $9.50 per hundred per annum; 2-model-year-old car $11 per hundred per annum; 3-model-year-old car $12 per hundred per annum; 4-model-year-old car $13.50 per hundred per annum. Breaking these figures down into simple interest rates, we find that on new cars the serviceman could be required to pay, with the endorsement of

the military, a rate of 15 percent a year, on a 1-year-old car the rate would be 18 percent; 22 percent on a 2-year-old car; 24 percent on a 3-year-old car; and nearly 27 percent on a 4-year-old car. In the area of personal loans the directive is even more ridiculous. It authorizes loan sharks to charge servicemen interest rates ranging from nearly 35 percent on a hundred dollar 1-year loan to more than 22 percent on a 2-year $1,000 loan. In short, the loan companies have used the military to force the servicemen to pay exorbitant rates. If the serviceman should balk at paying these enormous fees, the finance company merely points to the directive and says, "You're out of luck soldier, the higher-ups have already signed your life away."

Mr. Speaker, it is time for the Department of Defense to take a position. It must decide if it is primarily interested in the morale and well-being of its soldiers or dedicated to helping finance companies show a profit. If the Department allows companies such as Federal Services to continue operations unhindered, there can be no doubt as to which interest the Department is seeking to protect.

FINANCE COMPANIES AGAINST WHOM COMPLAINTS HAVE BEEN LODGED WITH AIR FORCE ACTIVITIES

1. (a) Household Finance Corp.—operating interstate.

(b) Address: Various locations.

(c) Type of complaints: Excessive interest rates and large deficiencies after repossession. Mailing procedures cause hardships. Individuals in overseas areas receive notice of indebtedness by regular mail and airmail letters are dispatched asking assistance in collecting the payment.

2. (a) Federal Services Finance Corp.—operating worldwide.

(b) Address: Various locations.

(c) Type of complaints: Hidden finance charges, improper indebtedness letters alleging nonreceipt of loan payments, demanding large sums of money after repossession.

3. (a) Federal Services Acceptance Corp.—operating worldwide.

(b) Address: Various locations.

(c) Type of complaints: Insurance charges and deficiency judgments after repossession, resale of repossessed property far below fair value.

4. (a) Dial Finance Co.—operating interstate.

(b) Address: Various locations.

(c) Type of complaints: Excessive interest and costs, irregular repossession procedures, exorbitant finance charges.

5. (a) General Acceptance Corp.—operating interstate.

(b) Address: Various locations.

(c) Type of complaints: Payments not acknowledged, auto title not furnished when contract satisfied, evasive answers or no answer to inquiries, failure to credit insurance refunds.

6. (a) American Finance Co.—operating worldwide.

(b) Address: Various locations.

(c) Type of complaints: Exorbitant interest rates, addition of service charges not specified in contract.

7. (a) Jet Finance Co.—operating interstate.

(b) Address: Various locations.

(c) Type of complaints: Exorbitant interest rates.

8. (a) National Finance Co.—operating interstate.

(b) Address: 973 Market Street, San Francisco, Calif.

(c) Type of complaints: Exorbitant interest rates and true cost of loans not explained.

9. (a) Commercial Credit Corp.—operating interstate.

(b) Address: Various locations.

(c) Type of complaints: Irregular repossession procedures involving automobiles.

10. (a) Universal C.I.T.—operating interstate.

(b) Address: 650 Madison Avenue, New York, N.Y.

(c) Type of complaints: Misrepresentation by company agents on repossession procedures.

10 finance companies against whom most complaints have been lodged (other than Federal Services Finance Corp.), Department of the Army

Name and address	Interstate or intrastate	Type of complaints
American Finance Co., Paris, France; Arlington, Va.; New York, N.Y.	Interstate and worldwide	(1 5 6 7).
American Mutual Services Corp., Hempstead, N.Y.; France and Germany	do	(1 2 7).
Associates Discount Corp., South Bend, Ind	Interstate	(1 7).
Beneficial Finance Co., Colorado, Virginia, and California	do	(1 2 3 4 7).
General Acceptance Corp., Allentown, Pa	do	(1 2 3 5 7).
Household Finance Corp. (many States in United States)	do	(1).
Laurentide Finance Co., Monterey and Los Angeles, Calif	do	(1 2).
Liberty Loan Co., Pennsylvania, Louisiana, Missouri	do	(1 2 3).
Overseas Credit Service, France and Switzerland	Overseas	(1 3 5).
Pacific Finance Co., El Paso and Austin, Tex	Interstate	(1 3).

[1] Exorbitant interest rates and finance charges.
[2] Insurance charges.
[3] Irregular repossession procedures.
[4] Deficiency judgment after repossession.
[5] Inadequacy of sales price after repossession.
[6] Finance company agreed with insurance company on settlement unfavorable to serviceman.
[7] Failure to credit borrower with payments made.

Department of the Navy

	Name of finance company	Address	Scope of operation	Most frequent types of complaints
1	Federal Services Finance Corp. and subsidiaries.	Worldwide	Worldwide	See Under Secretary of Navy memo to Assistant Secretary of Defense (M) serial 170P008 of May 18, 1965.
2	Associates Discount Corp	Associates Bldg., South Bend, Ind	Interstate	Misleading letters to commands regarding nonexistent monetary deficiency; excessive interest rates; unethical practices in repossessing automobile.
3	Household Finance Corp	Nationwide	do	Excessive interest rates and add-on charges.
4	Beneficial Finance Corp	do	do	Excessive interest.
5	Laurentide Finance Corp	1540 Fulton, Fresno, Calif.; 612 W. 7th, Hanford, Calif.; 1501 Fremont Blvd., Seaside, Calif.	Intrastate	Faulty payment records; unethical practices in repossessing automobiles; threatening dependent wives while husbands are deployed.
6	Lee Investment Co	1927 Reynolds Ave., Charleston, S.C	do	Excessive add-on charges, corresponds directly to command before contacting service member; writes contracts with minors and wants command to enforce them.
7	Local Finance Co	7057 Post Rd., North Kingston, R.I	do	Advertise personal loans of $50. When service member attempts to borrow this amount, only write loans for minimum of $300.
8	Crescent Credit Corp	2 West 20th St., New York, N.Y	do	Poor payment records. Corresponds directly with command before contacting service member.
9	Liberty Finance Co	113 West Freemason, Norfolk, Va	Interstate	Excessive interest rate.
10	Universal C.I.T. Credit Corp	Nationwide	do	Excessive add-on charges; poor payment records; unethical practices in repossessing automobiles.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., September 22, 1965.

Hon. FRANK ANNUNZIO,
House of Representatives,
Washington, D.C.

DEAR MR. ANNUNZIO: Secretary McNamara has asked that I reply to your letter of September 14 concerning certain conclusions you have evidently reached as a result of the recent hearings conducted by the Domestic Finance Subcommittee of the House Banking and Currency Committee.

I did state during the course of the hearings that the Secretary of Defense has the power to declare credit loan companies off-limits. Obviously, prescribed procedures are necessary to insure the proper exercise of such power. Otherwise the action would undoubtedly be successfully challenged in court.

Mr. Jackson was entirely correct in his statement that at the present time we have no such procedures. The proposed directive which is now in the final stages does set forth procedures to implement the Secretary's inherent power to declare a widespread operation of a credit or loan business off-limits.

It is entirely incorrect to state that no action has been taken in this field in the last 3 months. We have been very busy on the complicated subject and as far as I know Chairman PATMAN has been satisfied that we are doing our best in this critically important area. I believe when you see the final document we have developed you will appreciate

the many considerations inherent in its construction.

The Department of Defense has not "adopted a position of defending Federal Services." However, it would be highly improper to promise any adverse Department of Defense action at this time or after the directive is published, since it would be incumbent upon us to dispose of any complaint of this kind through independent investigation and hearings with opportunity for all interested parties to appear in accord with procedures prescribed in such directive.

Sincerely,

NORMAN S. PAUL.

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

Mr. ANNUNZIO. I yield to the gentleman from New York.

Mr. DOW. Did I understand the gentleman to say that retired military officers serve on the boards of these companies?

Mr. ANNUNZIO. I will say to the gentleman from New York I shall name some of the high-ranking retired military officers who serve.

Mr. DOW. Can the gentleman advise me whether these officers are drawing retirement pay at the same time they are serving with these companies?

Mr. ANNUNZIO. I cannot answer that question. I assume they are drawing their pensions while serving on those boards.

Mr. DOW. It might be well if the gentleman from Illinois would seek to find out that fact, because I think it would be vital.

Mr. ANNUNZIO. In the hearings conducted by our committee that question was asked of a retired general and a retired admiral, and they admitted they were drawing their retirement pay.

Mr. DOW. I thank the gentleman.

Mr. KASTENMEIER. Mr. Speaker, I want to take this opportunity to commend the gentleman from Illinois [Mr. ANNUNZIO] as well as the gentleman from Texas [Mr. PATMAN] and his Domestic Finance Subcommittee for the sustained effort made to bring to light the practices of Federal Services and other companies like it.

I am personally aware of the advantage that Federal Services has taken of the serviceman and the procedures followed by the military in handling indebtedness problems. My legislative assistant, Paul Zurkowski, recently came off active duty as an Army judge advocate. As the gentleman from Illinois is aware, Mr. Zurkowski had numerous dealings with Federal Services while in the Army and testified before the committee on his experiences.

As I have frequently observed, the interests of servicemen, particularly in the enlisted ranks, are not always fully presented to Congress—they lack an effective lobby, whether on issues of pay or other matters.

The effort of the Domestic Finance Subcommittee is all the more important therefore, since it has done for the serviceman what he could not do for himself. It has publicly exposed the disreputable credit practices of this company which has grown to immense size primarily from doing business with the serviceman.

Since the home office of CUNA International is located in my district in Madison, Wis., I was particularly gratified that these hearings resulted in a strong policy statement by the Defense Department in support of credit unions. Such encouragement should increase the number of credit unions in operation on military bases and should reduce the harmful effects on the lives of our servicemen which the practices of such loan companies as Federal Services can have.

Some may be surprised to find the Defense Department endorsing so strongly what at first blush may appear to be a private organization. A close examination of the credit union, however, clearly shows that it is based on the cooperative movement. Members of individual credit unions benefit directly—when they borrow, from lower interest rates, and when they save, from the interest their money earns.

It is a far cry from the dealings evidenced in the hearings between servicemen borrowers and Federal Services.

Defense Department emphasis on credit unions is particularly significant at this time when increased draft calls are bringing into military service young men who, in more quiet times, would not have been called to active duty for 3 to 4 years.

As a result many men will be caught with large bills and will have to resort to borrowing to adjust to the reduced pay of a private E-1 in the Army. It is a time when the military services must pay close attention to the financial problems of their members. The strong policy statement emphasizing full credit union privileges for low ranking men as well as the availability of skilled credit counseling service, thus, is of critical importance. It comes none too soon for the men entering service now.

Much remains to be done, however, since the hearings demonstate that most of Federal Services activities are connected with servicemen stationed overseas. Since the Defense Department directive only extends to the continental United States, the big problem of overseas financing remains to be resolved.

I trust the subcommittee is directing particular attention to this aspect of the problem and I am sure the answer will be found in large measure in the institution of the credit union. Again, let me say, Mr. Speaker, that I am pleased to associate myself with the remarks of the gentleman from Illinois.

WE MUST MAKE JUSTICE AVAILABLE FOR THE INDIGENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 30 minutes.

Mr. FEIGHAN. Mr. Speaker, the Preamble to the U.S. Constitution states only five basic goals for our Nation, and our Government. And one of these is summed up in the ringing phrase: "To establish justice." But for the greater part of our history that goal has stood far off because justice carried a price tag in this country. Without it a person could not file a case, employ a lawyer, or even demand a jury trial in many jurisdictions. Only in this century were the beginnings of a new attitude reflected in the creation of a few legal aid organizations. Generally, however, these organizations have been understaffed and underfinanced. Recognition of the establishment of justice as a concern of the Government has been slow in coming despite the mandate of the Preamble. And, therefore, justice has been almost unknown to the inhabitants of the slums. Unknown, that is, until the war on poverty focused attention on this problem and brought new vitality to the movement to bring justice to the poor.

Recently I had the opportunity to visit with a group of men and women who are at the forefront of the effort to bring justice to the poor. This group is the Neighborhood Legal Services project. It is a part of the war on poverty here in the District. I watched the lawyers employed by the project handling clients in their offices. I read their reports and statistics and talked to them about the problems they were handling: the legal problems of the poor. They told me about a 12-year-old boy whose case was brought to one of the neighborhood offices just 2 days before he was scheduled to appear at his disposition hearing in Juvenile Court. The court social worker was recommending that this 12-year old be committed to a juvenile detention facility for an indeterminate period. Ordinarily the court would have followed this recommendation without question. However, in the short time available before the hearing, the neighborhood lawyer put together a plan for rehabilitation of the boy within his community. The plan involved supervision and assistance from a school counselor, several recreation leaders and other social agencies near the boy's home. The Juvenile Court Judge listened to the conflicting recommendations of the court social worker and the neighborhood lawyer representing the boy. The judge decided to experiment with the community rehabilitation effort for a 30-day probationary period and the boy was released from custody. After the hearing, the boy and his parents told the neighborhood attorney that this was the first time they felt anyone was really on their side.

Thirty days later, the rehabilitation plan was working out so well that the judge extended the probationary period for another 6 months.

The organization which brought hope and maybe a different future to this 12-year-old boy had its start in the autumn of 1964. By January 7, of this year, the first neighborhood office was opened about 2 miles northwest of the Capitol at 1411 Ninth Street NW. Twenty-five persons trickled into the office that first month. But it did not take long for the word to spread in the neighborhoods that they now had some lawyers close at home to augment the centrally located Legal Aid Society. During June, the sixth month of operation, the Neighborhood Legal Services project had six offices open and served 475 clients. That is a sixfold increase in offices and a nineteenfold increase in clients over the first month's

statistics. Of special interest is the fact that the ever-increasing volume of clients handled by the neighborhood law offices did not result in a loss of clients by the Legal Aid Society which has served this community for over 30 years. It appears that the neighborhood offices are reaching people who previously did not seek a lawyer's aid when in legal difficulty, those who do not leave their confining but familiar neighborhood for any purpose. In any event the combined total of clients served by the two organizations may upset all previous estimates of the maximum potential need for legal services for the poor.

Four of the six neighborhood offices are located in the Northwest section of the city; two in the Southeast. In the near future two additional offices are scheduled to open in the Northeast.

The staff members I spoke with said that evictions and other landlord-tenant problems were their largest single category of cases, amounting to over 30 percent of the business at the neighborhood offices. Sometimes there is little the neighborhood lawyers can accomplish in these cases other than obtain a stay of eviction. A stay at least gives the tenant an opportunity to look for a new apartment. But often the lawyers can do more. In some instances, they have been able to establish that the landlord was dead wrong. Several landlords, for instance, have sued for rent which already had been paid by the tenant. Others have attempted to institute evictions with defective notices. One landlord decided to circumvent the entire judicial eviction process. He merely changed the lock on the door of the apartment while the tenants were gone. The tenants, a family of four including two young children, returned on the day before Thanksgiving to find themselves barred, not only from their apartment, but from the clothes, pots and pans and other personal belongings it contained. They had to impose themselves upon friends and relatives for the holiday, locate a new place to live, and borrow money to buy substitute clothing, pots and pans, and other essentials of everyday life.

A neighborhood lawyer now is representing this family in a suit against the landlord. They are seeking both compensatory and punitive damages. Already their personal belongings have been returned to them and the suit for damages awaits trial.

Although the problem of evictions is a central concern of the poor, it is not the only legal problem they face. The neighborhood lawyers here in Washington relate instances where their clients have fallen prey to unscrupulous appliance stores and door-to-door salesmen. In one case, a couple was induced to purchase an ordinary 21-inch black and white television set for $395 plus $108 in carrying charges. Later, this couple became clients of one of the neighborhood law offices. Investigation revealed that this set had a manufacturer's suggested retail price of $199.95, and that it could be purchased from legitimate dealers in the Washington area for as little as $170. This meant that this impoverished family was paying $503 for a set that you and I could purchase for $170, or at the most $200. The neighborhood lawyers also speak of $115 portable television sets being sold for $369, and the door-to-door salesmen who sell $300 freezers for over $800.

In many instances, neighborhood lawyers have been able to extricate their clients entirely from these sales contracts. In other cases, the price to be paid by the client has been cut in half to match the manufacturer's list price. But the case that both the dealers and the neighborhood lawyers are watching most closely is the one which currently is in litigation. The neighborhood lawyer is asserting that the gross overcharging in that case renders the installment credit contract unenforcible against his client, the purchaser. He contends that the price is so far out of line that it is legally unconscionable. The outcome of that case may have ramifications for impoverished citizens throughout the Nation as well as within the District.

After learning what could be done and what was being done to make justice a living reality in the ghettos of this city, I became interested in learning more about the lawyers who were attached to this cause. I discovered that the staff was chosen from over 175 applicants. Although several were young and only recently graduated from law school, others were in their forties and fifties and had 10 or 15 years or more of legal experience. Of the 20 attorneys presently on the staff, 8 were on law review, and 10 graduated in the upper quarter of their law school class, including 4 who graduated in the upper 10 percent of their class. The staff is comprised of graduates of Harvard, Howard, Yale, Georgetown, Cornell, the University of Iowa, Boston College, Catholic University, and the University of Chicago. Many took substantial reductions in income to accept positions with the Neighborhood Legal Services project.

It is their feeling that the poor should be entitled to the same quality of legal representation as the rich. And they show a determination to make that goal a reality in the District of Columbia.

I think we in Congress have some lessons to learn from the Neighborhood Legal Services project and its underlying philosophy. First, one of the great disabilities accompanying poverty is the lack of opportunity for equal justice. I learned it is a disability which leads directly or indirectly to many other deprivations: unjust evictions, overcharging in commercial transactions, arbitrary school expulsions, unreasonable denials of public assistance and unwarranted incarceration of innocent persons. And it is a disability which none calling himself an American, no one sworn to uphold the Constitution of the United States can tolerate.

The second lesson is that the opportunity for equal justice can be guaranteed to the poor through the dedicated efforts of men and women like those I met during my tour of the Neighborhood Legal Services project.

As long as the offices are located in the low-income neighborhoods, they will reach the clients. And as long as the offices are supplied with enough lawyers to allow each client's case the same attention a private attorney would devote to a paying client, the men and women I saw will provide the loyalty to clients and the legal skills which insure their treatment to their clients.

A final lesson to be learned from the project here in the District is the important role which lawyers can play in the war on poverty throughout the Nation. It is my understanding that organizations similar to the Neighborhood Legal Services project are being considered by the Office of Economic Opportunity for many other cities. From what I saw and heard during my tour, this is a phase of the antipoverty effort with which there cannot be much quarrel.

Good legal representation is basic to the dignity of the individual who is poor; providing that good legal representation is essential to the dignity of our Nation.

ONE MORE STEP DOWN THE ROAD TOWARD NATIONAL TESTING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 60 minutes.

Mr. MICHEL. Mr. Speaker, Members of the House, if you had a grandson or son in the sixth grade, on September 30 of this month he may be handed a test under the aegis of the Office of Education in which he will be asked:

> Think now of your close friends. How many of them are white?
>
> Who acts as your father?
>
> Think now who you would like most to have as your classmates. How many of them would be white?
>
> Does your family have a television set * * * a telephone * * * a record player, hi-fi or stereo * * * a refrigerator * * * a vacuum cleaner?

Now if you had a daughter or granddaughter in the 12th grade, she may be asked:

> If you could be in the school you wanted, how many of the students would you want to be white * * * how many of the teachers would you want to be white?
>
> How do you and your friends rate socially in the school?
>
> Do you agree or disagree "People who accept their condition in life are happier than those who try to change things"?

To use a shopworn phrase of the day, they are pretty far out, are they not? Well, the Office of Education does not think so. These are some of the questions they are using to determine the lack of availability of equal educational opportunities for individuals by reason of race, color, religion, or national origin in public educational institutions, as called for in section 402 of the Civil Rights Act of 1964. This is the so-called educational opportunity survey.

As I said on this floor last week while discussing Federal textbooks:

> It seems if the Federal Government cannot do it one way, they will do it another, and I say this is nothing but a reprehensible attempt to use our concern for the civil rights of the Negro as a vehicle for taking another step in the direction of the control of education.

They took "Uncle Remus" out of the schools and then turned around and gave him a key to the back door by way of this testing program. This flies in the face of everything the Congress has tried to do in the area of civil rights. Industry no longer records a person's color. Most States prohibit such distinctions on its records. The Federal Government has up until now brought pressure to remove such designations. But now, in addition to the questions I have already mentioned, we find:

Are you a Negro?

Are you white?

Are you an American Indian, an oriental, Puerto Rican, Mexican American?

Now I should like to propound a question or two: Will this further racial equality and understanding? Will this fulfill the intent of Congress in section 402 of the Civil Rights Act of 1964, which called for this million and a half dollar educational opportunities survey? I say "no," and am inclined to think most of you agree. What then is being attempted here? Educators all over the country who have seen these tests are asking the same questions. I understand the educators in a number of the larger cities of the country—as a matter of fact 10 percent—have refused to participate in this testing program. And just this afternoon I received a call from Mr. Robert Burt, the director of pupil services of the Peoria School District advising me that he had "never seen such a piece of loaded material in all my life" and the Peoria schools are therefore declining to participate in this testing.

Mr. Burt phoned the decision to ETS at Princeton, N.J., and was referred to Mr. Robert York, Project Coordinator for the U.S. Office of Education.

I believe it very interesting that Mr. York was disturbed to get the decision of the Peoria school system and said, "We were instructed to put these questions into the test by Congress."

Well, Mr. Speaker, there is just no validity to this statement whatsoever.

Since the Office of Education has been less than candid with the Congress, I have made inquiry and have done some searching to come up with startling facts to convince me that the real purpose of these tests is to lay the cornerstone for a national testing program in elementary and secondary schools.

The Carnegie Corp. of New York was invited by Commissioner Keppel to conduct a study of the feasibility of making a national assessment of educational achievement. At the time this was done, Dr. John Gardner, our new Secretary of Health, Education, and Welfare, was president of the corporation. In April of this year Mr. Gardner said that:

> Until now, educational testing has been aimed at evaluating the individual: his grasp of a certain subject matter, his eligibility for advanced education—in short, how well he measures up to a given standard. A national assessment, on the other hand, would not be concerned with the individual.
>
> Instead, it would assess the general performance of groups of people—not in order to do anything with them individually, but to obtain information about them as a group.

I wish to draw your attention to the fact that when Mr. Gardner talks about an individual, he calls it educational testing; but when he talks about a group of individuals, he calls it "Assessing the general performance." He admits that national assessment will not be concerned with the individual. But he goes even further than this. He states that:

> A national assessment must reflect fairly the aims of education in the United States. The tests, therefore, should cover both the traditional and modern curriculums and include some measurement of such areas beyond subject matter as degree of motivation, values, and health. In short, the project would assess the total educational picture in a community. To do this would probably require the gathering of some input data—for example, socioeconomic information on the community—to indicate what resources the school is working with.

I would like to underline the words that Mr. Gardner uses: Reactivation, values, health, input data, socioeconomic information. These certainly are strange words he is using, especially since the following words appeared in the Senate HEW Supplemental Appropriations Report of 1966 which reads:

> In conformity with the assurances given to the committee by the Commissioner of Education during hearings on the bill, the committee recommends that the Office of Education take no steps toward any national testing program, directly or by contract, until the Congress has had an opportunity to determine such a policy is advisable through its regular legislative committees.

Now, if these tests I have here today are not concerning socioeconomic problems, then what is their major concern?

It does not end here, however. There are other alarming aspects. I understand the Educational Testing Service which has the contract for making this school survey has also been given a contract to follow through with the formulating of a national testing program, based on Dr. Gardner's "National Assessment of Educational Progress." I might add that at the time this was done, Dr. Gardner was on the Board of Directors of Educational Testing Service. At the present time, he is "on leave" from the Carnegie Corp.

Mr. Speaker, the Office of Education has used the Civil Rights Act of 1964 to establish a benchmark for National Testing. I can visualize next year, or the year after that, Secretary Gardner and Commissioner Keppel, coming to the Congress with the established precedents of these school surveys, requesting a more formal type of survey. Probably something with the euphemistic title: "National Assessment," but well known to those knowledgeable in this field as "National Testing." Let me repeat—without the prior approval of Congress—the Office of Education has proceeded with a national testing program.

Mr. Speaker, I just cannot bring myself to believe the mass of educators—school superintendents, principals, teachers, school boards, and yes, the all-important parents, too—are in favor of what is going on in this regard and possibly some form of concurrent resolution, expressing a consensus of this Congress would be in order to stay any further action until the Congress has had an opportunity to express itself clearly and concisely on this issue.

I would hate to see the day when the intellectual community which is always in the forefront when it comes to espousing freedom of expression, the right to dissent, and the protection of the rights of minorities would be reluctant to speak out for fear of losing a Federal grant or Federal appropriation of funds. The dangling carrot of Federal aid can be most persuasive. And unless at this juncture—when there is still time—we have some open and free expressions on this issue, there will be no turning back and we'll be headed hell-bent down the road toward a giant, monolithic, federalized educational system.

Mr. Speaker, let me relate some of the specifics of this educational opportunity survey. The superintendent of a school district participating will get a copy of the school survey test. A packet will be sent to the school principal and it will include the following:

First. A principal's questionnaire which will be similar to the one for school superintendents.

Second. A questionnaire to go to all teachers in the building, regardless of whether their children are being tested or not.

This includes a verbal ability test which most educators consider to be a correlation with an IQ test.

Third. Tests for students in grades 1, 3, 6, 9, and 12. This includes a general IQ test, a test of reading and mathematics ability, various questions on achievement and various subjects, an opinion section, and a factual personal section.

All of these packets and tests are coded. Supposedly, only 5 percent of all of the schools in the United States will participate, on a so-called voluntary basis. The sample that they are using is very biased. It compares in many cases highly rated academic schools with the very lowest academic or vocational schools. The emphasis is being placed on the extremes. This certainly will not show the real differences of educational opportunities in our schools.

Mr. Speaker, the portions of the test that I have been able to attain so far follow. I have also included the statement of John Gardner entitled "A National Assessment of Educational Progress" which was printed in the ASCD News Exchange, dated May 1965:

SCHOOL SURVEY TESTS, COLLEGE SURVEY TESTS, SCHOOL PRINCIPAL'S MANUAL, COLLEGE COORDINATOR'S MANUAL

(Please check all survey materials immediately against your shipment notice and against the checklist in the Survey Administrator's Manual. Notify ETS at once if there is any error in count.)

INTRODUCTION

The Civil Rights Act of 1964 directed the U.S. Office of Education to conduct a survey to examine the availability of equal educational opportunities for minority group children in public schools throughout the United States. The results of the survey are to be reported to the President and Congress by July 1966.

The survey is being carried out through the joint efforts of local and State school

systems with the Office of Education. This school system and this school have been chosen for the sample, which will represent all American schools, North, South, East, and West.

The survey will aim to obtain as complete a picture of schools in this country as possible. Students in selected grades will be given a battery of tests and questionnaires to be administered by their teachers. Teachers, principals, and superintendents are asked to answer questionnaires, in order to complete the picture of the school.

To assure the privacy of each individual's responses, students and teachers are asked not to write their names on response sheets. To preserve the school's anonymity, no identification of schools or school systems will be made in the report to the President and Congress.

The results of this survey will make an important contribution to the educational opportunities of all American children. Your efforts, and the efforts of persons in other sampled schools throughout the country are what will make this contribution possible.

Proctorial assistance: If you have more than 25 students being surveyed by a single administrator, it is suggested that you secure one proctor for each additional 25 students to assist in distributing and collecting survey materials and in general survey supervision.

Duties of proctors: Proctors are to walk about the room frequently during the course of the survey to guard against irregularities and to ensure that every student is following directions at all times.

Proctors should give strict attention to their duties. They should not read or engage in conversation while the survey is in progress. If a proctor pauses behind a student, he should take care not to remain there long enough to disturb or embarrass the student.

Information on guessing: If a student asks you about guessing, tell him that his score will be the number of correct answers he marks.

Pencils: For first grade students, ETS will provide pencils. All other students being surveyed should be instructed to bring several No. 2 pencils with erasers with them to the survey administration. Answer marks should be black and should fill the answer spaces completely. Ink or ballpoint pens, colored pencils, or pencils with extremely soft lead should not be used. Failure to use No. 2 pencils may result in inaccurate scoring.

Prohibition of aids:

The use of books, slide rules, compasses, rulers, dictionaries or papers of any kind is prohibited during the survey. Students should be instructed that such aids will not be permitted in the survey room. Administrators and proctors must insist on the immediate removal of such aids.

The use of scratch paper is also prohibited. If preliminary calculations are necessary, they may be done in the margins of the survey booklet, but not on the answer sheet.

Students should be asked to remove all unnecessary materials from their desks before the survey begins.

Irregularities in administration: Various kinds of irregularities may occur during the administration. Survey administrators should be instructed to record any irregularities on the irregularity report at the back of each administrator's manual. An irregularity report should be returned only if an irregularity occurs.

SCHOOL SURVEY TESTS—TEACHER QUESTIONNAIRE

This questionnaire should be completed by all persons in the schools in which students are tested who fall into either of the two following categories: (a) Teachers teaching one or more classes this year; and (b) anyone who spends more than 5 hours per week in guidance counseling.

Mark the space on the answer sheet that is correct for you for each question. Mark only one answer for each question. You may omit any question which you would prefer not to answer, but please answer them all if you possibly can.

PART I

1. What is your sex? (a) Male; (b) female.

2. How old were you on your last birthday? (a) Under 26; (b) 26 to 35; (c) 36 to 45; (d) 46 to 55; (e) 56 to 65; (f) 66 or older.

3. Where have you spent most of your life? (a) In this city, town, or county; (b) in this State outside this city, town, or county; (c) in another State in the United States; (d) in Puerto Rico or another U.S. possession; (e) in Mexico; (f) in Canada; (g) in a country other than the United States, Canada, or Mexico.

4. In what type of community have you spent most of your life? (Give your best estimate if you are not sure.) (a) In the open country or in a farming community; (b) in a small town (less than 10,000 people) that was not a suburb; (c) inside a medium size city (10,000 to 100,000 people); (d) in a suburb of a medium size city; (e) inside a large city (100,000 to 500,000 people); (f) in a suburb of a large city; (g) in a very large city (over 500,000 people); (h) in a suburb of a very large city.

5. Are you—(a) Negro; (b) white; (c) American Indian; (d) Oriental; (e) other.

6. Are you of Puerto Rican or Mexican-American background? (a) Puerto Rican; (b) Mexican-American; (c) neither of these.

7. Where did you graduate from high school? (a) A high school in this city, town, or county; (b) a high school in this State, but outside this city, town, or county; (c) a high school in another State in the United States; (d) a high school in Puerto Rico or another U.S. possession; (e) a high school in another country.

46. Below is a list of current school issues on which we want the judgments of teachers throughout the country. Please answer each in terms of your judgment of the best educational practice.

(a) Which of the following policies on neighborhood elementary schools represents the best educational practice, in your estimation? (A) Neighborhood elementary schools should be maintained regardless of any racial imbalance produced. (B) Neighborhood elementary schools should be maintained, but where possible a device, such as reducing the grade span of schools, "pairing" schools, or another practice, should be used to promote racial balance. (C) The idea of neighborhood elementary schools can be abandoned without significant loss.

(b) Which of the following policies on bussing of elementary schoolchildren represents the best educational practice in your estimation? (A) Children should not be bussed to a school other than their neighborhood school. (B) Children should be bussed to another school but only to relieve overcrowding. (C) Nonwhite children should be bussed to another school in order to achieve racial balance. (D) Both white and nonwhite children should be bussed into schools with a predominantly different racial composition, to achieve racial balance.

(c) Do you believe there is a sound basis in educational policy for giving compensatory programs to culturally disadvantaged students at extra per pupil cost? (A) Yes; (B) no; (C) undecided.

(d) What type of faculty do you believe is best for a school with an all nonwhite or predominantly nonwhite student body? (A) An all white faculty; (B) predominantly white faculty; (C) about equal number of white and nonwhite faculty; (D) predominantly nonwhite faculty; (E) all nonwhite faculty; (F) doesn't matter; (G) selected without regard to race; (H) some degree of integration, but ratio doesn't matter.

(e) What type of faculty do you believe is best for a school with a racially heterogeneous student body? (A) An all white faculty; (B) predominantly white faculty; (C) about equal number of white and nonwhite faculty; (D) predominantly nonwhite faculty; (E) all nonwhite faculty; (F) doesn't matter; (G) selected without regard to race; (H) some degree of integration, but ratio doesn't matter.

(f) What type of faculty do you believe is best for a school with an all white or predominantly white student body? (A) An all white faculty; (B) predominantly white faculty; (C) about equal number of white and nonwhite faculty; (D) predominantly nonwhite faculty; (E) All nonwhite faculty; (F) doesn't matter; (G) selected without regard to race; (H) some degree of integration, but ratio doesn't matter.

47. Surveys of school problems show a number of things reported by teachers as reducing the effectiveness of the school. Below is a partial list of these problems. Mark Y (yes) for those situations that constitute a problem in your school. Mark N (no) for those that do not constitute a problem in your school.

(a) The home environment of the students is not good.

(b) Pupils are not well fed and well clothed.

(c) The different races or ethnic groups don't get along together.

(d) Parents attempt to interfere with the school.

(e) There is too much competition for grades.

(f) There is too much emphasis on athletics.

(g) There are too many absences among students.

(h) The classes are too large for effective teaching.

(i) There should be a better mixture, the students are all too much of one type.

(j) Too much time has to be spent on discipline.

(k) The students aren't really interested in learning.

(l) There is a lack of effective leadership from the school administration.

(m) The parents put too much pressure on the students for good grades.

(n) The teachers don't seem to be able to work well together.

(o) Teachers have too little freedom in such matters as textbook selection, curriculum, and discipline.

(p) There is too much student turnover.

(q) The parents don't take enough interest in their children's school work.

(r) We have poor instructional equipment, supplies, books, laboratory equipment, etc.

(s) There are too many interruptions during class periods.

(t) There is too much teacher turnover.

(u) There is too much turnover of administrators.

48. Are you a member of any teachers' associations? (a) No; (b) Yes, an officer; (c) Yes, an active worker; (d) Yes, a member but not an active worker.

49. Do you read regularly any national educational or subject matter journals such as the NEA Journal, the Nation's Schools, the English Journal, etc.? (a) No, not regularly; (b) Yes, 1 regularly; (c) Yes, 2 regularly; (d) Yes, 3 or more regularly.

50. Do you expect to remain full time in public education until you reach retirement age? (a) Definitely yes; (b) Probably yes; (c) Probably no; (d) Definitely no.

51. About how many hours a day do you spend outside of your scheduled workday in preparation for teaching or counseling? (a) None; (b) 1; (c) 2; (d) 3; (e) 4 or more.

52. How many hours a day do you spend in classroom teaching this year? (a) None (skip to question 63); (b) 1; (c) 2; (d) 3; (e) 4; (f) 5; (g) 6 or more.

NOTE.—If you spend no time in classroom teaching, omit questions 53 through 62 and continue with question 63.

53. On the average, how many students do you have per class this year? If you teach only one class, answer for that one. Write the number in the spaces at the top of the answer area. If the number is less than 100, put a 0 in the first space, then write the number; if the number is less than 10, put 0's in the first and second spaces, then write the number in the third space. Now blacken the spaces below the three numbers you have written which correspond to those numbers.

54. (Omit if you teach only fifth grade or below.) How many different subjects are you teaching this term? Count different levels of a subject as different subjects. For example, 9th- and 10th-grade English are two subjects; and 3d- and 4th-year French are two subjects. (a) 1; (b) 2; (c) 3; (d) 4; (e) 5; (f) 6; (g) 7; (h) 8 or more.

PART II

The final part of the questionnaire consists of a short test of verbal facility. It is voluntary and anonymous, as is the remainder of the questionnaire. It is included to obtain a simple measure of verbal facility of teachers throughout our Nation. Here, as in the survey as a whole, your help is essential for assessing the educational opportunities of American children in 1965.

Most people finish these questions in 15 minutes or less. Please do not refer to any book or discuss these questions with anyone before you answer them.

Each question consists of a sentence in which one word is missing; a blank indicates where the word has been removed from the sentence. Beneath each sentence are five words, one of which is the missing word. You are to select the missing word by deciding which one of the five words best fits in with the meaning of the sentence.

Sample question

We had worked hard all day so that by evening we were quite ------ (a) Small; (b) tired; (c) old; (d) untrained; (e) intelligent.

If you understand the sample sentence, you will realize that "tired" is the missing word, because none of the other words fits in with the meaning of the sentence. Next, on the answer sheet, you find the space numbered the same as the question and blacken the space which has the same letter as the missing word.

73. Dick apparently had little ------ in his own ideas, for he desperately feared being laughed at. (a) Interest; (b) depth; (c) confidence; (d) difficulty; (e) continuity.

74. No money should be wasted on luxuries until all ------ have been provided for. (f) Assets; (g) opportunities; (h) resources; (j) proceeds; (k) necessities.

75. France is still, if not the only country in the world where ------ is an art, at least the only one where the dressmaker and the milliner are artists. (a) Democracy; (b) behavior; (c) society; (d) dress; (e) conversation.

76. The ------ of the animals was astounding; they would sit unmoving as we walked about and took their pictures. (f) Stupidity; (g) tameness; (h) grace; (j) shyness; (k) photography.

77. He told the story apparently with indifference, yet with ------ enough to fix the words in his hearers' memory. (a) Jurisdiction; (b) literacy; (c) emphasis; (d) insight; (e) ecstasy.

78. Down with them all. I am taking my ------ for all the humiliation I endured in my youth. (f) Revenue; (g) punishment; (h) reward; (j) time; (k) opportunity.

79. At sea he was an amateur, not an expert, and thus for the first time became an ------ instead of a man of action. (a) Authority; (b) instigator; (c) onlooker; (d) outcast; (e) inspiration.

80. Science, art, literature, philosophy, and religion are the institutions that ------ great civilizations from mere groups of villages. (f) Regulate; (g) extricate; (h) distinguish; (j) release; (k) save.

81. As often happens to those in a bad humor, it seemed to him that everyone regarded him with ------ and that he was in everybody's way. (a) Aversion; (b) curiosity; (c) respect; (d) understanding; (e) fear.

82. People in temperate climates, faced with many ------, gain resources within themselves which eventually lead to a greater prosperity than that possessed by people where living conditions are easier. (f) Obstacles; (g) directions; (h) advantages; (j) possibilities; (k) experiences.

83. He was fired from a job sorting oranges because he was not able to ------ well enough. (a) Produce; (b) sample; (c) walk; (d) discriminate; (e) dye.

84. During the course of the trial he exhausted every form of ------ in an attempt to prove his innocence. (f) Camouflage; (g) intrigue; (h) appeal; (j) credit; (k) insistence.

85. To make you understand my point I must go back a bit and seem to change the subject, but the ------ will soon be plain. (a) Correction; (b) effect; (c) origin; (d) controversy; (e) connection.

86. In pace, the industrial revolution has been not a revolution at all but a ------, change, dependent on the energy and ingenuity of individuals and limited by the scarcity of men possessing these qualities. (f) Gradual; (g) sudden; (h) deliberate; (j) doubtful; (k) debatable.

87. The shortage of wage labor in the farming districts ------ the invention of labor-saving devices. (a) Delayed; (b) threatened; (c) determined; (d) quickened; (e) characterized.

88. You deplore heresy only if you accept an orthodoxy; you talk of damnation only if you believe in the possibility of ------. (f) Recantation; (g) salvation; (h) heresy; (j) perfection; (k) error.

89. Because of the system of growing crops until the land was ------, cotton culture was ever on the move in quest of fresh and fertile soils. (a) Exhausted; (b) cleared; (c) reclaimed; (d) improved; (e) satiated.

90. The paper currency did not depreciate to a great degree, but it tended to ------ with the success or failure of allied armies and with the conditions of the crops and trade. (f) balance; (g) diminish; (h) circulate; (j) stabilize; (k) fluctuate.

91. Himself a man who had vainly striven against ------, he readily accepted the dollar sign as the hallmark of success. (a) Graft; (b) materialism; (c) suppression; (d) defeat; (e) poverty.

92. To be dependent upon them would embitter my whole life; I should feel begging to be far less ------. (f) Criminal; (g) degrading; (h) restricting; (j) mistaken; (k) crucial.

93. Even when the profession is fairly lucrative, its gains are ------ by the fact that the work must all be done by the practitioner's own hand. (a) Obscured; (b) exaggerated; (c) increased; (d) developed; (e) limited.

94. The early Puritans sought to fortify themselves against ------ by acquiring the habit of self-denial. (f) generosity; (c) temptation; (h) happiness; (j) life; (k) persecution.

95. Consumption of protein declines in periods of economic stress because it is the most ------ of all essential food elements. (a) desirable; (b) nutritious; (c) concentrated; (d) stable; (e) expensive.

96. They could tell from the dark funnel-shaped cloud coming their way that a tornado was probably ------ (f) present; (g) crucial; (h) normal; (j) over; (k) imminent.

97. The diplomatic remonstrance was so ------ that it was almost equivalent to a declaration of war. (a) well-worded; (b) astute; (c) strong; (d) intentional; (e) clever.

98. When the ------ of universal suffrage based on universal ignorance was perceived, education was given a new significance. (f) equality; (g) danger; (h) loss; (j) usefulness; (k) success.

99. The art of reading comes without undue pains to a great many of us, but it is a gift which is certainly not ------. (a) exclusive; (b) profitable; (c) appreciated; (d) universal; (e) refused.

100. Assuming that most writing problems are within the scope of the sentence, the author concentrated on the ------ as the focal point of his freshman English textbook. (f) paragraph; (g) theme; (h) sentence; (j) topic; (k) grammar.

101. The ------ of living, the arrangement of the day so that he might be on time everywhere and leave no detail unattended, absorbed the greater part of his vital energy. (a) necessity; (b) adventure; (c) awareness; (d) exhaustion; (e) mechanics.

102. In trying to build up a new style of design in opposition to the technical potentialities of the century, he was just as much an ------ as the architect who disguises a modern town hall as a Greek temple. (f) explorer; (g) atheist; (h) introvert; (j) escapist; (k) optimist.

This is the end of the questionnaire. Thank you for your cooperation.

SCHOOL SURVEY TESTS—GRADE 6

PART VII QUESTIONNAIRE

Mark the space on the answer sheet corresponding to the answer that is correct for you for each question. Mark only one answer for each question. You may leave out any question you prefer not to answer.

1. Are you a boy or girl? (a) Boy; (b) girl.

2. How old are you now? (a) 9 or younger; (b) 10; (c) 11; (d) 12; (e) 13 or older.

3. Where were you born? (a) In this city, town, or county; (b) somewhere else in this State; (c) in another State in the United States; (d) in Puerto Rico; (e) in Mexico; (f) in Canada; (g) in some other country; (h) I don't know.

4. Which one of the following best describes you? (a) Negro; (b) white; (c) American Indian; (d) Oriental; (e) other.

5. Are you Puerto Rican? (a) Yes; (b) no.

6. Are you Mexican-American? (a) Yes; (b) no.

7. How many people live in your home? Count mother, father, brothers, sisters, aunts, uncles, grandparents, and any others who live with you. Count yourself but don't count your pets. (a) 2; (b) 3; (c) 4; (d) 5; (e) 6; (f) 7; (g) 8; (h) 9; (i) 10; (j) 11 or more.

8. How many children (under 18) are in your family? Count yourself. (a) 1—only me; (b) 2; (c) 3; (d) 4; (e) 5; (f) 6; (g) 7; (h) 8; (i) 9; (j) 10 or more.

9. Who acts as your father? (a) My real father, who is living at home; (b) my real father, who is not living at home; (c) my stepfather; (d) a foster father; (e) a grandfather; (f) other relative (uncle, etc.); (g) other adult; (h) no one.

10. Who acts as your mother? (a) My real mother, who is living at home; (b) my real mother, who is not living at home; (c) my stepmother; (d) a foster mother; (e) a grandmother; (f) other relative (aunt, etc.); (g) other adult; (h) no one.

For all questions about your mother and father, answer them for the persons you said were acting as your mother and father in questions 9 and 10.

11. How far in school did your father go? (a) None, or some grade school; (b) completed grade school; (c) some high school, but did not graduate; (d) graduated from high school; (e) vocational or business school after high school; (f) some college, but less than 4 years; (g) graduated from a 4-year college; (h) attended graduate or professional school; (i) I don't know.

12. What kind of work does, or did, your father usually do? If it is not in the list below, mark whatever seems to be the closest for his main job. (a) Draftsman or medical technician; (b) banker, company officer, or government official; (c) store owner or manager, office manager; (d) sales clerk, office clerk, truckdriver, waiter, policeman, bookkeeper, mailman, barber; (e) salesman; (f) farm or ranch manager or owner; (g) farmworker on one or more than one farm; (h) factory worker, laborer, or gas station attendant; (i) doctor, lawyer, clergyman, engineer, scientist, teacher, professor, artist, accountant; (j) carpenter, electrician, mechanic, tailor, or foreman in a factory; (k) don't know.

13. Where was your mother born? (a) In this State; (b) in another State in the United States; (c) in Puerto Rico; (d) in Mexico; (e) in Canada; (f) in some other country; (g) I don't know.

14. How far in school did your mother go? (a) None, or some grade school; (b) completed grade school; (c) some high school, but did not graduate; (d) graduated from high school; (e) vocational or business school after high school; (f) some college, but less than 4 years; (g) graduated from a 4-year college; (h) attended graduate or professional school; (i) I don't know.

15. Does your mother have a job outside your home? (a) Yes, full-time; (b) yes, part-time; (c) no.

16. Does anyone in your home speak a language other than English most of the time? (German, Italian, Spanish, etc.) (a) yes; (b) no.

17. Do you speak a language other than English outside of school? (a) yes; (b) no.

18. Did anyone at home read to you when you were small, before you started to school? (a) No; (b) once in a while; (c) many times, but not regularly; (d) many times and regularly; (e) I don't remember.

19. Does your family have a television set? (a) yes; (b) no.

20. Does your family have a telephone? (a) yes; (b) no.

21. Does your family have a record player, hi-fi, or stereo? (a) yes; (b) no.

22. Does your family have a refrigerator? (a) yes; (b) no.

23. Does your family have a dictionary? (a) Yes; (b) no; (c) I don't know.

24. Does your family have an encyclopedia? (a) Yes; (b) no; (c) I don't know.

25. Does your family have an automobile? (a) Yes; (b) no.

26. Does your family have a vacuum cleaner? (a) Yes; (b) no.

27. Does your family get a newspaper every day? (a) Yes; (b) no.

28. Did you read any books during the last summer? (Do not count magazines or comic books.) (a) No; (b) yes, 1 or 2; (c) yes, about 5; (d) yes, about 10; (e) yes, more than 10.

29. On school days, how much time do you watch TV at home? (a) None or almost none; (b) about ½ hour a day; (c) about 1 hour a day; (d) about 1½ hours a day; (e) about 2 hours a day; (f) about 3 hours a day; (g) 4 or more hours a day.

30. How many different schools have you gone to since you started the first grade? (a) One—Only this school; (b) 2; (c) 3; (d) 4; (e) 5 or more.

31. Last year how many of the students in your class were white? (a) None; (b) a few; (c) about half; (d) most of them; (e) all of them.

32. About how much time do you spend each day on homework? ("Homework" means school assignments that you do at home.) (a) I have no homework; (b) about ½ hour a day; (c) about 1 hour a day; (d) about 1½ hours a day; (e) about 2 or more hours a day.

33. If I could change, I would be someone different from myself. (a) yes; (b) no; (c) not sure.

34. I can do many things well. (a) Yes; (b) no; (c) not sure.

35. I would go to another school rather than this one if I could. (a) Yes; (b) no; (c) not sure.

36. I like school. (a) Yes; (b) no.

37. I sometimes feel I just can't learn. (a) Yes; (b) no.

38. People like me don't have much of a chance to be successful in life. (a) Agree; (b) not sure (c) disagree.

39. Most of my classmates like me. (a) Yes; (b) not sure; (c) no.

40. How good a student are you? (a) One of the best students in my class; (b) above the middle of my class; (c) in the middle of my class; (d) below the middle of my class; (e) near the bottom of my class.

41. How good a student does your mother want you to be in school? (a) One of the best students in my class; (b) above the middle of the class; (c) in the middle of my class; (d) just good enough to get by; (e) don't know.

42. How good a student does your father want you to be in school? (a) One of the best students in my class; (b) above the middle of the class; (c) in the middle of my class; (d) just good enough to get by; (e) don't know.

43. Did you have a nonwhite teacher last year (for example Negro, American Indian, Oriental)? Don't count substitute teachers. (a) Yes; (b) no.

44. Think now of your close friends. How many of them are white? (a) None; (b) a few; (c) about half; (d) most of them; (e) all of them.

45. Did you go to kindergarten? (a) Yes; (b) no.

46. Did you go to nursery school before you went to kindergarten? (a) Yes; (b) no; (c) I don't remember.

47. What grade were you in last year? (a) Fourth; (b) fifth; (c) sixth.

48. About how long does it take you to get from your home in the morning to school? (a) 10 minutes or less; (b) 20 minutes; (c) 30 minutes; (d) 45 minutes; (e) 1 hour or more.

49. How do you usually come to school in the morning? (a) By automobile; (b) walk or bicycle; (c) schoolbus; (d) train, trolley, subway, or bus other than schoolbus; (e) other.

50. Is there another public school with your grade as close or closer to your home than this one? (a) Yes; (b) no; (c) don't know.

51. Mark the highest grade you want to finish in school. (a) Grades 6 or 7; (b) grades 8 or 9; (c) grades 10 or 11; (d) grade 12; (e) college.

52. Think now who you would like most to have for your classmates. How many of them would be white? (a) None; (b) a few; (c) about half; (d) most of them; (e) all of them; (f) it doesn't matter.

53. When you finish school, what sort of job do you think you will have? Pick the one that is closest.

Boys answer from the selections below

(a) Draftsman or medical technician.

(b) Banker, company officer, or government official.

(c) Store owner or manager, office manager.

(d) Sales clerk, office clerk, truckdriver, waiter, policeman, bookkeeper, mailman, barber.

(e) Salesman.

(f) Farm or ranch manager or owner.

(g) Farmworker on one or more than one farm.

(h) Factory worker, laborer, or gas station attendant.

(i) Doctor, lawyer, clergyman, engineer, scientist, teacher, professor, artist, accountant.

(j) Carpenter, electrician, mechanic, tailor, or foreman in a factory.

(k) Don't know.

Girls answer from the selections below

(a) Housewife only.

(b) Doctor, lawyer, scientist.

(c) Beautician.

(d) Bookkeeper or secretary.

(e) Waitress or laundry worker.

(f) Schoolteacher.

(g) Nurse.

(h) Saleslady.

(i) Maid or domestic servant.

(j) Factory worker.

(k) Don't know.

54. How often do you and your parents talk about your school work?

(a) Just about every day.

(b) Once or twice a week.

(c) Occasionally, but not often.

(d) Never or hardly ever.

If you finish before time is called, check your work on this part only. Do not work on any other part in the test.

SCHOOL SURVEY TESTS—GRADE 12

61. On an average schoolday, how much time do you spend studying outside of school? (a) None or almost none; (b) about one-half hour a day; (1) about 1 hour a day; (d) about 1½ hours a day; (e) about 2 hours a day; (f) about 3 hours a day; (g) 4 or more hours a day.

62. About how many days were you absent from school last year? (a) None; (b) 1 or 2 days; (c) 3 to 6 days; (d) 7 to 15 days; (e) 16 or more days.

63. During the last school year, did you ever stay away from school just because you didn't want to come? (a) No; (b) yes, for 1 or 2 days; (c) yes, for 3 to 6 days; (d) yes, for 7 to 15 days; (e) yes, for 16 or more days.

64. Think now of your close friends. How many of them are white? (a) None; (b) less than half; (c) about half; (d) more than half; (e) all.

65. If you could have anyone you wanted for your close friends, how many would be white? (a) None; (b) less than half; (c) about half; (d) more than half; (e) all; (f) don't care.

66. If you could be in the school you wanted, how many of the students would you want to be white? (a) None; (b) less than half; (c) about half; (d) more than half; (e) all; (f) don't care.

67. If you could be in the school you wanted, how many of the teachers would you want to be white? (a) none; (b) less than half; (c) about half; (d) more than half; (e) all; (f) don't care.

68. What was the first grade you attended with students from another race in your classes? (a) 1st, 2d, or 3rd; (b) 4th, 5th, or 6th; (c) 7th, 8th, or 9th; (d) 10th, 11th, or 12th; (e) I have not had classes with students of another race.

69. Are you a member of a club for future teachers? (a) yes; (b) no; (c) there is not one in this school.

70. Were you on any school athletic team last year as a player or manager? (a) yes; (b) no; (c) we didn't have any athletic teams in my school.

71. Were you a member of the student council last year? (a) yes; (b) no; (c) we didn't have a student council.

72. Did you participate in any debating, dramatics, or musical clubs last year? (a) no; (b) yes, I was an active member; (c) yes, but I wasn't very active; (d) our school does not have such clubs.

73. Did you participate in any hobby clubs at school last year, such as photography, model building, crafts, etc.? (a) no; (b) yes, I was an active member; (c) yes, but I wasn't an active member; (d) our school does not have such clubs.

Beginning with 9th grade, including all this school year, how much course work will you have had in each of the subject areas listed below? (a) None; (b) one-half year; (c) 1 year; (d) 1½ years; (e) 2 years; (f) 2½ years; (g) 3 years; (h) 3½ years; (i) 4 years; (j) more than 4 years.

74. Science courses such as biology, chemistry, general science, and physics.

75. Foreign language courses such as French, German, and Latin.

76. Social studies courses such as history, civics, and economics.

77. English courses including grammar, literature, drama, speech, and journalism.

78. Mathematics courses such as algebra, geometry, trigonometry. Do not include commercial arithmetic or shop mathematics.

79. Industrial arts courses such as general shop, woodworking, metalworking, drafting. Do not include job-training courses.

80. Vocational education, trade education, and job-training courses such as auto mechanics, foundry, distributive education, and health occupations.

81. Commercial courses such as typing, shorthand, and bookkeeping.

82. Agriculture courses.

83. Home economics courses.

84. What is the average grade that you made in your English courses during the last 2 years? If your school does not use letter grades, estimate as closely as possible: (a) A (either A−, A, or A+); (b) B (either B−, B, or B+); (c) C (either C−, C, or C+); (d) D (either D−, D, or D+); (e) failed; (f) haven't taken any courses in English.

85. What is the average grade that you made in your mathematics courses during the last 2 years? If your school does not use letter grades, estimate as closely as possible: (a) A (either A−, A, or A+); (b) B (either B−, B, or B+); (c) C (either C−, C, or C+); (d) D (either D−, D, or D+); (e) failed; (f) haven't taken any courses in mathematics.

86. What ability group or track are you in in your English class? (a) The highest group or track; (b) the middle group; (c) the lower group; (d) our school does not have ability grouping or tracks; (e) don't know.

87. Are you now repeating any English course which you took last year? (a) Yes; (b) no.

88. What is your grade average for all your high school work? (a) A (either A−, A, or A+); (b) B (either B−, B, or B+); (c) C (either C−, C, or C+); (d) D (either D−, D, or D+); (e) don't know.

89. During the last school year about how many hours a week did you work for pay? Do not include chores done around your own home. (a) None; (b) about 1 to 5 hours; (c) about 6 to 10 hours; (d) about 11 to 15 hours; (e) about 16 to 20 hours; (f) about 21 hours or more.

90. How do you and your friends rate socially in this school? (a) At the top; (b) near the top; (c) about in the middle; (d) near the bottom.

91. How bright do you think you are in comparison with the other students in your grade? (a) Among the brightest; (b) above average; (c) average; (d) below average; (e) among the lowest.

92. Do you feel that you can get to see a guidance counselor when you want to or need to? (a) Yes; (b) no; (c) we have no guidance counselor.

93. How many times did you talk to a guidance counselor last year? (a) Never; (b) once; (c) two or three times; (d) four or five times; (e) six or more times; (f) we have no guidance counselor.

94. Has your teacher or counselor encouraged you to take further training after high school? (a) Yes, to go to college; (b) yes, for technical or advanced job training; (c) yes, for business or commercial training; (d) yes, other training; (e) no.

95. Would you have enrolled in a vocational (job training) program if one that interested you were offered in your high school? (a) I am already in a vocational (job training) program; (b) yes, I would have enrolled in such a program; (c) no, I would not have enrolled in such a program.

If you answered B or C on question 95, skip to question 100.

96. Here is a list of the kinds of job training courses vocational students take in schools around the country. Mark the number of the program that comes closest to the one you are taking the most work in during high school.

1. Agriculture.
2. Air conditioning.
3. Airplane mechanics.
4. Auto body mechanics.
5. Automotive mechanics.
6. Brick or stone masonry.
7. Cabinet making.
8. Carpentry.
9. Commercial art.
10. Cooperative office or business training.
11. Cosmetology (beauty culture).
12. Diesel mechanics.
13. Distributive education.
14. Electricity.
15. Food trades.
16. Foundry.
17. Industrial cooperative training.
18. Machine shop.
19. Maid training (domestic service).
20. Needle trades.
21. Painting and decorating.
22. Plumbing (pipe fitting).
23. Practical nursing (health).
24. Printing.
25. Radio-TV repair.
26. Sheet metal work.
27. Welding.
28. Other.

97. When you finish high school, how many half years of schoolwork will you have completed for the job you are taking the most training in? (a) One-half year; (b) 1 year; (c) 1½ years; (d) 2 years; (e) 2½ years or more.

98. Are you in a work-study program in which the school and local employer cooperate to give students on-the-job training? (a) Yes; (b) No.

99. Are you in training for the job you really want to work at when you finish high school? (a) yes; (b) no, I was not able to qualify for it; (c) no, the course was full and I had to take something else; (d) no, I did not try to take it; (e) there is no training for that job in this school.

100. How good a student do your teachers expect you to be? (a) one of the best students in my class; (b) above the middle of the class; (c) in the middle of my class; (d) just good enough to get by; (e) don't know.

On each of the following items, mark (a) if you agree; mark (b) if you are not sure; and mark (c) if you disagree.

101. People who accept their condition in life are happier than those who try to change things. (a) agree; (b) not sure; (c) disagree.

102. Good luck is more important than hard work for success. (a) agree; (b) not sure; (c) disagree.

103. Every time I try to get ahead, something or someone stops me. (a) agree; (b) not sure; (c) disagree.

104. If a person is not successful in life, it is his own fault. (a) agree; (b) not sure; (c) disagree.

105. Even with a good education, I'll have a hard time getting the right kind of job. (a) agree; (b) not sure; (c) disagree.

106. I would make any sacrifice to get ahead in the world. (a) agree; (b) not sure; (c) disagree.

107. If I could change, I would be someone different from myself. (a) agree; (b) not sure; (c) disagree.

108. I sometimes feel that I just can't learn. (a) agree; (b) not sure; (c) disagree.

109. I would do better in school work if teachers didn't go so fast. (a) agree; (b) not sure; (c) disagree.

110. People like me don't have much of a chance to be successful in life. (a) agree; (b) not sure; (c) disagree.

111. The tougher the job, the harder I work. (a) agree; (b) not sure; (c) disagree.

112. I am able to do many things well. (a) agree; (b) not sure; (c) disagree.

113. About how long does it take you to get from your home in the morning to school? (a) 10 minutes or less; (b) 20 minutes; (c) 30 minutes; (d) 45 minutes; (e) one hour or more.

114. How do you usually come to school in the morning? (a) By automobile; (b) walk or bicycle; (c) school bus; (d) train, trolley, subway, or bus other than school bus; (e) other.

115. When you finish your education, what sort of a job do you think you will have?

(a) Technical, such as draftsman, surveyor, medical, or dental technician, etc.

(b) Official, such as manufacturer, officer in a large company, banker, Government official or inspector, etc.

(c) Manager, such as sales manager, store manager, office manager, factory supervisor, etc. Properietor or owner, such as owner of a small business, wholesaler, retailer, contractor, restaurant owner, etc.

(d) Semiskilled worker, such as factory machine operator, bus or cab driver, meat cutter, etc. Clerical worker, such as bank-teller, bookkeeper, sales clerk, office clerk, mail carrier, messenger, etc. Service worker, such as barber, waiter, etc. Protective worker, such as policeman, detective, sheriff, fireman, etc.

(e) Salesman, such as real estate or insurance salesman, factory representative, etc.

(f) Farm or ranch manager or owner.

(g) Farm worker on one or more than one farm.

(h) Workman or laborer, such as factory or mine worker, fisherman, filling station attendant, longshoreman, etc.

(i) Professional, such as accountant, artist, clergyman, dentist, doctor, engineer, lawyer, librarian, scientist, college professor, social worker, etc.

(j) Skilled worker or foreman, such as baker, carpenter, electrician, enlisted man in the Armed Forces, mechanic, plumber, plasterer, tailor, foreman in a factory or mine, etc.

(k) Don't know.

116. What kind of school did you attend when you were in the eighth grade? (a) A public school; (b) a private Catholic school; (c) a private Jewish school; (d) a private Protestant school; (e) another private school including military school.

EDUCATIONAL OPPORTUNITIES SURVEY—SCHOOL SURVEY TESTS

This test book is divided into several parts, or tests, and a questionnaire. The tests are to find out how well you can do certain types of problems; the questionnaire is to find out certain facts about you.

Your teacher will tell you the time limit for each of the tests. During that time you

are to work on that test only. The teacher will tell you when to begin and when to end each test. If you finish a test before time is called, you may check your work on it; but you may not work on any of the others.

Do not worry if you are unable to finish a test or if there are some questions you cannot answer. Many students leave questions unanswered and no one is expected to get everything right. You should work as rapidly as you can without sacrificing accuracy.

If a question seems too difficult for you go on to the next question rather than waste your time. Your scores will be determined by the number of correct answers. You are to indicate all of your answers on the separate answer sheet that has been given to you. You may use the margins of the test book for scratchwork, but no credit will be given for anything written in the test book. Be sure that all your marks are black and that they completely fill the answer space; do not make any stray marks on your answer sheet. If you erase, do so completely; an incomplete erasure may be considered as an intended response. Mark only one answer to each question.

The last part is a questionnaire. It asks questions about you and your family. Whatever is true for you is the right answer for each question. Therefore, you probably know the answer to all of the questions on the questionnaire. If there are any questions you prefer not to answer, you may leave them out.

Your test answers and scores, and answers to the questionnaire will be private. Do not write your name on the test book or the answer sheet.

Do not open this test book until you are told to do so.

A FURTHER REPORT ON PROPOSALS TO ASSESS EDUCATIONAL ACHIEVEMENT

The April News Exchange reported briefly on the status of a study of the feasibility of making a national assessment of educational achievement. The Carnegie Corp. of New York was invited by U.S. Commissioner of Education Frances Keppel to conduct the study. Dr. John W. Gardner, president of the corporation, has prepared a statement about the study and what may be the purposes and nature of such a project. I believe that all members of ASCD will be interested in his statement. We are indebted to him for this contribution to our understanding of a matter of great interest to curriculum workers.

GALEN SAYLOR,
President, ASCD.

A NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS

Representatives of private and public institutions concerned with education have recently been discussing the possibility of assessing the achievements of American education. An exploratory committee on assessing the progress of education, made up of leading educators and laymen (see list following), has been considering how a national assessment of American education might be made. Public knowledge about the quality and progress of American education is not commensurate with public interest in and support of education. This is not a question of what individual students are learning, but, rather, what our educational system as a whole is accomplishing.

OBJECTIVES

A well-conceived and well-executed assessment would, it is hoped, serve several important purposes. First, it would give the Nation as a whole data on the strengths and weaknesses of the American educational system. Thus, it might constitute a much more accurate guide than we currently possess to the allocation of public and private funds—where they are needed, what they achieve—and to many other decisions affecting education. Second, assessment results, especially if coupled with auxiliary information on characteristics of various regions, communities, schools, etc., would provide data necessary for research on educational problems and processes which cannot be undertaken now. Third, when sampling and testing procedures are adequately developed, international comparisons might be possible. And finally, it is hoped that a national assessment of education would make all groups more vitally interested in the educational system—not just in where it stands, but also in what its goals should be and how it might be improved.

METHODS

Until now, educational testing has been aimed at evaluating the individual: his grasp of a certain subject matter, his eligibility for advanced education—in short, how well he measures up to a given standard. A national assessment, on the other hand, would not be concerned with the individual. Instead, it would assess the general performance of groups of people—not in order to do anything with them individually, but to obtain information about them as a group. For this reason, the individual participant need not be identified. Also, the tests and other measures would differ in content from tests designed for an individual; those designed to assess an educational system would cover content that most of the Nation's students are known to have mastered. The tests would show what percentage of students at given levels and in different parts of the country have actually mastered this material.

Further, to learn something about a group, information need not be gathered on all members of that group. Through probability sampling a representative sample of a population can be chosen and from this sample we can learn what is characteristic of the entire population. The political politakers have used sampling techniques to determine the opinions of large groups; a national assessment would use substantially the same techniques. Thus, to learn something about the educational system of a given region it would be necessary to administer tests in only a small number of schools within that region. To obtain comparative data over time, the tests could be readministered to the same number of, but not necessarily the same, students and schools within the region.

The use of probability sampling would minimize certain undesirable effects of testings on the students, their teachers, and the curriculum. Unlike, say, the New York State regents examinations, the national assessment tests need not be administered to all students or all teachers within the tested region; thus, teaching for the tests and revising curriculums to conform to test content would not be stimulated.

TEST CONTENT AND ADMINISTRATION

A national assessment must reflect fairly the aims of education in the United States. The tests, therefore, should cover both the traditional and modern curriculums and include some measurement of such areas beyond subject matter as degree of motivation, values, and health. In short, the project would assess the total educational picture in a community. To do this would probably require the gathering of some input data—for example, socioeconomic information on the community—to indicate what resources the school is working with.

The tests and other measures used should be flexible enough to allow for changes in instructional methods and educational goals. The whole range of possible achievement should be included from that attainable by 90 percent of students at a given level to that attainable by only the top 10 percent at the same level.

The measures would probably be administered to given age rather than grade levels to avoid the effect of differences in promotion policy within the schools and to reach those who are not in school. At present four groups are being considered: (1) children around age 9; (2) children around age 13; (3) young people around age 17; and (4) adults. If the assessment is to be truly national, private and parochial as well as public schools should be invited to participate.

CURRENT STATUS OF THE PROJECT

With funds provided by Carnegie Corp., the exploratory committee on assessing the progress of education sponsored several conferences during 1964 where school superintendents and administrators, members of school boards, and other interested people discussed the feasibility of a national educational assessment program. During the course of these discussions it became apparent that the committee, whose work had originally been projected for a 6-month period, was the body most suited to monitor the project as it moved from a speculative stage to one of test development and administration.

In February 1965, a seminar was held in Palo Alto, Calif., with representatives of the country's leading test-development agencies and individuals prominent in this field. At this seminar the exploratory committee explained the distinctive nature of the tests and other assessment devices required, outlined a comprehensive set of areas in curriculum, and asked each agency to make a proposal for test development in one or more curriculum areas. These proposals were submitted to the committee by April 1, 1965, for review by a technical committee appointed by it. Then, at a meeting in New York on April 10, the exploratory committee began awarding contracts for phase 1 (the first 6 months) of test development.

Later in the year the exploratory committee is to consider the future of the project after the present phase is completed.

Members of exploratory committee on assessing the progress of education:

Ralph W. Tyler, chairman, director, Center for Advanced Study in the Behavioral Sciences, Stanford, Calif.

Melvin Barnes, superintendent of schools, Portland, Oreg.

John J. Corson, Woodrow Wilson School of Public and International Affairs, Princeton University, Princeton, N.J.

Paul F. Johnston, superintendent of public instruction, Des Moines, Iowa.

Devereux C. Josephs, New York Life Insurance, New York, N.Y.

Roy E. Larsen, Time, Inc., New York, N.Y.

Katherine E. McBride, president, Bryn Mawr College, Bryn Mawr, Pa.

Paul C. Reinert, president, St. Louis University, St. Louis, Mo.

Mabel Smythe, principal, New Lincoln School, New York, N.Y.

Jack C. Merwin, staff director, Minneapolis, Minn.

Ralph W. Tyler, chairman of the exploratory committee on assessing the progress of education, stated in a recent letter to Dr. Saylor, "* * * Actually, the only addition I would make to the statement John Gardner sent you is to let you know that contracts have now been let with the Educational Testing Service, and two or three other test publishers, which involves their working with the schools in seeking to prepare testing instruments that are appropriate for the objectives of the schools. Part of the provision is that these instruments shall be tried out in the schools and found helpful to the schools before they are recommended for wider usage. I think this will take care of a good deal of the concern which Harold Hand expressed. My own feeling is that thoughtful and careful assessment of educational

progress is necessary in order to deal intelligently with matters that are now too largely dealt with by innuendo and uninformed or partially informed positions. People are evaluating the work of the schools in inadequate fashion and I think a careful effort to make an assessment is a necessary way to provide sound information on which intelligent decisions may be based."

A PROPOSAL FOR A LONG ISLAND NATIONAL WETLANDS RECREATION AREA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. TENZER] is recognized for 15 minutes.

Mr. TENZER. Mr. Speaker, I am today introducing a bill to establish a national wetlands recreation area for the south shore of Long Island, the first so designated area of our Nation. The purpose of this legislation is to preserve the natural resources of the coastal wetlands of Hempstead-South Oyster Bay; to conserve and propagate the fish, shellfish and wildlife, including migratory birds which use these wetlands and waters as habitat; and to promote broad outdoor recreational use of these wetlands. The area within the boundaries is approximately 16,000 acres.

The principal provisions of the bill are; first, authorization to acquire lands within the boundaries of the Long Island National Wetlands Recreation area; second, authorization for the Secretary of Interior, pursuant to agreements, to administer publicly owned lands for the purposes set forth in the bill, in lieu of actual purchase; third, authorization for a study of additional lands for recreational use; and, fourth, a requirement that the cost of any improvements constructed on publicly owned lands administered, but not purchased, by the Secretary of the Interior shall be shared—50–50—by the State or local governmental agency.

On July 27, 1965, as recorded in the daily CONGRESSIONAL RECORD—page A4121—I commended the Nassau County Planning Commission of Long Island for their far-sighted resolution of July 13, urging that the coastal wetlands of Nassau County be preserved in the public interest. I commend all organizations, officials and individuals who endorse plans for the preservation of the wetlands area. Such action on the part of local officials is solid foundation for the eventual achievement of that objective. But, we must go further. We must make preservation a certainty, and we must do it now. I propose a partnership of our State, county and town governments to make a concerted effort in cooperation with the Federal Government to establish a national wetlands recreation area on Long Island's south shore.

The wetland area, about 15 miles long and about 3½ miles wide, extends from the Queens-Nassau County line on the west to the Nassau-Suffolk County line on the east. East Rockaway Inlet on the western extremity and Jones Inlet at about midpoint lead to the open Atlantic.

I recommend the establishment of a Long Island National Wetlands recreation area because I see no other practical way to assure the protection of these valuable marshes and tidal areas and all of the great natural resources dependent upon them. I make such a recommendation not to preempt the plans of the town of Hempstead—or the county of Nassau, or the great State of New York, but to bring together all these very plans—to unite them and utilize the best thinking in each.

I was born in and have been a resident of the State of New York all of my life. I have resided in Long Island's Nassau County since 1936, first in the village of Lynbrook and since 1947 in the village of Lawrence. Prior to my moving to Long Island and since, I have shared with my family and my neighbors the sheer natural beauty of the south shore bay waters and wetlands, boating, fishing and hunting and the enjoyment of the wildlife whose natural habitat is in the marshy islands out in the bays and the shoreline marshes which extend back to dry land along the parkways and mud flats.

In 1936, the population of Nassau County was less than 400,000; today, 30 years later, the population has increased to 1,450,000, an increase of over 250 percent. During the same period the population of the United States increased only 50 percent. With this great increase in population in suburban Nassau County both from the result of an exodus from New York City and from the growth and development of family life in what has become one of the finest residential counties in the United States, there is an increased need for additional recreational facilities.

This need was recognized in a report dated September 1961, entitled "Preservation of Hempstead and South Oyster Bay Long Island Wetlands" which was prepared following an extensive survey conducted jointly by the U.S. Fish and Wildlife Service and the New York State Conservation Department.

The establishment of a Long Island national wetlands recreation area is a natural extension of the Fire Island National Seashore and provides insurance that the character and purpose of that seashore will be maintained.

The total bay complex on the south shore of Long Island is one ecological unit. The massive numbers and varieties of fish, shellfish and wildlife know no specific geographical barrier. They use the entire complex and its products.

The depletion of our Nation's natural resources by the repetitive rape of our wetlands by either dredging, development or deterioration must be stopped. The habitat of wildlife on our seashores has been depleted over the years with very little remaining. The great seashore area sought to be preserved by this legislation is considered by the U.S. Fish and Wildlife Service of the Department of the Interior and by the Division of Fish and Game of the New York State Conservation Department as an essential part of breeding, migration and wintering in the Atlantic flyway. It is deemed to be vital to the survival of water birds and shore birds—a valuable waterfowl area.

In the September 1961 joint report, the following statement appears:

> The south shore bay complex of Long Island, with its shallows, is the most important coastal waterfowl area in the North Atlantic States. It is also vital to the survival of other water birds and shore birds. Hempstead and South Oyster Bay are a major part of this valuable waterfowl area.

The joint report also revealed the gradual destruction of the wetlands:

> In 1959, a survey of the wetlands of Long Island was made by the New York State Conservation Department and the U.S. Fish and Wildlife Service to determine wetland losses and vulnerability. It revealed that 12.5 percent of these high and moderate value wetland habitat areas had been destroyed since 1954, when the wetlands had originally been inventoried. The survey also showed that 30 percent of the remaining wetlands are in danger of being destroyed in the next 5 years, and an additional 39 percent of the remainder are likely to be destroyed within the foreseeable future. Although these figures apply to all of Long Island, the losses and vulnerability of Hempstead and Oyster Bay wetlands are roughly of at least the same magnitude, and are quite probably higher.
>
> If future needs are to be met, this trend must first of all be reversed and perpetuation of wetlands assured.
>
> If these lands can be preserved, fish and wildlife resources can be saved from destruction. Therefore, we recommend that the two towns set aside a major portion of these wetlands and dedicate them to the purpose of fish and wildlife conservation and use.

These wetlands extend the entire length of the island—thousands of acres of tidal flats, shallow pools, and marshy islands, interlaced with numerous inlets and streams. They form a natural and unique ecological zone between the fresh water streams of the uplands and the salt waters of the Atlantic beyond the dunes. Increasingly, we are impressed with the overall value of these wetlands to finfish, shellfish, waterfowl, and many other birds and animals which in turn are of great importance to people.

For too long, we have considered, studied, discussed, and been completely frustrated while piece by piece, coastal wetlands have been filled or dredged and otherwise destroyed. We have been too often frustrated by areas of responsibility; too often we have given in to the demands of developers. We have failed to recognize and face up to the facts—the glitter of quick profits has blinded us from the truth of the real value of these natural resources. Yet the great variety of tangible and intangible values that flow from wetlands preservation is only now becoming known.

The simple fact is that coastal wetlands of Long Island's south shore are tremendously important to the very reason we call it home. I propose to give wide circulation to the facts of the situation as I promised during 1964. I will seek to enlist not only the citizens of the South Shore—but all the citizens of Long Island and of the State of New York and my colleagues in the House of Representatives to support this legislation.

Now, more than ever before, people are concerned with these wetlands; their interest intensified by pressures of an increasing population and its concomitant increases in water pollution, housing

development, industrial complexes, marinas, parks, and recreational areas. These factors have already destroyed large amounts of wetlands and constitute a serious threat to the remainder. Although individually, projects involving wetlands may seem inconsequential, collectively, the total effect has been disastrous. What are the values of these wetlands? Just how does dredging, drainage, and the disposition of spoil affect wetlands? Let us look at the facts.

Shellfish of importance to both sport and commercial interests depend upon the shallow bay waters and mud flats. The blue-claw crabs, mussels, oysters, scallops, bank mussels, soft-shell clams, and quahogs are all sought by the public. These resources must be protected.

Tidal areas are vitally important to the early life stages of fish species like striped bass, fluke, winter flounder, and Atlantic menhaden. Bay habitat is also the place for sportsmen to catch the above species and others, like black sea bass and summer flounder. These resources must be protected.

Long Island's wetlands and bays have long been a most important migration and wintering grounds for the great waterfowl and other bird populations which sweep southward from northern breeding grounds each fall and back again each spring. From mid-October to mid-March, up to 20 percent of the Atlantic brant, 8 percent of the diving ducks, and 5 percent of all ducks of the total Atlantic Flyway population rests and feeds in the waters of Long Island. Many species of other waterfowl and rails, herons, and shore birds frequent these wetlands. These resources must be protected.

And what of the thousands of people who need and want an opportunity to recreate their minds and bodies with a few hours or a day or 2 out-of-doors? Such opportunities must be within a short distance of their homes to be truly meaningful. A chance to walk, to row a boat, to fish, to hunt, to swim, to picnic, or to merely observe the natural world—all these must be provided for, and can be, even within close range of the asphalt jungles we know so well. What I am referring to now are human resources. These resources must be protected.

Otherwise, what heritage will we leave to our children other than a filled-in bay, a polluted stream, or bone fragments in a museum? Men can do better—men must do better—so let us begin now.

The destruction of water and wetlands habitat will end only when a majority of the people recognize the problem and insist that these habitats and all their related natural resources be preserved and restored. This is partly a matter of education, in which direction some progress has been made. The growing interest in conservation in general, and wetlands in particular, is evidence of this fact. Long Island has been fortunate in having so many dedicated workers. Interest must, of course, be translated into action through the town, county, State and national governments. There is no substitute for the combined forces of able and active officers backed by an aroused citizenry.

I propose that the wetlands of the towns of Hempstead and Oyster Bay, along the south shore of Nassau County, be established as the Long Island national wetlands recreation area, the first so designated area of our Nation. The primary purpose will be to preserve the salt marshes and bays so necessary to our recreational resources. The secondary purpose will be to provide for an orderly planning of the public's use of the area, and the management of its natural resources.

I propose to explain and discuss this new legislative concept in conservation with local, State and Federal officials and with my constituents to assure bipartisan support and a spirited public interest in preserving Long Island's heritage.

The gradual deterioration of the wetlands is adequate proof that legislation is needed to put an end to this disregard for conservation and the needs of the community.

I have introduced legislation today to establish the Long Island national wetlands recreation area in order to make this south shore outdoor area an assured resource for the benefit of all the people of the south shore of Long Island, the county of Nassau, the State of New York and of the Nation.

The establishment of a fish and wildlife preserve and recreation area under national auspices will serve for the benefit of all of the people, who live and who come to visit Long Island; therefore it will serve the additional purpose of improving and promoting the economic development of Long Island.

I will work closely with the members of my local advisory committee on conservation and water resources, with civic association, village, town, county, and State officials and all organizations and individuals interested in conservation and in the preservation of the natural resources of the south shore of Long Island. I respectfully urge bipartisan support for the proposed Long Island national wetlands recreation area project and invite all who are interested to contact me for additional material and information and to send me their endorsement or other comments on the proposal.

By a concerted and determined effort, we can preserve the heritage of the south shore and dedicate to the generations to follow the benefits of a Long Island national wetlands recreation area—the first of its kind in the era of the "new conservation."

TRADE ACT DISTORTION THREATENS DOMESTIC INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. ASHBROOK] is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, I am moved to introduce legislation designed to modify and moderate the Trade Expansion Act of 1962 for several reasons. One of these is the current plan to reduce virtually all existing tariff rates another 50 percent. This represents an extreme position in respect to our tariff, which has already been reduced some 80 percent in the past 30 years.

Another reason is that some industries—I am thinking of the glass industry in particular—already face great difficulty in meeting import competition even without further tariff reduction. Such industries are already lagging and should have a more reliable remedy than the Trade Expansion Act of 1962 provided. I think all members must know by now that the adjustment assistance provisions of that act, which were adopted as a substitute for or supplement to—really a substitute for—the old escape clause, have resulted in no remedy of any kind and it is indeed a poor remedy in principle. All 17 cases that have been processed under the new law have been negatively decided.

TRADE BILL OFFERS NO REMEDY

This being the case there is no remedy against serious injury today under the trade program. Our industries have been stripped of what there was in the form of a remedy. On top of that the tariff is to be cut another 50 percent.

I was one of those who vigorously opposed the so-called Trade Expansion Act which delegated to the Executive life and death control over American industry. It has been obvious for many years that liberal philosophy subordinates American interests to their foreign policy decisions. Quite often these trade policies are little more than foreign aid through the backdoor. With the increasing reluctance of Congress to appropriate billions of dollars through the front door there has been an increasing tendency to grant price supports and premiums to foreign countries for their coffee, sugar, and so forth through the backdoor. We saw last year the gratuitous granting of a substantial increase in the quota for residual oil dumping in our country which has had a very adverse affect on our domestic coal industry. All of these policies and programs tend to burden the taxpayer and threaten business and labor. It is time that we start thinking about our interests. We cannot carry the world on our shoulder and indeed we cannot remain as a powerful leader of the free world if we continually weaken our domestic industry.

The Trade Expansion Act did pass and despite its shortcomings, the Congress certainly did not intend anything as radical as what has been proposed by way of tariff cutting under the Kennedy round in Geneva. The debates on this bill establish a clear legislative record on this.

That there was obviously no intent to authorize a tariff cut of 50 percent across the board, as now proposed, was made clear in the act by providing for hearings in the course of which a great amount of information was to be gathered by the Tariff Commission to help shape its judgment on each of several thousand items on the President's list. If the tariff were to be cut 50 percent in any case nothing but frivolity and deception could be attributed to Congress, since all the time spent on the hearings by the Tariff Commission, which as it turned out ran for 4 months, and in

preparation for the Geneva negotiations, would have been wasted. This certainly was not the intent.

Mr. Speaker, the fact is that Congress in the 1962 act detailed the data the Commission was to collect far beyond anything it had previously required. Never before had Congress spelled out in as great detail as in the Trade Expansion Act of 1962 all the factors, trends, and developments that the Commission was to examine and take into account in advising the President of the "probable economic effect of modification of duty or other import restrictions."

How ironic then that this legislation should be ignored and an approach adopted that would cut all items 50 percent with "a bare minimum of exceptions."

The Commission was to "investigate conditions, causes, and effects relating to competition between foreign industries producing the articles in question."

It was to "analyze the production, trade, and consumption of each like or directly competitive article, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned" plus other relevant factors, "including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production."

This was not all of the obligation laid on the Commission in making its investigation but it is more than enough to support what I have said, namely, that the instructions were the most elaborate ever laid down by Congress to the Tariff Commission.

CUTS OF FIFTY PERCENT IMMINENT?

There can be little doubt that these onerous instructions helped gain votes for the bill, since the appearance was one of a cautious and prudent approach to any further tariff reduction. That is no doubt what appealed to many Members although I frankly was never taken in. The 50-percent authorization was obviously to be regarded as a maximum, as in the past. Some items might be cut the full amount if the hearings and investigation provided such an indication; but there was no point in going into all the details required by the law if all items were to be cut 50 percent.

Yet that is exactly what the President's special representative for trade negotiations agreed to in May 1963 in concert with the General Agreement on Tariffs and Trade popularly known as GATT. Everything was to be cut 50 percent with a few minor exceptions.

Mr. Speaker, while it seems unthinkable that the President's representative would so far ignore the clear intent of Congress, that is nevertheless what happened. The only reason why the 50-percent cut has not yet been carried out lies in the delays in Geneva, caused, not by us, but by members of the European Common Market. As it is, there is still time to reinstruct the executive branch.

The language of the act, as I have already said, apparently was written as it was in order to attract votes. The bill having been passed with the language unchanged the executive branch elected to do what some of its enthusiasts have been wishing to do for years. The way to accomplish this lay in simply ignoring the legislative intent, clear as it was, and slashing the tariff without regard to the findings of the Tariff Commission.

Under the circumstances there is every reason why Congress should make it clear that its intent as clearly revealed in the act should be carried out. We are indeed more than justified in legislating unmistakably. H.R. 10293, which I have introduced in association with other members, would be more specific.

First. It would restore in specific form, though not in so many words, the "peril point" of preceding legislation that was dropped in the 1962 act. In place of the peril point as such detailed instructions to the Tariff Commission are provided in my bill. The intent of Congress having up to this day been ignored, there is good reason to set it forth in terms of actual percentages so that there can be no further evasion. For example, if imports have reached as high as 7½ percent of domestic production and have increased as much as 75 percent since 1958, the item must come off the list if the Tariff Commission so certifies to the President on application of an industry or labor organization. Again, if imports in any year since 1958 had reached as high as 20 percent of domestic production and have increased more than the domestic production since 1958, or if the number of domestic production workers has declined at least 10 percent since 1958 while imports have increased—under these circumstances the item will also be taken off the list under certification by the Commission to the President.

There are several other criteria for removal of items from the list. One is that the item has been the subject of a tariff increase or an import quota limitation under section 7 of the Trade Agreement Extension Act of 1951, as amended. Several such instances exist.

Second. The bill would also eliminate the word "major" where it appears in the act of 1962 as a requirement in a finding of injury. A tariff cut must have been the "major" cause of the increased imports complained of and these increased imports must have been the "major" cause of the injury. To date, as I have said, this offending word is blamed for the 17–0 negative record of the Tariff Commission under the adjustment assistance provision. It would be eliminated in my bill.

This word was apparently inserted to narrow the likelihood of obtaining assistance toward overcoming the ravages of import competition. I believe that the injury should be prevented in the first place, but if it takes place nevertheless the remedy should be available under reasonable conditions and not made a virtual impossibility.

INDUSTRY WILL BE HURT IN 17TH DISTRICT

Mr. Speaker, the 17th District of Ohio has a major glass industry and has suffered from imports which have been steadily increasing. You may recall that in 1961 a number of us fought for escape clause action to assist the sheet, drawn and cylinder glass industry. Imports of glass were shown to have reached a peril point. I might add that they have increased steadily since that time. On May 17, 1961, the Tariff Commission in a timely decision wiped out a series of seven separate reductions which had been imposed since the Reciprocal Trade Act of 1934. This order became final on July 17 because we were able to prevail upon President Kennedy to overrule State Department advice and approve this finding.

This action helped the industry against sure attrition by imports; but imports in 1964 took nearly as large a share of the market as in 1962 when the higher duties took effect or 23.9 percent in 1964 as compared to 24.6 percent in 1962. It was therefore a shock when on March 30, 1964, President Johnson requested the Tariff Commission to examine the flat glass industry and to advise him of the probable effect of dropping the duty back to the lower level of 1962. I appealed to the President to not take this action and to date it is pending. It is likely he will accept the 3 to 2 decision of the Tariff Commission and roll back this tariff which will induce further imports to the detriment of this industry and the many American workers who are skilled in this field. The President took this action under section 351(d)2 of the 1962 act.

Since the request to the Tariff Commission was on the initiative of the President and not of the Commission itself although it could have done so this would seem to indicate that Mr. Johnson would expect to reduce the duty. Otherwise the duty would remain at its present higher level since the Tariff Commission had made no request for an investigation. I personally was shocked at the President's action since every sign pointed to the fact that the glass industry was in trouble.

The Commission sent its report to the President on June 11, 1965. Three of the five sitting Commissioners said they believed that lowering of the duty would have "only slight effect on the domestic sheet glass industry in the present and immediate foreseeable future, aside from some slight impact of the kind which can usually be expected from tariff reductions."

Two of the Commissioners took a more serious view. The duty reduction, they thought, would "exert a downward pressure on prices; lead to an increase in the share of consumption supplied by imports; contribute toward a decline in employment and profits, and idle productive facilities."

GLASS INDUSTRY FUTURE IS UNCERTAIN

Mr. Speaker, I believe that our industries should be freed from the uncertainty overhanging them as a result of lodging such great discretionary powers in the hands of the President. It puts them at his mercy and he achieves powers of discipline over them that should not be in his hands, regardless of who occupies the White House.

My bill would remove this threat from the sheet glass industry. Beyond preventing a further tariff reduction it would make it possible to impose import quotas if imports reach the level of 7½ percent of domestic production and if

they have increased as much as 75 percent since 1958. Imports, upon certification to this effect by the Tariff Commission to the President, would be held to the average level of the past 3 years with a leeway to grow in proportion with domestic production.

This would bring some much needed stability into the domestic market, which is always subject to enough fluctuation as it is, without an assist from imports. It is highly dependent on automobile production and on the homebuilding and construction industry and therefore subject to the fluctuations that characterize these industries.

In recent years imports from Japan have climbed considerably. They went from 12 percent of total imports from 1955 to 1962 to 17 percent during 1963–64. This represents an ominous development for the industry and accents the need for an import quota that allows for an orderly growth.

SUMMARY

Mr. Speaker, there is the further circumstance that six of the plants "accounting for more than half the U.S. production of sheet glass are in the heart of Appalachia," according to the minority report of the Tariff Commission—Commissioners Talbot and Sutton. Also, it is noted that producers' inventories of sheet glass were at an alltime high at the close of 1964.

The outlook for the domestic industry will be clouded indeed if the duty is reduced, no matter by which route—either by the President's decision or by trade agreement under GATT. The interest of the industry is closely integrated with the state of the economy as a whole. If the trade program and the proposed tariff cuts would retard the economy as a whole they would also retard the sheet glass industry. I believe that the legislation is imperative if the industry is to prosper and to contribute its share to the buoyancy of the domestic economy both in terms of output and employment. This latter is a most important consideration and should be given the greatest weight. If the glass industry falls behind in its quota, of employment, so to speak, some other industry must make it up or unemployment will climb. No industry should be prevented by low-cost imports from continuing to provide good, steady employment for workers in step with the increase in population. Our economy cannot grow if trade policies destroy jobs and place workers on public welfare.

I think it would be a great error to ignore the claims of domestic industry and labor to fairness of import competition not only because of the threat to profitable operation but because of the pressure on an industry to displace workers with ever more productive machinery. This will become necessary as a means to remain competitive but it will throw workers out of jobs faster than they can be absorbed elsewhere, especially in Appalachia, where unemployment is already such a serious problem.

The sheet glass industry's output per man-hour has increased from 95 to 115—where 1957–59 equals 100—from 1958 to 1964, according to the Tariff Commission report. This was a gain of 20 percent, and indicates that the industry's difficulty in competing is not attributable to inefficiency of machinery or productivity of our labor force.

If no steps are taken to defend the industry and these workers against the pressing imports the next move will be to invest in other countries rather than increasing the capacity in this country. Many other industries have done and are doing this very thing to the detriment of American labor and the American taxpayer.

Mr. Speaker, this is a serious matter not to be brushed aside. My proposal to amend the Trade Expansion Act to bring it into line with the original congressional intent and to conform it to a commonsense approach to the tariff question is very urgent and should be given early attention. I sincerely hope that H.R. 10293 will be enacted into law.

EXPANSION OF SERVICES OF TELEVISION AND OTHER TRANSMISSION MEDIA IN HIGHER EDUCATION

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

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

There was no objection.

Mr. CAREY. Mr. Speaker, the Senate has included in its version of H.R. 9567, the Higher Education Act of 1965, my bill, H.R. 11165, a new title VI, which provides Federal matching funds for the purchase of modern instructional equipment and materials at the college level and for the retraining of faculty personnel for the effective use of these materials.

In discussing the House version of H.R. 9567 with some of my constituents who are in the higher education field, I have found that they very enthusiastically approve of this provision passed by the Senate, and they have urged me to work for inclusion of this title in the final act.

After considerable study of this matter, I have come to the conclusion that such a title will meet a definite need, and I have therefore proposed a bill which contains substantially the same wording as title VI of the Senate version of H.R. 9567.

There is no question that our institutions of higher education face rapidly increasing student loads in the coming years. As the chairman of our subcommittee brought out in the debate on the higher education bill, college enrollments in this country have increased from 2.4 million students 11 years ago to 4.8 million in 1964, and by 1973 there will be an estimated 8 million students in institutions of higher education.

Further, there is no question that our colleges and universities are having a difficult time finding qualified instructional personnel, and that this will worsen during the coming years; we simply are not graduating enough people who are qualified to serve in this important function.

And third, there is a definite need for a general increase in the quality of undergraduate instruction in our colleges. Much of the recent student discontent has been traced to the fact that the students feel they are receiving instruction which is of questionable quality.

For these reasons, I would like to commend to the consideration of the House the program which I have sponsored. Briefly, this provides for the following:

First. Matching funds for the purchase of instructional equipment and materials, the same items which generally are covered under title III of the National Defense Education Act for use in institutions of higher education, both public and private. Expenditures are limited to the following subject areas:

Science, mathematics, foreign languages, history, geography, government, education, the arts, English and other humanities.

Second. There is 50/50 matching except that the State Higher Education Commission can increase the Federal share to as much as 80 percent for institutions proving inability to match. Further, in allocating funds, special consideration is to be given to the need of the institution.

Third. Two equipment programs are provided:

(a) Science laboratory equipment, audiovisual equipment and materials, and printed materials other than textbooks.

Authorization: $35 million, fiscal year 1966; $50 million, fiscal year 1967; $60 million for each of the 3 succeeeding fiscal years.

(b) Closed-circuit television equipment and materials, including 2,500-megacycle equipment.

Authorization: $2.5 million, fiscal year 1966; $10 million for each of the 4 succeeding fiscal years.

Fourth. Administration at the State level is by State commissions, presumably—but not necessarily—the same commissions which administer the Higher Education Facilities Act at the State level.

Fifth. To insure proper utilization of equipment and to help modernize college instruction, a 5-year program of institutes and workshops is authorized at an annual cost of $5 million. Grants or contracts for these are made by the Commissioner directly to the sponsoring institution.

PHILADELPHIA DESIGNATED AS HOST CITY FOR 1976 NATIONAL BICENTENNIAL CELEBRATION

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

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

There was no objection.

Mr. BYRNE of Pennsylvania. Mr. Speaker, under unanimous consent, I include in the RECORD a resolution which

was unanimously adopted by the council of the city of Philadelphia, at a meeting held September 16, 1965, pertaining to designating Philadelphia as the host city for the 1976 National Bicentennial Celebration.

RESOLUTION No. 148

(A resolution memorializing the House of Representatives of the United States to enact House Concurrent Resolution No. 465, which expresses the sense of Congress that Philadelphia should be designated the host city for the 1976 national bicentennial celebration commemorating two centuries of independence)

Whereas the President of the United States has declared that a national celebration shall take place in 1976 to commemorate our Nation's 200 years of independence; and

Whereas our Nation was born in Independence Hall in Philadelphia and it was here the Declaration of Independence was signed and first announced to the people in 1776 and these buildings are still standing and have become a national shrine; and

Whereas no other city is as rich as Philadelphia in historical background connected with the founding of our Nation; and

Whereas Philadelphia was the site of the Nation's centennial celebration in 1876 and the sesquicentennial in 1926; and

Whereas while Philadelphia is rich in history, it is also modern in the accommodations and entertainment which could be offered to visitors; and

Whereas a Philadelphia bicentennial committee of prominent citizens has been formed and its studies show that a national celebration would be artistically successful and would financially benefit all Pennsylvanians; therefore

Resolved, by the Council of the City of Philadelphia, That we hereby memorialize the Members of the House of Representatives of the United States to enact House Concurrent Resolution No. 465, which expresses the sense of Congress that Philadelphia is the Nation's most qualified city to host a national celebration commemorating 200 years of independence in the United States of America and the two Houses of Congress view with enthusiasm and encouragement the efforts of Philadelphia citizens to plan a national celebration in Philadelphia in 1976.

Resolved, That certified copies of this resolution be forwarded to the Speaker of the House of Representatives and to the Members of Congress representing the Commonwealth of Pennsylvania.

PAUL D'ORTONA,
President of City Council.

Attest:

NATHAN WOLFMAN,
Chief Clerk of the Council.

RESOLUTION OF THE WASHINGTON WORLD CONFERENCE ON WORLD PEACE THROUGH LAW

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

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

There was no objection.

Mr. PEPPER. Mr. Speaker, as a part of the monumental work of the recent Washington World Conference on World Peace Through Law a resolution was adopted encouraging the formation of regional judicial conferences of which the Judicial Conference of the Americas is an example. Many of us are particularly interested in the establishment of regional judicial conferences of the Americas which comes within the scope of this resolution. Favoring as I do not only a regional judicial conference of the Americas but also a Court of the Americas patterned after the World Court for the judicial settlement of disputes among the nations and peoples of the Americas and believing that this resolution of the Washington World Conference on World Peace Through Law furthers those high objectives, I ask unanimous consent to insert in the body of the RECORD, following these remarks, the resolution to which I have referred, together with the high court judges who are signatories to this resolution.

RESOLUTION

In view of the importance of the principle of judicial independence to the rule of law in guaranteeing world peace through law, and the importance to this end of judges of various countries cooperating, particularly in their own regions,

Resolved, That the World Peace Through Law Center encourage the formation of regional judicial conferences, of which the Judicial Conference of the Americas is an example, to foster judicial independence and international judicial cooperation throughout the world.

Luis M. Boffi Boggr, Head Justice Supreme Court of Argentina; O. Tivesto Bessley, Justice, Supreme Court of Chile; Martin Aguillo, Chief Justice, Supreme Court of Nicaragua; Tering, Chief Justice, Supreme Court of Guatemala; J. Cartiucalle, Chief Justice, Supreme Court of Paraguay; M. A. Graz, Chief Justice, Supreme Court of Panama; James Ham, Jr., President, Inter-American Bar Association; Puegerot Vodee, Chief Justice of Puerto Rico and Chairman, Judicial Conference of the Americas; Consuelo Banicouto Sestief, Justice, Supreme Court of Colombia; Fabiol Serillo Diaz, Chief Justice, Supreme Court of Honduras; Jareel O. Mael, Justice, Supreme Court of Venezuela; Jose Agustin Mendes, Vice President, Supreme Court of Venezuela; William Roy Vallance, Secretary-General, Inter-American Bar Association.

INTERNATIONAL HOME LOAN BANK

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

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

There was no objection.

Mr. PEPPER. Mr. Speaker, there is today in Latin America and other parts of the world a great industry being born. While this industry is no newcomer to the United States, the savings and loan business in Latin America was virtually nonexistent a decade ago.

This is no longer the case. Through the efforts of the State Department's Agency for International Development and those of literally hundreds of dedicated savings and loan officials from the United States, the savings and loan industry is beginning to flourish in developing nations all over the world.

The legislation I am introducing today is designed to spur this development even more.

My bill would create an international home loan bank, which would act as a central organization to provide "seed" capital loans for the establishment of thrift and home financing institutions in the developing countries.

The proposed bank's funds would be secured from savings and loan associations in the United States, which would be authorized by this legislation to invest up to 1 percent of their assets in the international bank's stock.

Mr. Speaker, the job already accomplished in this field in Latin America and other parts of the world truly is amazing. At the end of May 1965, 88 savings and loan associations were operating in 7 nations of Latin America, Ethiopia, and eastern Nigeria. These associations had savings accumulations of $81,509,000 from 282,713 account holders, according to data of the National League of Insured Savings Associations. However, the job of promoting thrift and homeownership in these countries has barely begun.

The objectives of the AID and of private industry to achieve a greater percentage of homeownership in these nations will be aided by the bill I am introducing today.

The concept of this legislation has already won wide support in industry and the Government. AID Administrator David Bell's position has been embodied in the proposed International Bank bill. The proposed Bank has also received a strong endorsement from the International Union of Building Societies and Savings Associations, and the Inter-American Savings and Loan Conference, made up of savings and loan managers from the United States and Latin America. The bill's concept is also supported by the U.S. Savings and Loan League and the National League of Insured Savings Associations. Together, these two groups represent the Nation's savings and loan industry.

I believe, therefore, Mr. Speaker, that the proposed Bank will be strongly supported by the savings and loan industry of the United States, and that its ultimate contribution to the economic wellbeing of developing countries of the world will be great.

HOME RULE IN WASHINGTON

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

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

There was no objection.

Mr. MULTER. Mr. Speaker, on Monday, the 27th of September, this body will begin consideration of legislation to give home rule to the District of Columbia.

The following editorial from the Cleveland, Ohio, Plain Dealer of September 20, 1965, is most apropos:

HOME RULE IN WASHINGTON

Residents of Washington, D.C., now have the right to vote for President of the United States. It was given them by the 23d amendment to the Constitution and exercised for the first time last November.

Soon, if all goes well, they will be able to elect their own city council and mayor instead of being governed by a committee of the U.S. House of Representatives.

A home rule bill, already passed by the Senate, comes to a vote in the House early next week.

The Senate has approved home rule bills 5 times since 1949 but always until this year, when President Johnson strongly intervened, they have died in the District Committee of the House.

The present bill was blasted out of that South-dominated committee by 218 signers of a discharge petition, 25 of them Republican.

For a time after scheduling of the bill for floor action its passage seemed certain. Chances still are good but there is some fear of Republican defections because the city is considered about 2 to 1 Democratic.

But Republican failure to support the measure could prove shortsighted indeed, even as a matter of party politics. Through such a failure, Republicans would be allying themselves with Dixiecrats in a matter clearly verging on civil rights. Washington is now more than half Negro.

The Republican Party hopes to regain strength in the Nation's large cities, particularly in Negro areas of those cities. The party will lose strength where it needs it most if it fails to support home rule for the Capital.

The GOP should vote solidly for this measure—both for the justice of the cause and the good of the party itself.

THE NEW HOME RULE BILL, H.R. 11218

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

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

There was no objection.

Mr. MULTER. Mr. Speaker, yesterday I introduced a new home rule bill for the District of Columbia, H.R. 11218. I was joined in the sponsorship of this bill by our colleagues, the gentleman from Maryland [Mr. SICKLES], the gentleman from New York [Mr. HORTON], and the gentleman from Maryland [Mr. MATHIAS]. The four of us have agreed upon this proposal and we intend to offer it as an amendment to H.R. 4644 when the latter bill comes to the floor on Monday, September 27.

The following letter detailing the new additions and changes to the home rule bill was sent to each of our colleagues today:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., September 23, 1955.

DEAR COLLEAGUE: This is to acquaint you with proposed amendments to the District of Columbia home rule bill that we introduced yesterday as a clean bill (H.R. 11218—H.R. 11221) to meet the objections to earlier versions raised by Members on both sides of the aisle. We also solicit your support for the measure when it comes before the House next week.

As you know, our motion to discharge the committee will come before the House on Monday, September 27. House Resolution 515, the resolution under which the home rule bill will be considered, is an open rule, providing for 5 hours of general debate. Our new bipartisan home rule bill will be offered as an amendment to H.R. 4644, the measure being discharged.

For your information, we are enclosing a copy of the Senate report on S. 1118. Our new proposal incorporates this language, but makes several important changes to meet the objections voiced by the Republican Policy Committee and by a number of other Members. They are:

1. The new bipartisan bill provides for annual congressional appropriation of the Federal payment to the District, eliminating the so-called "automatic" payment provisions, while retaining the basic formula to determine the amount of the payment.

2. The new bipartisan bill meets objections raised to possible encroachment on Hatch Act protections or undue partisanship in District of Columbia elections by providing for a 4-year term for mayor and District council members, to be held in the even-numbererd (non-presidential) election years.

3. The new bipartisan bill eliminates the provision for age 18 voting (raising it to age 21) and requires a 1-year District residence for voting (instead of 6 months).

4. The new bipartisan bill gives the President authority to use Federal troops or to take over the local police force when he deems it necessary to protect the Federal interest or to preserve order.

We feel that these amendments provide House Members the opportunity to vote for a truly bipartisan, meaningful, and workable home rule bill that can be enacted into law this year. We hope that you will join with us on Monday, September 27, in voting for the motion to discharge, for the adoption of the rule, and that when the bill is read for amendments in the Committee of the Whole, that you will vote with us against efforts to gut or cripple the bill. Finally, we hope that you will vote for passage of the home rule bill to restore self-government to the people of the District of Columbia. Your help and cooperation will be most appreciated.

ABRAHAM J. MULTER,
Member of Congress.
CARLTON R. SICKLES,
Member of Congress.
FRANK J. HORTON,
Member of Congress.
CHARLES McC. MATHIAS, Jr.,
Member of Congress.

The main differences, as will be noted, are that while the formula for computing the Federal payment remains, the District will have to come to the Congress to get the money; the voting age is raised from 18 to 21; the elections for mayor and city councilmen would be held in even-numbered years in which there is no national election and Federal and District employees would be allowed to participate only in the campaigns for mayor and city council, and the President would be given authority to take command of the Metropolitan Police whenever he deemed it necessary in the national interest.

This bill is the kind of a home rule bill that can give the residents of the District of Columbia a real voice in their government while retaining the constitutional authority of the Congress over Washington. I would strongly urge all of our colleagues to look at this bill very closely and vote for it next week.

I received today from the Committee on the District of Columbia a document labeled a committee print, a so-called staff synopsis of home rule legislation. Pages 58 through 71 contain what is referred to as "Some Pertinent Questions Raised in the Senate District Committee Hearings Respecting Provisions of S. 1118." The staff synopsis, however, fails to include the answers to these questions.

For the information of our colleagues the answers to these questions can be obtained by referring to pages 300–321 of hearings held by the Senate Committee on the District of Columbia on S. 268 and S. 1118 on March 9 and 10, 1965. Copies of these printed hearings are available for those who desire to spend the time reading the answers.

A word of caution to those who do—the questions are out of date. They refer to the bills introduced before action by the Senate committee or by the Senate.

The questions do not refer to the bill as passed by the Senate nor to H.R. 11218 which the House will consider next week.

For the benefit of those of our colleagues who would like to have the technical language, I would refer them to the following changes made in H.R. 11218:

H.R. 11218, H.R. 11219, H.R. 11220, and H.R. 11221 are all identical. These bills are word for word the same bill—S. 1118—the Senate passed on July 22, 1965, except for the following:

First. Table of contents—page 4—add:

Sec. 905. Federal control of police force; special police.

Second. Title VII, part 4—pages 54–55: New section 741(a) to read as follows:

In recognition of the unique character of the District of Columbia as the Nation's Capital City, regular annual payments are hereby authorized to be appropriated from revenues of the United States to cover the proper Federal share of the expenses of the government of the District. The annual payment authorization shall consist of an amount computed pursuant to subsection (b) of this section, as follows:

Third. Title VII, part 4—page 58—a new section 741(b) to read as follows:

On or before January 10 of each year the Mayor shall, with the approval of the Council, submit to the Administrator of General Services a computation of the amount of the Federal payment authorized to be appropriated under this title. After review by the Administrator of General Services of the Mayor's computation and certification by the Administrator on or before April 10 of the fiscal year preceding the fiscal year for which the authorization for the annual Federal payment is being computed that such computation is based upon a reasonable and fair assessment of real and personal property of the United States and a proper and accurate computation of the factors referred to in subsection 741(a)(1) and is in conformity with the provisions of this section, the Administrator shall certify the amount of such authorization to the Mayor, who shall submit to the Congress, together with any request for the appropriation of such payment.

Fourth. Title VII, part 4—page 59—section 741(d), insert after the words "Federal payment" the following:

"authorized to be appropriated."

Fifth. Title VIII—page 65—section 803(b) strike all after the word "election".

Sixth. Title VIII—page 68—section 805(d) strike the word "secretary" in line 5 and insert in lieu thereof the word "Clerk".

Seventh. Title VIII, section 807—page 70—in line 9 strike the words "six-month" and insert in lieu thereof "one-year". At line 12 strike the word "eighteen" and insert in lieu thereof the words "twenty-one."

Eighth. Title VIII, section 810(c)—page 75: strike all after the word "applicable" in line 19 and insert in lieu thereof the following: "to any election held under this act for the office of mayor or for the office of member of the District Council or to political management or political campaigns in connection with any such election."

Ninth. Title IX—page 84—new section 905:

FEDERAL CONTROL OF POLICE FORCE; SPECIAL POLICE

SEC. 905. (a) Whenever the President deems it necessary or appropriate in order adequately to protect the Federal interest in the maintenance of public order in the District of Columbia, he may, through such official or agency as he may designate and until he otherwise directs, assume command of the police force of the District of Columbia. Such action shall not affect the status of the members of the police force as employees of the District of Columbia or the authority vested in them by law.

(b) Whenever the President deems it necessary or appropriate in order adequately to maintain public order in the District of Columbia, he may designate such persons as he may deem appropriate, including members of the Armed Forces of the United States, as special policemen in the District of Columbia. Such special policemen shall serve under the command of such official or agency as the President may designate and shall have the same powers as members of the police force of the District of Columbia and the United States Park Police.

Tenth. Title XV, section 1501(c)(1)—page 95: At line 10 strike all after the words "as amended" and insert in lieu thereof the following:

(2 U.S.C. 31), is amended by inserting immediately after "Representatives in Congress," the following: "The delegate from the District of Columbia."

THE LATE MARSHALL FIELD

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

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

There was no objection.

Mr. RONAN. Mr. Speaker, it was a sad and shocking thing to learn of the untimely death of Marshall Field, publisher and editor of the Chicago Sun-Times and the Chicago Daily News, who succumbed to a heart attack at the age of 49.

In the heartland of the Midwest, the name of Marshall Field has a rich and proud legacy acquired through four generations of extensive efforts and accomplishments in the areas of publishing, merchandising and philanthropy. True to his family heritage, Mr. Field also gave generously and untiringly of himself in civic and community affairs.

Under his leadership, the Sun-Times and Daily News grew in stature and excellence. It is due mainly to his work and influence that these two great daily newspapers have played a prominent part in the revival of Chicago during the past decade and he would have undoubtedly made even greater contributions in the future.

The whole metropolitan area of Chicago shares with the family and friends of Marshall Field the loss of such an outstanding member of the community and I wish to take this occasion to extend to all of his loved ones my heartfelt sympathies.

BANK HOLDING ACT AMENDMENT

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

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

There was no objection.

Mr. OTTINGER. Mr. Speaker, I oppose the amendment of the gentleman from Florida [Mr. BENNETT] to the Bank Holding Act amendment before the House, not because I disagree with him that all the loopholes in the act should be plugged, but because the effects of his amendment are uncertain. The amendment would remove all exemptions from the act, affecting more than 340 small banks and untold charitable funds, pension trusts, and other interests without giving them any opportunity to be heard. We do not know what mischief this amendment might inadvertently bring along with the good. It is a dangerous practice to pass such far-reaching legislation on the floor of the House without any committee consideration or hearings.

While I would strongly tend to support the results which the gentleman seeks by his amendment, commend his motives and agree in principle that all exemptions to the act should be eliminated, I cannot agree to take this action without adequate committee consideration and without the opportunity for those affected to be heard.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ASPINALL, from September 24 to October 9, on account of official business.

Mr. KIRWAN, for September 24 and 25, 1965, on account of death in family.

Mr. ADAMS, from September 24 to September 27, on account of official business.

Mr. KEE, for September 27, 1965, on account of official business.

Mr. JONES of Alabama, Mr. GRAY, Mr. JOHNSON of California, Mr. DORN, Mr. ROBERTS, Mr. EVERETT, Mr. KEE, Mr. SCHMIDHAUSER, Mr. HOWARD, Mr. HÉBERT, Mr. MORRISON, Mr. BOGGS, Mr. WILLIS, Mr. WAGGONNER, and Mr. LONG of Louisiana (at the request of Mr. JONES of Alabama), from September 24 through September 26, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ASHBROOK (at the request of Mr. REID of New York), for 15 minutes, today; to revise and extend his remarks and include extraneous matter.

Mr. HALEY (at the request of Mr. ANNUNZIO), for 60 minutes on September 25; and to revise and extend his remarks and to include extraneous matter.

Mr. ROONEY of New York (at the request of Mr. ANNUNZIO), for 60 minutes, on November 8; and to revise and extend his remarks and to include extraneous matter.

Mr. WAGGONNER (at the request of Mr. ANNUNZIO), for 60 minutes, on September 25; and to revise and extend his remarks and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. SAYLOR and to include extraneous matter.

Mr. SIKES and to include certain documents and tables referred to in his speech in the Committee of the Whole on H.R. 7371.

Mr. RANDALL (at the request of Mr. ANNUNZIO) to extend his remarks during debate on H.R. 10232 and to include extraneous matter.

Mr. YOUNG.

Mr. POAGE.

Mr. LAIRD to revise and extend the remarks he made during consideration of H.R. 7371 and to include extraneous matter.

(The following Members (at the request of Mr. ANNUNZIO) and to include extraneous matter:)

Mr. WOLFE in two instances.

Mr. RODINO.

Mr. WHITENER in two instances.

Mr. MORRISON.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5842. An act to amend the Lead-Zinc Small Producers Stabilization Act of October 3, 1961; and

H.R. 9221. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes.

ADJOURNMENT

Mr. ANNUNZIO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 38 minutes p.m.) the House adjourned until tomorrow, Friday, September 24, 1965, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1617. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 2, 1965, submitting a report, together with accompanying papers and an illustration, on a letter report on the Intracoastal Waterway, Broward County, Hollywood, Fla., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted January 6, 1950, and February 17, 1950; to the Committee on Public Works.

1618. A letter from the Secretary of the Army, transmitting a letter from the Acting Chief of Engineers, Department of the Army, dated August 20, 1965, submitting a report, together with accompanying papers and an illustration, on a letter report on Clinton River, Mich., requested by a resolution of the Committee on Public Works, House of Representatives, adopted June 30, 1960. No authorization by Congress is recommended as the desired improvement has been adopted for accomplishment by the Chief of Engineers under the provisions of section 107 of the 1960 River and Harbor Act; to the Committee on Public Works.

1619. A letter from the Secretary of the Army, transmitting a letter from the Acting Chief of Engineers, Department of the Army, dated June 30, 1965, submitting a report, together with accompanying papers and an illustration, on a letter report on Filberts Creek, Chowan County, N.C., authorized by the Flood Control Act approved May 17, 1950; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GARMATZ: Committee of conference. H.R. 728. An act to amend section 510 of the Merchant Marine Act, 1936; (Rept. No. 1085). Ordered to be printed.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H.R. 10198. A bill to amend the requirements relating to lumber under the Shipping Act, 1916; without amendment (Rept. No. 1088). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H.R. 10327. A bill to require operators of ocean cruises by water between the United States, its possessions and territories, and foreign countries to file evidence of financial security and other information; with amendment (Rept. No. 1089). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 590. Resolution for the consideration of H.R. 3142, a bill to amend the Public Health Service Act to provide for a program of grants to assist in meeting the need for adequate medical library services and facilities; without amendment (Rept. No. 1090). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Post Office and Civil Service. House Joint Resolution 569. Joint resolution requiring a cost-of-living survey to be made by the Bureau of Labor Statistics before the cost-of-living allowance for Federal employees in Puerto Rico and the Virgin Islands may be reduced; without amendment (Rept. No. 1091). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. H.R. 7329. A bill to provide for the conveyance of certain real property of the United States to the city of San Diego, Calif.; with amendment (Rept. No. 1092). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee on Foreign Affairs. Senate Joint Resolution 106. Joint resolution to allow the showing in the United States of the U.S. Information Agency film "John F. Kennedy—Years of Lightning, Day of Drums"; without amendment (Rept. No. 1093). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASHMORE: Committee on the Judiciary. S. 1407. An act for the relief of Frank E. Lupp; without amendment (Rept. No. 1086). Referred to the Committee of the Whole House.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H.R. 5217. A bill to permit the vessel *Little Nancy* to be documented for use in the coastwise trade; without amendment (Rept. No. 1087). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BERRY:

H.R. 11231. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to employers for the expenses of providing training programs for employees and prospective employees; to the Committee on Ways and Means.

By Mr. DANIELS:

H.R. 11232. A bill to amend the Housing Act of 1937 to reduce from 62 to 60 the age at which widows may be occupants of low-rent public housing units; to the Committee on Banking and Currency.

By Mr. GERALD R. FORD:

H.R. 11233. A bill relating to the tariff treatment of certain machines for sorting agricultural products; to the Committee on Ways and Means.

By Mr. GRAY:

H.R. 11234. A bill to amend title 38 of the United States Code to prevent loss of veteran pension benefits as a result of increases in social security benefit payments under the Social Security Amendments of 1965; to the Committee on Veterans' Affairs.

By Mr. HALPERN:

H.R. 11235. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. TENZER:

H.R. 11236. A bill to provide for the protection, conservation, and development of the natural coastal wet lands of Hempstead-South Oyster Bay, Long Island, for fish and wildlife and outdoor recreation purposes, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WHALLEY:

H.R. 11237. A bill to amend section 204(a) of the Coinage Act of 1965 in order to authorize minting of all new quarter dollar pieces with a likeness of the late General of the Army Douglas MacArthur on one side, and for other purposes; to the Committee on Banking and Currency.

By Mr. BINGHAM:

H.R. 11238. A bill to amend the Urban Mass Transportation Act of 1964 to provide for additional technological research; to the Committee on Banking and Currency.

By Mr. CAHILL:

H.R. 11239. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to employers for the expenses of providing training programs for employees and prospective employees; to the Committee on Ways and Means.

By Mr. WHITENER:

H.R. 11240. A bill to amend the Tariff Schedules of the United States to provide that certain tapes wholly of textile fibers be classified as slide fastener parts; to the Committee on Ways and Means.

By Mr. JONAS:

H.R. 11241. A bill to amend the Tariff Schedules of the United States to provide that certain tapes wholly of textile fibers be classified as slide fastener parts; to the Committee on Ways and Means.

By Mr. ABBITT:

H.R. 11242. A bill to amend the Internal Revenue Code of 1954 to remove certain limitations on the amount of the deduction for contributions to pension and profit-sharing plans made on behalf of self-employed individuals and to change the definition of earned income applicable with respect to such plans; to the Committee on Ways and Means.

By Mr. HANSEN of Iowa:

H.R. 11243. A bill to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extensions of credit; to the Committee on Banking and Currency.

By Mr. KORNEGAY:

H.R. 11244. A bill to amend title 39, United States Code, with respect to reciprocal mailing privileges of the United States and certain countries from which foreign assistance is withheld; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER:

H.R. 11245. A bill to provide for the protection, conservation, and development of the natural coastal wetlands of Hempstead-South Oyster Bay, Long Island, for fish and wildlife and outdoor recreation purposes, and for other purposes; to the committee on Merchant Marine and Fisheries.

By Mr PEPPER:

H.R. 11246. A bill to provide for the establishment of an International Home Loan Bank, and for other purposes; to the Committee on Banking and Currency.

By Mr. SCHMIDHAUSER:

H.R. 11247. A bill, Veterans Equality Act of 1965; to the Committee on Veterans' Affairs.

By Mr. WHITE of Texas:

H.R. 11248. A bill authorizing a survey on Cibolo Creek, in or near the community of Presidio, Tex., in the interest of flood control and allied purposes; to the Committee on Public Works.

By Mr. WHALLEY:

H. Con. Res. 514. Concurrent resolution favoring the holding of a national celebration in Philadelphia in 1976 to commemorate the 200th anniversary of the independence

of the United States; to the Committee on the Judicary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURTON of California:

H.R. 11249. A bill for the relief of Crescencia C. Valdes; to the Committee on the Judiciary.

By Mr. MOORHEAD:

H.R. 11250. A bill for the relief of Dr. Montserrat de Miquel; to the Committee on the Judiciary.

By Mr. PATTEN:

H.R. 11251. A bill for the relief of Hubert J. Kupper; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 11252. A bill for the relief of Constantin Andreopoulos; to the Committee on the Judiciary.

By Mr. SCHNEEBELI:

H.R. 11253. A bill to provide for the conveyance of certain real property of the United States situated in the State of Pennsylvania; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H.R. 11254. A bill for the relief of Julieta Gloria Galura; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 11255. A bill for the relief of C.W.O. Bernard Vollmer, U.S. Navy, retired; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Trinity River Basin

EXTENSION OF REMARKS

OF

HON. JOHN YOUNG

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 23, 1965

Mr. YOUNG. Mr. Speaker, the Trinity River Basin project, by any standard, is a huge undertaking. It is enormous in size, cost, vision, ambition, benefit, and merit. When completed, it will have cost $1 billion and will be a fitting complement to the many other greatly meritorious and costly, multimillion-dollar projects which in our time have become a measure of our Nation's greatness. I refer to the Arkansas River, Puget Sound, the Missouri River, the Intracoastal Canal, the Mississippi River, the Cross Florida Canal, New York Harbor, and many others of which we can be and are justly proud.

I suppose, Mr. Speaker, if there is anything more tempting to a Member of Congress than voting for a public works project in his own district, it is the temptation to vote against a public works project in the other Member's district. Yet, yielding to either temptation would be irrational and destructive of the Nation's well-being if our judgments were not based strictly on the question of the merits of each individual public works project. It is with this in mind that I wish to examine the Trinity River Basin project.

This great river basin encompasses some 17,845 square miles of land and stretches some 360 miles from above Fort Worth, past Dallas, Corsicana, Palestine, and Liberty on down to the gulf coast near Houston. The basin is more than 100 miles wide above Fort Worth and furnishes livelihood and residence to 3 percent of the total population of our country. It has more people than are to be found in any one of 32 States of the United States.

The potential of the Trinity River Basin has long been recognized by the people of this great area as well as the people of the Nation. There are presently seven Corps of Engineers projects in various stages of planning and construction—four completed, two under construction, and one in planning stage; several local flood-protection projects are in existence, and quite a few others have been authorized. State, local, and private funds in the amount of $500 million have been spent or will be spent—$269 million spent, and $256 million pledged to be spent by reliable State, local, and private sources. Mr. Speaker, if there is anything that would distinguish this great project from the other great projects throughout our country, it would be the investment of such large sums of State, local, and private funds.

The Trinity River Basin project is a great and worthwhile project. Like all meritorious public works projects, it is an investment in the future of our great Nation; and, more important, it is an expression of the confidence we have in ourselves and the future of our country.

A Tribute to Constitution Week

EXTENSION OF REMARKS

OF

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 23, 1965

Mr. WOLFF. Mr. Speaker, the national attention is turned this week to a document of grand purpose and noble design—the Constitution of the United States. For this is Constitution Week, established by presidential proclamation, to encourage citizens to learn more about our Constitution and to build and cite good citizenship.

Ours is a country dedicated to law and order and respect for individual rights, which our Constitution guarantees. It is this alone that sets us apart, as the luckiest people on the face of the earth.

It is appropriate, therefore, that 7 days of the year, at least, should be set aside in honor of that great and glorious instrument, the Federal Constitution.

The democratic experiment launched on these shores almost two centuries ago, has provided us with many blessings. At the basis of that experiment and those blessings stands our Constitution.

Democracy remains the greatest experience of all mankind, and the American Constitution is. in many respects, the father of democracy as it is known to the world today. Let us hail this week that great, remarkable declaration of human rights, the Federal Constitution. Long may it prevail.

Data on Farmers Home Administration Loans

EXTENSION OF REMARKS

OF

HON. W. R. POAGE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 23, 1965

Mr. POAGE. Mr. Speaker, believing it might add to an understanding of the activities of the FHA in connection with the loans authorized by the bill H.R. 10232, which the House has just approved, I present the following tables:

Insured loan obligations by fiscal year [1]

Fiscal year	Insured loan ceiling	Amount of obligations
1961	$150,000,000	$26,777,298
1962	150,000,000	149,928,255
1963	200,000,000	199,999,708
1964	200,000,000	199,970,710
1965	200,000,000	199,999,540

[1] Includes farm ownership and soil and water loans to individuals; also to associations for community water systems, other soil and water purposes, and for shifts in land use.

NEED FOR FUNDS

The Department has advised that applications for $84,024,395 in farmownership loans were held over from fiscal 1965 because of lack of funds, and that it estimates new applications in fiscal 1966 for farmownersl loans which would be made but for lack of funds at $345,975,605, or a total demand for farmownership loans for 1966 of $430 million. It also estimates applications for association loans under section 306 in its present form during fiscal 1966 at $361,071,850, making a total demand by qualified applicants of over $791 million.

RECORD OF REPAYMENT

Association loans: As of January 1, 1965, the most recent date for which we have figures, there were 883 association loans outstanding in the amount of $77,825,180, and 97 percent of the maturities due on that date had been met. Of the $85,588,010 loaned to 933 associations—the reason for the difference being that some have paid in full—since the inception of this program in 1938, only $5,769 has been charged off as a loss. At the same time, associations have repaid more than $7 million in interest.

Farmownership loans: As of March 31, 1965, the most recent date for which we have figures, there were 79,992 farmownership